

UNIVERSITY OF GUAM

**INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE WITH LAWS AND REGULATIONS**

YEAR ENDED SEPTEMBER 30, 2007

UNIVERSITY OF GUAM
SINGLE AUDIT REPORTS
YEAR ENDED SEPTEMBER 30, 2007

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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*

The Board of Regents
University of Guam

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the University of Guam, as of and for the year ended September 30, 2007 which collectively comprise the University of Guam's basic financial statements and have issued our report thereon dated May 16, 2008. 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 the 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 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 University of Guam's financial statements that is more than inconsequential will not be prevented or detected by 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 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 noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of University of Guam in a separate letter dated May 16, 2008.

This report is intended solely for the information and use of management, the Board of Regents, others within the entity, 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.

Burg & Comer, P.C.

Tamuning, Guam

May 16, 2008

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

The Board of Regents
University of Guam

Compliance

We have audited the compliance of the University of Guam 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, 2007. The University of Guam'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 University of Guam'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, 2007.

Internal Control Over Compliance

The management of the 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 University of Guam'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 University of Guam's internal control over compliance.

A control deficiency in an entity'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 entity'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 entity'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 entity'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 governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the University of Guam, as of and for the year ended September 30, 2007, and have issued our report thereon dated May 16, 2008. 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 are 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, others within the entity, 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 a matter of public record.

Buys & Conn, P.C.
Tamuning, Guam
May 16, 2008

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards
Year ended September 30, 2007

<u>Federal Grantor Agency</u>	Accrued (Deferred) Balance at September 30, 2006	<u>Expenditures</u>	Cash <u>Receipts</u>	Adjustments/ <u>Other</u>	Accrued (Deferred) Balance at September 30, 2007
U.S. Department of Agriculture	\$ 760,693	3,218,190	3,571,140	492	408,235
U.S. Department of Commerce	126,659	423,794	282,648	(55,501)	212,304
U.S. Department of the Interior	120,974	802,946	817,466	-	106,454
U.S. Department of Labor	(96,709)	429,221	295,423	-	37,089
U.S. Department of Transportation	-	29,784	7,000	-	22,784
U.S. Department of Treasury	-	14,518	-	-	14,518
National Science Foundation	64,633	203,003	67,145	-	200,491
Small Business Administration	74,035	491,409	470,485	-	94,959
U.S. Environmental Protection Agency	16,416	29,719	16,249	(21,419)	8,467
U.S. Department of Education	300,682	15,358,918	15,575,220	(7,671)	76,709
U.S. Department of Health and Human Services	<u>498,690</u>	<u>3,578,678</u>	<u>3,726,357</u>	<u>91,395</u>	<u>442,406</u>
 GRAND TOTAL	 <u>\$ 1,866,073</u>	 <u>24,580,180</u>	 <u>24,829,133</u>	 <u>7,296</u>	 <u>1,624,416</u>
 Reconciliation to the financial statements:					
Accounts receivable - U.S. Government	\$ 1,131,511				996,732
Other receivables	764,457				866,023
Deferred revenue	(56,029)				(238,339)
Other local contracts	<u>26,134</u>				<u>-</u>
 Balance per schedule above	 <u>\$ 1,866,073</u>				 <u>\$ 1,624,416</u>
 Federal grants and contracts revenues		\$ 25,301,423			
Indirect cost allocation		(738,017)			
Program income		(126,532)			
Timing difference in revenue recognition		<u>143,306</u>			
 Balance per schedule above		 <u>\$ 24,580,180</u>			

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards
Year ended September 30, 2007

		Accrued (Deferred) Balance at September <u>30, 2006</u>	<u>Expenditures</u>	Cash <u>Receipts</u>	<u>Adjustments</u>	Accrued (Deferred) Balance at September <u>30, 2007</u>
Federal CFDA #	Federal Grantor/Program Title					
	Direct from the U.S. Department of Agriculture:					
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 6,118	63,457	42,297	-	27,278
10.200	Grants for Agricultural Research, Special Research Grants	171,689	706,896	769,507	484	109,562
10.202	Cooperative Forestry Research	15,911	21,591	34,910	-	2,592
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	148,086	788,258	888,654	-	47,690
10.206	Grants for Agricultural Research: Competitive Research Grants	(2,453)	1,502	1,500	-	(2,451)
10.220	Higher Education Multicultural Scholars Program	6,484	16,585	20,015	-	3,054
10.303	Integrated Programs	22,973	109,115	122,539	-	9,549
10.308	Resident Instruction Grants for Insular Area Activities	35,941	148,688	179,906	-	4,723
10.500	Cooperative Extension Service	316,846	1,192,752	1,364,773	8	144,833
10.652	Forest Services	(40,934)	11,214	-	-	(29,720)
10.680	Forest Health Protection	10,436	47,288	46,259	-	11,465
10.769	Rural Business Enterprise Grants	806	9,900	806	-	9,900
10.912	Environmental Quality Incentives Program -ANR USDA (CIG)	28,089	66,205	58,841	-	35,453
10.912	Environmental Quality Incentives Program	(1,125)	-	-	-	(1,125)
	Pass-through from University of Hawaii at Manoa:					
10.200	Grants for Agricultural Research, Special Research Grants	<u>41,826</u>	<u>34,739</u>	<u>41,133</u>	<u>-</u>	<u>35,432</u>
	U.S. Department of Agriculture Total	<u>\$ 760,693</u>	<u>3,218,190</u>	<u>3,571,140</u>	<u>492</u>	<u>408,235</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal		Accrued (Deferred)		Cash		Accrued (Deferred)
CFDA # Federal Grantor/Program Title		Balance at September 30, 2006	Expenditures	Receipts	Adjustments	Balance at September 30, 2007
Direct from U.S. Department of Commerce:						
11.307	Pacific Center for Economic Initiatives	\$ -	77,685	54,909	-	22,776
11.417	Sea Grant Support	4,077	-	4,077	-	-
11.432	NOAA Joint and Cooperative Institutes	-	25,327	-	-	25,327
11.441	Regional Fishery Management Councils	-	10,432	-	-	10,432
11.463	Habitat Conversion	4,769	20,101	16,862	-	8,008
11.481	Educational Partnership Program	2,320	140,799	133,336	-	9,783
Pass through from Government of Guam Bureau of Statistics and Planning:						
11.419	Coastal Zone Management Administration Awards	63,234	60,922	64,128	(48,960)	11,068
11.426	Financial Assistance for National Centers for Coastal Ocean Science	<u>52,259</u>	<u>88,528</u>	<u>9,336</u>	<u>(6,541)</u>	<u>124,910</u>
U.S. Department of Commerce Total		<u>\$ 126,659</u>	<u>423,794</u>	<u>282,648</u>	<u>(55,501)</u>	<u>212,304</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

		Accrued (Deferred) Balance at September 30, 2006	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2007
Federal						
<u>CFDA #</u>	<u>Federal Grantor/Program Title</u>					
	Direct from U.S. Department of the Interior:					
15.805	Assistance to State Water Resources Research Institutes	\$ 111,859	270,884	376,376	-	6,367
15.FFB	Cycas Micronesica Protection from Asian Cycad	(33,000)	19,401	-	-	(13,599)
	Pass through from Government of Guam Department of Agriculture:					
15.605	Fish and Wildlife Management Assistance	-	36,174	9,294	-	26,880
15.611	Wildfire Restoration	1,183	14,455	-	-	15,638
15.608	Fish and Wildlife Management Assistance	(8,358)	22,316	14,651	-	(693)
	Pass through from Government of Guam Bureau of Statistics and Planning:					
15.225	Recreation Resource Management	(1,862)	-	-	-	(1,862)
15.875	Economic, Social and Political Development of the Territories and the Freely Associated States	51,883	22,571	-	-	74,454
	Pass through from Government of Guam Department of Administration:					
15.875	DOI Compact Impact Funds	-	417,145	417,145	-	-
	Pass through from Government of Guam War Claims:					
15.904	Historic Preservation Fund Grants-in-Aid	<u>(731)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(731)</u>
	U.S. Department of the Interior Total	<u>\$ 120,974</u>	<u>802,946</u>	<u>817,466</u>	<u>-</u>	<u>106,454</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal	Accrued (Deferred)	Accrued (Deferred)				Accrued (Deferred)
CFDA #	Federal Grantor/Program Title	Balance at September 30, 2006	Expenditures	Cash Receipts	Adjustments	Balance at September 30, 2007
	Direct from the U.S. Department of Labor:					
17.259	Workforce Investment Agency Youth Activities	\$ (79,125)	75,949	5,000	-	(8,176)
17.260	Workforce Investment Agency Dislocated Workers	(46,716)	200,315	153,599	-	-
17.269	Workforce Investment Agency Community Based Job Training	<u>29,132</u>	<u>152,957</u>	<u>136,824</u>	<u>-</u>	<u>45,265</u>
	Small Business Administration Total	<u>\$ (96,709)</u>	<u>429,221</u>	<u>295,423</u>	<u>-</u>	<u>37,089</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2006	<u>Expenditures</u>	Cash Receipts	<u>Adjustments</u>	Accrued (Deferred) Balance at September 30, 2007
	Direct from the U.S. Department of Transportation:					
20.514	DOA Gate Project	\$ -	29,784	7,000	-	22,784
	Department of Transportation Total	<u>\$ -</u>	<u>29,784</u>	<u>7,000</u>	<u>-</u>	<u>22,784</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal	Accrued (Deferred)	Balance at September 30, 2006	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2007
<u>CFDA #</u>	<u>Federal Grantor/Program Title</u>					
	Direct from the U.S. Department of Treasury:					
21.008	Guam Low Income Taxpayer Clinic	\$ -	14,518	-	-	14,518
	Department of Treasury Total	<u>\$ -</u>	<u>14,518</u>	<u>-</u>	<u>-</u>	<u>14,518</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal	Accrued (Deferred)	Balance at September	Cash	Accrued (Deferred)	Balance at September
<u>CFDA #</u> <u>Federal Grantor/Program Title</u>	<u>30, 2006</u>	<u>Expenditures</u>	<u>Receipts</u>	<u>Adjustments</u>	<u>30, 2007</u>
Direct from National Science Foundation:					
47.074 Biological Sciences	\$ 31,088	168,651	67,145	-	132,594
47.076 Education and Human Resources	<u>33,545</u>	<u>34,352</u>	<u>-</u>	<u>-</u>	<u>67,897</u>
	<u>\$ 64,633</u>	<u>203,003</u>	<u>67,145</u>	<u>-</u>	<u>200,491</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal CFDA #	Federal Grantor/Program Title	Accrued (Deferred) Balance at September 30, 2006	<u>Expenditures</u>	Cash Receipts	<u>Adjustments</u>	Accrued (Deferred) Balance at September 30, 2007
	Direct from Small Business Administration:					
59.037	Small Business Development Center	\$ 74,035	491,409	470,485	-	94,959
	Small Business Administration Total	<u>\$ 74,035</u>	<u>491,409</u>	<u>470,485</u>	<u>-</u>	<u>94,959</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal		Accrued (Deferred)				Accrued (Deferred)
CFDA #	Federal Grantor/Program Title	Balance at September 30, 2006	Expenditures	Cash Receipts	Adjustments	Balance at September 30, 2007
	Direct from U.S. Environmental Protection Agency:					
66.951	Environmental Education Grants	\$ (4,113)	-	-	4,113	-
	Pass through from Guam Environmental Protection Agency:					
66.600	Environmental Protection Consolidated Grant- Guam Yard	-	17,997	-	(25,532)	(7,535)
	Pass through from Government of Guam Bureau of Statistics and Planning:					
66.454	Water Quality Management Planning	<u>20,529</u>	<u>11,722</u>	<u>16,249</u>	<u>-</u>	<u>16,002</u>
	U.S. Environmental Protection Agency Total	<u>\$ 16,416</u>	<u>29,719</u>	<u>16,249</u>	<u>(21,419)</u>	<u>8,467</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

		Accrued (Deferred) Balance at September <u>30, 2006</u>	<u>Expenditures</u>	Cash <u>Receipts</u>	<u>Adjustments</u>	Accrued (Deferred) Balance at September <u>30, 2007</u>
Federal						
<u>CFDA #</u>	<u>Federal Grantor/Program Title</u>					
	Direct from U.S. Department of Education:					
84.007	Federal Supplemental Educational Opportunity Grant	\$ 2,075	226,838	204,647	(2,075)	22,191
84.032	Federal Family Education Loan	(167,795)	6,561,194	6,629,645	-	(236,246)
84.033	Federal Work-Study Program	47,489	411,981	456,870	2,075	4,675
84.042	TRIO: Student Support Services	35,917	287,626	304,194	-	19,349
84.044	TRIO: Talent Search	37,454	319,772	328,088	-	29,138
84.047	TRIO: Upward Bound	56,669	419,429	436,665	-	39,433
84.063	Federal Pell Grant Program	70,568	4,198,912	4,250,659	-	18,821
84.120	Minority Science and Engineering Improvement Project	16,442	57,305	71,241	-	2,506
84.195	Bilingual Education: Professional Development	24,002	322,983	292,606	-	54,379
84.224	Assistive Technology	3,669	104,337	61,237	-	46,769
84.235	Rehabilitation Services Demonstration and Training Program	(33,985)	25,829	-	-	(8,156)
84.268	Federal Direct Student Loans	121,981	256,060	380,132	-	(2,091)
84.325	Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities	28,949	263,972	220,611	-	72,310
84.373	Special Education_Technical Assistance on State Data Collection	63,259	642,200	493,700	-	211,759
84.116	Fund for the Improvement of Post Secondary Education	30,949	45,622	76,571	-	-
84.336	Teacher Quality Enhancement Grants - Cedders/ HATSA	(135,022)	776,465	978,688	-	(337,245)
84.336	Teacher Quality Enhancement Grnats -Project Laser	11,225	775	12,000	-	-
84.375	US DOE ACG/ National Smart	-	37,027	38,527	-	(1,500)
	Pass through from Guam Department of Education and Federated States of Micronesia:					
84.027	Special Education - Grants to States	37,797	227,871	96,779	-	168,889
84.343	Assistive Technology_State Grants for Protection Advocacy - UAP Pohnpei	(21,902)	60,010	13,883	-	24,225
	Pass through from Guam Department of Education:					
84.181	Special Education - Grants for Infants and Families with Disabilities	5,625	83,436	104,478	-	(15,417)
84.349	Early Childhood Educator Professional Development	15,349	29,078	44,427	-	-
84.366	Mathematics and Science Partnership	<u>48,550</u>	<u>196</u>	<u>69,115</u>	<u>-</u>	<u>(20,369)</u>
	Balance Forward	\$ <u>299,265</u>	<u>15,358,918</u>	<u>15,564,763</u>	<u>-</u>	<u>93,420</u>

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal		Accrued (Deferred)		Cash		Accrued (Deferred)
CFDA #	Federal Grantor/Program Title	Balance at September 30, 2006	Expenditures	Receipts		Balance at September 30, 2007
	U.S. Department of Education:					
	Balance Forward	\$ 299,265	15,358,918	15,564,763	-	93,420
	Pass through from Government of Guam Safe Drug-Free Schools and Communities Act Grant:					
84.186	Safe and Drug-Free Schools and Communities - State Grants	(4,271)	-	-	4,271	-
	Pass through from Commonwealth of the Northern Mariana Islands:					
84.229	Language Resource Centers	-	-	-	(11,940)	(11,940)
	Pass through from San Diego State University:					
84.264	Rehabilitation Training - Continuing Education	10,828	-	10,457	-	371
	Pass through from University of South Florida and University of Oregon:					
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	<u>(5,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,142)</u>
	U.S. Department of Education Total	<u>\$ 300,680</u>	<u>15,358,918</u>	<u>15,575,220</u>	<u>(7,669)</u>	<u>76,709</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal		Accrued (Deferred) Balance at September 30, 2006	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2007
CFDA #	Federal Grantor/Program Title					
	Direct from U.S. Department of Health and Human Services:					
93.251	Universal Newborn Hearing Screening	\$ 40,595	149,482	159,838	-	30,239
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	43,062	148,665	179,968	-	11,759
93.859	Minority Biomedical Research Support	1,838	16,011	15,436	-	2,413
93.375	NIH Rise Program	161	265,793	252,659	-	13,295
93.397	Cancer Centers Support Grants	59,275	507,482	494,139	-	72,618
93.632	University Centers for Excellence in Developmental Disabilities - Education, Research and Service	79,091	495,913	520,835	-	54,169
93.988	Behaviorial Risk	-	21,672	10,000	-	11,672
94.006	Corporation for National & Community Svcs. -Americorps Pass through from Government of Guam Division of Senior Citizens	19,335	241,354	207,936	-	52,753
93.052	National Family Caregiver Support	(83,544)	482,695	502,398	-	(103,247)
	Pass through from University of California, San Diego:					
93.866	Aging Research	270,492	446,581	591,150	-	125,923
	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	(4,709)	233,617	235,685	-	(6,777)
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	(8,084)	8,084	-	-	-
93.243	Substance Abuse & Mental Health Svcs. - Suicide Prevention	7,318	73,342	74,494	-	6,166
93.243	CES-ECS GDOL/BSP Labor Force	(69,765)	61,042	49,023	91,395	33,649
93.959	Block Grants for prevention and Treatment of Substance Abuse	441	9,899	12,410	-	(2,070)
93.110	Maternal & Child Health Federal Consolidated Progrmas	(15,780)	85,487	-	-	69,707
	Pass through from Government of Guam Department of Health and Human Services:					
93.256	State Planning Grant - Health Care Access for the Uninsured	79,979	31,774	111,753	-	-
	Balance Forward	\$ 419,705	3,278,893	3,417,724	91,395	372,269

UNIVERSITY OF GUAM

Supplementary Schedule of Expenditures of Federal Awards, continued
Year ended September 30, 2007

Federal	Accrued (Deferred)	Balance at September 30, 2006	Expenditures	Cash Receipts	Adjustments	Accrued (Deferred) Balance at September 30, 2007
CFDA # Federal Grantor/Program Title						
U.S. Department of Health and Human Services:						
	Balance Forward	\$ 419,705	3,278,893	3,417,724	91,395	372,269
Pass through from Government of Guam Association of Teachers of Preventive Medicine:						
93.283	Centers of Disease Control and Prevention - Investigations and Technical Assistance	18,284	-	-	-	18,284
Pass through from Government of Guam Department of Chamorro Affairs:						
93.587	Promote the Survival and Continuing Vitality of Native American Languages	(22,310)	-	-	-	(22,310)
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	80,763	299,785	308,633	-	71,915
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	2,248	-	-	-	2,248
	U.S. Department of Health and Human Services Total	<u>498,690</u>	<u>3,578,678</u>	<u>3,726,357</u>	<u>91,395</u>	<u>442,406</u>
	Grand Total	<u>\$ 1,866,071</u>	<u>24,580,180</u>	<u>24,829,133</u>	<u>7,298</u>	<u>1,624,416</u>

Note: Basis of Accounting - The Supplementary Schedule of Expenditures of Federal Awards is prepared on the accrual basis.

UNIVERSITY OF GUAM

Schedule of Findings and Questioned Costs

Year Ended September 30, 2007

Part I – Summary of Auditor’s Results

1. The Independent Auditor’s Report on the financial statements expressed an unqualified opinion.
2. No reportable conditions in internal control over financial reporting were identified for 2007.
3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
4. No reportable conditions in internal control over compliance with requirements applicable to major federal award programs were identified.
5. The Independent Auditor’s Report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133.
7. The University’s major programs were as follows:

CFDA

<u>Number</u>	<u>Grant Title</u>	<u>Expenditures</u>
10.203	Payments to Agricultural Experimental Stations under the Hatch Act	\$ 788,258
10.500	Cooperative Extension Service	1,192,752
93.866	Aging Research	910,702
	<u>Student Financial Aid Cluster</u>	
84.007	Federal Supplemental Education Opportunity Grants	226,838
84.063	Federal Pell Grant Program	4,198,912
84.033	Federal Work-Study Program	411,981
84.268	Federal Direct Loan	256,060
84.032	Federal Family Education Loans	6,528,093
84.336	Teacher Quality Enhancement Grants	776,465

8. A threshold of \$723,898 was used to distinguish between Type A and Type B programs.

UNIVERSITY OF GUAM

Schedule of Findings and Questioned Costs, continued

Year Ended September 30, 2007

9. The university is qualified as low-risk auditee as that term is defined in OMB Circular A-133.

Part II – Financial Statement Findings Section

No matters are reportable.

Part III – Federal Award Findings and Questioned Cost Section

No matters are reportable.

UNIVERSITY OF GUAM

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2007

Finding No. 2006-01 – Internal Controls - Financial Aid Office

This finding related to an override of internal controls regarding Pell Grants, although Federal funds were not actually involved. Our prior recommendations included prohibiting the practice of calling in names that were supposedly approved for the award, requiring supervisory approval for entering new awards or deleting awards, and requiring managerial level approval for awards involving UOG employees.

UOG terminated the employee that was involved in this situation, and strengthened their control system in May and June 2007 to implement our recommendations. Accordingly, this finding is considered resolved.

Finding No. 2006-02 – Internal Controls - Business Office

This finding related to the Stafford loan program, under which a former UOG employee submitted a fraudulent application, was awarded a loan, and was able to cash two checks with a UOG cashier after the cashier verified that the student did not owe UOG any tuition or fees. There was a lack of communication between UOG's Business Office and UOG's Financial Aid office. We recommended that Stafford loan checks be deposited intact, and that a UOG Business Office staff member must verify with the UOG Financial Aid office that the student was eligible for the Stafford loan before any balance is refunded to the student.

UOG terminated the employee that was involved in this situation, and strengthened their control system in May and June 2007 to implement our recommendations. Accordingly, this finding is considered resolved.