



Guam Community College FY 2011 Financial Highlights

March 5, 2012

The Guam Community College (GCC) closed Fiscal Year (FY) 2011 with an \$8.6 million (M) increase in net assets, nearly doubling its FY 2010's \$4.4M increase in net assets. This was mainly due to increases in Pell grants, American Recovery and Reinvestment Act (ARRA) grants and other federal grants, and an increase in student enrollment and tuition and fees.

Independent auditors Deloitte & Touche, LLP gave GCC an unqualified "clean" opinion on its FY 2011 financial statements and its compliance and internal controls. There was one significant deficiency pertaining to a lack of procurement documentation, but no questioned costs were identified. GCC also continued to maintain low-risk status for the 11th consecutive fiscal year, and is again commended for maintaining this status.

Increase in Revenues

Revenues were \$40.8M in FY 2011, an increase of \$6.9M or 21% from the \$33.8M in FY 2010. This was mainly due to the \$3.1M or 31% increase in Federal grants and contracts, which went from \$9.9M in FY 2010 to \$13M in FY 2011. Of the \$12M received, \$7.5M came from ARRA. There was also a \$1.2M or 24% increase in Student tuition and fees, which went from \$5.2M in FY 2010 to \$6.4M in FY 2011. Student tuition increased from \$110 to \$130 per credit hour, and there were marked increases in the post secondary enrollment for the Spring 2011 and Fall 2011 of 9.5% and 1%, respectively, as compared to prior 2010 semesters. Contributions from U.S. government had a \$4.5M or 197% increase, going from \$2.3M in FY 2010 to \$6.8M in FY 2011. Other revenues of \$1.4M consists of the \$1M transfer from the GCC Foundation.

Increase in Expenses

The increase in revenues was enough to offset the increase in expenses, which increased by \$2.8M or 9.5% from \$29.4M in FY 2010 to \$32.2M in FY 2011. The increase in expenses was mainly attributed to the \$1.1M or 23% increase in Scholarships and fellowships, which went from \$4.9M in FY 2010 to \$6.1M in FY 2011 and increases in Academic support and Planning. Academic support increased by \$543 thousand (K) or 29%, going from \$1.8M in FY 2010 to \$2.4M in FY 2011. Planning increased by \$547K or 55%, going from \$1M in FY 2010 to \$1.5M in FY 2011. Salaries and wages increased by \$1.3M or 8%, and the amount of full time employees increased by 14. Of this amount, federal funded salaries and benefits increased by \$400K for 7 new employees.

GCC Foundation

The GCC Foundation is a legally separate, private corporation that meets the criteria for reporting as a component unit of the College. The foundation, audited by Deloitte and Touche, LLP, recorded a decrease in net assets of \$823K, a 265% decline from the prior year's \$499K increase. Total investments were \$6.7M compared to \$7.5M, a decline of \$822K. The decline in

major part was due to the transfer to GCC and an investment loss of \$102K. As previously mentioned, the foundation transferred \$1M to GCC as compared to \$362K in FY 2010.

Report on Compliance

Independent auditors rendered an unqualified “clean” opinion on the report on compliance and internal control, but identified one significant deficiency related to the lack of procurement documentation in accordance with its procurement process.

For more details, refer to the Management Discussion and Analysis in the audit report at www.guamopa.org and www.guamcc.edu.