



UNIVERSITY OF GUAM  
UNIBETSEDAT GUAHAN  
BOARD OF REGENTS

RESOLUTION NO. 12-08

**RELATIVE TO ACCEPTING THE RESULTS OF THE EIDE BAILLY FINANCIAL STATEMENTS  
AUDIT AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED 30 SEPTEMBER 2011**

**WHEREAS**, the University of Guam is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

**WHEREAS**, the governance and well-being of the University is vested in the Board of Regents; and

**WHEREAS**, the University's financial statements have received an unqualified audit opinion from the Eide Bailly auditors for the fiscal year ended 30 September 2011, and their audit of financial statements and compliance with laws and regulations has been reviewed with the administration and the Guam Office of the Public Auditor; and

**WHEREAS**, the Management Discussion and Analysis provided an overview of the FY11 financial position and results of activities, as required information with the financial statements and the footnotes; and

**WHEREAS**, the University's overall financial condition showed a \$4.5 million increase in net assets, which is \$0.4 million less than last year's increase and represents a 4.6% surplus on total revenues; which was primarily due to substantial operating revenue growth that more than covered expense increases and to strict adherence to financial and cash management controls in response to government allotment holdbacks; and which was positively impacted by the ARRA federal stimulus, since grant revenues were fully recognized on the income statement while a number of projects were capitalized on the balance sheet; and

**WHEREAS**, while there were no questioned costs, the Compliance Report identified one material, non-compliant finding for the untimely reimbursement of financial aid credit balances and one significant deficiency for unreconciled submission of a financial aid report to U.S. Department of Education, for which correction actions are underway; and

**WHEREAS**, the Audit will be issued by 28 February 2012 within the timeframes established by Guam OPA; and

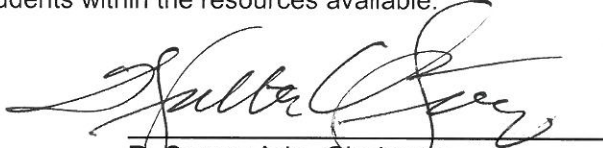
**WHEREAS**, the President and the Board's Budget, Finance, Investments and Audit Committee have reviewed and recommend that the Board accept the audits.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Regents hereby accepts the results of the Eide Bailly audits for the fiscal year ended 30 September 2010; and


**BE IT FURTHER RESOLVED**, that the Board of Regents recognizes the efforts of Administration and Finance employees in the timely completion and positive results contained in the audits; and

**BE IT FURTHER RESOLVED**, that the Board of Regents commends the efforts of all faculty, staff and administrators for managing significant financial challenges, maintaining the University's financial health and ensuring the delivery of high quality education to its students within the resources available.

Adopted this 16<sup>th</sup> day of February, 2012.

  
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Sonny Ada, Chairman

**ATTESTED:**

  
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Dr. Robert A. Underwood, Executive Secretary