

**UNIVERSITY OF GUAM
(A COMPONENT UNIT OF THE
GOVERNMENT OF GUAM)**

**INDEPENDENT AUDITORS' REPORTS ON
INTERNAL CONTROL AND ON COMPLIANCE**

YEAR ENDED SEPTEMBER 30, 2015

**INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of the University of Guam (the University) and its discretely presented component unit as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

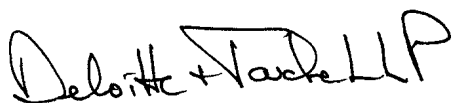
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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March 15, 2016



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

The Board of Regents
University of Guam:

Report on Compliance for Each Major Federal Program

We have audited the University of Guam's (the University's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended September 30, 2015. The University's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the University'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the University's internal control over compliance.

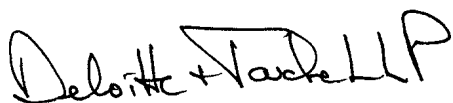
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the University of Guam and its discretely presented component unit as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated March 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

March 15, 2016

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Summary Schedule of Expenditures of Federal Awards, by Grantor
Year Ended September 30, 2015

<u>Federal Grantor Agency</u>	<u>Expenditures</u>
U.S. Department of Agriculture	\$ 3,544,782
U.S. Department of Commerce	939,174
U.S. Department of Defense	1,599,336
U.S. Department of the Interior	3,415,417
U.S. Department of Justice	101,216
National Archives and Records Administration	68,932
National Science Foundation	318,125
Small Business Administration	745,235
U.S. Department of Energy	6,194
U.S. Department of Education	20,465,869
U.S. Department of Health and Human Services	3,788,691
	<u>34,992,971</u>
Grand Total	\$ <u><u>34,992,971</u></u>
Reconciliation to the basic financial statements:	
Operating revenues - Federal grants and contracts	\$ 33,944,417
Capital contributions	2,550,391
Indirect cost allocation in operating expenses	(1,359,912)
Program income in operating expenses	(141,925)
	<u>34,992,971</u>
	\$ <u><u>34,992,971</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

Federal CFDA #	Federal Grantor/Program Title	Expenditures	Research and Development Cluster
Direct from U.S. Department of Agriculture:			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 188,263	\$ 188,263
10.170	Specialty Crop Block Grant Program - Farm Bill	28,224	28,224
10.202	Cooperative Forestry Research	86,120	86,120
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	1,022,504	1,022,504
10.215	Sustainable Agriculture Research and Education	4,574	4,574
10.308	Resident Instruction Grants for Insular Area Activities	95,079	95,079
10.310	Agriculture and Food Research Initiative (AFRI)	17,129	17,129
10.322	Distance Education Grants for Institutions of Higher Education in Insular Areas	24,862	24,862
10.329	Crop Protection and Pest Management Competitive Grants Program	19,837	-
10.500	Cooperative Extension Service	841,746	-
10.652	Forestry Research	17,758	17,758
10.675	Urban and Community Forestry Program	60,081	60,081
10.678	Forest Stewardship Program	70,423	70,423
10.680	Forest Health Protection	116,833	97,101
	Subtotal Direct Programs	2,593,433	1,712,118
Pass-through from Government of Guam Department of Agriculture:			
10.170	Specialty Crop Block Grant Program - Farm Bill	188,776	188,776
Pass-through from Government of Guam Department of Public Health and Social Services:			
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	25,072	-
Pass-through from Utah State University:			
10.215	Sustainable Agriculture Research and Education	27,692	-
Pass-through from University of California Davis:			
10.304	Homeland Security-Agricultural	4,240	4,240
Pass-through from University of Puerto Rico:			
10.308	Resident Instruction Grants for Insular Area Activities	91,192	91,192
Pass-through from University of Virgin Islands:			
10.308	Resident Instruction Grants for Insular Area Activities	47,756	47,756
10.322	Distance Education Grants for Institutions of Higher Education in Insular Areas	1,808	1,808
Pass-through from University of Hawaii:			
10.310	Agriculture and Food Research Initiative (AFRI)	537,163	-
Pass-through from University of Wyoming:			
10.500	Cooperative Extension Service	3,916	-
Pass-through from Kansas State University:			
10.500	Cooperative Extension Service	23,734	-
	Subtotal Pass-Through Programs	951,349	333,772
	U.S. Department of Agriculture Total	\$ 3,544,782	\$ 2,045,890

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2015

Federal CFDA #	Federal Grantor/Program Title	Expenditures	Research and Development Cluster
Direct from U.S. Department of Commerce:			
11.307	Economic Adjustment Assistance	\$ 90,979	\$ -
11.417	Sea Grant Support	142,618	143,197
11.426	Financial Assistance for National Centers for Coastal Ocean Science	74,864	74,864
11.427	Fisheries Development and Utilization Research and Development	158,277	158,277
11.431	Climate and Atmospheric Research	3,065	3,065
11.441	Regional Fishery Management Councils	1,526	1,526
11.452	Unallied Industry Projects		-
11.452	Unallied Industry Projects		-
11.463	Habitat Conservation	49,130	39,436
11.469	Congressionally Identified Awards and Projects	23,033	-
11.482	Coral Reef Conservation Program	50,281	50,281
	Subtotal Direct Programs	<u>593,773</u>	<u>470,645</u>
Pass-through from University of Hawaii at Manoa:			
11.417	Sea Grant Support	46,407	46,407
11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	42,208	42,208
Pass-through from Government of Guam Bureau of Statistics and Planning:			
11.307	Economic Adjustment Assistance	500	-
11.419	Coastal Zone Management Administration Awards	8,965	8,965
11.482	Coral Reef Conservation Program	194,530	194,530
Pass-through from National Oceanic & Atmospheric Administration:			
11.482	Coral Reef Conservation Program	52,791	52,791
	Subtotal Pass-Through Programs	<u>345,401</u>	<u>344,901</u>
	U.S. Department of Commerce Total	<u>\$ 939,174</u>	<u>\$ 815,546</u>
Direct from the U.S. Department of Defense:			
12.002	Procurement Technical Assistance For Business Firms	\$ 302,932	\$ -
12.116	Department of Defense Appropriation Act of 2003	62,027	-
12.300	Basic and Applied Scientific Research	1,142,192	1,142,192
12.335	Navy Command, Control, Communications, Computers, Intelligence Surveillance, and Reconnaissance	(525)	(525)
	Subtotal Direct Programs	1,506,626	1,141,667
Pass-through from Office of the Governor of Guam Office of Economic Adjustment:			
12.607	Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	92,710	-
	Subtotal Pass-Through Programs	<u>92,710</u>	<u>-</u>
	U.S. Department of Defense Total	<u>\$ 1,599,336</u>	<u>\$ 1,141,667</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2015

Federal CFDA #	Federal Grantor/Program Title	Expenditures	Research and Development Cluster
Direct from U.S. Department of the Interior:			
15.614	Coastal Wetlands Planning, Protection and Restoration	91	91
15.650	Research Grants (Generic)	9,406	9,406
15.657	Endangered Species Conservation Recovery Implementation Funds	86,711	86,711
15.805	Assistance to State Water Resources Research Institutes	254,964	254,964
15.808	U.S. Geological Survey_ Research and Data Collection	50,636	50,636
15.875	Economic, Social, and Political Development of the Territories	191,586	-
15.945	Cooperative Research and Training Programs Resources of the National Park System	84,522	84,522
15.975	Research Information	(623)	(623)
	Subtotal Direct Programs	<u>677,293</u>	<u>485,706</u>
Pass-through from Government of Guam Bureau of Statistics and Planning:			
15.225	Recreation Resource Management	1,862	1,862
15.808	U.S. Geological Survey-Research and Data Collection	(810)	(810)
15.875	Economic, Social, and Political Development of the Territories	(229)	(229)
Pass-through from the Research Corporation of the University of Hawaii:			
15.820	National Climate Change and Wildlife Science Center	159,655	159,655
Pass-through from Government of Guam Department of Administration:			
15.605	Sport Fish Restoration Program	4,874	4,874
15.875	Economic, Social, and Political Development of the Territories	2,551,603	-
Pass-through from Government of Guam Department of Agriculture:			
15.608	Fish and Wildlife Management Assistance	(3,333)	(3,333)
15.634	State Wildlife Grants	2	2
Pass-through from Government of Guam Fish and Wildlife Services:			
15.654	Visitor Facility Enhancements - Refuges and Wildlife	24,500	24,500
	Subtotal Pass-Through Programs	<u>2,738,124</u>	<u>186,521</u>
	U.S. Department of the Interior Total	<u>\$ 3,415,417</u>	<u>\$ 672,229</u>
Direct from the U.S. Department of Justice:			
16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	\$ <u>101,216</u>	\$ <u>-</u>
	U.S. Department of Justice Total	<u>\$ 101,216</u>	<u>\$ -</u>
Direct from National Archives and Records Administration:			
89.003	National Historical Publications and Records Grants	\$ <u>68,932</u>	\$ <u>-</u>
	National Archives and Records Administration Total	<u>\$ 68,932</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2015

Federal CFDA #	Federal Grantor/Program Title	Expenditures	Research and Development Cluster
Direct from National Science Foundation:			
47.050	Geosciences	\$ 6,842	\$ 6,842
47.074	Biological Sciences	127,375	127,375
47.079	Office of International and Integrative Activities	19,599	19,599
47.080	Office of Cyberinfrastructure	121,476	121,476
	Subtotal Direct Programs	<u>275,292</u>	<u>275,292</u>
Pass-through from American University:			
47.050	Geosciences	12,335	12,335
Pass-through from University of New Hampshire:			
47.074	Biological Sciences	5,107	5,107
Pass-through from University of Florida:			
47.074	Biological Sciences	4,402	4,402
Pass-through from University of Hawaii:			
47.076	Education and Human Resources	<u>20,990</u>	<u>20,990</u>
	Subtotal Pass-Through Programs	<u>42,833</u>	<u>42,833</u>
	National Science Foundation Total	<u>\$ 318,125</u>	<u>\$ 318,125</u>
Direct from Small Business Administration:			
59.037	Small Business Development Centers	\$ 658,875	\$ -
59.044	Veterans Business Development	<u>86,360</u>	<u>-</u>
	Small Business Administration Total	<u>\$ 745,235</u>	<u>\$ -</u>
U.S. Department of Energy:			
Pass-through from Guam Energy Office:			
81.041	State Energy Program	<u>\$ 6,194</u>	<u>\$ -</u>
	U.S. Department of Energy Total	<u>\$ 6,194</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2015

Federal CFDA #	Federal Grantor/Program Title	Expenditures	Research and Development Cluster
Direct from U.S. Department of Education:			
84.003	Bilingual Education	\$	\$ -
	Student Financial Aid Cluster:		
84.007	Federal Supplemental Educational Opportunity Grants	96,512	-
84.033	Federal Work-Study Program	434,537	-
84.063	Federal Pell Grant Program	9,252,439	-
84.268	Federal Direct Student Loans	8,177,270	-
84.375	Academic Competitiveness Grants	(1,125)	-
84.379	Teacher Education Assistance for College and Higher Education Grants	114,626	-
	Student Financial Aid Cluster Subtotal	<u>18,074,259</u>	<u>-</u>
TRIO Cluster:			
84.042	TRIO Student Support Services	293,758	-
84.044	TRIO Talent Search	325,541	-
84.047	TRIO Upward Bound	379,808	-
	TRIO Cluster Subtotal	<u>999,107</u>	<u>-</u>
84.031	Higher Education-Institutional Aid	304,955	-
84.032	Federal Family Education Loans	548,934	-
84.224	Assistive Technology	91,633	-
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	185,088	-
	Subtotal Direct Programs	<u>20,203,976</u>	<u>-</u>
Pass-through from Guam Department of Education:			
84.326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	22,466	-
84.403	Consolidated Grant to the Outlying Areas	239,427	-
	Subtotal Pass-Through Programs	<u>261,893</u>	<u>-</u>
	U.S. Department of Education Total	<u>\$ 20,465,869</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2015

Federal CFDA #	Federal Grantor/Program Title	Expenditures	Research and Development Cluster
Direct from U.S. Department of Health and Human Services:			
93.110	Maternal and Child Health Federal Consolidated Programs	\$ 133,594	\$ -
93.243	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	46,371	-
93.251	Universal Newborn Hearing Screening	226,908	-
93.283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	145,750	14,983
93.310	Trans-NIH Research Support	37,067	-
93.397	Cancer Centers Support Grants	768,391	768,391
93.464	ACL Assistive Technology	82,440	-
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	200,122	-
93.587	Promote the Survival and Continuing Vitality of Native American Languages	213,794	-
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	489,888	-
93.824	Area Health Education Centers Infrastructure Development Awards	<u>803,062</u>	<u>-</u>
	Subtotal Direct Programs	3,147,387	783,374
Pass-through from Government of Guam Department of Public Health and Social Services:			
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	46,619	-
93.052	National Family Caregiver Support, Title III, Part E	156	156
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	316,694	-
93.243	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	26,205	-
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	132,406	-
Pass-through from University of Hawaii MCH Lend Program:			
93.110	Maternal and Child Health Federal Consolidated Programs	49,409	49,409
Pass-through from the Research Corps of the University of Hawaii:			
93.283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	<u>69,815</u>	<u>69,815</u>
	Subtotal Pass-Through Programs	<u>641,304</u>	<u>119,380</u>
	U.S. Department of Health and Human Services Total	<u>\$ 3,788,691</u>	<u>\$ 902,754</u>
	Grand Total	<u>\$ 34,992,971</u>	<u>\$ 5,896,210</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

(1) Scope of Audit

The University of Guam (the University) is a component unit of the Government of Guam created by Public Law 13-194, "The Higher Education Act," which became effective on November 3, 1976, as an autonomous agency of the Government of Guam. Only the financial statements of the University are included within the scope of the OMB Circular A-133 audit (the "Single Audit").

Programs Subject to Single Audit

The Schedule of Expenditures of Federal Awards presents each Federal program related to the following agencies:

- U.S. Department of Agriculture
- U.S. Department of Commerce
- U.S. Department of Defense
- U.S. Department of the Interior
- U.S. Department of Justice
- National Archives and Records Administration
- National Science Foundation
- Small Business Administration
- U.S. Department of Energy
- U.S. Department of Education
- U.S. Department of Health and Human Services

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the University and is presented on the accrual basis of accounting, consistent with the manner in which the University maintains its accounting records. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. All expenses and capital outlays are reported as expenditures.

The University recognizes contributions from the federal government when qualifying expenditures are incurred, and expenditures are recognized on the accrual basis of accounting.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)

Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| 2. Material weakness(es) identified? | No |
| 3. Significant deficiency(ies) identified? | None reported |
| 4. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| Internal control over major federal programs: | |
| 5. Material weakness(es) identified? | No |
| 6. Significant deficiency(ies) identified? | None reported |
| 7. Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| 8. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | No |
| 9. Identification of major federal programs: | |

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.632	Research and Development Cluster University Centers for Excellence in Developmental Disabilities Education, Research, and Service Student Financial Assistance Cluster

- | | |
|--|--------------|
| 10. Dollar threshold used to distinguish between type A and type B programs: | \$ 1,049,789 |
| 11. Auditee qualified as low-risk auditee? | Yes |

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

UNIVERSITY OF GUAM
(A Component Unit of the Government of Guam)
 Schedule of Prior Year Findings and Questioned Costs
 Year Ended September 30, 2015

Questioned Costs

The prior year Single Audit report on compliance with laws and regulations noted the following questioned costs and comments that were unresolved at September 30, 2015:

Unresolved questioned costs at September 30, 2014 (Finding No. 2013-005) \$ 18,982

Summary Schedule of Prior Audit Findings

Findings relating to the financial statements, which are required to be reported in accordance with GAGAS:

None reported.

Findings and questioned costs – Major Federal Award Programs Audit

Finding No.	Cluster/ CFDA No.	Requirement	Status at September 30, 2015
2014-001	R&D Cluster	Matching, Level of Effort and Earmarking	Corrective action was taken. Documentation of salary allocation of local match is filed in the University records.