

**REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS  
SEPTEMBER 30, 2009**



**UNIVERSITY OF GUAM**

## UNIVERSITY OF GUAM

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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To the Board of Commissioners  
**University of Guam**  
Mangilao, Guam

We have audited the financial statements of University of Guam (the University), as of and for the year ended September 30, 2009, and have issued our report thereon dated February 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered University of Guam's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University of Guam's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University of Guam's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University of Guam's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the University of Guam's financial statements that is more than inconsequential will not be prevented or detected by the University of Guam's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University of Guam's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether University of Guam's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non compliance or other matters that are required to be reported under *Government Auditing Standards* except as disclosed in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

We noted certain matters that we reported to management of University of Guam, in a separate letter dated February 18, 2010.

University of Guam's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit University of Guam's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, Board of Regents, the Office of Public Accountability of Guam, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
February 18, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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To the Board of Regents  
**University of Guam**  
Mangilao, Guam

*Compliance*

We have audited the compliance of University of Guam (The University) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of University of Guam's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about University of Guam's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of University of Guam's compliance with those requirements.

In our opinion, University of Guam complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

### *Internal Control Over Compliance*

The management of University of Guam is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A control deficiency in an organization's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### *Schedule of Expenditures of Federal Awards*

We have audited the financial statements of the University of Guam, as of and for the year ended September 30, 2009, and have issued our report thereon February 18, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the University of Guam's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

University of Guam's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit University of Guam's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Regents, the Office of Public Accountability of Guam, others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.



Boise, Idaho  
February 18, 2010

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

<u>Federal Grantor Agency</u>	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Accrued (Deferred) Balance at September 30, 2009
U.S. Department of Agriculture	\$ 1,061,513	\$ 3,808,163	\$ 3,846,690	\$ 1,022,986
U.S. Department of Commerce	190,450	571,382	621,922	139,910
U.S. Department of Defense	-	260,900	180,897	80,003
U.S. Department of Interior	171,316	658,111	678,924	150,503
U.S. Department of Justice	5,153	93,351	74,076	24,428
U.S. Department of Labor	45,265	-	-	45,265
U.S. Department of Transportation	-	6,637	-	6,637
U.S. Department of Treasury	-	6,638	6,638	-
National Science Foundation	221,352	134,169	234,404	121,117
Small Business Administration	130,220	567,657	582,108	115,769
U.S. Environmental Protection Agency	(2,060)	2,020	-	(40)
U.S. Department of Education	87,016	17,452,319	17,594,272	(54,937)
U.S. Department of Health and Human Services	359,289	3,767,522	3,392,098	734,713
<b>GRAND TOTAL</b>	<u><u>\$ 2,269,514</u></u>	<u><u>\$ 27,328,869</u></u>	<u><u>\$ 27,212,029</u></u>	<u><u>\$ 2,386,354</u></u>
Reconciliation to the financial statements:				
Accounts receivable - U.S. Government	\$ 1,883,829			\$ 2,386,354
Other receivables	385,685			-
Deferred revenue	-			-
Balance per schedule above	<u><u>\$ 2,269,514</u></u>			<u><u>\$ 2,386,354</u></u>
Federal grants and contracts revenues		\$ 28,986,271		
Indirect cost allocation		(1,597,207)		
Program income		<u>(60,195)</u>		
Balance per schedule above		<u><u>\$ 27,328,869</u></u>		

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Agriculture:					
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 95,105	\$ 343,457	\$ 302,402	\$ -	\$ 136,160
10.200	Grants for Agricultural Research, Special Research Grants	82,686	347,235	392,234	-	37,687
10.202	Cooperative Forestry Research	12,133	43,702	49,617	-	6,218
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	165,079	928,532	978,096	-	115,515
10.206	Grants for Agricultural Research: Competitive Research Grants	(2,451)	71,197	18,052	-	50,694
10.215	Sustainable Agriculture Research and Education	9,632	63,525	63,308	-	9,849
10.303	Integrated Programs	8,572	53,296	82,097	-	(20,229)
10.308	Resident Instruction Grants for Insular Area Activities	241,192	424,994	520,944	-	145,242
10.500	Cooperative Extension Service	279,488	1,479,286	1,268,841	-	489,933
10.680	Forest Health Protection	20,853	2,974	12,439	-	11,388
10.769	Rural Business Enterprise Grants	33,336	26,196	21,877	-	37,655
10.912	Environmental Quality Incentives Program - ANR USDA (CIG)	113,014	23,769	136,783	-	-
	Pass-through from University of Hawaii at Manoa:					
10.200	Grants for Agricultural Research, Special Research Grants	2,874	-	-	-	2,874
	U.S. Department of Agricultural Total	<u>\$ 1,061,513</u>	<u>\$ 3,808,163</u>	<u>\$ 3,846,690</u>	<u>\$ -</u>	<u>\$ 1,022,986</u>



**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

<u>Federal CFDA #</u>	<u>Federal Grantor/Program Title</u>	<u>Accrued (Deferred) Balance at September 30, 2008</u>	<u>Expenditures</u>	<u>Cash Receipts</u>	<u>Adjustments</u>	<u>Accrued (Deferred) Balance at September 30, 2009</u>
	Direct from the U.S. Department of Commerce:					
11.307	Pacific Center for Economic Initiatives	\$ 15,421	\$ 69,403	\$ 62,578	\$ -	\$ 22,246
11.417	Sea Grant Support	-	75,980	27,000	-	48,980
11.432	NOAA Joint and Cooperative Institutes	32,566	54,937	68,664	-	18,839
11.441	Regional Fishery Management Councils	(939)	22,293	22,880	-	(1,526)
11.463	Habitat Conversion	1,612	69,817	65,542	-	5,887
11.472	NOAA White Shrimps	-	25,632	15,277	-	10,355
11.481	Educational Partnership Program	12,910	96,718	109,628	-	-
	Pass-through from Government of Guam Bureau of Statistics and Planning:					
11.419	Coastal Zone Management Administration Awards	55,618	112,119	128,727	-	39,010
11.426	Financial Assistance for National Centers for Coastal Ocean Science	73,262	44,483	121,626	-	(3,881)
	U.S. Department of Commerce Total	<u>\$ 190,450</u>	<u>\$ 571,382</u>	<u>\$ 621,922</u>	<u>\$ -</u>	<u>\$ 139,910</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Defense:					
12.002	Department of Defense	\$ -	\$ 260,900	\$ 180,897	\$ -	\$ 80,003
	U.S. Department of Defense Total	<u>\$ -</u>	<u>\$ 260,900</u>	<u>\$ 180,897</u>	<u>\$ -</u>	<u>\$ 80,003</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of the Interior:					
15.805	Assistance to State Water Resources Research Institutes	\$ 27,080	\$ 230,407	\$ 228,284	\$ -	\$ 29,203
15.FFB	Cycas Micronesia Protection from Asian Cycad	(822)	-	-	-	(822)
	Pass-through from Government of Guam Department of Agriculture:					
15.605	Fish and Wildlife Management Assistance	123,917	292,566	351,350	-	65,133
15.608	Fish and Wildlife Management Assistance	7,242	25,619	15,441	-	17,420
15.611	Wildfire Restoration	2,909	497	11,865	-	(8,459)
	Pass-through from Government of Guam Bureau of Statistics and Planning:					
15.649	Service Training and Technical Assistance	13,509	21,491	31,784	-	3,216
15.225	Recreation Resource Management	(1,862)	-	-	-	(1,862)
15.875	Economic, Social and Political Development of the Territories and the Freely Associated States	74	87,531	40,200	-	47,405
	Pass-through from Government of Guam War Claims:					
15.904	Historic Preservation Fund Grants-in-Aid	(731)	-	-	-	(731)
	U.S. Department of the Interior Total	<u>\$ 171,316</u>	<u>\$ 658,111</u>	<u>\$ 678,924</u>	<u>\$ -</u>	<u>\$ 150,503</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Justice:					
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	\$ 5,153	\$ 93,351	\$ 74,076	\$ -	\$ 24,428
	U.S. Department of Justice Total	<u>\$ 5,153</u>	<u>\$ 93,351</u>	<u>\$ 74,076</u>	<u>\$ -</u>	<u>\$ 24,428</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Labor:					
17.269	Workforce Investment Agency Community Based Job Training	\$ 45,265	\$ -	\$ -	\$ -	\$ 45,265
	U.S. Department of Labor Total	<u>\$ 45,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,265</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Transportation:					
20.761	Customizing Biodiesel	\$ -	\$ 6,637	\$ -	\$ -	\$ 6,637
	U.S. Department of Transportation Total	<u>\$ -</u>	<u>\$ 6,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,637</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Treasury:					
21.008	Guam Low Income Taxpayer Clinic	\$ -	\$ 6,638	\$ 6,638	\$ -	\$ -
	U.S. Department of Treasury Total	<u>\$ -</u>	<u>\$ 6,638</u>	<u>\$ 6,638</u>	<u>\$ -</u>	<u>\$ -</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from National Science Foundation:					
47.074	Biological Sciences	\$ 149,756	\$ 134,169	\$ 234,404	\$ -	\$ 49,521
47.076	Education and Human Resources	71,596	-	-	-	71,596
	National Science Foundation Total	<u>\$ 221,352</u>	<u>\$ 134,169</u>	<u>\$ 234,404</u>	<u>\$ -</u>	<u>\$ 121,117</u>



**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from Small Business Administration:					
59.037	Small Business Development Center	\$ 130,220	\$ 567,657	\$ 582,108	\$ -	\$ 115,769
	Small Business Administration Total	<u>\$ 130,220</u>	<u>\$ 567,657</u>	<u>\$ 582,108</u>	<u>\$ -</u>	<u>\$ 115,769</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Environmental Protection Agency:					
	Pass-through from Guam Environmental Protection Agency:					
66.600	Environmental Protection Consolidated Grant - Guam Yard	\$ (2,060)	\$ 2,020	\$ -	\$ -	\$ (40)
	U.S. Environmental Protection Agency Total	<u>\$ (2,060)</u>	<u>\$ 2,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40)</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
Direct from the U.S. Department of Education:						
84.007	Federal Supplemental Educational Opportunity Grant	\$ -	\$ 117,550	\$ 99,083	\$ -	\$ 18,467
84.032	Federal Family Education Loan	(381,322)	8,183,895	8,288,118	-	(485,545)
84.033	Federal Work-Study Program	73,527	372,849	393,088	-	53,288
84.033	Federal Work-Study Program - ARRA	-	79,200	79,200	-	-
84.042	TRIO: Student Support Services	21,944	281,314	285,198	-	18,060
84.044	TRIO: Talent Search	44,091	335,859	356,125	-	23,825
84.047	TRIO: Upward Bound	27,651	384,699	378,820	-	33,530
84.063	Federal Pell Grant Program	415,777	4,767,931	4,872,335	-	311,373
84.120	Minority Science and Engineering Improvement Project	-	1,000	1,000	-	-
84.186	Youth at Risk	-	33,586	-	-	33,586
84.195	Bilingual Education: Professional Development	19,181	306,008	285,737	-	39,452
84.215	GPSS Project Menhalom	(139,695)	146,089	150,492	-	(144,098)
84.224	Assistive Technology	37,687	141,327	163,572	-	15,442
84.235	Rehabilitation Services Demonstration and Training Program	(4,601)	4,601	-	-	-
84.268	Federal Direct Student Loans	492	218,685	188,777	-	30,400
84.325	Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities	33,404	69,679	103,083	-	-
84.327	Pacific CIMAP	264,779	341,043	606,337	-	(515)
84.336	Teacher Quality Enhancement Grants - Ceddars/HATSA	(402,825)	260,008	-	-	(142,817)
84.373	Special Education: Technical Assistance on State Data Collection	183,628	877,765	799,995	-	261,398
84.375	US DOE ACG/National Smart	1,875	18,525	21,700	-	(1,300)
Pass-through from Guam Department of Education and Federated States of Micronesia:						
84.027	Special Education - Grants to States	(65,154)	195,586	148,891	-	(18,459)
84.181	Special Education - Grants for Infants and Families with Disabilities	(21,833)	21,103	13,000	-	(13,730)
84.366	Mathematics and Science Partnership	(20,369)	-	-	-	(20,369)
Balance Forward		<u>\$ 88,237</u>	<u>\$ 17,158,302</u>	<u>\$ 17,234,551</u>	<u>\$ -</u>	<u>\$ 11,988</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Education: Balance Forward	\$ 88,237	\$ 17,158,302	\$ 17,234,551	\$ -	\$ 11,988
84.229	Pass-through from Commonwealth of the Northern Mariana Islands: Language Resource Centers	(11,940)	-	-	-	(11,940)
84.264	Pass-through from San Diego State University: Rehabilitation Training - Continuing Education	371	-	-	-	371
84.326	Pass-through from University of South Florida and University of Oregon: Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	10,348	294,017	359,721	-	(55,356)
	U.S. Department of Education Total	<u>\$ 87,016</u>	<u>\$ 17,452,319</u>	<u>\$ 17,594,272</u>	<u>\$ -</u>	<u>\$ (54,937)</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Health and Human Services:					
93.251	Universal Newborn Hearing Screening	\$ 27,835	\$ 125,832	\$ 130,000	\$ -	\$ 23,667
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	39,344	271,997	219,747	-	91,594
93.375	NIH Rise Program	15,568	357,752	339,820	-	33,500
93.397	Cancer Centers Support Grants	32,026	399,628	328,237	-	103,417
93.399	Cancer Register	-	12,902	-	-	12,902
93.631	AVP - Cadders	-	127,650	94,724	-	32,926
93.632	University Centers for Excellence in Developmental Disabilities - Education, Research and Service	60,906	562,815	463,368	-	160,353
93.859	Minority Biomedical Research Support	12,127	126,861	122,876	-	16,112
93.988	Behavioral Risk	27,211	12,623	39,834	-	-
94.006	Corporation for National & Community Svs. - Americorps	52,983	414,349	338,955	-	128,377
	Pass-through from Government of Guam Division of Senior Citizens:					
93.052	National Family Caregiver Support	(103,170)	511,118	472,704	-	(64,756)
	Pass-through from University of California, San Diego:					
93.866	Aging Research	50,107	37,968	84,896	-	3,179
	Pass-through from Government of Guam Department of Mental Health and Substance Abuse:					
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	4,518	237,956	204,052	-	38,422
93.243	Substance Abuse & Mental Health Svs. - Suicide Prevention	8,319	92,597	79,162	-	21,754
93.959	Block Grants for Prevention and Treatment of Substance Abuse	(8,276)	-	-	-	(8,276)
93.110	Maternal & Child Health Federal Consolidated Programs	102,810	163,972	218,750	-	48,032
	Balance Forward	<u>\$ 322,308</u>	<u>\$ 3,456,020</u>	<u>\$ 3,137,125</u>	<u>\$ -</u>	<u>\$ 641,203</u>

**UNIVERSITY OF GUAM**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2008	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2009
	Direct from the U.S. Department of Health and Human Services: Balance Forward	322,308	3,456,020	3,137,125	-	641,203
	Pass-through from Government of Guam Department of Public Health and Social Services:					
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	39,733	308,750	254,973	-	93,510
	Pass-through from Government of Guam Department of Integrated Services for Individuals with Disabilities:					
93.779	Centers for Medicare and Medicaid Services (CMS) - Research, Demonstrations and Evaluations	(2,752)	2,752	-	-	-
	U.S. Department of Health and Human Services Total	<u>359,289</u>	<u>3,767,522</u>	<u>3,392,098</u>	<u>-</u>	<u>734,713</u>
	Grand Total	<u>\$ 2,269,514</u>	<u>\$ 27,328,869</u>	<u>\$ 27,212,029</u>	<u>\$ -</u>	<u>\$ 2,386,354</u>

**UNIVERSITY OF GUAM**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2009**

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**NOTE 1 – BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards presents the activity includes the federal grant activity of the University and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

**NOTE 2 – MAJOR PROGRAMS**

Major programs are identified in the summary of Auditor’s Results section of the Schedule of Findings and Questioned Costs.

The following program has been identified as major programs for the year ended September 30, 2009:

<u>Program or Cluster</u>	<u>CFDA Number</u>
U.S. Department of Education Direct Programs	
Federal Family Education Loans	84.032
Pell Grant	84.063
Supplemental Education Opportunity Grant	87.007
College Work Study Program	84.033
ACG Grant	84.375
Federal Direct Loan	84.268
 U.S Department of Education TRIO Programs	
TRIO: Student Support Services	84.042
TRIO: Talent Search	84.044
TRIO: Upward Bound	84.047
 Payments to Agricultural Experimental Stations	
Under Hatch Act	10.203
 Cooperative Extension Service	10.500

**UNIVERSITY OF GUAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2009**

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**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

Material weakness identified No

Significant deficiencies identified not considered to be material weaknesses Yes

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major programs:

Material weakness identified No

Significant deficiencies identified not considered to be material weaknesses None Reported

Type of auditors' report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) Yes

Identification of major programs:

Name of Federal Program or Cluster CFDA number

U.S. Department of Education Direct Programs	
Federal Family Education Loans	84.032
Pell Grant	84.063
Supplemental Education Opportunity Grant	84.007
College Work Study Program	84.033
ACG Grant	84.375
Federal Direct Loan	84.268



**UNIVERSITY OF GUAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2009**

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U.S. Department of Education TRIO Programs	
TRIO: Student Support Services	84.042
TRIO: Talent Search	84.044
TRIO: Upward Bound	84.047
Payments to Agricultural Experimental Stations Under Hatch Act	10.203
Cooperative Extension Service	10.500
Special Education: Technical Assistance on State Data Collection	84.373
Dollar threshold used to distinguish between Type A and Type B programs	\$807,866
Auditee qualified as low-risk auditee	Yes

**Section II - Financial Statement Findings**

Significant Deficiencies

2009-1 Financial Close Process

Condition – As a result of changes in accounting personnel, the implementation of a quicker close, and an earlier audit schedule, certain adjustments were discovered.

Criteria – The internal control structure should include monitoring procedures that ensure a more timely processing of year end transactions.

Cause – The controls currently in place were not sufficient to detect the misstatements to the trial balance.

Effect – The trial balance provided for the audit was misstated.

Recommendation – The client should examine current controls and make necessary changes to ensure that all adjustments are included in the trial balance.

Management's Response - The General Ledger (GL) at the end of each fiscal year is normally kept open for at least 75 days to accommodate receipt and processing of invoices received from the various departments. This fiscal year end, the GL closing procedures were accelerated to make way for an early audit. The GL closed early November 2009, a month early. This has caused some invoices from other units to be excluded from the Trial Balance and have necessitated the recording of these transactions as adjusting entries instead of as regular entries.

**UNIVERSITY OF GUAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2009**

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**Corrective Action Plan (CAP)**

Actions Planned in Response to Finding - The University shall alert all the units 2 months before the year-end and shall send weekly reminders within 30 days from September 30 to ensure all units are aware of the General Ledger closing deadlines. For invoices received by the Business Office with incomplete receiving documents, the various units shall certify these commitments so that the Business office is able to record them as liabilities as of the end of the fiscal year.

Explanation of Disagreement – There is no disagreement.

Official Responsible for Ensuring Corrective Action – General Accounting Supervisor

Planned Completion for Correction Action - Immediate implementation and reminders 30 days before year end and within 30 days thereafter.

Plan to Monitor Completion of Corrective Action – Reminders 30 days before year end and within 30 days thereafter.

**Section III – Federal Award Findings and Questioned Costs**

2009-2 – CFDA 10.203 - Payments to Agricultural Experimental Stations Under Hatch Act

Condition – During testing it was noted that there was one employee that was being reimbursed under this grant for one hundred percent of their salary; however the individual did not spend one hundred percent of his/her time on this particular grant.

Questioned Cost –\$15,709.

Cause – The controls that were currently in place did not detect the incorrect grant coding of the grant expenses.

Effect – The University was reimbursed in excess of the actual expenditures incurred under the grant.

Recommendation – Expenditures submitted for reimbursement should be reviewed to verify that the expenditures being submitted for reimbursement are actually valid expenditures incurred under the grant.

Management's Response - We concur with this finding. During FY2008/2009, the employee in question worked for the principal investigator for the hatch grant "*Characterization of the Species Corynespora Cassiicola and its Impact on Quarantine Regulations*" that expired FY2008. As a result of an oversight, this grant was not extended for FY2008/2009.

**Corrective Action Plan (CAP)**

Actions Planned in Response to Finding - No work will be performed until a new Hatch project is approved. Meanwhile, for the coming fiscal year, AES will actively apply for a new grant to address the need for this research work. AES will involve a Grant Accountant to assist in monitoring the grant activity to ensure grant requirements are followed.

**UNIVERSITY OF GUAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2009**

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Explanation of Disagreement – There is no disagreement.

Official Responsible for Ensuring Corrective Action – Dr. Greg Weicko, Acting Associate Director CNAS-WPTRC

Planned Completion for Correction Action - Continuous monitoring of grant activities throughout the grant period.

Plan to Monitor Completion of Corrective Action – Continuous monitoring of grant activities throughout the grant period.