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Conservation measures help GCC achieve 13th clean audit

Guam Community College continues its clean audit streak with a 13th clean bill of financial health from independent auditors Deloitte & Touche, LLP, according to the Guam Office of Public Accountability. “No material weaknesses or significant deficiencies were identified. GCC is to be commended again for having maintained its qualification as a low-risk auditee for the 13th consecutive fiscal year,” states the OPA report. The OPA also notes that conservation measures put in place allowed the institution to realize \$70,000 in utility savings. “GCC is to be commended for its initiative in energy conservation,” the report states.

The report notes that although GCC closed Fiscal Year (FY) 2013 with a \$3.2 million increase in net income, the college’s revenues fell \$3 million from those of FY 2012, mainly because of decreases in federal and government of Guam grants and contracts. Federal grants and contracts decreased by 29.4% or \$4.9 million, according to the OPA report, and GovGuam grants and contracts decreased by \$50,000 in FY 2013. The federal decrease was due mainly to the completion of projects funded under the American Recovery and Reinvestment Act (ARRA) in the first quarter of FY 2012 and the receipt of remaining ARRA funds in the beginning of FY 2013.

GCC did receive an 11% increase in its local appropriations from GovGuam, from \$14.6M in FY 2012 to \$16.2M in FY 2013.

“We are very grateful to the senators of the 32nd Guam Legislature and the administration of Gov. Eddie Calvo for their support of our operations here at GCC, and to our Board of Trustees and our Foundation Board of Governors. We could not fulfill our workforce development mission without them,” said Dr. Mary Okada, GCC president.

“I am also very proud of the team here at GCC. Our success in maintaining our low risk status is a team effort as far as educating employees on the processes and accountability guidelines,” said Okada. “Everyone knows the rules and everyone follows the rules to ensure that the financial arm of the college runs smoothly and efficiently.”

GCC’s operating expenses decreased by \$3.9 million, due mainly to the timing and payment of scholarships, and to fiscal conservation measures the college implemented to save nearly \$600,000 in operations and maintenance costs. The report notes that aside from the reduction of contractual operating costs for maintenance, grass cutting, telephone, and insurance, GCC also employed lighting retrofits, standardized temperature settings, and other energy conservation measures to save power.

“These measures were identified in our February 2011 energy audit. Implementing them allowed us to lower our utility bills by \$70,000,” according to Carmen K. Santos, CPA, GCC VP of Finance & Administration.

“The FY13 audit report shows the college’s continued efforts to maximize resources and maintain its accountability and transparency to the island community,” said Santos. “We would like to acknowledge and thank all our employees for their hard work and efforts to help ensure that GCC maintains its low-risk status,” she added.

The audit notes that due to the decline in the construction industry and the delay of the military buildup, collections from the Manpower Development Fund (MDF) were down by 47%. The MDF supports the GCC Apprenticeship program, which served 492 apprentices over 93 active employers in Fall 2013.

Looking toward the future, the audit notes that the addition of career and technical education programs at the new, upcoming high school at Tiyan “would require funding (for personnel and equipment) that is not in GCC’s FY 2014 budget.” GCC currently provides 10 CTE programs in the island’s five public high schools.

The OPA audit of GCC for FY 2013 is available at www.guamopa.org.

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For more information, contact Jayne Flores, GCC Asst. Director of Communications & Promotions, at 735-5638 (office), 483-6409 (cell) or via email at jayne.flores@guamcc.edu.