

May 14, 2007

Board of Trustees
Guam Community College:

Gentlemen:

In planning and performing our audit of the financial statements of Guam Community College (the College) for the year ended September 30, 2006, on which we have issued our report dated May 14, 2007, we developed the following recommendations concerning matters related to its internal control. Our recommendations are summarized below:

Finding No. 1 - Capitalization Policy

Criteria:

In accordance with College capitalization policy, fixed assets acquired with an original cost that equals or exceeds \$5,000 are capitalized.

Condition:

Certain equipment purchases below \$5,000 were capitalized as fixed assets rather than being expensed. It appears that the capitalization policy is not being uniformly followed.

Recommendation:

We recommend that management comply with the College's capitalization policy

Finding No. 2 - Recording of Depreciation

Criteria:

In accordance with the College's capitalization policy, fixed assets with a cost that equals or exceeds \$5,000 are capitalized when placed in service and related depreciation commences.

Condition:

We noted that significant fixed assets were completed and utilized during the year. However, the underlying depreciation expense was not recorded until the end of the fiscal year.

Recommendation:

We recommend that management record depreciation expense in a timely manner.

Board of Trustees
Guam Community College
May 14, 2007

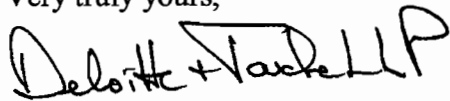
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This report is intended solely for the information and use of the Board of Trustees and management of the Guam Community College and the Office of the Public Auditor of Guam.

We wish to express our appreciation for the cooperation of the staff and management of the College during the course of our audit. We would be available to discuss any questions that you may have concerning the above comments at your convenience.

Very truly yours,

A handwritten signature in black ink that reads "Deloitte + Touche LLP". The signature is written in a cursive, stylized font.