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16th clean audit highlights GCC's fiscal responsibility

The Guam Office of Public Accountability on Monday commended the Guam Community College for being the only government agency to qualify as a low-risk auditee for the 16th consecutive fiscal year. "No material weaknesses or significant deficiencies were identified," according to the OPA's FY 2016 Financial Highlights for GCC. "Additionally, no Management Letter was deemed necessary,"

"We realize that 16 years of clean audits may seem mundane to many people," said Dr. Mary Okada, GCC President, "but we'll take this kind of monotony any day, as we hope will our students and the taxpayers and donors that support GCC."

The OPA highlights acknowledged GCC's ability to maintain financial solvency in the face of continued dependency on GovGuam "to pay for personnel costs at the GCC campus and at the six secondary high schools and the post-secondary programs."

In addition to maintaining 22 associate degree and 18 certificate programs, GCC also offers 10 career and technical education programs in Guam's public high schools and provides pathways from those programs into its postsecondary programs.

"Public Law 31-99 mandates GCC to provide career and technical education programs in Guam's public high schools, hence, 49 instructional and noninstructional faculty at each of the six public schools are under GCC's funding and pay structure," according to the OPA highlights.

The highlights noted that GCC closed FY 2016 with an increase in net income of \$864,000, a \$6M *decrease* from FY 2015's net income of \$6.9M. In FY 2016, the highlights noted, total revenues were \$37.6M, a decline of \$3.7M or 9% from prior year's \$41.3M, "due to decrease in contributions from U.S. Government, uncollected GovGuam appropriations, and decrease in auxiliary enterprises."

GCC's total FY 2016 expenditures were \$36.6M, as compared to \$34.3M in FY 2015, an increase of \$2.3M. Pension expense adjustments accounted for most of the increase, except for \$505K in salaries and wages due to regular increments and additional employees, according to the highlights.

"Our fiscal strength," added Okada, "is our ability to use our financial leverage and federal grant money to move forward with campus projects, while at the same time being fiscally conservative with local funding so that we are able to meet our financial obligations," said Dr. Mary Okada, GCC president. "Further, we greatly appreciate the support of the Calvo administration in working with GCC to ensure that our accreditation status is not affected by the government's financial challenges."

The audit highlights acknowledged GCC's success in obtaining federal grants and loans to expand and improve campus facilities, noting the opening of Building E in December 2014 and its subsequent

designation as Leadership in Energy and Environmental Design (LEED) Gold in FY 2016, and the groundbreaking in September 2016 for the renovation and expansion of Building 100.

“The employees of our Finance & Administration Division deserve much of the credit for our 16th clean audit,” said Carmen K. Santos, CPA, GCC VP of Finance & Administration. “They are the front line in making sure that we follow responsible fiscal procedures, and they are always looking for new ways to improve our processes while still safeguarding our financial status,” she said.

“Senator San Agustin, Speaker Cruz, and former Speaker Won Pat have been champions for GCC in the legislature and we are grateful for their support,” Okada added. “Our Board of Trustees and our Foundation Board of Directors also deserve credit for being guardians of our responsible fiscal policy,” she said.

Full details of the OPA audit of GCC for FY 2016 are available at www.guamopa.org, under the link: <http://www.opaguam.org/reports-audits/financial-audits>.

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