



OFFICE OF PUBLIC ACCOUNTABILITY

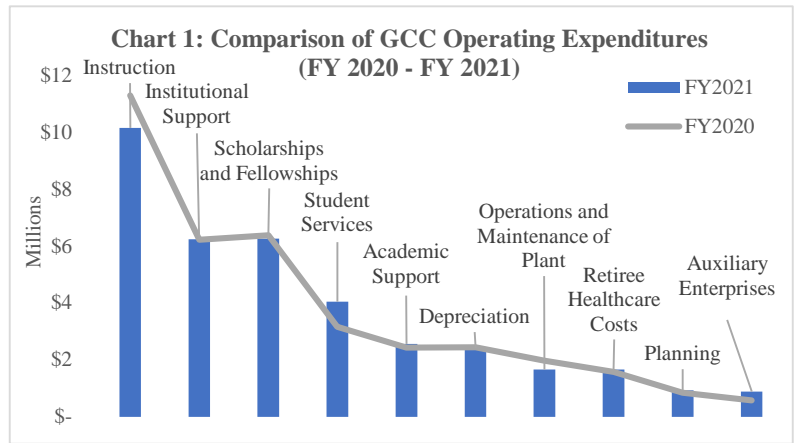
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Guam Community College – FY 2021 Financial Highlights

April 6, 2022

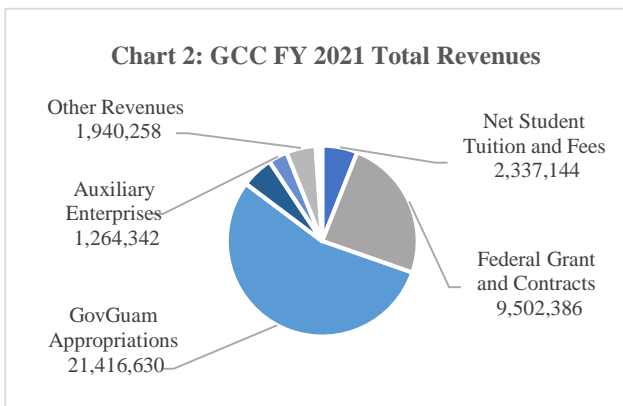
Hagåtña, Guam – The Office of Public Accountability has released the Guam Community College’s (GCC) financial statements, reports on compliance and internal control, and the auditor’s communication with those charged with governance for fiscal year (FY) 2021. Independent auditors Deloitte & Touche LLP rendered an unmodified (clean) opinion on GCC’s financial statements and compliance over major federal programs. GCC is commended for qualifying as a low-risk auditee for the 21st consecutive year and is the only Government of Guam (GovGuam) agency to do so.

In FY 2021, GCC experienced a negative change in net position of \$2.9 million (M) which was more than double the negative change of \$1.2M in FY 2020. This resulted from an increase in net operating revenues of \$358 thousand (K); a decrease in operating expenses of \$60K; a decrease in net non-operating revenues of \$2.1M; and an increase in bad debt expense of \$103K. GCC closed FY 2021 with a negative net position of \$34.3M, from the previous negative net position of \$31.3M.



Dependence on GovGuam Appropriations

GCC earned \$36.5M in total revenues, which consisted of GovGuam appropriations of \$21.4M (59%); federal grants and contracts of \$9.5M (26%); net student tuition and fees of \$2.3M (6%); auxiliary enterprises of \$1.3M (4%); and other revenues of \$1.9M (5%).



GCC’s budgeted FY 2021 GovGuam appropriations increased by \$824K (or 4%) from FY 2020’s budget of \$19.6M. GovGuam appropriations — which make up more than half of GCC’s revenues — continually serve as the funding source for the majority of GCC’s payroll and utility costs, as well as personnel costs for the postsecondary career and technical education programs held on the GCC campus and at the six secondary high schools. FY 2021 appropriations also included funding of \$200K for the debt service pertaining to the construction of Building 100 and the

expansion of the Director Gregorio G. Perez Forensic Lab, as well as an additional \$200K to

support high school students pursuing postsecondary education under the First Generation Trust Fund.

Although enrollment decreased compared to the prior year, net student tuition and fees increased by \$810K as more students were on a cash basis at the end of FY 2021. Federal grants and contracts decreased by \$891K due to a reduction in the Pell grant award from the previous year, and the ending of the TRIO grant (Student Support Services) in FY 2020. Lastly, auxiliary enterprises increased by \$504K due to an uptick in GCC's Bookstore sales.

Operations During the Coronavirus (COVID-19) Pandemic

Despite the challenges brought by the COVID-19 pandemic — primarily the sustained decline in student enrollment — GCC continued to improve its programs and campus facilities in FY 2021. GCC, in partnership with GovGuam and the private sector, expanded its work-ready boot camps to include additional career fields — healthcare, information technology, telecommunications, and transportation — alongside construction and development. Thirteen work-ready boot camps were started and completed during FY 2021.

The infusion of supplementary COVID-19 federal funding allowed GCC to provide direct and additional opportunities for emergency financial aid to students; support for faculty development associated with distance learning; technological devices for students' use; and personal protective equipment needed for the health and safety of the campus community. GCC also completed the construction of a new solar-powered covered walkway that connects Buildings C and D.

GCC Foundation

The GCC Foundation (Foundation) is a non-profit, public benefit corporation, which operates under a separate Board of Governors from that of GCC. The Foundation closed FY 2021 with an increase in net assets (net income) of \$5.1M, compared to FY 2020's net income of \$1M. Net income during the year primarily consisted of \$2.4M in net investment gains, followed by \$2.1M in contributions from GCC. GCC transferred the entirety of its \$2.1M in time certificate of deposit to the Foundation to be invested on behalf of GCC for capital projects.

The Foundation's expenditures decreased to \$241.7K in FY 2021 from \$327.9K in FY 2020. Factors contributing to the cost reduction include decreases in payments to GCC, scholarships, fundraising, and professional services expenses.

Report on Compliance and Internal Control

Independent auditors did not identify any material weaknesses in its report on internal control over financial reporting and compliance over major federal programs. Additionally, there were no findings and questioned costs reported with regards to its federal awards.

For more details on GCC's operations, refer to the Management's Discussion and Analysis in the audit report at www.opaguam.org and www.guamcc.edu.