

GUAM COMMUNITY COLLEGE

Building Futures for Over 30 Years

2007-2008
Annual Report



Start

Here,



Go

Anywhere!

TABLE OF CONTENTS

BOARD OF TRUSTEES	4
PRESIDENT'S MESSAGE	5
CAMPUS HIGHLIGHTS	6
PROMISE OF OPPORTUNITY	14
POST SECONDARY STUDENT ENROLLMENT	16
APPRENTICESHIP	18
SECONDARY STUDENT ENROLLMENT	20
EXPLORE ENDLESS OPPORTUNITIES	22
COLLEGE FINANCES	24
OPA HIGHLIGHTS	25
GCC FINANCIAL STATEMENTS	27



Board of Trustees 2007-2008 Members



Gina Y. Ramos
Chairperson



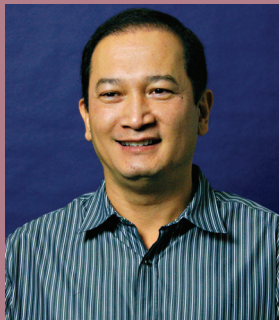
Maria D. Garcia
Vice Chairperson



Charlene K. Flores
*Secretary &
Student Representative*



Joseph B. Leon Guerrero
Treasurer



Eduardo R. Ilao
Member



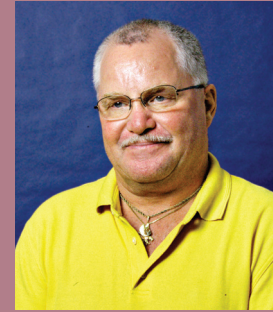
Deborah C. Belanger
Member



Mary A.Y. Okada
President/CEO



Kenneth C. Bautista
*Staff Advisory
Member*



Barry L. Mead
*Faculty Advisory
Member*

GCC MISSION STATEMENT

Guam Community College is a public, open access secondary and post-secondary institution. We serve the diverse communities of Guam as a regional focal point for Micronesia within the Asia-Pacific Rim. We provide education and vocational training that is premised on lifelong learning. GCC is committed to providing quality learning opportunities in occupational, vocational-technical, technological, academic and continuing education reflective of our community and industry needs.

GCC VISION

Guam Community College will be the leader in bringing together government agencies, business and industry, community interest groups, and education and training entities to help develop a technically competent work force of the quality and depth required to attract the necessary elements to finance and create a more diversified economy. Students, employers, and government leaders will look to GCC's excellent faculty, staff, and administrators for technologically current training and for answers to questions about employability, new technology, assessing outcomes, and effective planning. GCC will be a model to other colleges and agencies by demonstrating integrity, honesty, and openness. The college will form effective partnerships with industry and government. It will be a champion for finding responsible funding from reliable sources to meet its obligation of public trust.



PRESIDENT'S MESSAGE

Start here, Go anywhere!

This year, we selected this theme to describe our role in helping students achieve their full potential of a career and technical education. This phrase best describes the Guam Community College's most important contribution—effectively launching our students on a journey toward fulfillment of their dreams.

Many people in our community know countless graduates from the Guam Community College who have integrated into our workforce to become productive business owners or key employees within the government and private sectors. These GCC graduates knew that if they started at GCC they would leave with the technical skills and training to go anywhere in the world. Our successful graduates aimed for career advancement by obtaining the knowledge and proficiency in their field of interest by pursuing and attaining their individual learning adventure at the Guam Community College.

Certainly, some of our graduates who have obtained their degree or certificate now operate successful businesses; or have triumphantly climbed the corporate ladder to become productive supervisors or managers; or have even gone on to obtain a terminal degree based on their start at GCC and the desire to go anywhere. In addition to our students' desire to succeed, our faculty, staff and administrators work diligently to create a successful future for our students to become productive citizens on Guam or where ever their dreams take them.

"...our faculty, staff and administrators work diligently to create a successful future for our students."

M. OKADA

Moving toward the completion of our 30th year as an institution, we reflect on our history and realize that it is through community support that we have been able to achieve a place of leadership in higher education. A central factor of our success has been through the community support we have established over the years to advance career and technical education on Guam and Micronesia. Over the years, the continuous collaboration from the community has helped build GCC into an educational leader that has launched tens of thousands of graduates toward success.

We thank you for your part in creating a college that can really say, 'Start here, and Go anywhere!'

Senseramente,

/S/
MARY A. Y. OKADA
President

Campus Highlights

Milestones this year included national and local recognition, new partnerships, as well as grants and programs that enhanced GCC's ability to help our students create successful careers at the college. Some of the highlights that occurred over the past year are as follows:

Student & Employee Success

- At the Home & Living Expo 2008, Assistant Instructor John Zilian's George Washington High School AutoCAD class took 2nd place in the model competition that was held at the Micronesia Mall. The students recognized for this achievement are Mike Cruz, Toby Cruz, Karla Mercilla and Gilbert Pasgua. These students were enrolled in GCC's secondary program offered at George Washington High School.

- Associate Professor Susan Seay's ProStart team from John F. Kennedy High School won the local competition to compete in the 7th Annual National ProStart Invitational that was held in San Diego from April 24-26. Members of the JFK team are Delmer Gubatan (Captain), Kenneth Liffang, Belva Mabel, and Marny Zaldivar. The JFK team received assistance from Executive Chef Christophe Durliat of the Guam Hilton Resort & Spa.

- Assistant Professor Carol Cruz completed the Academy for Leadership and Development over the past academic year. The program was skills-based consisting of 5-day residential training sessions and a practicum experience over a 12-month period. A central component of the program was the development and implementation of an Individualized Professional Development Plan. Training through the Academy is carefully designed to broaden the participant's knowledge of leadership theories and principles, as well as develop supervisory and managerial skills. The training provided will help participants apply leadership concepts, practices, and processes as they relate to the needs of actual work situations.

- ProStart Assistant Instructor Frank Evangelista was awarded the 2008 Educator Excellence Award during the annual National Restaurant Association Restaurant, Hotel-Motel Show. Each state restaurant association ProStart coordinator is asked to nominate a leading educator who has demonstrated a commitment to their students and the ProStart program. The winning teacher earning this prestigious award has employed innovative

techniques to motivate their students to learn and participate in mentored internships to prepare them for a career in the industry.

- The college's Lodging Management Program (LMP) from Sanchez High School took 2nd place at this year's national competition that was held in Orlando, Florida. Assistant Professor Norman Aguilar's team — Rosewin Marasigan, Sherry Gozum, Lerio Abinales and Persha Amparo — brought national recognition to GCC.
- Students from Instructor Jonita Kerr's science classes submitted entries into the Public Service Announcement contest held for the International Year of the Reef 2008. The students worked either as a team or individually to have their projects considered by the event organizers. The following entries were submitted: "One by One" by Sherwin Burkhardt, Anna Catindig, and June Geraldo; "Keep Guam Beautiful" submitted by Pranchisco Castro; and "The Fin Alert" by Esther Puckett.



Simon Sanchez High School - Lodging Management Program winners of the 2008 National Competition.

- John Mafnas, Guam's first FAA/CTI (Federal Aviation Administration/Collegiate Training Initiative) graduate, was recognized at GCC's commencement ceremony. While attending the college, John was an intern with the Federal Aviation Administration (FAA) and received his Associate of Science in Electronics Engineering during the Spring 2008 Commencement Exercise. After graduation, FAA hired him.
- GCC postsecondary student Stephanie Sablan won the gold medal in Medical Assisting during the SkillsUSA 2008 National Leadership and Skills Conference that was held in Kansas City, Missouri. Stephanie follows in the footsteps of Abby Farmer, GCC Medical Assisting student, who won the gold medal during the 2007 SkillsUSA competition. This conference brings together more than 5,000 competitors from all 50 states and four territories competing in some 93 contests.
- At SkillsUSA, Eric Cruz, a JFK student in GCC's ProStart program, finished 10th out of 42 in secondary culinary arts. GCC student Kristian Marquez finished 10th out of 22 in post secondary commercial baking. Simon Sanchez student Ashley Garcia, who is in GCC's lodging management program, came in at 14th out of 35 in secondary food and beverage service. Also competing for Guam were GCC student Joanna Porte in post secondary culinary arts, Jared Charfauros in post secondary automotive service technology, and Southern High student Neri Blas in secondary automotive service technology. This is the best overall effort by a Guam team at the conference, with four competitors finishing in the top half.
- The Guam Nurses Association (GNA) celebrated its 57th anniversary and annual nurses' week from May 4 to 10. Faculty member, Lynn San Nicolas, was recognized by GNA as one of the outstanding nurses in our community. We commend Lynn for bringing honorable recognition to GCC as she demonstrates loyalty and commitment to the healthcare profession on Guam.
- Eric Chong, a member of the Guam Community College faculty, was selected as a Faculty Scholar for the 2008 Phi Theta Kappa Faculty Scholar Conference and 2008 Phi Theta Kappa International Honors Institute.



Stephanie Sablan SkillsUSA won the 2008 Gold Medal in Medical Assisting

GCC Receives Additional Funding

- The Department of the Interior awarded GCC with \$443,993 in grant money for Operations and Maintenance Improvement Program (OMIP) funds. Having these funds awarded to GCC, the college will be able to purchase needed equipment for the Construction Trades department.
- TakeCare's Sr. Vice President of Business Development & Corporate Relations, Gus Sablan, presented a \$50,000 check to the college's Allied Health Program. The money will be used to enhance the GCC's Medical Assisting and Practical Nursing programs.
- The Citi Foundation provided a \$15,000 grant, which allowed twenty high school seniors to receive academic instruction in English, Reading and Math over the summer. Several of these students went on to enroll in the college's postsecondary programs.
- Guam Community College received \$330,000 for two consecutive years to implement activities and services for students who may be at-risk of not enrolling or completing postsecondary education. The College Access Challenge Grant Funds provided to GCC will improve access to, or participation in, postsecondary education, college retention, and student access. The grant funding is targeted to help, either directly or indirectly, students from low- to moderate-income families.
- Guam Community College received a two-year grant in the amount of \$2,499,120 from the United States Department of Education under the Asian American and Native American Pacific Island-serving Institution (AANAPISI) to build a new Learning Resource Center. The AANAPISI grant will allow the college to build a new Learning Resource Center (LRC) in a more permanent structure with a larger floor space of approximately 20,000 square feet.



President Mary Okada receives a \$50,000 check from TakeCare representatives for the Allied Health Center. TakeCare's Sr. Vice President, Gus Sablan, made the presentation to GCC.

Special Events & Recognition

- The college took part in military sponsored activities and events that enhance career and technical education opportunities for our students. During the February industry forum sponsored by the Joint Guam Program Office (JGPO), GCC took an active role by having the management team participate in the various sessions scheduled throughout the conference. As the dynamics of our economy continues to change, the college will continue its efforts to ensure that its programs are at the leading edge of workforce development. Our faculty, staff and administrators will continue their roles as active members of many organizations in the public and private sectors as well as have the advisory committees help shape the programs that will distinguish GCC as Guam's leader in workforce



development.

- The campus community supported the Career Technical Education Celebration and Job Fair that was held at the Micronesia Mall on February 23. This event was held in partnership with GCC's Career Placement Center, Center for Civic Engagement, Guam Hotel & Restaurant Association and Hawaii Pacific Islands Campus Compact. Thousands of people came out for the fair to apply for available jobs on island. There was an overwhelming show of support by employers seeking to fill essential positions within their organizations.
- GCC held a joint board meeting with the Foundation and Board of Trustees' members. During this meeting, various activities were identified by the Development & Alumni Relations Office and accepted by the Foundation Board of Governors for implementation during Academic Year 2007-2008.
- GCC held its 30th Anniversary Gala at the SandCastle entertainment center. Entertaining a sold-out house, GCC's Culinary Arts, ProStart and Lodging Management Program (LMP) students did an excellent job preparing and serving dinner to guests. The comments received from most attendees indicated that they look forward to next year's gala event.
- GCC Employees enjoyed 'Breakfast with the President,' on February 22, at the Multi-purpose Auditorium. President Okada and the vice presidents served breakfast to employees who attended this event.
- On April 19, the GCC Foundation held its 5K run/walk to help raise funds for student scholarships and capital improvement projects. Over 400 runners/walkers participated in "Run the Right Path." This fund-raising effort brought visitors to see first-hand the various upgrades to the campus.
- In conjunction with the Mayors' Council of Guam, GCC held outreach sessions in Dededo, Mangilao, Agana Heights, Sinajana and Yigo. During these sessions, GCC provided information on admissions and registration, financial aid, TRiO programs, and continuing education.
- President Okada held her first retreat on strategic planning with the management team. Initiatives discussed included suggestions to improve enrollment, recruitment and retention activities at the college. As a result of the retreat, changes are continuously being made to improve some of the processes at GCC to increase enrollment and retain students.



GCC's Allied Health Program participates in the college's Technical Education Celebration and Job Fair held at the Micronesia Mall.



Priscilla Johns, Geri James and Richard Quiambao enjoy GCC's 30th Anniversary Celebration held at the SandCastle.



Vice Mayor Robert Hoffman takes time from his busy schedule to participate in GCC's Village Outreach held in Sinajana.

- Project AIM held its 14th Annual Awards Banquet at the Hilton Guam Resort & Spa. During the banquet, 22 students were honored as graduates or transfer students to a 4-year institution. This is the highest number of graduates and transfer students recognized by Project AIM program.
- GCC held its 30th Anniversary Dinner that recognized students, employees and alumni. This event was held at the Hyatt Regency Guam with many of our founders and industry partners sharing in the celebration. The GCC Culinary Arts students, once again, did a spectacular job preparing dinner for everyone to enjoy. In addition to the great food, the college recognized GCC employees who received the 2007-2008 Employee Recognition Awards. This year's winners were Barry Mead, Faculty Excellence Award; Josephine Rojas, Employee of the Year; Johanna Camacho, Supervisor of the Year; and Barbara Leon Guerrero, Administrator of the Year. The campus community congratulates these employees for demonstration their commitment and loyalty to the college.
- Government of Guam Employees Federal Credit Union, Calvo's Enterprises, Inc. and Harley Davidson donated a 2008 Harley Davidson Motorcycle for the Foundation to raffle off as a part of the GCC Foundation's annual activities. The winner of the motorcycle was Carlos E. Barajas.
- The college sponsored Kimie Okada as a candidate to the Little Miss Liberation Day Contest. Kimie won the title as Little Miss, raising over \$7,000 for both the GCC and UOG Endowments.
- As a part of the Liberation Day festivities, GCC spearheaded the entry of a float with the University of Guam and Guam Public School System joining the 64th Liberation Day. This is the first time that all three educational institutions were able to come together to display solidarity to promote the advancement of education on Guam.
- GCC Foundation held a golf tournament on August 30 at the Leo Palace Resort. There were 149 golfers who showed up for the tournament. Due to the overwhelming responses from players and volunteers, this activity will be a part of the annual calendar for GCC Foundation.
- Continuing Education held Crossroads Communication (formerly Techno Babble) for Hallym College students from Korea from June 23 - July 5. Dr. Sung Ho Kum, the president from Hallym College presented GCC with a certificate of appreciation for the English language immersion program that is offered at the college twice a year.
- Assessment & Institutional Effectiveness (AIE) completed various institutional assessment reports for AY 2007-2008. The reports are available on the college's website under



Carlos E. Barajas shows his winning ticket for the 2008 Harley Davidson Motorcycle raffled off as a part of the college's 30th Anniversary celebration.



Harley Davidson employees, and their new found golf buddies, enjoy a break from the golf tournament to pose for GCC roving cameras.

the Office of Assessment & Institutional Effectiveness.

- Dr. Michelle Santos, Dean of Technology & Student Services received the 2008 Chair Academy's Exemplary Leader Award. The award was given to Dr. Santos during the Chair Academy's 17th Annual International Conference in Denver, Colorado, under the theme of "Soaring to New Heights Through Exemplary Leadership."

New Programs & Initiatives

- Through a collaborative partnership with Homeland Security, GCC launched a certificate and associate's degree in Emergency Management. The addition of this program to GCC's curriculum is monumental for Guam since the college is the only institution within the Pacific area to provide a degree or certificate in this specialized area.
- The college offered its first Diesel Mechanic course in conjunction with the Guam Contractors' Association. Based on the demand for this class, GCC will continue to work with industry to fulfill their workforce needs in this area or other areas where career and technical education is in need of expansion.
- Market Research & Development, Inc. (MR&D) helped develop the college's Institutional Strategic Master Plan (ISMP), which was approved by the Board of Trustees (BOT) during the November board meeting. Students, faculty, staff and administrators were able to provide input to the ISMP prior to obtaining approval from the BOT. Implementation of the plan will begin January 2009.
- Accrediting Commission for Community and Junior Colleges (ACCJC) representatives—President Barbara Beno, Vice President Jack Pond and Commissioner Floyd Takeuchi visited the college. During this visit, President Beno provided insightful information relative to accreditation updates at the national level, which will also affect the college's accreditation process.
- During fall convocation, Academic Vice President, Dr. Ray Somera, began the evening by encouraging faculty, staff and administrators to "Think Big in Shifting Times." In addition to "Thinking Big," the campus community was encouraged by President Okada to move from "Good to Great." During today's shifting times, President Okada asked that the college community work to accomplish one goal for Academic Year 2008-2009, and that is that we all work together to increase the financial resources of the college for the 12-month period.
- On September 5, GCC broke ground for the Allied Health Center. The 24,000-square-foot center will house state-of-the-art classrooms and



Press Conference held at the Governor's Conference Room to announce the Emergency Management program offered at GCC.



Dr. Barbara Beno and Commissioner Floyd Takeuchi meet with the campus community to provide

laboratories supporting students majoring in the License Practical Nursing and Medical Assisting programs. This new structure, at a cost that exceeds \$4 million, will also provide additional faculty, instructional classrooms and laboratory space at the college. The college anticipates that the Allied Health Center will be completed by Fall 2009.



Medical Assisting Student Stephanie Sablan joins Congresswoman Madeleine Bordallo, Lt. Governor Mike Cruz, Senator Judi Guthertz and Bert Johnston-Education Director for the Guam Trades Academy, shovel sand as a part of the ground breaking ceremony for the college's Allied Health Center.



Senator Frank Shimizu and UOG President Robert Underwood join President Okada and Vice President John Camacho for GCC's ground breaking ceremony for the Allied Health Center that will open in Fall 2009.



Construction has begun for the completion of the Allied Health Center. This is a photo taken of the construction in early December.



Guam Community College Recognizes Exemplary Employees!



Barry Mead
Faculty Excellence Award



Johanna Camacho
Supervisor of the Year



**Congratulations
2007-2008 Winners!**



Josephine Rojas
Employee of the Year



Barbara Leon Guerrero
Administrator of the Year

Congratulation to GCC Employees of the Year

Josephine Rojas, Human Resources - Employee of the Year

Johanna Camacho, Academic Affairs - Supervisor of the Year

Barbara Leon Guerrero, Center for Student Involvement - Administrator of the Year

Barry Mead, Tourism Department - Faculty Excellence Award

A photograph of two people on a rock climbing wall. One person is at the top, reaching up, while the other is rappelling down a rope. The background shows a clear sky and some greenery.

Promise of Opportunity

Community colleges have always been a place of opportunity—and no institution embodies this promise more than the Guam Community College. As one of the largest community colleges in the Micronesia region, GCC was created to provide affordable and accessible educational opportunities for residents on Guam and Micronesia. The college serves close to three thousand students each year in the secondary and postsecondary environments. Students who complete our programs are able to integrate into the island's workforce with the training necessary to advance in their chosen field. Over the past 30-years, GCC has served as a stepping stone for students who seek immediate entry into the workforce or as a pathway to obtaining a four-year degree.

For Guam Community College students, the possibility of a better life begins with higher education. According to the U.S. Department of Education's National Center for Education Statistics, the average rate for undergraduate tuition and fees has nearly tripled over the past decade. In addition to the rise in tuition, the global economy struggles with higher unemployment rates coupled with an increase in the cost of living. According to an article written by the L.A. Times, dated October 30, 2008, "...the average price of attending college rose nearly 6% this fall, but education officials warned that the widening economic crisis might push tuition bills sharply higher next year." Every year, more college students in the mainland are forced to abandon their education because of financial hardships. GCC is hopeful that this not be the trend here on Guam.

Realizing that challenges do exist for college students throughout, we at GCC have come together to determine ways we can help our students afford a higher education at the college. We continue to have discussions throughout the campus that will allow GCC to provide educational opportunities for students who wish to 'Start Here', and then 'Go Anywhere' once they obtain their certificate or degree from the Guam Community College. Here are a few reasons are students choose to earn their degree or certificate from GCC:

We're Student and Learning Focused

Being student and learning focused, we exist because students choose to come to GCC in order to reach their personal and professional goals. Students expect and deserve quality academic offerings and student

services that will help them achieve the college goals. We have established baseline and dynamic assessment techniques that provide a wealth of formative information about our students and aspects of a course that appear to be working well and those that are not meeting the instructor's or student's objectives. An extension of these techniques is the development of student learning outcomes (SLOs), that measure and assess the degree to which students are meeting the specific objectives of a course or program. Based on such measurement, feedback is collected and used to make changes to the learning environment and student support services that will help achieve GCC's mission of workforce development.

We're Accessible:

GCC is a public open-admission comprehensive community college with the primary purpose of providing accessible Adult Basic Education/General Educational Development (GED), postsecondary education, training and community educational opportunities. Through the college's growth over the past 30-years and its ease of access, GCC continues to provide its students with educational opportunities for job readiness and mobility; for graduation and transfer; for active participation in local, national and global communities; and for empowerment as a lifelong learner.

Our programs at GCC maximizes educational access, are student-centered, customer-driven, market-focused, relevant and rigorous. Through the open-access policy that exists at the college, GCC helps prepare tomorrow's workforce today.

We're Affordable:

Faced with the challenges of our present economy, attending GCC is an affordable alternative for students on Guam and in our region. Our low tuition and fees along with extensive financial aid opportunities, including federal, local, and college scholarship programs, make higher education affordable for many students who choose to attend GCC. In 2007-2008, a full-time student taking 12 credits, for two semesters, paid \$2,426 in basic tuition and fees.

We're Highly Respected:

For the seventh consecutive year, Guam Community College qualified as a low-risk auditee. Given this designation by the Office of the Public Auditor (OPA), review of the college's financial records demonstrate there were no questioned costs or unresolved prior year audit findings in fiscal year 2007. As a low-risk auditee, the OPA report states that GCC's management personnel have good work ethics, the auditor, from the OPA's office, reviewing GCC's records received good references from external sources, and also noted that GCC did not receive any audit findings over the past seven years. Proudly, the college continues to receive recognition as one of the best financially managed organizations within the Government of Guam system.

We're Responsive:

We're responsive to the needs of our students and the community by emphasizing workforce development programs and partnerships. We are visible, involved and cooperative community members participating in the growth of our economy. GCC welcomes collaboration and provides outreach and programs for our local schools, businesses, industries, government agencies and civic and cultural groups. We solicit community input and establish advisory councils to develop responsive programs that allow our students to succeed.

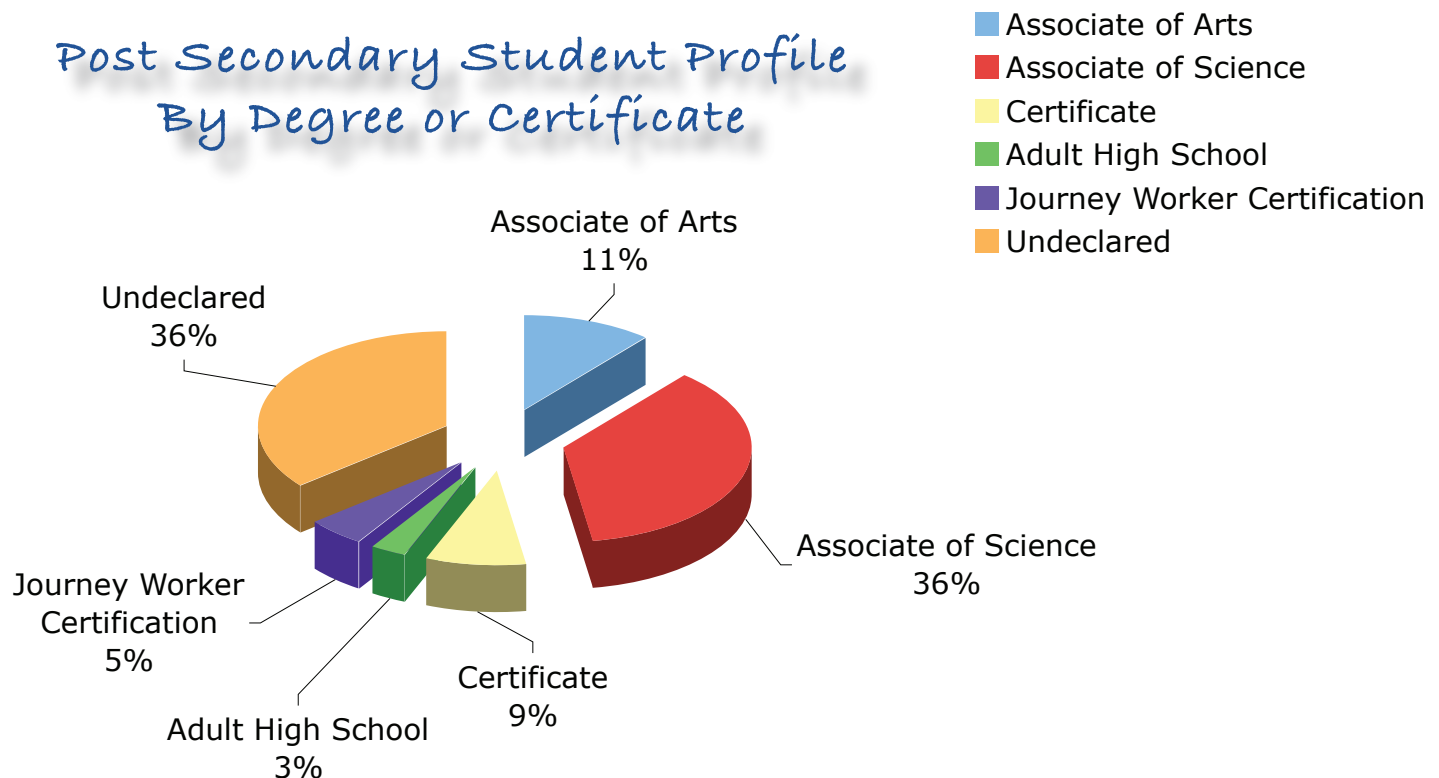
Student Enrollment

Over the academic year, GCC's Fall enrollment totalled 3,731 students at Guam Community College. From this overall figure, 1,806 students were enrolled in post secondary courses and 1,925 students were enrolled in career and technical education courses provided by GCC at the four public high schools within the Guam Public School System.

Of the number of students enrolled in the college's postsecondary programs seeking to earn an associate's degree or certificate totaled 981 students. The distribution of students in GCC's two schools, Trades & Professional Services (TPS) and Technology & Student Services (TSS) are as follows:

DEGREE	STUDENTS			
School Year	2005	2006	2007	2008
Associate of Arts	159	183	195	192
Associate of Science	801	725	644	639
Certificate	197	240	145	150
Adult High School	193	77	49	55
Journey Worker Certification	122	122	88	88
Criminal Justice Academy	0	14	6	
Industry Certification	2	0	1	
Undeclared	335	425	690	682
TOTAL	1,809	1,786	1,818	1,806

Post Secondary Student Profile By Degree or Certificate



Source: GCC Fact Book 2008

Degree and Certificate Seeking Post Secondary Students

Based on the data provided for the Fall semester, more of the college's students declared to earn a degree or certificate from the school of Trades & Professional Services (TPS). The certificate and degree programs offered at GCC are as follows:

Certificate Programs

- > Automotive Service Technology
- > Computer Science
- > Cosmetology
- > Criminal Justice
- > Early Childhood Education
- > Education
- > Emergency Management
- > Fire Science Technology
- > Medical Assisting
- > Office Technology
- > Practical Nursing
- > Sign Language Interpreting
- > Supervision and Management
- > Systems Technology

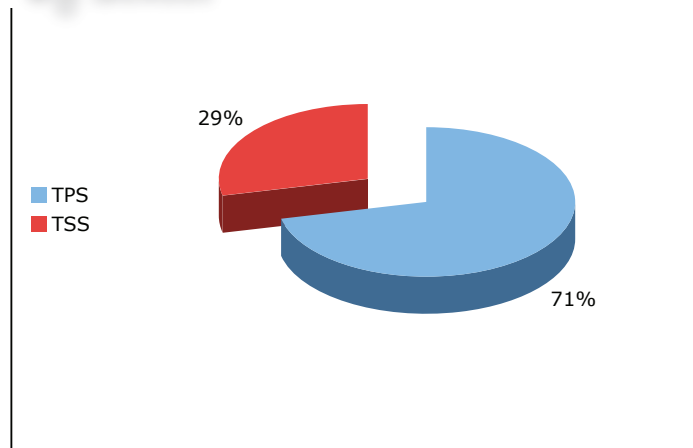
Associate of Science

- > Accounting
- > Automotive Service Technology
- > Computer Networking
- > Computer Science
- > Criminal Justice
- > Early Childhood Education
- > Emergency Management
- > Hospitality Industry Management
- > Marketing
- > Medical Assisting
- > Office Technology
- > Supervision and Management
- > Visual Communications

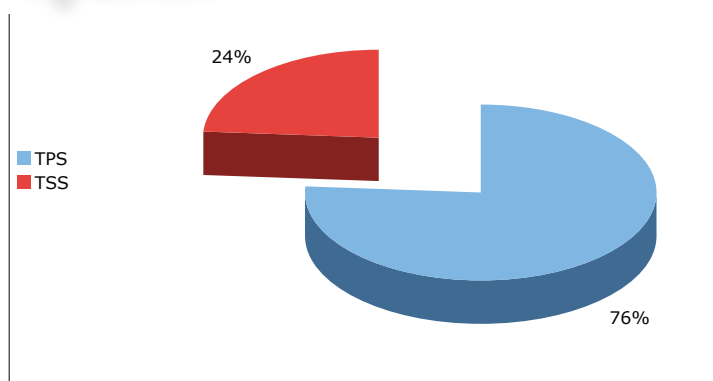
Associate of Arts

- > Culinary
- > Education
- > Liberal Arts

Associate Degree Program By School



Certificate Program By School

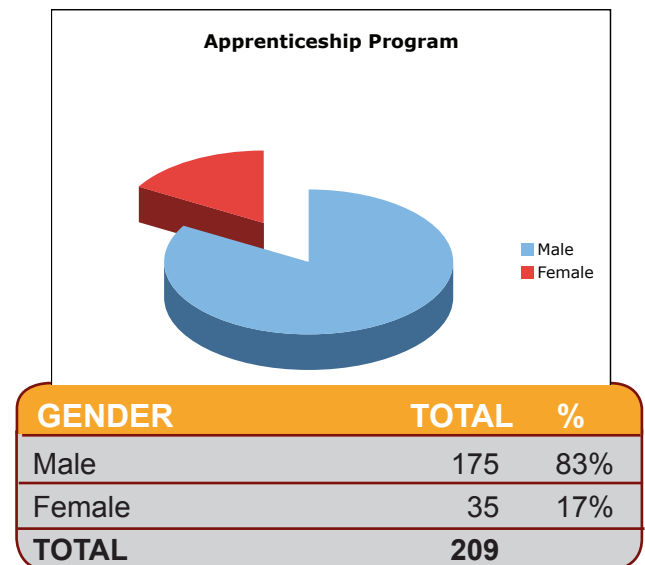


APPRENTICESHIP

Guam Community College administers the Apprenticeship Training Program sponsored by the Guam Hotel & Restaurant Association, Guam Power Authority, Guam Technical Institute, and individual employers throughout the island. These programs are approved and registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

During the term of apprenticeship, the apprentice learns a craft or trade through formal on-the-job training (OJT) under close supervision of a skilled worker or journey worker and through related classroom instruction at GCC. In general, an apprentice works at an actual job setting with an employer during the day and attends related classes at the College during the evenings and/or Saturdays. The terms of apprenticeship are determined by the occupation in which the student is being trained. Training is available in the following occupational trades:

Air-Conditioning and Refrigeration Mechanic
 Auto Body Repairer
 Auto Mechanic
 Carpenter
 Construction Equipment Mechanic
 Cook
 Diesel Mechanic
 Early Childhood Associate
 Electrician
 Electrician Meter Repairer
 Electrician, Substation
 Electronic Technician
 Inspector Building
 Instrument Technician
 Lineman
 Machinist
 Maintenance Building Repairer
 Maintenance Mechanic
 Marine Machinery Mechanic
 Office Manager/Administrative
 Operating Engineer
 Pipefitter
 Plumber
 Power Plant Operator
 Pump Servicer
 Relay Technician
 Rigger
 Sheet Metal Worker
 Ship Fitter
 Truck Driver, Heavy
 Wastewater Treatment Plant Operator
 Welder



Source: GCC Fact Book 2008 & College Catalog

Apprentices who successfully complete the prescribed number of training hours in a registered apprenticeship training program can become certified and skilled journeyworkers.

Over the academic year, we have invite representatives from the private and public sectors to see first-hand GCC's current capacity and the ability to expand facilities to meet the workforce development needs of Guam. Consequently, the college has immersed itself with several discussions and activities with organizations such as the Joint Guam Program Office and various subcommittees of the Civilian Military Task Force. In addition to these two important organizations, GCC is working closely with Guam's business industry as well as local government agencies to ensure that the college is able to do its part to provide a well-trained and educated workforce to meet the island's expanding needs.

GCC continues to solidify its partnership with the Guam Contractors' Association (GCA) in preparing the workforce for Guam's construction boom. Both GCA and GCC are looking at the future growth of the island's construction business and have plans to recruit students beginning with middle school students so that these students are able to gain a better understanding of what true opportunities are available in the construction fields.



Student Enrollment

Secondary Enrollment

Guam Public School System (GPSS)

As a public, open access secondary and post-secondary institution, the Guam Community College continues to provide career and technical education in the island's four (4) public high schools. The college provides education and vocational training that is premised on lifelong learning to high school students who choose to take GCC courses at their campus. While committed to providing quality learning opportunities in occupational, vocational-technical, technological, and academic education reflective of our community and industry needs, GCC had 1,925 high school students enrolled in its programs. The program options high school students can choose from are Allied Health, Automotive, Autobody, Construction Trades, Electronics, Marketing, Tourism, Visual Communications and AutoCAD. The latter two programs are only offered to George Washington High School students who take classes at the college campus. During Academic Year 2007-2008, GCC moved all their high school programs taught at G.W. to its campus. This move has been advantageous to our high school students from G.W. since they now have access to all college resources available on campus.

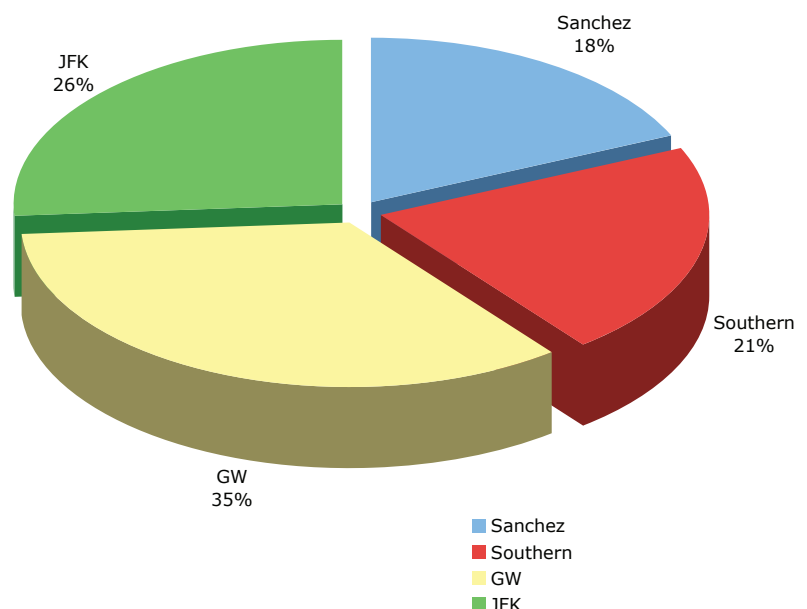
Successful in the implementation of high school courses at GPSS, this relationship between the GPSS and GCC is managed through a Memorandum of Agreement (MOA) which is reviewed and modified as needed.

Augmenting the implementation of the MOA, monthly joint meetings occur between both institutions to ensure effectiveness of the MOA and that Student Learning Outcomes (SLOs) are achieved for each of the college's programs.

High school students enrolled in GCC's programs are able to earn a certificate of completion if they obtain a "C" or better in all their technical core courses and have completed all the courses offered at their particular high school for the CTE class taken through GCC. Thirty two (32) full-time faculty, stationed at GPSS high schools, teach the 1,925 students. The curriculum used is developed and assessed by GCC in achievement of SLOs.

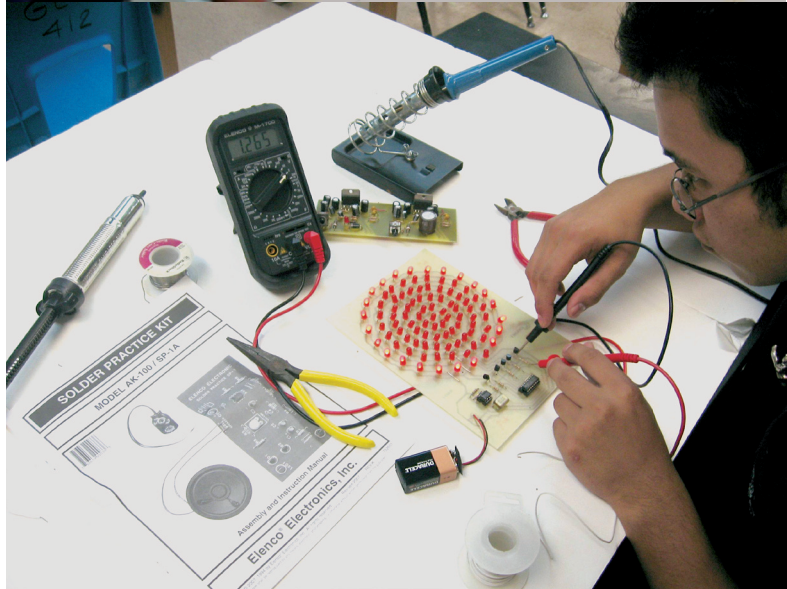
Percentage of Students
at Guam's Four High
Schools

High School	No. of Students
George Washington High School	661
John F. Kennedy High School	503
Simon Sanchez High School	352
Southern High School	409
TOTAL	1,925



Source: GCC Fact Book 2008

Guam Community College
Career & Technical Education Programs
At Guam's Public High Schools



George Washington High School Enrollment				
School Year	'05	'06	'07	'08
Automotive	170	178	181	162
Carp/AutoCAD	84	102	105	92
Allied Health	59	59	78	51
Tourism	153	150	174	167
Marketing	50	46	49	45
Electronics	75	79	78	74
VisComm	74	64	75	70
TOTAL	675	678	740	661

John F. Kennedy High School Enrollment				
School Year	'05	'06	'07	'08
Automotive	60	52	60	59
Carpentry	61	55	57	58
Allied Health	71	69	73	53
Tourism	183	159	175	174
Marketing	54	54	53	53
Electronics	116	100	110	106
TOTAL	545	489	528	503

Simon Sanchez High School Enrollment				
School Year	'05	'06	'07	'08
Allied Health	25	38	49	64
Tourism	153	161	158	156
Marketing	73	60	59	55
Electronics	105	83	78	77
TOTAL	414	365	369	352

Southern High School Enrollment				
School Year	'05	'06	'07	'08
Automotive	116	131	183	140
Carpentry	47	38	45	43
Allied Health	25	38	49	47
Tourism	101	87	79	80
Marketing	38	37	41	39
Electronics	45	49	64	60
TOTAL	372	381	461	409

Source: GCC Fact Book 2008



Explore Endless Possibilities

Guam Community Colleges is more than just another form of higher education. We are an inclusive institution with diverse student bodies and multiple learning entry points that allow our students to explore endless possibilities. Like other community colleges throughout the nation, we are the gateway for economic development, productive citizenry and social equity. Our students go on to own their businesses, become integral members of various companies or organizations or move on to earn a 4-year degree on Guam or at another institution that will continue to provide them with endless opportunities.

In creating the right foundation for our students, some of the academic activities that occurred over the past year are as follows:

- GCC was designated as a host college by ACCJC for a series of regional workshops that was held at the campus from April 15-17. Over 40 faculty, administrators, and staff from Palau Community College, College of Micronesia-FSM, Northern Marianas College, College of Marshall Islands, and Guam Community College participated in workshops dealing with Program Review, Self Study and Accreditation Liaison Officer training. ACCJC Vice President Jack Pond facilitated the 3-day workshop. Surely, GCC's assessment leadership in the region was validated anew through these ACCJC sponsored workshops.
- The 2008-2010 Catalog was published and posted online in August. The catalog contains programs and courses with Student Learning Outcomes (SLOs) as required by ACCJC. All Associate of Science and Certificate programs are with SLOs though course SLOs are not complete yet. Our current catalog contains 416 course descriptions; we now have 67 courses with SLOs; 349 more courses to go. We have more than 3 years to complete the project – in time for the next comprehensive site visit in Spring 2012.
- In line with this plan, a 4-year SLO implementation plan has been finalized and widely disseminated among department chairs and program faculty across the campus.

- At the November meeting of the Board of Trustees, the Institutional Strategic Master Plan, 2009-2014, was approved. Implementation will begin in January 2009.
- Over the past fiscal year, the 2006-2007 Annual Self-Study Report has been finalized and approved by the Board of Trustees. This document is the product of four (4) Standard committees under the Faculty Senate structure and is coordinated by the Academic Vice President's office.
- Assessment & Institutional Effectiveness (AIE) was able to complete eight (8) institutional reports over the summer that is now available on the AIE website under the "What's New" Tab. The completed reports are: 8th Annual Institution Assessment Report; General Education Impact Study; GCC Fact Book, Volume 2; Faces of the Future; Second Effectiveness Survey Report of the GCC Faculty Senate; Third Consolidated Administrators' Assessment Report; Board of Trustees' Third Assessment Report; GCC Foundation Board's Second Assessment Report.
- Article XII (Faculty Senate) of the Board-Union Contract was presented to the general faculty on Professional Development Day that was held on October 13, 2008. The new negotiated agreement will be implemented at the beginning of Spring 2009.
- ACCJC has sent a revised Rubric for Evaluating Institutional Effectiveness to be used by the college as the general framework for reporting accreditation progress and compliance with the ACCJC standards.
- Ongoing preparations are being made by the Academic Vice President for the Midterm Progress Report that is due to the Commission on March 15, 2009.

Preparing our students for Guam's growing workforce, we continuously refine our programs and services to ensure that the Guam Community College provides the best career and technical education programs on Guam. The implementation of the Faculty Senate at the start of Academic Year 2005-2006, faculty, staff, students and administrators participate, when appropriate to their special knowledge and expertise, in decisions affecting the campus community. All constituencies are encouraged to be active in participatory governance at GCC.

Faculty Senate Officers are as follows:

Jose Munoz, President
 Clare Camacho, President Elect
 John Armstrong, Past President
 Gary Hartz, Member-at-Large
 Gil Yanger, Faculty Excellence Oversight Chair
 Michael Setzer II, Student Learning Excellence Oversight Chair
 Barry Mead, Chair Bargaining Unit

A background image showing a group of people, including a man and a woman, sitting at a table and looking at documents. The image is partially obscured by a large, semi-transparent circular graphic on the right side of the page.

College Finances

Guam Community College takes its finances seriously. No expenses are encumbered or expended unless funding is available and a funding source is identified within the college's procurement process. The college's management team has periodic discussions of national and local economic conditions, and how such conditions will affect the Government of Guam's finances. Based on such discussions and the projection of allotments to be received by the Department of Administration, adjustments are made to department budgets throughout the college. Based on this tradition of fiscal responsibility, GCC's audit report reflected that there were no findings, significant deficiencies, or material weaknesses in the college's financial practices.

For the seventh consecutive year, Guam Community College qualified as a low-risk auditee. Given this designation by the Office of the Public Auditor (OPA), review of the college's financial records demonstrate there were no questioned costs or unresolved prior year audit findings in fiscal year 2007. As a low-risk auditee, the OPA report states that GCC's management personnel have good work ethics, the auditor, from the OPA's office, reviewing GCC's records received good references from external sources, and also noted that GCC did not receive any audit findings over the past seven years. Proudly, the college continues to receive recognition as one of the best financially managed organizations within the Government of Guam system.



OFFICE OF THE PUBLIC AUDITOR

Guam Community College FY 2007 Financial Highlights

June 18, 2008

For the seventh-consecutive year, Guam Community College (GCC) qualified as a low-risk auditee as there were no questioned costs or unresolved prior year audit findings. In fiscal year (FY) 2007, GCC received \$3 million more in government of Guam appropriations compared to the previous fiscal year; however, expenditures also increased by \$2.6 million. GCC's expenditures outweighed revenues resulting in a \$1.6 million decrease in net assets. Enrollment of post-secondary students decreased slightly with 3,922 students in 2007 compared to 4,075 in 2006, although high school students enrolled in GCC's career and technical education programs increased from 1,913 students to 2,098.

In FY 2007, GCC also resolved the issue of non-compliance with the construction of the college dormitory that was converted to the principal administration building by negotiating a repayment schedule with the US Department of Education. The loan is to be paid off by December 2010.

Increase in Revenues

Revenues increased from \$22.1 million in FY 2006 to \$23.8 million, or \$1.7 million more in FY 2007. This increase was mainly attributed to GCC receiving more in appropriations from the government of Guam (\$14.1 million in 2007 compared to \$11.1 million in FY 2006), student tuition and fees (\$3.1 million compared to \$2.8 million), and federal grants and contracts (\$6.4 million compared to \$5.8 million). A decline in revenues was seen in government of Guam grants and contracts (\$485,000 compared to \$1.3 million), contracted educational services (\$595,000 compared to \$1.3 million), and other revenues (\$417,000 compared to \$1.2 million).

Increase in Expenditures

Total expenses increased by \$2.6 million, going from \$22.6 million in 2006 to \$25.3 million in 2007. The increase in expenses came from institutional support (\$5.6 million versus \$3.3 million), instruction (\$8.3 million versus \$7.6 million), planning (\$957,000 versus \$613,000), and depreciation (\$938,000 versus \$800,000). The increase in institutional support was mainly due to contract services relating to the implementation of the college's Integrated Data Base System (IDBS), including training, consultant work, licensing, and system maintenance support.

At the end of FY 2007, there were 212 employees at GCC, with 11 being paid with federal funds. Total salaries and wages increased \$588,000, going from \$13 million in FY 2006 to \$13.6 million. These increases do not correspond with the decrease in student enrollment.

Infrastructure and Systems Improvements

In FY 2007, GCC completed several construction projects, including the Multi-purpose Auditorium and the Culinary Arts Kitchen, which went from 850 square feet to 4,200 square feet. The college also unveiled their new web portal system called MyGCC and the student module through the college's IDBS. This system allows students to register online, access

grades online, and obtain class and course information. The MyGCC portal provides and intranet service for students, faculty, staff, and administrators. In October 2007, the finance module was activated, with several other modules slated for release.

GCC Endowment Foundation

The GCC Foundation, a component unit of GCC, recorded an increase in investment income, going from \$695,000 to \$1.1 million, a \$431,000 increase. Expenditures also increased, going from \$70,000 to \$748,000. The increase in expenditures is mainly due to a \$668,000 transfer to the Guam Community College for collateral equipment to support campus upgrades for the Culinary Arts Kitchen and Technology Center.

Report on Compliance and Management Letter

The independent auditor's Report on Compliance and on Internal Control noted one finding related to the reconciliation of inventory of equipment. A separate Management Letter identified three findings pertaining to GCC adhering to their capitalization policy, a missing fixed asset, and the monitoring of contracts. For a more detailed commentary of GCC's operations, refer to the Management Discussion and Analysis in the audit report. Independent auditors Deloitte & Touche conducted the financial and compliance audit.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE
GOVERNMENT OF GUAM)**

**FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION
AND INDEPENDENT AUDITORS' REPORT**

YEARS ENDED SEPTEMBER 30, 2007 AND 2006

Independent Auditors' Report

Board of Trustees
Guam Community College:

We have audited the accompanying financial statements of the Guam Community College (a component unit of the Government of Guam) and its discretely presented component unit as of and for the years ended September 30, 2007 and 2006. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

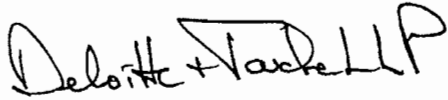
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Guam Community College Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guam Community College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Guam Community College and its discretely presented component unit as of September 30, 2007 and 2006, and the respective changes in its net assets and its cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB). This information is the responsibility of the College's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.

Our audit of the financial statements was made for the purpose of expressing our opinion on the basic financial statements taken as a whole. The accompanying schedules on pages 27 – 32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These accompanying schedules are the responsibility of the Guam Community College's management. The accompanying schedules on pages 28-32 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The accompanying schedule on page 26 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2008, on our consideration of the Guam Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Deloitte + Tatchell LLP". The signature is stylized, with the "D" and "T" being particularly prominent.

June 13, 2008

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Management's Discussion and Analysis
Year Ended September 30, 2007

Introduction

The following discussion and analysis provides an overview of the financial activities of Guam Community College (the College). This is a requirement of the Government Accounting Standards Board (GASB) found in Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In November 1999, GASB issued Statement No. 35 "*Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*," which established new reporting standards for public colleges and universities. This discussion has been prepared by College Management. It is based on the three financial statements provided in the annual audit report. The presentation format used in these statements has also been updated by GASB. This is the fourth year this report format is being used. As a result, comparable financial data from the prior year is also being provided. The three statements presented are the:

Statement of Net Assets – This statement is similar to a balance sheet. Net assets represent the difference between the institution's total assets and the institution's liabilities. Net assets were previously called fund balance.

Statement of Revenues, Expenses, and Changes in Net Assets – This statement presents the financial results of operating the College for the whole fiscal year. In this presentation, appropriated funds are considered as non-operating revenue. Because of this change, these additions to revenue are placed after the results of operations. Previously, they were grouped at the beginning of the statement with other revenues.

Statement of Cash Flows – This statement provides information about the College's ability to generate the cash flows needed to meet the financial obligations of the College as well as the extent to which external financing is being used to fund College operations.

These three reports present data in a summarized form. The College is most often asked questions about how specific monies have been expended. Because the summarized format is not able to provide answers to these specific questions, the College also provides a set of financial statements in the fund accounting format used previously. These statements are found at the end of the report and the statements are structured so the dollar totals there link to the official statements.

Fiscal Year 2007 Overview

During fiscal year 2007, the College completed the renovation of the Culinary Arts Kitchen and Multi-purpose Auditorium. The Culinary Arts Kitchen increased kitchen facilities for student classes from 850 to 4,200 square feet. Funding for this building was obtained from FEMA, Tobacco Settlement, and the College's capital improvement funds. Additionally, the campus wide painting project was completed during the year and funded through the College capital improvement funds. For additional information concerning the College's capital assets, please refer to note 3 to the financial statements.

The College rolled out its new website through the web portal system, called MyGCC and the student module, through the College's Integrated Data Base System (IDBS). The student module provides on-line registration and self-advising for students; on-line access of student grades; class and course management for faculty. The MyGCC portal, provides intranet services through the Banner interface for students faculty, staff and administrators. MyGCC gives the College the opportunity to establish the foundation for a unified digital environment. The rollout of finance and human resources module occurred in October 2007 and January 2008, respectively.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Management's Discussion and Analysis
Year Ended September 30, 2007

The College received notification of award of Title III grant (Strengthening Institutions Programs 84.031) for \$2 million, which provides the College with \$400,000 per year for five years. This award provides additional financial assistance to support the college's IDBS. Additionally, the College received a \$148,106 grant from the Administration of Native Americans in Honolulu, to plan and develop projects for the Chamorro language preservation project.

The College operated with 212 full time personnel positions. This does not include adjunct faculty members hired to teach additional postsecondary courses. Because of the continuous submission of a growth budget to identify the need to expand its services and programs, the College received additional funding for the Licensed Practical Nursing (LPN) and Vocational Guidance programs. The LPN program will address the islands' continued need to develop and train students for the Allied Health fields. The additional funding also places Vocational Counselors in each of the four public high schools to provide information to students about the career and technical opportunities available to them from the College. Also, the College received funds from the Manpower Development Fund for its apprenticeship programs.

The College continued its increase in tuition rates for Fall 2007 and Fall 2006, by \$20 and \$10 per credit, respectively. This resulted in an increase of tuition and fees of 12% for FY 2007 and 3% for FY 2006. As authorized by the Board of Trustees, 50% of the proceeds from the revenue increases have been utilized to hire additional full time permanent faculty and 20% has been utilized to hire staff positions. A tuition increase of \$20 for each subsequent fall semester will continue until Fall semester 2011. Classroom improvements, technology lab upgrades and capital projects are funded through increases in technology and parking fees. Funds utilized in FY2007 for capital projects and technology fees were \$321,000 and \$196,000, respectively.

There was a slight decrease of 5% in the post secondary enrollment seats and a decrease of 3% in the number of students enrolled at the College in academic year 2007 versus 2006. This is mainly attributable to increases in tuition rates.

<u>Enrollment (Seat)</u>	<u>2007</u>	<u>2006</u>
Spring	5,069	5,407
Summer	559	754
Fall	<u>5,200</u>	<u>5,255</u>
Total	<u>10,828</u>	<u>11,416</u>

<u>Enrollment (Head)</u>		
Spring	1,743	1,822
Summer	361	466
Fall	<u>1,818</u>	<u>1,787</u>
Total	<u>3,922</u>	<u>4,075</u>

The College continues to provide career and technical education programs in four of the Guam high schools including GW, JFK, Southern and Simon Sanchez. There was a 9% increase in enrollment in these courses from 1,913 students to 2,098 students in SY 05-06 and SY06-07, respectively.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Management's Discussion and Analysis
Year Ended September 30, 2007

Overview of the Financial Statements and Financial Analysis
(all figures are in thousands)

Summary Statement of Net Assets

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assets:			
Current assets	\$ 6,662	\$ 6,973	\$ 11,412
Investments (noncurrent)	1,740	1,740	1,740
Capital assets, net	<u>14,069</u>	<u>14,697</u>	<u>10,547</u>
Total	\$ <u>22,471</u>	\$ <u>23,410</u>	\$ <u>23,699</u>
Liabilities:			
Current liabilities	\$ 3,169	\$ 4,039	\$ 1,820
Non-current liabilities	<u>2,791</u>	<u>1,265</u>	<u>3,091</u>
Total	<u>5,960</u>	<u>5,304</u>	<u>4,911</u>
Net assets:			
Invested in capital assets	11,763	12,130	8,112
Restricted – expendable	-	-	21
Restricted – nonexpendable	1,914	1,845	1,858
Unrestricted	<u>2,834</u>	<u>4,131</u>	<u>8,797</u>
Total	<u>16,511</u>	<u>18,106</u>	<u>18,788</u>
Total liabilities and Total net assets	\$ <u>22,471</u>	\$ <u>23,410</u>	\$ <u>23,699</u>

At the end of fiscal year 2007, the net assets of the College decreased by \$1,595,000. The decrease is due to the \$1 million remittance to the US Department of Education for repayment of the campus housing facility loan, of which interest was \$686,835. The changes in current and non-current liabilities are due to the agreement with USDOE to term out the repayment of the loan over three years. Total assets and net assets remain consistent in fiscal year 2007 as compared to fiscal year 2006. For additional information concerning the College's long-term liabilities, please refer to notes 9 and 10 to the financial statements.

Due to the constraints of College and University accounting, approximately \$1,651,247 in encumbrances incurred in fiscal year 2007 have yet to be reflected as expenditures in the accompanying financial presentation, but will be liquidated with 2007 net assets.

Summary Statement of Revenues, Expenses, and Changes in Net Assets

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating revenues	\$ 9,642	\$ 10,944	\$ 9,333
Operating expenses	<u>25,252</u>	<u>22,628</u>	<u>20,296</u>
Operating Loss	(15,610)	(11,684)	(10,963)
Non operating revenues	<u>14,015</u>	<u>11,002</u>	<u>12,866</u>
Change in net assets	(1,595)	(682)	1,903
Net assets at beginning of year	<u>18,106</u>	<u>18,788</u>	<u>16,885</u>
Net assets at end of year	\$ <u>16,511</u>	\$ <u>18,106</u>	\$ <u>18,788</u>

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Management's Discussion and Analysis
Year Ended September 30, 2007

Statement of Cash Flows

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash provided by (used in):			
Operating activities	\$ (13,015)	\$ (11,444)	\$ (10,144)
Noncapital financing activities	12,695	11,008	12,096
Capital financing activities	<u>(1,345)</u>	<u>(4,783)</u>	<u>(4,699)</u>
Net (decrease) increase in cash and cash equivalents	(1,665)	(5,219)	(2,747)
Cash and cash equivalents at beginning of year	<u>2,392</u>	<u>7,611</u>	<u>10,358</u>
Cash and cash equivalents at end of year	\$ <u>727</u>	\$ <u>2,392</u>	\$ <u>7,611</u>

The decrease in fiscal year 2007 operating revenues was due to the FEMA flood mitigation grant of \$1 million received in fiscal year 2006. The College experienced delays in timely release of its appropriations during fiscal year 2007. This has caused some difficulty in the financial planning for the institution and the ability to maintain timely payments with all of its vendors. This has also caused a decrease in cash reserves that it has maintained over the years. However, in fiscal year 2007, the College was not able to receive \$892k of its appropriations from the Government of Guam as compared to the previous year \$2.6 million deferred amount. Increases in expenditures were due to contractual costs related to the rollout of the College's Integrated Data Base System (IDBS). The College remains committed to displaying fiscal responsibility in the management of its funds by operating within the levels of authorizations.

Management's Discussion and Analysis for the years ended September 30, 2006 and 2005, is set forth in the report on the College's audited financial statements, which is dated May 14, 2007, and that Discussion and Analysis explains the major factors impacting the 2006 and 2005 financial statements and can be viewed at the Office of the Public Auditor's website at www.guamopa.com.

Economic Outlook for FY 2008

Guam Community College recognizes the job opportunities that will be created because of Guam's military expansion. The College is preparing for the on-going training needs for the immediate economic impact resulting from the island's increased military activity. Consequently, the valuable skills and higher incomes this military buildup brings to Guam provides opportunities for GCC to expand its programs and services, not only to its civilian community, but the direct and indirect associations that result from this base realignment project. GCC will partner with federal and local government entities as well as private sector businesses to ensure that Guam's workforce is able to take advantage of opportunities that are available through GCC's expansive information technology, construction & trades – which will include GCC's Construction Trades Boot Camp, Allied Health, Education, and other academic programs – offered at the College.

The College continues to collaborate with the Federal Government, the Government of Guam, the private sector and the people of Guam in identifying issues and developing solutions that relate to Guam's military buildup and the impact it will have on the territory and the neighboring islands of Micronesia. GCC plans to implement a Construction Trades Boot Camp in the summer of 2008 that will provide students with basic hand and power tool recognition, use and care so that students are able to join Guam's growing workforce. The impact GCC's Boot Camp will have to our economy will help fill the void of available skilled workers in Guam and the neighboring islands of Micronesia. Additionally, the College has taken an active role in assisting the working group of the Interagency Group on Insular Areas' (IGIA) as they develop an integrated comprehensive master plan that will accommodate the island's military expansion.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

**Management's Discussion and Analysis
Year Ended September 30, 2007**

In an effort to update and fully integrate the financial and student processes for the College through an integrated database system, the College launched the financial aid module which will be utilized in awarding of Pell, SEOG and FWS for SY2008-2009. This will provide increased efficiency and monitoring of student awards and allow information to be electronically processed through the finance module.

In FY2008, the College will bid and award the construction contract for the Allied Health Building. The building will provide the much needed classroom and office space of over 22,000 additional square feet for the Allied Health and Science programs. The purchase and installation of a back up generator needed for the Technology Center will be completed within the year. Other small capital improvement projects are planned such as roof repairs; installation of anti-skid sidewalk materials; modification of the campus ramps and doors for ADA Compliance; repair and renovation of restrooms and installation of water fountains on campus; and some installation of typhoon shutters to the administrative building. These projects address the repair and maintenance requirement needed to ensure student accessibility and safety, along with the security needed for our College assets.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Statements of Net Assets
September 30, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 440,717	\$ 2,125,860
Cash and cash equivalents - restricted	286,499	266,144
Due from Government of Guam	2,382,889	935,427
Tuition receivable, less allowance for doubtful accounts of \$1,220,562 and \$1,222,665 at September 30, 2007 and 2006, respectively	2,096,901	2,478,048
Accounts receivable - U.S. Government and others	740,767	397,410
Other receivables	577,685	664,209
Inventories	136,117	105,944
Total current assets	<u>6,661,575</u>	<u>6,973,042</u>
Noncurrent assets:		
Investments	1,740,000	1,740,000
Property, plant and equipment, net	14,069,570	14,696,808
Total noncurrent assets	<u>15,809,570</u>	<u>16,436,808</u>
	<u>\$ 22,471,145</u>	<u>\$ 23,409,850</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Current portion of long-term debt	\$ 458,637	\$ 2,212,460
Accounts payable and accrued liabilities	1,439,715	410,334
Deferred revenue	1,113,076	1,225,493
Current portion of accrued annual leave	157,393	190,082
Total current liabilities	<u>3,168,821</u>	<u>4,038,369</u>
Noncurrent liabilities:		
Accrued annual leave	299,688	288,885
DCRS sick leave liability	436,654	355,293
Long-term debt, net of current portion	1,768,049	354,560
Deposits held on behalf of others	286,499	266,144
Total noncurrent liabilities	<u>2,790,890</u>	<u>1,264,882</u>
Commitment and contingency		
Net assets:		
Invested in capital assets, net of related debt	11,763,357	12,129,788
Restricted:		
Nonexpendable	1,914,175	1,845,286
Unrestricted	2,833,902	4,131,525
Total net assets	<u>16,511,434</u>	<u>18,106,599</u>
	<u>\$ 22,471,145</u>	<u>\$ 23,409,850</u>

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF THE GUAM COMMUNITY COLLEGE)

Statements of Financial Position
September 30, 2007 and 2006

ASSETS	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 9,818	\$ 34,639
Investments	8,417,877	7,942,047
Accounts receivable	65	-
Plant and equipment, net	<u>360,161</u>	<u>420,186</u>
Total assets	<u>\$ 8,787,921</u>	<u>\$ 8,396,872</u>
NET ASSETS AND LIABILITIES		
Liabilities:		
Accounts payable	\$ <u>6,672</u>	\$ <u>-</u>
Total liabilities	<u>6,672</u>	<u>-</u>
Commitments		
Net assets:		
Unrestricted	\$ 3,741,774	\$ 3,786,851
Temporarily restricted	4,659,865	4,170,384
Permanently restricted	<u>379,610</u>	<u>439,637</u>
	<u>8,781,249</u>	<u>8,396,872</u>
Total net assets	<u>\$ 8,787,921</u>	<u>\$ 8,396,872</u>

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Statements of Revenues, Expenses and Changes in Net Assets
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Operating revenues:		
Student tuition and fees	\$ 3,105,694	\$ 2,764,582
Less: Scholarship discounts and allowances	<u>(1,943,825)</u>	<u>(1,612,933)</u>
	1,161,869	1,151,649
Federal grants and contracts	6,372,562	5,784,799
Government of Guam grants and contracts	485,458	1,311,007
Contracted educational services	595,279	1,253,697
Auxiliary enterprises	610,270	604,369
Other revenues	416,503	1,168,742
Less uncollectible revenues	<u>(290)</u>	<u>(330,000)</u>
Total operating revenues	<u>9,641,651</u>	<u>10,944,263</u>
Operating expenses:		
Education and general:		
Instruction	8,266,302	7,598,361
Institutional support	5,613,324	3,319,193
Scholarships and fellowships	2,973,429	2,902,298
Operations and maintenance of plant	1,716,858	2,374,214
Student services	2,880,857	3,072,433
Academic support	1,296,771	1,376,854
Depreciation	938,341	800,153
Planning	957,201	612,973
Auxiliary enterprises	<u>608,686</u>	<u>571,665</u>
Total operating expenses	<u>25,251,769</u>	<u>22,628,144</u>
Operating loss	<u>(15,610,118)</u>	<u>(11,683,881)</u>
Nonoperating revenues (expenses):		
Government of Guam appropriations:		
Operations	14,142,196	11,144,198
Interest expense	<u>(127,243)</u>	<u>(141,867)</u>
Net nonoperating revenues	<u>14,014,953</u>	<u>11,002,331</u>
Change in net assets	<u>(1,595,165)</u>	<u>(681,550)</u>
Net assets:		
Net assets at beginning of year	<u>18,106,599</u>	<u>18,788,149</u>
Net assets at end of year	<u>\$ 16,511,434</u>	<u>\$ 18,106,599</u>

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF THE GUAM COMMUNITY COLLEGE)

Statements of Activities
Years Ended September 30, 2007 and 2006

	2007			2006				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Gains and other additions:								
Investment income	\$ 636,351	\$ 489,481	\$ -	\$ 1,125,832	\$ 417,550	\$ 277,428	\$ -	\$ 694,978
Interest income	1,463	-	-	1,463	374	-	-	374
Fundraising	5,077	-	-	5,077	18,482	-	-	18,482
Total gains and other additions	642,891	489,481	-	1,132,372	436,406	277,428	-	713,834
Expenses and other deductions:								
Depreciation	-	-	60,027	60,027	-	-	60,027	60,027
Professional services	4,678	-	-	4,678	4,063	-	-	4,063
Transfer to Guam Community College	667,616	-	-	667,616	-	-	-	-
Scholarship	3,000	-	-	3,000	3,000	-	-	3,000
Other deductions	11,274	-	-	11,274	2,195	-	-	2,195
General and administrative	1,400	-	-	1,400	427	-	-	427
Total expenses and other deductions	687,968	-	60,027	747,995	9,685	-	60,027	69,712
Excess of gains and other additions over expenses and other deductions	(45,077)	489,481	(60,027)	384,377	426,721	277,428	(60,027)	644,122
Net assets at beginning of year	3,786,851	4,170,384	439,637	8,396,872	3,360,130	3,892,956	499,664	7,752,750
Net assets at end of year	\$ 3,741,774	\$ 4,659,865	\$ 379,610	\$ 8,781,249	\$ 3,786,851	\$ 4,170,384	\$ 439,637	\$ 8,396,872

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Statements of Cash Flows
Years Ended September 30, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Student tuition and fees	\$ 1,723,771	\$ 722,295
Federal grants/contracts	6,029,206	5,615,595
Government of Guam grants and contracts	571,985	1,801,650
Auxiliary services	33,602	640,461
Other receipts/payments	686,299	1,210,096
Payments for educational and general expenses	(19,086,793)	(18,532,760)
Scholarship/fellowships	(2,973,429)	(2,902,298)
Net cash used in operating activities	(13,015,359)	(11,444,961)
Cash flows from noncapital financing activities:		
Government of Guam appropriations	12,694,734	11,008,386
Net cash provided by noncapital financing activities	12,694,734	11,008,386
Cash flows from capital financing activities:		
Expended on plant facility and capital assets	(311,103)	(4,950,094)
Proceeds from debt	-	404,967
Payment of debt	(340,334)	(237,947)
Interest paid on long-term debt	(692,726)	-
Net cash used in capital financing activities	(1,344,163)	(4,783,074)
Net change in cash and cash equivalents	(1,664,788)	(5,219,649)
Cash and cash equivalents at beginning of year	2,392,004	7,611,653
Cash and cash equivalents at end of year	\$ 727,216	\$ 2,392,004
<u>Reconciliation of operating loss to net cash used in operating activities:</u>		
Operating loss	\$ (15,610,118)	\$ (11,683,881)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	938,341	800,153
Uncollectible revenues	290	330,000
Changes in assets and liabilities:		
Accounts receivable, net	124,024	(1,010,855)
Inventories	(30,173)	34,778
Other assets	-	796
Accounts payable	1,594,864	(230,071)
Accrued liabilities	(21,886)	(24,211)
DCRS sick leave liability	81,361	43,186
Deferred revenue	(112,417)	298,354
Deposits held on behalf of others	20,355	(3,210)
Net cash used in operating activities	\$ (13,015,359)	\$ (11,444,961)

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Notes to Financial Statements
September 30, 2007 and 2006

(1) Organization and Purpose

Guam Community College (the College) was established by the enactment of Public Law 14-77, "The Community College Act of 1977" (the Law), which became effective on November 11, 1977. Administration and operation of the College is under the control of a nine-member Board of Trustees appointed by the Governor with the advice and consent of the Legislature. Two of the nine members have no voting and participation rights as they represent the faculty and staff union. The College is a component unit of the Government of Guam. The Law sets forth the purposes of the College as follows:

1. To establish technical, vocational and other related occupational training and education courses of instruction aimed at developing educated and skilled workers on Guam;
2. To coordinate vocational-technical programs in all public schools on Guam;
3. To establish and maintain short-term extension and apprenticeship training programs in Guam;
4. To expand and maintain secondary and postsecondary educational programs in the vocational-technical fields;
5. To award appropriate certificates, degrees and diplomas to qualified students; and
6. To serve as the Board of Control for vocational education for purposes of the United States Vocational Education Act of 1946 and 1963 and subsequent amendments thereto.

The Guam Community College Foundation (the Foundation) was founded in August 1982, as a non-profit, public benefit corporation, which operates under a separate Board of Governors from that of the College. Accordingly, the accompanying financial statements include the accounts of the Foundation.

(2) Summary of Significant Accounting and Reporting Policies

Financial Statement Presentation

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows, and replaces the fund-group perspective previously required.

Other GASB Statements are required to be implemented in conjunction with GASB Statements No. 34 and No. 35. Therefore, the College has also implemented, where applicable, Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Basis of Accounting

For financial statement purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The College has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The College has elected not to apply FASB pronouncements issued after the applicable date.

Reporting Entity

The College adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The Guam Community College Foundation (Foundation) is a legally separate, tax-exempt entity which meets the criteria set forth for component units under GASB Statement No. 39. The Foundation provides financial support for the objectives, purposes and programs of the College. Although the College does not control the timing, purpose, or amount of receipts from the Foundation, the resources (and income thereon) which the Foundation holds and invests are restricted to the activities of the College. Because the resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and its Statements of Financial Position and Statements of Activities and Changes in Net Assets are separately presented in the College's financial statements. In addition, significant notes are summarized under Foundation Investments.

The Foundation is a private organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks, money market accounts and time certificates of deposit with original maturities of less than three months.

Accounts Receivable

The allowance for doubtful accounts is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectibility of these accounts and prior collection experience. The allowance is established through a provision for bad debts charged to expense.

Inventory

Inventory is stated at the lower of cost (first-in, first-out) or market (net realizable value).

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Property, Plant and Equipment

Physical plant and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts, except as noted below.

Physical plant and certain equipment were transferred to the College from the Government of Guam effective July 1, 1978, except for Police Academy assets, which were transferred on September 28, 1978. Title to the land is held by the Government of Guam. Physical plant is valued at the June 1, 1979 appraised value of \$6,493,585. Transferred equipment and fiscal year 1979 acquisitions are valued at the October 9, 1979 appraised value of \$1,008,192. Subsequent to that date, equipment acquisitions are stated at cost.

The College capitalizes assets with costs greater than \$5,000. The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Vehicles, furniture and fixtures are depreciated over a period of 5 years. Building and structures are depreciated over a period of 30 years. Depreciation is computed on the straight line method.

Deferred Revenues

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

Earned employee vacation leave is accrued at year end for financial statement purposes. Included in the accounts payable and accrued liabilities at September 30, 2007 and 2006 are amounts related to compensated absences earned but unused. The amounts are also included as a component of operating expense in the Statement of Revenues, Expenses and Changes in Net Assets.

Grants-in-Aid

GovGuam law requires that the College waive the tuition and fees for credit classes for senior citizens. The College provides no waivers to faculty, staff or dependents. The total of senior citizen waivers provided is \$27,580 and less than \$10,000 for the years ended September 30, 2007 and 2006, respectively.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of notes payable; and (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Net Assets

The College's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included in this section.

Restricted Net Assets – Expendable – Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted Net Assets - Nonexpendable - Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. Related cash accounts are also restricted. *Unrestricted Net Assets* – Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for student, faculty and staff.

The College's policy is to expend resources according to the terms and conditions of the grants or contracts under which the resources were received.

Classification of Revenues and Expenses

The College has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating Revenues and Expenses – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on investments.

Nonoperating Revenues and Expenses – Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue and expense sources that are defined as nonoperating revenues and expenses by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Capitalization of Interest

The College capitalizes interest on construction in progress based on the weighted average interest rate. During the years ended September 30, 2007 and 2006, \$0 and \$118,672, respectively, was capitalized.

Reclassifications

Certain balances in the 2006 financial statements have been reclassified to correspond with the 2007 presentation.

Foundation Investments

The Foundation adopted the requirements of Financial Accounting Standards Statements 116, 117 and 124 which require that the Foundation account for its investments at market value.

The Foundation has also adopted Statement of Financial Accounting Standards (SFAS) No. 115. Under SFAS 115, investments in securities are classified as either trading securities, securities held to maturity or securities available for sale. At September 30, 2007 and 2006, all investments are classified as trading securities. Securities are recorded at their fair values with fair value determined at quoted market prices. Unrealized gains and losses on trading securities at September 30, 2007 and 2006 are included in investment income.

The original cost and market values of investments at September 30, 2007 and 2006, are:

	<u>2007</u>		<u>2006</u>
<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
\$ <u>5,348,663</u>	\$ <u>8,417,877</u>	\$ <u>5,348,663</u>	\$ <u>7,942,047</u>

The following represents the composition of market values of the above investments:

	<u>2007</u>	<u>2006</u>
Equities and related	\$ 6,744,567	\$ 6,002,614
Fixed income securities	1,177,436	1,468,182
Cash and equivalents	<u>495,874</u>	<u>471,251</u>
	\$ <u>8,417,877</u>	\$ <u>7,942,047</u>

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Foundation Investments, Continued

The following represents the composition of investment income for the years ended September 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Unrealized investment gains	\$ 875,818	\$ 496,264
Net interest income and dividends	<u>250,014</u>	<u>198,714</u>
	<u>\$ 1,125,832</u>	<u>\$ 694,978</u>

Statutes authorize the Foundation to invest the Term Endowment Funds during the twenty-year grant period, in savings account(s) or in low-risk securities as required by State law(s) regulating insurance company investments for Guam, such as federally insured bank savings account(s); comparable interest bearing accounts offered by a bank; money market funds; securities issued by the U.S. Treasury, other U.S. Agencies and instrumentalities; certificates of deposit; mutual funds; stock or bonds, but not in real estate. The investments are pooled and earnings and expenses are allocated to the respective funds which comprise the Foundation. There are no limits on the investment policy of the Quasi-Endowment Fund.

Deposits and Investments

GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, disclosure is required of investments that have fair values that are highly sensitive to changes in interest rates. GASB Statement No. 40 also requires disclosure of formal policies related to deposit and investment risks.

A. Deposits

GASB Statement No. 3 previously required government entities to present deposit risks in terms of whether the deposits fell into the following categories:

- Category 1 Deposits that are federally insured or collateralized with securities held by the College or its agent in the College's name;
- Category 2 Deposits that are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the College's name; or
- Category 3 Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent but not in the College's name and non-collateralized deposits.

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 but retained disclosures for deposits falling under category 3. Category 3 deposits are those deposits that have exposure to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. The College does not have a deposit policy for custodial credit risk.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Deposits and Investments, Continued

As of September 30, 2007 and 2006, the carrying amount of the College's total cash and cash equivalents was \$727,216 and \$2,392,004, respectively, and the corresponding bank balances were \$1,624,118 and \$3,925,561, respectively. Of the bank balance amounts, \$1,324,118 and \$3,625,561, respectively, are maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2007 and 2006, bank deposits in the amount of \$300,000 were FDIC insured. The College does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

B. Investments

GASB Statement No. 3 previously required government entities to present investment risks in terms of whether the investments fell into the following categories:

- | | |
|------------|---|
| Category 1 | Investments that are insured or registered, or securities held by the College or its agent in the College's name; |
| Category 2 | Investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the College's name; or |
| Category 3 | Investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the College's name. |

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for investments falling into categories 1 and 2, and provided for disclosure requirements addressing other common risks of investments such as credit risk, interest rate risk, concentration of credit risk, and foreign currency risk. GASB Statement No. 40 did retain and expand the element of custodial credit risk in GASB Statement No. 3.

As of September 30, 2007 and 2006, the College has one fixed income security known as the Tobacco Bond. The bond amount is \$1,740,000 with a rating of BBB- by Fitch, with interest at 5.45%, and Baa3 by Moody's Investor Services, with interest at 3.7%, respectively, maturing on May 15, 2041. The principal is restricted by law but use of interest earned from the investment is not restricted.

New Accounting Standards

During fiscal year 2007, the College implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 43 establishes uniform financial reporting for other postemployment benefit plans by state and local governments. The implementation of this Statement did not have a material effect on the financial statements of the College.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

New Accounting Standards, Continued

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefit expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The provisions of this Statement are effective for periods beginning after December 15, 2006. The effect, if any, of the implementation of this Statement on the financial statements of the College has not been determined.

In September 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*. GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. The Statement also includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components. The provisions of this Statement are effective for periods beginning after December 15, 2006. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of the College.

In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement No. 49 provides guidance and consistency under which a governmental entity would be required to report a liability related to pollution remediation. The provisions of this Statement are effective for periods beginning after December 15, 2007. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of the College.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures an Amendment of GASB Statements No. 25 and 27*. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The provisions of this Statement are effective for periods beginning after June 15, 2007. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of the College.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB Statement No. 51 addresses whether and when intangible assets should be considered capital assets for financial reporting purposes. The provisions of this Statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of the College.

Tobacco Settlement

The College received \$3,241,203 from a tobacco settlement agreement entered into by the Government of Guam to be expended by the College for capital projects. The funds may only be expended in accordance with purposes set forth by the Guam Economic Development and Commerce College, a component unit of the Government of Guam. During the years ended September 30, 2007 and 2006, the fund earned interest of \$68,890 and \$29,502, respectively. The College expended \$0 and \$21,596 for capital projects for the years ended September 30, 2007 and 2006, respectively.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Notes to Financial Statements
September 30, 2007 and 2006

(2) Summary of Significant Accounting and Reporting Policies, Continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The College is exposed to various risks of loss; theft of, damage to, and destruction of assets; operation liability; errors and omissions; employee injuries and illnesses; natural disasters and employee health, dental and accident benefits. There is commercial insurance coverage obtained to provide for claims arising from most of these matters. No material losses have been sustained as a result of the College's risk management practices during the past three years.

(3) Property, Plant and Equipment

Movements of property, plant and equipment for the years ended September 30, 2007 and 2006 are as follows:

	Balance September 30, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance September 30, <u>2007</u>
Land	\$ 1,903,000	\$ -	\$ -	\$ 1,903,000
Building	25,598,053	618,901	-	26,216,954
Equipment	5,200,893	430,714	82,810	5,548,797
Vehicles	<u>323,454</u>	<u>-</u>	<u>-</u>	<u>323,454</u>
	<u>33,025,400</u>	<u>1,049,615</u>	<u>82,810</u>	<u>33,992,205</u>
Accumulated depreciation:				
Building	16,477,153	374,169	-	16,851,322
Equipment	3,761,746	555,573	82,810	4,234,509
Vehicles	<u>278,598</u>	<u>8,599</u>	<u>-</u>	<u>287,197</u>
	<u>20,517,497</u>	<u>938,341</u>	<u>82,810</u>	<u>21,373,028</u>
Construction in progress	<u>2,188,905</u>	<u>184,824</u>	<u>923,336</u>	<u>1,450,393</u>
Net	\$ <u>14,696,808</u>	\$ <u>296,098</u>	\$ <u>923,336</u>	\$ <u>14,069,570</u>

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Notes to Financial Statements
September 30, 2007 and 2006

(3) Property, Plant and Equipment, Continued

	Balance September 30, <u>2005</u>	<u>Additions</u>	<u>Retirements</u>	Balance September 30, <u>2006</u>
Land	\$ 1,903,000	\$ -	\$ -	\$ 1,903,000
Building	19,636,554	5,961,499	-	25,598,053
Equipment	5,074,369	126,524	-	5,200,893
Vehicles	<u>455,691</u>	<u>27,959</u>	<u>160,196</u>	<u>323,454</u>
	<u>27,069,614</u>	<u>6,115,982</u>	<u>160,196</u>	<u>33,025,400</u>
Accumulated depreciation:				
Building	16,228,060	249,093	-	16,477,153
Equipment	3,220,718	541,028	-	3,761,746
Vehicles	<u>428,762</u>	<u>10,032</u>	<u>160,196</u>	<u>278,598</u>
	<u>19,877,540</u>	<u>800,153</u>	<u>160,196</u>	<u>20,517,497</u>
Construction in progress	<u>3,354,793</u>	<u>2,188,905</u>	<u>3,354,793</u>	<u>2,188,905</u>
Net	\$ <u>10,546,867</u>	\$ <u>7,504,734</u>	\$ <u>3,354,793</u>	\$ <u>14,696,808</u>

(4) Due from Government Agencies

Due from Government of Guam agencies consists of receivables from the Government of Guam General Fund and the accounts receivable - U.S. Government consists of uncollected grants at September 30, 2007 and 2006. While some grants are available for use during the fiscal year, others are available on either a calendar-year basis or for a period of twenty-seven months.

At September 30, 2007 and 2006, the College has fiscal year appropriations due from the Government of Guam. The College has not received appropriations subsequent to September 30, 2007 to date. Therefore, revenue recognition has been deferred and will only occur upon receipt of the cash. The net receivable is as follows:

	<u>2007</u>	<u>2006</u>
Receivable from the Government of Guam	\$ 3,275,126	\$ 3,513,771
Amount deferred	<u>892,237</u>	<u>2,578,344</u>
Net receivable from the Government of Guam	\$ <u>2,382,889</u>	\$ <u>935,427</u>

(5) Employees' Retirement Plan

Employees of the College hired before September 30, 1995, are under the Government of Guam Employees' Retirement System (a defined benefit, contributory pension plan). Employees hired after September 30, 1995, are members of the Defined Contribution Retirement System (DCRS). Until December 31, 1999, those employees who were members of the Defined Benefit Plan with less than 20 years of service at September 30, 1995, had the option to switch to the Defined Contribution Retirement System.

The Defined Benefit Plan and the DCRS are administered by the Government of Guam Retirement Fund, to which the College contributes based upon a fixed percentage of the payroll for those employees who are members of the Plan. Statutory contribution rates are established by the Guam Legislature.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(5) Employees' Retirement Plan, Continued

Defined Benefit Plan

As a result of actuarial valuations performed as of September 30, 2005, 2004 and 2003 (applicable to fiscal year 2007, 2006 and 2005, respectively), contribution rates to fully fund the Retirement Fund liability as required by Guam Law, for the years ended September 30, 2007, 2006 and 2005, respectively, have been determined as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Normal costs (% of DB Plan payroll)	18.21%	17.83%	18.30%
Employee contributions (DB Plan employees)	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>
Employer portion of normal cost (% of DB Plan payroll)	<u>8.71%</u>	<u>8.33%</u>	<u>8.80%</u>
Employer portion of normal cost (% of total payroll)	4.26%	4.64%	4.96%
Unfunded liability cost (% of total payroll)	<u>20.66%</u>	<u>21.36%</u>	<u>19.93%</u>
Government contribution as a % of total payroll	<u>24.92%</u>	<u>26.00%</u>	<u>24.89%</u>

The statutory contribution as a % of DB payroll is as follows:

Employer	<u>22.94%</u>	<u>21.81%</u>	<u>20.81%</u>
Employee	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>

The plan utilized the actuarial cost method termed "entry age normal". Significant actuarial assumptions for the 2005, 2004, and 2003 actuarial valuations were:

Interest rate and rate of return	7.0%
Payroll increases	3.5%
Salary increases	4.0%-8.5%

The unfunded liability is being amortized as a level percentage of total payroll through May 1, 2031.

The actuarial valuation performed as of September 30, 2005, 2004 and 2003, did not provide a breakdown of actuarial present value of vested and non-vested accumulated plan benefits by sponsor or net assets available for benefits by sponsor. If the actuarial valuation were performed for the College as a separate sponsor, the accrued unfunded liability at September 30, 2007 and 2006 may be material.

The actuarial valuations and contribution rates are based on estimates and assumptions. Changes in estimates and actuarial assumptions may result in revisions in actuarial valuations and contributions rates. The effects of such revisions are recognized in the period in which the revisions are determined.

However, as a result of Public Law 21-03, the College has no further responsibility to pay for its share of the unfunded retirement costs. This responsibility now rests with the General Fund of the Government of Guam. Rather, the College's responsibility is to pay the statutorily imposed retirement rate. As of September 30, 2007 and 2006, the General Fund has accrued approximately \$5,795,287 and \$5,380,251, respectively, for the College's cumulative unfunded retirement liability as a result of the adoption of GASB 27.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(5) Employees' Retirement Plan, Continued

Defined Benefit Plan, Continued

Contributions to the DB for the year ended September 30, 2007 and 2006 are \$1,655,385 and \$1,700,442, respectively.

Defined Contribution Plan

Contributions into the DCRS by members are based on an automatic deduction of 5% of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS.

Statutory employer contributions into the DCRS for the years ended September 30, 2007 and 2006, are determined using the same rate as the DB plan. Of the amount contributed by the employer, only 5% of the member's regular base pay is deposited into the member's individual annuity account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

Members of the DCRS who have completed five years of government service have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

Contributions to the DCRS for the year ended September 30, 2007 and 2006 are \$1,379,727 and \$1,091,948, respectively.

Public Law 26-86 allows members of the Defined Contribution Retirement System to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. Management accrued a sick leave liability of \$436,654 and \$355,293 at September 30, 2007 and 2006, respectively, for benefits to be payable under Public Law 26-86. The Public Law can be viewed at the Guam Legislature's website at www.guamlegislature.com.

For additional information on the Government of Guam Retirement Fund, inquiries may be addressed to the Director of the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910.

(6) Encumbrances

The accrual basis of accounting provides that expenses include only amounts associated with goods and services received and liabilities include only the unpaid amounts associated with such expenses. Accordingly, \$1,651,247 and \$3,215,051 of outstanding purchase orders and purchase commitments are not reported in the financial statements at September 30, 2007 and 2006, respectively.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Notes to Financial Statements
September 30, 2007 and 2006

(7) Contingency

The Government of Guam and its component units, including the College, began withholding and remitting funds to the U.S. Social Security system for the health insurance component of its salaries and wages effective October 1998. Prior to that date, the Government of Guam did not withhold or remit Medicare payments to the U.S. Social Security system. If the Government is found to be liable for Medicare payments on salaries and wages prior to October 1998, an indeterminate liability could result. It has been the practice of the College and all other component units of the Government of Guam that payment of this health insurance component is optional prior to October 1998. Therefore, no liability for any amount, which may ultimately arise from this matter, has been recorded in the accompanying financial statements.

(8) Transfer of Property

In February 2000, the College received title to 314 acres of land situated in the municipality of Mangilao from the Government of Guam with no restrictions. As of the report date, the College had not received an appraised value of the land and therefore, the land has not been recorded in the accompanying financial statements.

(9) Long-Term Debt

	<u>2007</u>	<u>2006</u>
Note payable to U.S. Department of Education, interest at 5.5%, repayable in semi-annual installments of principal and interest of \$342,620 through December 1, 2010.	\$ 1,871,515	\$ 2,194,680
Note payable to U.S. Department of Agriculture, interest at 4.375%, repayable in monthly installments of principal and interest of \$2,755 through April 16, 2024, collateralized by the income and principal related to the reserve account and the booster pump equipment.	<u>355,171</u>	<u>372,340</u>
	2,226,686	2,567,020
Less current portion	<u>458,637</u>	<u>2,212,460</u>
	\$ <u>1,768,049</u>	\$ <u>354,560</u>

The future maturities of long-term debt are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 458,637	\$ 88,353	\$ 546,990
2009	633,590	84,710	718,300
2010	668,708	49,591	718,299
2011	187,135	17,235	204,370
2012	21,322	11,738	33,060
2013-2017	121,762	43,538	165,300
2018-2022	<u>135,532</u>	<u>13,973</u>	<u>149,505</u>
	\$ <u>2,226,686</u>	\$ <u>309,138</u>	\$ <u>2,535,824</u>

During 2006, the U.S. DOE loan and its interest were classified as current because the campus housing facility was not used for its intended purpose. Subsequently, the College has refinanced the loan to mature in December 1, 2010.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Notes to Financial Statements
September 30, 2007 and 2006

(10) Noncurrent Liabilities

Noncurrent liability activity at September 30, 2007 and 2006, was as follows:

	Beginning Balance September 30, 2006	Additions	Reductions	Ending Balance September 30, 2007	Amount due within one year
Loans payable	\$ 2,567,020	\$ -	\$ 340,334	\$ 2,226,686	\$ 458,637
Deposit held on behalf of others	266,144	20,355	-	286,499	-
Accrued annual leave	478,967	218,167	240,053	457,081	157,393
DCRS sick leave liability	<u>355,293</u>	<u>81,361</u>	<u>-</u>	<u>436,654</u>	<u>-</u>
Total noncurrent liabilities	\$ <u>3,667,424</u>	\$ <u>319,883</u>	\$ <u>580,387</u>	\$ <u>3,406,920</u>	\$ <u>616,030</u>

	Beginning Balance September 30, 2005	Additions	Reductions	Ending Balance September 30, 2006	Amount due within one year
Loans payable	\$ 2,400,000	\$ 404,967	\$ 237,947	\$ 2,567,020	\$ 2,212,460
Deposit held on behalf of others	269,354	-	3,210	266,144	-
Accrued annual leave	503,178	290,941	315,152	478,967	190,082
DCRS sick leave liability	<u>312,107</u>	<u>43,186</u>	<u>-</u>	<u>355,293</u>	<u>-</u>
Total noncurrent liabilities	\$ <u>3,484,639</u>	\$ <u>739,094</u>	\$ <u>556,309</u>	\$ <u>3,667,424</u>	\$ <u>2,402,542</u>

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Schedule 1
Schedule of Salaries and Wages (Cash Basis)
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Salaries and wages:		
Regular, differential and hazardous pay (inclusive of part-time employees)	\$ 10,654,296	\$ 10,221,702
Benefits	<u>2,896,905</u>	<u>2,741,623</u>
Total salaries, wages and benefits	<u>\$ 13,551,201</u>	<u>\$ 12,963,325</u>
Full-time employees at end of year	212	209
Federal Funds:		
Salaries	\$ 466,231	\$ 607,101
Benefits	<u>131,452</u>	<u>144,338</u>
Total salaries, wages and benefits	<u>\$ 597,683</u>	<u>\$ 751,439</u>
Full time federal employees at end of year (inclusive in above amount)	11	12

See accompanying independent auditors' report.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)

Schedule of Expenditures by Function and Object Code, Continued
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Student Services:		
Salaries, wages and benefits	\$ 2,398,727	\$ 2,446,777
Travel	25,021	51,331
Contract services	196,571	254,224
Supplies	55,199	55,066
Minor equipment	93,419	17,816
Capital expenditures	-	37,799
Miscellaneous and transfers	111,920	209,420
	<u>\$ 2,880,857</u>	<u>\$ 3,072,433</u>
 Total employees at end of year	 <u>42</u>	 <u>45</u>
	<u>2007</u>	<u>2006</u>
Institutional Support:		
Salaries, wages and benefits	\$ 2,137,009	\$ 2,129,381
Travel	45,741	144,181
Contract services	3,298,015	813,501
Supplies	44,715	66,800
Minor equipment	30,402	23,976
Capital expenditures	13	38,515
Miscellaneous	57,429	102,839
	<u>\$ 5,613,324</u>	<u>\$ 3,319,193</u>
 Total employees at end of year	 <u>39</u>	 <u>40</u>
	<u>2007</u>	<u>2006</u>
Operations and Maintenance of Plant:		
Salaries, wages and benefits	\$ 288,072	\$ 332,570
Contract services	273,959	418,397
Supplies	75,094	68,682
Minor equipment	42,447	194,601
Capital expenditures	69,593	542,419
Utilities	967,573	817,545
Miscellaneous	120	-
	<u>\$ 1,716,858</u>	<u>\$ 2,374,214</u>
 Total employees at end of year	 <u>9</u>	 <u>9</u>

See accompanying independent auditors' report.

**GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)**

Schedule of Expenditures by Function and Object Code, Continued
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Scholarships and Fellowships:		
Salaries, wages and benefits	\$ 130,051	\$ 119,914
Contract services	819	1,336
Supplies	802	418
Minor equipment	1,102	160
Miscellaneous	<u>2,840,655</u>	<u>2,780,470</u>
	<u>\$ 2,973,429</u>	<u>\$ 2,902,298</u>
 Total employees at end of year	 <u>2</u>	 <u>2</u>
	<u>2007</u>	<u>2006</u>
Auxiliary:		
Salaries, wages and benefits	\$ 41,842	\$ 40,639
Supplies	655	868
Minor equipment	550,298	509,924
Miscellaneous	<u>15,891</u>	<u>20,234</u>
	<u>\$ 608,686</u>	<u>\$ 571,665</u>
 Total employee at end of year	 <u>1</u>	 <u>1</u>

See accompanying independent auditors' report.

GUAM COMMUNITY COLLEGE
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)
Unrestricted and Restricted Fund Supplemental Schedule
Balance Sheet
September 30, 2007
(With Comparative Balances as of September 30, 2006)

	Unrestricted			Restricted			Capital Projects	Tobacco Settlement	Campus Housing	Investment in Plant	Agency Fund	Grand Total	
	Appropriated Fund	Non-appropriated Fund	Total	Federal Fund	Other Grant Fund	Total						2007	2006
ASSETS													
Cash	\$ -	\$ (194,960)	\$ (194,960)	\$ 9,983	\$ -	\$ 9,983	\$ 462,547	\$ -	\$ -	\$ -	\$ 286,499	\$ 564,069	\$ 1,264,008
Investment	-	-	-	-	-	-	-	1,903,147	-	-	-	1,903,147	2,867,996
Due from Government of Guam	2,308,568	74,321	2,382,889	-	-	-	-	-	-	-	-	2,382,889	935,427
Due from other College funds	-	17,455,586	17,455,586	-	-	-	5,000	-	95,638	-	-	-	-
Accounts receivable - U.S. Government	-	-	-	740,767	-	740,767	-	-	-	-	-	(17,556,224)	-
Accounts receivable - tuition	-	3,102,046	3,102,046	20,057	195,360	215,417	-	-	-	-	-	740,767	397,410
Accounts receivable - other	-	287,843	287,843	-	289,049	289,049	793	-	-	-	-	3,317,463	3,700,713
Allowance for doubtful accounts	-	(1,214,990)	(1,214,990)	(5,572)	-	(5,572)	-	-	-	-	-	577,685	664,209
Inventory	-	136,117	136,117	-	-	-	-	-	-	-	-	(1,220,562)	(1,222,665)
Construction in progress	-	1,265,569	1,265,569	-	184,824	184,824	-	-	-	-	-	136,117	105,944
Land	-	-	-	-	-	-	-	-	-	-	-	1,450,393	2,188,905
Buildings	-	-	-	-	-	-	-	-	-	1,903,000	-	1,903,000	1,903,000
Equipment	-	-	-	-	-	-	-	-	-	26,216,953	-	26,216,953	25,598,053
Vehicles	-	-	-	-	-	-	-	-	-	5,548,797	-	5,548,797	5,200,893
Accumulated depreciation	-	-	-	-	-	-	-	-	-	323,454	-	323,454	-
	-	-	-	-	-	-	-	-	-	(21,373,027)	-	(21,373,027)	(20,517,497)
	\$ 2,308,568	\$ 20,911,532	\$ 23,220,100	\$ 765,235	\$ 669,233	\$ 1,434,468	\$ 468,340	\$ 1,903,147	\$ 95,638	\$ 12,619,177	\$ 286,499	\$ 22,471,145	\$ 23,409,850
LIABILITIES AND FUND BALANCE													
Accounts payable	\$ -	\$ 1,360,189	\$ 1,360,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,526	\$ -	\$ -	\$ 1,439,715	\$ 410,334
Loan payable	-	355,171	355,171	-	-	-	-	-	1,871,515	-	-	2,226,686	2,567,020
Due to other College funds	4,392,828	9,599,061	13,991,889	477,455	278,884	756,339	409,219	-	2,398,777	-	-	-	-
Due to depositor	-	-	-	-	-	-	-	-	-	-	286,499	-	-
Accrued liabilities	-	457,081	457,081	-	-	-	-	-	-	-	-	286,499	266,144
DCRS sick leave liability	-	436,654	436,654	-	-	-	-	-	-	-	-	457,081	478,967
Deferred revenue	-	1,113,076	1,113,076	-	-	-	-	-	-	-	-	1,113,076	1,225,493
Fund balance	(2,084,260)	7,590,300	5,506,040	287,780	390,349	678,129	59,121	1,903,147	(4,254,180)	12,619,177	-	16,511,434	18,106,599
	\$ 2,308,568	\$ 20,911,532	\$ 23,220,100	\$ 765,235	\$ 669,233	\$ 1,434,468	\$ 468,340	\$ 1,903,147	\$ 95,638	\$ 12,619,177	\$ 286,499	\$ 22,471,145	\$ 23,409,850

See Accompanying Independent Auditors' Report.

(With Comparative Balances for the year ended September 30, 2006)

See Accompanying Independent Auditors' Report

GUAM COMMUNITY COLLEGE

Created by the Community College Act of 1977, the College offers associate degrees, certificates, and industry certification of course series completion in more than 50 fields of study. GCC also offers Adult Basic Education, an Adult High School Diploma program, GED testing and preparation and English-as-a-Second Language courses and apprenticeship support courses.

Location

Mangilao, Guam

Mailing Address

P.O. Box 23069 GMF
Barrigada, Guam 96921

Admission and Registration

Tel: (671) 735-5531-4
Fax: (671) 735-0540

Scholarships & Financial Aid

(671) 735-5544

Accreditation

Accrediting Commission for
Community and Junior Colleges
Western Association of Schools
and Colleges

Degrees Offered

Associate of Science
Associate of Arts
Certificate
Diploma

Website

www.guamcc.edu