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GCC MISSION

The mission of Guam Community College is to be a leader in career and technical workforce development by providing the highest quality education and job training in Micronesia (Board of Trustees Policy 100).

GCC VISION

GCC will continue to pioneer labor force development within the Western Pacific, best understanding and meeting the educational, career and technical training needs of the economy. It will be Guam's premier career and technical institution and finest secondary and post secondary basic educational institution serving the island's adult community. Its excellence will continue to be recognized because of its service to employers, employees, and the community at large.

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Hafa Adai Everyone,

As policy makers for Guam Community College, it is the mission of the Board of Trustees to ensure that GCC students have the resources and training that they will need to successfully fill the growing needs of Guam's workforce.

This academic year, I feel we have accomplished that mission, as GCC continues to grow and expand both its physical plant and its educational programs. The Board fully supports the direction GCC has taken with regard to meeting the goals outlined in its Institutional Strategic Master Plan.

We have overseen the stabilization of the college's financial situation as it secured federal grants and applied for ARRA funding for many of its projects. We have seen GCC be responsive to the needs of the business community with regard to training for professions such as surveying. We have proudly watched the construction and completion of the Allied Health Center, and shoveled dirt at the groundbreaking for a new, state-of-the-art Learning Resource Center.

It has been an honor to serve as the Chairwoman of the Board for an institution whose administration, faculty, and staff possess such sound planning, fiscal responsibility, and ultimate commitment to its mission.



Respectfully,

Gina Y. Ramos

Chairperson, GCC Board of Trustees

FOUNDATION BOARD OF GOVERNORS



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Hafa Adai Friends and Family of GCC!

More than ever before, the role of Guam Community College is increasingly important in preparing residents for the skilled jobs that our community demands. The GCC Foundation Board of Governors is committed to ensuring that the doors to higher education are open to every individual seeking the opportunity.

We are thankful for the visionary leadership and excellent performance of the administration, faculty and staff at GCC. They have provided a solid foundation for quality learning opportunities in career and technical education fields, in order to meet the growing needs of students, businesses and industries in our regional community.

The GCC Foundation provides funding for student scholarships, offering long-term relief from the rising costs that keep many students from completing their education. A good number of students have already benefited from these scholarships, and many more will be able to complete their education each year thanks to this endowment.

This past Spring Semester, GCC began its first ever "Connecting with the Community" Capital Campaign. Our thanks to the Bank of Guam, which generously participated in the Naming Opportunities Program by making a donation this year to name the newly completed Anthony A. Leon Guerrero Allied Health Center.

I encourage businesses, government agencies, alumni, and other members of our community to support our work. Please connect with the community by giving to the GCC Foundation. In doing so, you directly support our endowment and help us to expand our commitment and service to Guam Community College and to the people of Guam.



Si Yu'os ma'ase,

Lorraine S. Okada

Chairperson, GCC Foundation Board of Governors

MESSAGE FROM THE PRESIDENT



Hafa Adai!

For Guam Community College, the 2008-2009 academic year has been one of growth and planning. Our Institutional Strategic Master Plan, adopted in December 2008, maps out the college's plan from 2009-2014 to address the largest and most dynamic period of economic growth and social change that Guam has seen since the end of World War II. The impending military buildup will put GCC at the forefront of workforce training for Guam and our neighboring islands.

Everything we plan and put into motion feeds into or out of the four major components of our Master Plan: Pioneering the development of an employer's workforce needs assessment focused on training opportunities and challenges; Educational Excellence based on the establishment of student learning outcomes (SLOs) for all GCC courses; Community Interaction in the form of a GCC brand, employer outreach and a formal recruitment campaign; and Dedicated Planning that measures our progress through assessment and reaccreditation.

We tell our students: "Be Your Own Success Story," and we cannot think of a better way to teach success than to provide our students with an example of successful planning that leads to successful outcomes. Our master plan addresses exponential student population growth in the coming years. National statistics tell us that a majority of jobs needed within the next six years will require more than a high school diploma but less than a four-year degree, and we know that community college courses are popular with military dependents. So our work is cut out for us.

At GCC, we are committed to our mission. Even with the financial challenges we incur due to local government funding shortfalls, we find ways – through federal grants and programs, business partnerships, and donations from generous members of our community – to help facilitate student success.

In the following pages, read about our student successes. Our graduates work in your businesses; they prepare your meals in island restaurants, they network your computers, perform electrical, construction, plumbing and other jobs, keep your books, and teach your children. Our students' stories are the most important measure of our success as a leader in career and technical workforce development.

Senseramente,

Mary A.Y. Okada, Ed.D.

President/CEO



"To have our kids finish in the top four teams is a major accomplishment for our small island and group." Barry Mead

GCC Tourism and Hospitality Department Chair

Network star Guy Fieri prominently

featured the GW team in his half-hour

special on the competition, "Top of the Class," which aired on The Food

Network on December 5, 2009.



The GW ProStart Team:

Christina Cruz, Captain Ria Aquinde, Rendel Carolino, and Brandon Sapp

GW ProStart instructor: Frank Evangelista (not shown)



MOVING FORWARD:

Institutional Strategic Master Plan 2009-2014

One of the fastest growing trends in higher education is enrollment in community colleges.



Most people think that the impending military buildup on Guam, which will bring an estimated 30,000 additional people to our island in the next six years or so, is the main force driving the mission of Guam Community College. They would be correct, to an extent. GCC's mission, to be a leader in career and technical workforce development by providing the highest quality education and job training in Micronesia, has an added challenge with regard to the increasing number of students in search of the training that will make them a vital part of our expanding workforce.

To guide us in meeting this challenge, GCC launched Moving Forward: Institutional Strategic Master Plan (ISMP) 2009-2014, during a leadership dinner hosted in the College's Multipurpose Auditorium (and deliciously prepared by our Culinary Arts students) on March 28, 2009. We introduced our ISMP to key community stakeholders: members of the Guam Legislature, government agency directors, consuls general, and current and potential business partners. We unveiled the four major initiatives of the new plan –Pioneering, Educational Excellence, Community Interaction, and Dedicated Planning, and began implementing those initiatives through measures such as curriculum improvements, physical plant improvements, community outreach, and self-assessment reports.

Another driving force that affects our mission deals with America's economy and current educational trends even more so than with how many U.S. Marines will land at our shores by 2016.

The demand for greater knowledge and skills in the workforce is high in our nation, yet college completion rates in the United States are flat. Twenty years ago, the United States was first in the world in postsecondary attainment for adults ages 25-34. We now rank 12th. The countries that have eclipsed us have done so by emphasizing student attainment of degrees from two-year colleges.

One of the fastest growing trends in higher education is enrollment in community colleges. Reports from the U.S. Department of Labor and other institutions note that 74 percent of future jobs will require a postsecondary degree or certificate in "middle-skill" professions—those that require more than high school but less than a four-year college degree. President Barack Obama launched the American Recovery and Reinvestment Act of 2009 to help community colleges train people for those jobs, and GCC is slated to receive some of that money.

All of these factors put Guam Community College at the front and center of workforce training on our island and in our region. We are dedicated to our mission, we have planned for it, and most importantly, we are increasing our capacity to accomplish it!

FIVE STAR LODGING MANAGEMENT TEAM



The Okkodo LMP Team:

Laiza Tovillo, Kazuki Buccat, and John Cayton Okkodo LMP instructor: Norman Aguilar (not shown)

GCC's Lodging Management Team from Okkodo High School took third place in Hotel Operations in the national competition held in Orlando, Florida on April 18. The team earned their trip to Florida after winning the local LMP competition on Guam on February 13 - 14, where they had to complete a hospitality project and undergo room inspections, and then conduct a night-audit (a hotel procedure conducted by all hotels) and participate in other LMP competitions over the two-day span of the competition.



GROWTH

Post-secondary (College)

GCC SECONDARY ENROLLMENT TREND Fall 2005 1,809 Fall 2006 1,786 Fall 2007 1,794 Fall 2008 1,835 Fall 2009 (preliminary) 2,179

TOP PROGRAMS : FALL 2008	
AS in Medical Assisting	113
AA in Liberal Arts	107
AS in Early Childhood Ed	99
AA in Education	92
AS Criminal Justice	86

Enrollment in GCC's 17 Associate Degree and 16 Certificate programs for Fall Semester 2008 stood at 1,806 students. That number is reflective of the fairly steady enrollment at the College for the past four years. However preliminary Fall 2009 enrollment numbers indicate an 18.75 percent increase in our student population. It is the highest enrollment in the College's history, and a sign that more people want to avail themselves of GCC's training and education programs as the military buildup heightens.

Expanded Curriculum

As our enrollment increases, GCC is guided by the Educational Excellence component of its Institutional Strategic Marketing Plan, which calls for the expansion of the general education curriculum and student enrichment programs, and the establishment of Student Learning Outcomes (SLOs) for all courses.

This year, curriculum expansion included:

- Associate of Science Surveying Technology
 Addresses a crucial need for land surveyors as the construction phase of
 the buildup intensifies. Trains students for the Level 3 Certified Survey
 Technician examination.
- New Criminal Justice forensic science concentrations
 - Forensic Computer Examiner
 - Forensic Lab Technician
- Certificate in Medium/Heavy Truck Diesel Technology Prepares graduates for work in the automotive field with special emphasis in diesel service. The Guam Contractors Association, the GCA Trades Academy, Dick Pacific, Guam Shipyard, Nippo, Pacific Trucking, Hawthorne Pacific Corporation, Mid Pac Far East, and Perez Bros. Inc. provided GCC with letters of support for the program.
- Revamped Certificate in Construction Technology Includes seven concentration areas: carpentry; electricity; heating, ventilation and air conditioning (HVAC); masonry; plumbing; reinforcing metal worker; and welding.
- Psychology PY101 added to Articulation Matrix between GCC and the University of Guam.
- Articulation agreement with Chaminade University of Honolulu (April 2009)

GCC continues to work with the College of Micronesia in the Federated States of Micronesia and the Northern Marianas College in the Commonwealth of the Northern Marianas on other articulation matrices.

SILVER MEDAL MEDICAL ASSISTING



"At the competition, knowing that I could stand toe to toe with other top medical assisting students around the country, made me feel really confident about my training at GCC."

(with Medical Assisting Instructor Barbara Mafnas)

GCC student Cindy Segal won the
Silver Medal in Medical Assisting
at the SkillsUSA 2009 National
Leadership and Skills Conference in
Leadership and Skills Conference in
Kansas City, Missouri, June 22—26. Segal
Kansas City, Missouri, June 22—26. Segal
is a 2009 GCC top honors graduate who
is a 2009 GCC top honors graduate who
is a 2009 GCC top honors graduate who
in the clinical and administrative setting
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GROWTH AND EXPANSION

Secondary (High School)

"In reality, how many students attending GPSS get this oncein-a-lifetime opportunity? I will always keep the simple memories of piping whipped cream on desserts and the productive criticism I received as part of my life."

Peter Salas JFK ProStart student

In an effort to encourage the island's public high school graduates to pursue higher education opportunities, Guam Community College has for the last decade provided satellite programs in each of the island's public high schools. This year marked the addition of a newly constructed northern high school in the village of Dededo, Okkodo High School, to the program. Consequently, enrollment in GCC's secondary programs is at an all-time high of 2,739 students.

Secondary program highlights:

- New automotive and construction facilities at Simon Sanchez.
- More than 20 students participate in the LMP job shadowing opportunity in November to experience on-the-job training at several five-star hotels.
- GCC JFK Tourism Academy ProStart II students shadowed professionals in Guam's leading hotels in February. Sheraton Laguna Guam, Guam Hilton Resort & Spa, Pacific Islands Club, Guam Marriott Resort and Hotel Nikko Guam hosted the students, providing them with exemplary learning opportunities and they rotated through various outlets and commercial kitchens.
- Southern High School wins Marketing's Annual Distributive Clubs of America (DECA) Quiz Bowl in December. The annual Quiz Bowl/Leadership conference tests and exercises Marketing students' knowledge since their first year in the satellite Marketing program.
- Students from the five public high schools visit the GCC campus from February 9-12, 2009, during national Career and Technical Education Month.
- GCC hosts a College Fair for high school students and their parents on April 2, 2009, in conjunction with the College's annual Spring Festival.

GCC HS PROGRAMS	GW	JFK	SSHS	SHS	OHS	TOTAL
Allied Health	93	62	97	66	0	318
Auto Body	85	0	0	49	0	134
Automotive Service	164	91	0	109	26	390
Construction	144	83	0	38	33	298
Electronics	98	104	114	68	47	431
Lodging Management	108	75	105	45	23	356
Marketing	80	66	87	45	25	303
Pro-Start	125	106	96	71	0	398
Visual Communications	111	0	0	0	0	111
Total	1,008	587	499	491	154	2,739

COMBINING **SCIENCE AND SERVICE LEARNING**



"It's (the Napoleon wrasse) almost depleted. Through all the survey and everything, (we determined) it was because of scuba spearing."

Jacob Fathal

GCC Environmental Biology student Jacob Fathal's service learning project consisted of developing a poster that illustrated the results of a survey on the fluctuation of fish populations in different spots around the island. Fathal worked with his project partner, Rowena Taijeron, and with Department of Agriculture biologist Tom Flores, his mentor, on the project. Fathal surveyed local fishermen and recorded the type and size of their catch in order to collect data for the project. He noted that one type of fish, the Napoleon wrasse, has been severely affected by local fishing habits. Fathal was identified by his science instructor,

Jo Nita Kerr, as having excelled in the field of science, and was asked to attend the second annual Islands of Opportunity Alliance – Louis Stokes Alliance for Minority Partnerships conference at the University of Hawaii at Hilo in early August 2009.

CREATING PARTNERSHIPS TO BUILD A STRONGER WORKFORCE Apprenticeship

"Our record enrollment in the apprenticeship program signals not only that individuals want to learn the skills that will allow them to become more productive members of Guam's workforce, but that Guam businesses are willing to partner with GCC in order to produce better-trained workers."

George Santos Assistant Director GCC Apprenticeship Training Program

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Guam Community College's apprenticeship program is sponsored by the U.S. Department of Labor, the Guam Hotel and Restaurant Association, the Guam Power Authority, the Guam Technical Institute, and dozens of individual employers. The program grew from 274 apprentices in the Fall 2008 quarter to a total of 326 apprentices in Fall 2009 – a 16 percent increase. The total number of employers in the program took an even larger leap – from 39 employers in Fall 2008 to a total of 50 employers a year later – a 20 percent increase.

These numbers, and the lives they represent, signal GCC's commitment to the training and educational needs of many of the island's workers, and the College's increased working relationship with the businesses that provide apprenticeship opportunities for our students. It is important to note that the apprenticeship program trains workers not only in the construction trades, but in professions such as technology, communications, automotive, hotel and marketing – professions that will sustain their employment well beyond Guam's anticipated military buildup.

Partnership with Guam Contractors Association Trades Academy GCC signed a memorandum of understanding with the Guam Contractors Association Trades Academy in November 2008 that paves a path whereby construction apprentices intending to secure a college associate degree in addition to a journey worker certificate are able to gain recognition from GCC based on courses of study at both GCC and GCATA.



THE SKILLS I NEED



When people ask me where I'm going to school, I proudly tell them, "I attend the Guam CommunityCollege."

Charlene K. Flores

Since enrolling at the college, GCC has given me the skills I need to excel in my major and the confidence to know that I can make a positive contribution in the workplace and with my island community.

Workplace and with my island common, which may instructors encouraged me to be an active participant in the classroom and not just an observer taking notes. I believe the classroom and not just an observer taking notes are classroom and not just an observer taking notes. I believe the classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking notes are classroom and not just an observer taking n

going strong.
This is my final semester here at GCC and I know that
graduation day will be here in the blink of an eye. For those
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According to the (IDB) midterm report, 110 people on Guam took the GED test and completed it from January—June 2009, and 56 percent of those who took the GED passed it.

GCC's Adult Education program consists of Adult Basic Education/
General Education Development (GED), Adult Secondary
Education, and English as a Second Language. Pacific Islanders comprised the majority of the College's 1,062 Adult Education students. In January 2009, the National Council of State Directors of Adult Education (NCSDAE) highlighted GCC based on the ways in which the institution and its adult education programs tie into postsecondary and career and technical education programs.

In September 2009, GCC's Adult Education/GED Office was recognized in the International Data Base (IDB) Data Verification Report as being one of the top 34 GED testing jurisdictions across the United States, Canada, and the U.S. territories. Out of over 3,500 international GED testing centers in those three jurisdictions, GCC was noted for having met or exceeded the minimum response rates for several critical fields in the GED Testing Program Statistical Report, including the number of candidates who pass the GED, and demographics such as age, gender, race/ethnicity, highest grade completed, years out of school, and reasons for testing.

ADULT EDUCATION	TOTAL ENROLLED	COMPLETED A LEVEL	& ADVANCED A LEVEL	REMAINING WITHIN PROGRAM	% COMPLETED	TOTAL HOURS
Adult Basic Education (ABE)	713	115	17	483	16%	30,682
Adult Secondary Education (ASE)	250	70	0	171	28%	4,256
English As a Second Language (ESL)	99	54	0	40	55%	5,181
Total	1,062	239	17	694	23%	40,119

REACHING OUT THROUGH MATH



The GCC Math Department sponsored the first annual Math Kangaroo on March 20, 2009, bringing 139 students from grades 2-12, from 10 public and private schools and some homeschooled children, to the campus' Multipurpose

The Math Department sponsored Kangaroo Auditorium. Math as a community outreach program, to encourage and motivate young students to learn and master mathematics!

The competition questions are selected by an International Committee composed of Math Kangaroo representatives from participating countries.



Close to 90 percent of the total number of students who participate in Continuing Education classes are in non-credit classes.

CC's Continuing Education Office provides learning opportunities that improve the quality of life for individuals and for our community. We offer credit courses, non-credit courses, professional development courses, and certification and re-certification courses.

Individuals turn to Continuing Education to enhance opportunities in their professions, by taking courses such as Customer Service Training or Microsoft Office Specialist. They also avail themselves of personal enrichment courses offered by the College.

Continuing Education provides individuals with opportunities for National Industry Certification in the fields of automotive, nursing, electronics, hospitality and tourism, computer science, human resource, and business.

GCC's Continuing Education Office also offers opportunities to explore on-line courses through our online partners such as Ed2go, Gatlin Online Services or JER. Our online testing center has 18 stations and several certified test administrators/proctors to serve clients.



GCC'S FIRST PREL **SCHOLARSHIP WINNER**

"I view them being at a stage that is very important with regard to how much knowledge they develop throughout the rest of their educational years. This is the time where they go through many changes and I want to be a part of that change."

Jalma Manglona

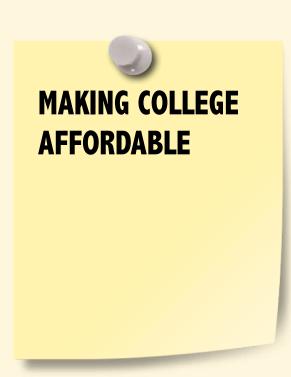
GCC student Jalma Manglona, a native of Rota, was awarded a \$1000 Pacific Teacher Scholarship from the Pacific Regional Educational Laboratory (PREL) on August 27, 2009. Ms. Manglona received her Associate of Science degree in Early Childhood Education from Guam Community College in

She is currently taking additional courses May 2009. at GCC and simultaneously working toward her B.A. in Elementary Education at the University of Guam.

Manglona's award marks the first time PREL has awarded a scholarship to a GCC student.

She chose her major because of her passion

for working with young children.



54% of our student population require financial assistance to pursue higher education.



Realizing that a significant portion of our student population —54 percent—requires financial assistance to pursue higher education, Guam Community College prides itself on being responsive to its students' financial needs. During the "Meet the President" sessions in February, students asked President Okada if the tuition increase set for Fall 2009 semester could be delayed. Dr. Okada, with the support of Student Trustee Charlene Flores, took the request to the Board of Trustees, which obliged and on April 17 voted to suspend the increase.

The federal government is also responding to workforce training needs, with the news that President Barack Obama plans to invest several billion dollars in the nation's community colleges in order to help stimulate the economy. Dr. Jill Biden, the wife of U.S. Vice President Joseph Biden, wrote to Dr. Okada regarding stimulus changes that will make it easier for community college financial aid offices to make financial aid adjustments for students.

Financial Aid is available through:

- Pell Grants
- Earmark Congressional Grants
- Supplemental Educational Opportunity Grants
- Federal work-study programs
- Government of Guam Student Assistance loan program
- Spero-Perez Memorial Endowment Scholarship
- First Hawaiian Bank/Guam Business Businesswoman of the Year Scholarship
- VA Education Benefit Program

More help...

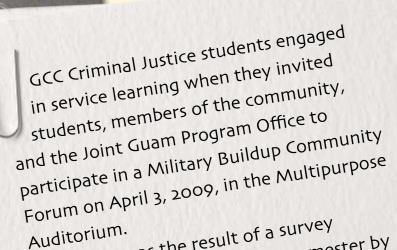
College Access Challenge Grant Program (CACGP)

GCC's College Access Challenge Grant Program is designed to encourage middle and high school students with economic and educational challenges to pursue a college education. CACGP provides math and English tutoring, ESL workshops, financial aid and college admissions assistance, and workshops to help students with study skills, time management, leadership, and financial planning.

Project AIM

Project AIM, Student Support Services is a federally funded TRiO Program of the U.S. Department of Education designed to assist first-generation college students that qualify financially, and students with a disability. To help participants succeed and graduate, Project AIM offers free tutoring, mentorships, a computer/study lab, book loans, lap top loans, cultural activities, a transfer center, and various workshops. For more information contact projectaim@guamcc.edu.

ENGAGING THE COMMUNITY



Community College Learning Partnershi

3911

The forum was the result of a survey conducted during the previous semester by Criminal Justice and Social Science students. Criminal Justice and Social Science students. The survey pointed to the impending buildup as the island's most pressing concern, and as the island's most pressing concern, and a subsequent spring semester survey about a subsequent spring semester survey about buildup concerns led to the forum. Over 100 GCC students asked pressing questions about how Guam's future will be affected by this unprecedented move.



REACHING OUT TO STUDENTS AND THE COMMUNITY Outreach

The third goal in GCC's Institutional Strategic Master Plan is Community Interaction. In addition to engaging our students in activities designed to involve them in their educational process and teach them about leadership, the college also engages the community through business presentations, village outreach meetings, and presentations to other government entities in the region and on the mainland.

October 2008

- Student mini-conference, "Community Partnerships: Building a Stronger Workforce" drew over 100 students.
- Students met with President Okada for an update on the progress of the Allied Health Center and to discuss tuition costs and other concerns.

November 2008

• GCC piloted Early Bird registration in the Multipurpose Auditorium, consolidating resources to make Spring Semester registration easier.

January 2009

• COPSA partnered with the I-Recycle program to launch GCC "Going Green," placing aluminum can and plastic bottle recycling containers around campus.

February 2009

- Grand Opening of Guam Police Department Crime Lab.
- Village outreach presentation at Chalan Pago Ordot Mayor's office.
- Students from all five GCC public high school programs visited GCC to celebrate national Career and Technical Education Month.
- GCC presented a Career & Technical Education Exhibit at Micronesia Mall.

April 2009

- College Fair brought over 100 high school students and their parents to the campus to highlight GCC's postsecondary educational opportunities.
- GCC participated in Guam Industry Forum III, networking with companies about educational and workforce training issues related to the buildup.

June 2009

- Dr. Okada attended the Association of Pacific Island Legislatures General Assembly in Pohnpei and the National Governor's Association Education Symposium in North Carolina.
- Youth Employment Summer program employed 350 young people.

August 2009

- GCC participated in Guam's Education Summit, to set goals for grades K-16 and enable students to seamlessly transition to GCC or UOG.
- GCC's first-ever registration drive at Micronesia Mall allowed the college to assist over 120 students with registration and/or academic counseling.

September 2009

- In conjunction with the Pacific Islands Health Occupations Association, GCC spearheaded a survey to identify the region's health occupation needs.
- GCC's Board of Trustees met with the Guam Trades Academy and Bechtel Corporation to establish partnerships, apprenticeships and scholarships.
- GCC partnered with Rotary Clubs of Tumon Bay and Guam Sunrise to garner support for training programs and scholarships.

FUNDING FOR SUCCESS Grants



YES! worker Angel Bermudes, a 16-year-old from Okkodo High School who is also enrolled in GCC's Lodging Management Program, was employed at Fiesta Resort over the summer. Inspired by the skills and training she experienced, Angel wrote and performed a song about the program during the final training session in July.

CC addressed the stagnant amount of funding it receives from the local government by infusing more grant money into the college.

FY 2008-2009 Grant Award highlights include:

- YES! Youth Employment Summer Program
 One of GCC's most successful "outreach" programs this year, the
 Youth Employment Summer program matched 350 young adults
 between the ages of 16 21 with 82 employers from both the private
 and public sectors for an eight-week period of work and training.
 Funded through the American Recovery and Reinvestment Act of
 2009, the goal of the program was to equip participants with the
 necessary tools to compete in the workplace. The young people
 worked for their employers four days a week, and attended training
 classes at GCC on the fifth day.
- \$189,418 for an Administration for Native Americans Grant to support the implementation of "Go'ti Yan Adahi I Fino'ta Chamorro," an indigenous video planning grant received two years ago.
- \$20,650 increase in the grant award for Project AIM, a program that assists at-risk college students, bringing the Project AIM grant total to \$313,555.
- \$943,000 U.S. DOI grant to assist with construction of the Allied Health Center
- \$150,000 U.S. DOI grant for purchase of science equipment for Allied Health Center
- \$475,251 Pacific Vocational Education Improvement Program (PVEIP) grant
- \$92,014 VEA grant to replace computers, printers, scanners and software in Room 1222 of the Technology Center.
- \$20,000 Citi Foundation Grant to prepare high school graduates for college
- \$383,187 Earmark Congressional Grant to provide unemployed adults who have a high school diploma or GED, with the opportunity to learn construction and/or electrical skills and become entry level certificate workers



SUSTAINING INSTITUTIONAL EFFECTIVENESS

Accreditation And Assessment

"Some California colleges are not nearly as far along as GCC in program review and integrated planning."

> Jack Pond Vice President of Team Operations ACCJC

uam Community College has been continuously accredited since 1979 by the Accrediting Commission for Colleges and Junior Colleges, Western Association of Schools and Colleges (WASC), and is due for a reaffirmation of accreditation visit in 2012. GCC submitted its midterm report to the commission on March 15, 2009, midway through the College's accreditation cycle. The report focused on how the college is addressing the four major initiatives in the Institutional Strategic Master Plan: Pioneering, Educational Excellence, Community Interaction, and Dedicated Planning; and how GCC has implemented and followed up on plans for improvement that were identified in the last annual Self-Study Report.

The College recently updated its catalog to include Student Learning Outcomes for each of its courses, and continues to conduct yearly self-study reports. GCC faculty, staff and administrators continue to recognize the importance of, and are committed to the accreditation process, as signaled by their kick-off meeting in September 2009 to start preparations for the ACCJC 2012 visit.

Assessment

Assessment is a crucial component of accreditation, and GCC's Fall 2008 Institutional Effectiveness Survey Report was administered to gauge the progress GCC has made in meeting ACCJC's expectation for systematic and regular program review, short- and long-term planning, and resource allocation to support improved educational effectiveness and student learning outcomes.

As reflected in the survey results, more faculty are being involved in the Program Review process, and input is being gathered from different stakeholder groups with regard to institutional, program-level and course-level planning. GCC is also identifying the faculty resources needed to develop and assess student learning outcomes (SLOs), and provide faculty SLO training.

GCC Academic Vice President Dr. Ray Somera presented "Sustaining the Assessment Agenda to Enhance Institutional Effectiveness" at a WASC Academic Resource Conference in Hollywood, California, April 15 – 18, 2009, during which he provided GCC an opportunity to shine with regard to its exemplary attention to the accreditation process. Jack Pond, the Accrediting Commission for Colleges and Junior Colleges Vice President of Team Operations, commented that "some California colleges are not nearly as far along as GCC in program review and integrated planning."



PROUD OF OUR FISCAL RESPONSIBILITY

Finances

For the eighth consecutive year, Guam Community College was recognized by the Guam Public Auditor as a low risk auditee. The College had no questionable costs and findings in its audit. The audits are posted on the College web site at www.guamcc.edu.

In February 2009, GCC submitted its request for over \$9 million in ARRA funds to finance shovel-ready projects at the College.

Budgetary challenges to the College included having to minimize costs due to the late release of financial allotments from the government coffers. GCC employees addressed that challenge with dedication to their mission and support for one another.



Financial Commendation GCC's Business and Finance Division was recognized by the 30th Guam Legislature for qualification as a low risk auditee for the eighth consecutive year by the Office of the Public Auditor. Senator Tina Muna-Barnes, seated to the left of Dr. Mary Okada, made the presentation at a luncheon on June 24, 2009.

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION AND INDEPENDENT AUDITORS' REPORT

YEARS ENDED SEPTEMBER 30, 2008 AND 2007



Deloitte & Touche LLP 361 South Marine Corps Drive Tamuning, GU 96913-3911

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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, 2008 and 2007. 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, 2008 and 2007, 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 8 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 audits of the financial statements were made for the purpose of expressing our opinion on the basic financial statements taken as a whole. The accompanying schedules on pages $28 - 33^*$ 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 on $29-33^*$ 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 28^* 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 2, 2009, 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.

June 2, 2009

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^{*} Please note that the Financial Statements has been repaginated for GCC's Annual Report and pages 28-33 are 53-58, pages 29-33 are 54-58 and page 28 is 53.

Management's Discussion and Analysis Year Ended September 30, 2008

Introduction

The following discussion and analysis provides an overview of the financial activities of the 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 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.

For the eight consecutive year, GCC has maintained its low-risk auditee status. Given this designation, review of the College's financial records demonstrate there were no questioned costs or unresolved prior year audit findings through fiscal year 2008. Proudly, the College continues to receive recognition as one of the best financially managed organizations within the Government of Guam system. The College strives to maintain this status, even with increasing federal and local regulations.

Fiscal Year 2008 Overview

The College continued the implementation of the Integrated Data Base System (IDBS) with the rollout of the human resources module and financial aid module in January and June 2008, respectively. The human resources module automates payroll processing, employee tracking and information processes. Banner Financial Aid automates the disbursement of awards directly to the student accounts. Students can be monitored for progress and tracking. The Banner Human Resources and Financial Aid module allows the College to keep up-to-date on regulations and requirements governing these modules as the updates are integrated into the maintenance plan.

Management's Discussion and Analysis Year Ended September 30, 2008

Through a collaborative partnership with Homeland Security, GCC launched a certificate and associate's degree in Emergency Management. GCC is the only institution within the Pacific region to provide a degree or certificate in this specialized area. Additionally, the College offered its first Diesel Mechanic course in conjunction with the Guam Contractors' Association (GCA). During the year, GCC signed a memorandum of agreement with GCA Trades Academy to partner and provide construction related courses.

The College received additional funds during the year through various federal and local grants.

- In Feb. 2008, GCC was awarded \$443,993 in grant money from the Department of the Interior for Operations and Maintenance Improvement Program (OMIP) funds. This award provides funds to purchase needed equipment for the Construction Trades department.
- In Aug. 2008, the Citi Foundation awarded a \$15,000 grant to GCC. This allowed 20 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.
- In August 2008, GCC was awarded the College Access Challenge Grant of \$330,000 over two years. The funds will be used to implement activities and services for students who may be atrisk of not enrolling or completing postsecondary education. The grant will improve access to, or participation in, postsecondary education and College retention.
- GCC received a two-year grant amounting to \$2,218,628 from USDOE under the Asian American and Native American Pacific Island-serving Institution (AANAPISI) to build a new Learning Resource Center (LRC). The LRC is expected to break ground in July 2009 and cover approximately 20,000 square feet.

The College operated with 219 full time personnel positions. This does not include adjunct faculty members hired to teach additional postsecondary courses. For the academic year 2008-2009 the College hired five additional secondary faculty for its Okkodo High School programs. The College continues to receive 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 five public high schools to provide information to students about the career and technical opportunities available to them from the College. The College continues to receive funds from the Manpower Development Fund to support its apprenticeship programs.

The College continued its increase in tuition rates for Fall 2008 and Fall 2007, by \$20 per credit. This has resulted in an increase of tuition and fees of 27% for FY2008 and 12% for FY 2007. As authorized by the Board of Trustees, 50% of the proceeds from the revenue increases will be used to hire additional full time permanent faculty and 20% to hire staff positions. The BOT authorized 30% of the increase to be used for capital improvements to the campus and related operating expenses. At the April 2009 Board of Trustees meeting, a resolution was passed to suspend tuition and fee increases scheduled for Fall 2009. A tuition increase of \$20 for each subsequent fall semester is expected to resume in Fall 2010. Classroom improvements, technology lab upgrades and capital projects are funded through increases in tuition, technology and parking fees. Funds utilized in FY2008 for capital projects and technology fees were \$274,000 and \$158,000, respectively.

There was a slight decrease of 5% in the post secondary enrollment seats and a decrease of 5% in the number of students enrolled at the College in academic year 2008 versus 2007. This is mainly attributable to increases in tuition rates and a decline in the global economy.

Management's Discussion and Analysis Year Ended September 30, 2008

Enrollment (Seat)	<u>2008</u>	<u>2007</u>
Spring	4,689	5,069
Summer	464	559
Fall	5,034	5,200
Total	<u>10,187</u>	<u>10,828</u>
Enrollment (Head)		
Spring	1,685	1,743
Summer	280	361
Fall	1,722	1,818
Total	<u>3,687</u>	<u>3,922</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 and started providing programs in Okkodo high school in August 2008. There was a slight decrease in enrollment in these courses from 2,098 students to 1,925 students in SY 06-07 and SY07-08, respectively.

Overview of the Financial Statements and Financial Analysis

(all figures are in thousands)

Summary Statement of Net Assets

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets:			
Current assets	\$ 7,394	\$ 5,922	\$ 6,973
Accounts receivable – U.S. Government	1,355	740	-
Investments (noncurrent)	1,675	1,740	1,740
Capital assets, net	<u>13,879</u>	<u>14,069</u>	14,697
Total	\$ <u>24,303</u>	\$ <u>22,471</u>	\$ <u>23,410</u>
Liabilities:			
Current liabilities	\$ 3,125	\$ 3,169	\$ 4,039
Non-current liabilities	2,326	2,791	1,265
Total	5,451	5,960	5,304
Net assets:			
Invested in capital assets	11,963	11,763	12,130
Restricted –expendable	1,903	1,914	1,845
Unrestricted	4,986	2,834	4,131
Total liabilities and net assets	\$ <u>24,303</u>	\$ <u>22,471</u>	\$ 23,410

Management's Discussion and Analysis Year Ended September 30, 2008

The overall economic situation at the College remained consistent from the previous year. Increases in current assets were due to the \$1 million received for FEMA reimbursement and increases in student tuition receivable. Investments declined due to the housing market crisis and the economic recession. The changes in current and non-current liabilities are due to loan payments made to USDOE for the administration building.

Due to the constraints of College and University accounting, approximately \$5,340,183 in encumbrances incurred in fiscal year 2008 have yet to be reflected as expenditures in the accompanying financial presentation, but will be liquidated with 2008 net assets. The increase in encumbrances of \$3.8 million is due to the construction costs of the Allied Health Building.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating revenues Operating expenses	\$ 11,524 23,938	\$ 9,642 25,252	\$ 10,944 22,628
Operating Loss	(12,414)	(15,610)	(11,684)
Non operating revenues	14,755	14,015	11,002
Change in net assets Net assets at beginning of year	2,341 16,511	(1,595) <u>18,106</u>	(682) 18,788
Net assets at end of year	\$ <u>18,852</u>	\$ <u>16,511</u>	\$ <u>18,106</u>
Statement of Cash Flows			
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash provided by (used in): Operating activities Noncapital financing activities Capital financing activities Investing activities	\$ (12,378) 15,147 (1,506) <u>65</u>	\$ (13,015) 12,695 (1,345)	\$ (11,444) 11,008 (4,783)
Net change in cash and cash equivalents Cash and cash equivalents at beginning of year	1,328 <u>727</u>	(1,665) 2,392	(5,219) <u>7,611</u>
Cash and cash equivalents at end of year	\$ <u>2,055</u>	\$ <u>727</u>	\$ <u>2,392</u>

At the end of FY 2008, the net assets of the College increased by \$2.3 million. The increase is due to the \$1 million reimbursement from FEMA for super typhoon Pongsona and tuition and fee increases totaling approximately \$650,000. The FEMA revenues were collected in FY2008, but the College expended the funds in prior years for costs incurred to repair damaged buildings and replace equipment from Super typhoon Pongsona, which devastated the island in December 2002. Expenditures decreased from 2007 due to the completion of the IDBS implementation. In fiscal year 2008, the College was able to receive most of its appropriations from the Government of Guam as compared to the previous year's \$2.6 million deferred amount. 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 Year Ended September 30, 2008

Capital Assets and Debt Administration

GCC's capital assets of \$13,879,282 as of September 30, 2008, included land, buildings and equipment. Costs incurred for the technology building generator, A&E costs for the Allied Health Building and the Student Center were included in CIP. The technology building generator was completed in December 2008 and the Allied Health Building construction commenced in late September and is expected to be completed by September 2009. The College anticipates construction for the Library Resources Center to begin in Fall 2009. The College does not anticipate any major financing activities for fiscal year 2009. The College remains current in the repayment of the College Housing and Academic Facilities Loan to USDOE and made two principal and loan payments of \$342,620 during fiscal year 2008. Please see the notes to financial statements for additional information regarding GCC's capital assets.

The College did not incur additional long-term debt during the year ended September 30, 2008. For additional information concerning the College's debt, please refer to the notes to the financial statements.

Management's Discussion and Analysis for the years ended September 30, 2007 and 2006, is set forth in the College's report on the audit of the financial statements, which is dated June 13, 2008, and that Discussion and Analysis explains the major factors impacting the 2007 and 2006 financial statements and can be viewed at the Office of the Public Auditor's website at www.guamopa.com.

Economic Outlook for FY 2009

The College continues to monitor the economic situation of the Government of Guam closely, as it receives 60% of its funding locally. The global recession, housing mortgage crisis and landfill issues continue to affect local funding availability. As of May 2009, the College has received 59% or \$6.8 million of its \$11.5 million requested allotments. The slow release of funds has caused a strain on the College's financial resources and affected the programs and future programs to students. The College takes its finances seriously and 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 discussion of national and local economic conditions, and how such conditions will affect the Government of Guam's finances. Based on such discussions and projection of allotments to be received by the Department of Administration, adjustments are made to department budgets throughout the College. The College will continue to maintain fiscal accountability for the benefit of our students.

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.

Management's Discussion and Analysis Year Ended September 30, 2008

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 2009 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.

In FY2008, the College awarded the construction contract for the Allied Health Building. The Allied Health Building project broke ground in August 2008 and is expected to cost \$3.8 million. The \$1 million FEMA reimbursement will be used towards the construction costs of the Allied Health Building. In March 2009, GCC received an additional \$943,000 from Department of Interior Capital Improvement Projects grant, administered through the Office of the Governor, for the Allied Health construction project. As of the beginning of May 2009, the project was estimated to be 49% complete with the scheduled completion date in September 2009, and classrooms utilization starting in Spring 2010. The building will provide much needed classroom and office space with over 24,000 additional square feet for the Allied Health and Science programs.

In November 2008, Takecare awarded \$50,000 for the College's Allied Health Program. The funds will be used to enhance GCC's Medical Assisting and Practical Nursing Program.

The College was selected to receive federal earmark grant of \$383,187 in FY 2009. These funds will be used to support the boot camps and special electronics programs for postsecondary students. Additionally, the College received funding under the Pacific Vocational Education Improvement Program to support career and technical education for secondary students. The purchase and installation of a backup generator needed for the Technology Center was completed in December 2008. Other small capital improvement projects are planned for FY 2009, such as 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 requirements needed to ensure student accessibility and safety, along with the security needed for our College assets.

Statements of Net Assets September 30, 2008 and 2007

<u>ASSETS</u>	2008	2007
Current assets: Cash and cash equivalents Cash and cash equivalents - restricted Due from Government of Guam Tuition receivable, less allowance for doubtful accounts of \$1,220,562 at September 30, 2008 and 2007 Accounts receivable - U.S. Government and others Other receivables Inventories	1,772,088 \$ 283,528 2,117,917 2,826,865 1,354,508 235,236 159,282	440,717 286,499 2,382,889 2,096,901 740,767 577,685 136,117
Total current assets	8,749,424	6,661,575
Noncurrent assets: Investments Property, plant and equipment, net Total noncurrent assets	1,675,000 13,879,282 15,554,282 24,303,706	1,740,000 14,069,570 15,809,570 22,471,145
LIABILITIES AND NET ASSETS		
Current liabilities: Current portion of long-term debt Accounts payable and accrued liabilities Deferred revenue Current portion of accrued annual leave Total current liabilities	633,590 \$ 1,094,937 1,184,943 211,696 3,125,166	458,637 1,439,715 1,113,076 157,393 3,168,821
Noncurrent liabilities: Accrued annual leave DCRS sick leave liability Long-term debt, net of current portion Deposits held on behalf of others	256,340 503,083 1,283,443 283,528	299,688 436,654 1,768,049 286,499
Total liabilities	5,451,560	5,959,711
Net assets: Invested in capital assets, net of related debt Restricted: Expendable Unrestricted	11,962,249 1,903,147 4,986,750	11,763,357 1,914,175 2,833,902
Total net assets	18,852,146	16,511,434
· ·	\$ 24,303,706	22,471,145

See accompanying notes to financial statements.

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

Statements of Financial Position September 30, 2008 and 2007

ASSETS	_	2008		2007
Cash and cash equivalents	\$	28,721	\$	9,818
Investments		6,972,594		8,417,877
Accounts receivable		1,590		65
Plant and equipment, net	-	300,134		360,161
Total assets	\$_	7,303,039	\$_	8,787,921
NET ASSETS AND LIABILITIES				
Liabilities:				
Accounts payable	\$_	97,326	-\$-	6,672
Total liabilities	-	97,326	-, -	6,672
Commitments				
Net assets:				
Unrestricted		5,073,310		3,741,774
Temporarily restricted		1,812,820		4,659,865
Permanently restricted	_	319,583		379,610
	-	7,205,713		8,781,249
Total net assets and liabilities	\$	7,303,039	\$	8,787,921

See accompanying notes to financial statements.

Statements of Revenues, Expenses and Changes in Net Assets Years Ended September 30, 2008 and 2007

	_	2008	2007
Revenues:			
Operating revenues:			
Student tuition and fees	\$	3,952,260 \$	3,105,694
Less: Scholarship discounts and allowances	_	(1,899,474)	(1,943,825)
		2,052,786	1,161,869
Federal grants and contracts		7,489,751	6,372,562
Government of Guam grants and contracts		307,685	485,458
Contracted educational services		667,140	595,279
Auxiliary enterprises		723,302	610,270
Other revenues		283,518	416,503
Less uncollectible revenues	_		(290)
Total operating revenues	_	11,524,182	9,641,651
Operating expenses:			
Education and general:			
Instruction		7,810,094	8,266,302
Institutional support		4,507,330	5,613,324
Scholarships and fellowships		2,949,222	2,973,429
Student services		2,865,708	2,880,857
Operations and maintenance of plant		1,721,096	1,716,858
Academic support		1,448,476	1,296,771
Depreciation		1,289,265	938,341
Planning		864,478	957,201
Auxiliary enterprises	_	482,377	608,686
Total operating expenses	_	23,938,046	25,251,769
Operating loss	_	(12,413,864)	(15,610,118)
Nonoperating revenues (expenses):			
Government of Guam appropriations:			
Operations		14,881,819	14,142,196
Interest expense		(127,243)	(127,243)
Net nonoperating revenues	_	14,754,576	14,014,953
Change in net assets		2,340,712	(1,595,165)
Net assets:			
Net assets at beginning of year	-	16,511,434	18,106,599
Net assets at end of year	\$	18,852,146 \$	16,511,434

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, 2008 and 2007

		2008				2007	7	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other additions: Investment (loss) income	\$ (1,173,161) \$	(272,122) \$	⇔	(1,445,283) \$	636,351 \$	489,481 \$	\$ 5	1,125,832
Interest income	59	•	1	59	1,463	•	•	1,463
Net assets released from restriction: Satisfaction of program restrictions	2,574,923	(2,574,923)	•	•	•	•	•	•
Other additions	131,598	-	•	131,598	5,077		1	5,077
Total gains and other additions	1,533,419	(2,847,045)	•	(1,313,626)	642,891	489,481	· [1,132,372
Expenditures and other deductions:						•		
Depreciation	•	•	60,027	60,027	•	•	60,027	60,027
Transfer to Guam Community College	80,245	•	,	80,245	667,616	•	•	667,616
Professional services	4,791	•	•	4,791	4,678	1	•	4,678
Scholarship	3,000	•	,	3,000	3,000		•	3,000
General and administrative	2,590	ı	•	2,590	1,400	•	•	1,400
Other deductions	13,207	•	•	13,207	11,274	•	•	11,274
Fundraising expense	98,050	1	•	98,050	1			•
Total expenditures and other deductions	201,883	1	60,027	261,910	896,789		60,027	747,995
Excess of gains and other additions over	1 221 526	(2 847 045)	(60.027)	(1 575 536)	(45 077)	489 481	(760 09)	384 377
expenditures and other deductions	055,155,1	(2,04/,043)	(00,001)	(066,676,1)	(40,011)	167,761	(170,00)	110,500
Net assets at beginning of year	3,741,774	4,659,865	379,610	8,781,249	3,786,851	4,170,384	439,637	8,396,872
Net assets at end of year	\$ 5,073,310 \$	1,812,820 \$	319,583 \$	7,205,713 \$	3,741,774 \$	4,659,865 \$	379,610 \$	8,781,249

See accompanying notes to financial statements.

Statements of Cash Flows Years Ended September 30, 2008 and 2007

	_	2008	2007
Cash flows from operating activities: Student tuition and fees Federal grants/contracts Government of Guam grants and contracts Auxiliary services Other receipts/payments Payments for educational and general expenses Scholarship/fellowships	\$	1,395,035 \$ 6,876,011 650,134 321,407 839,620 (19,510,713) (2,949,222)	1,723,771 6,029,206 571,985 33,602 686,299 (19,086,793) (2,973,429)
Net cash used in operating activities	_	(12,377,728)	(13,015,359)
Cash flows from noncapital financing activities: Government of Guam appropriations	_	15,146,791	12,694,734
Net cash provided by noncapital financing activities	_	15,146,791	12,694,734
Cash flows from capital financing activities: Expended on plant facility and capital assets Payment of debt Interest paid on long-term debt	_	(1,068,767) (309,653) (127,243)	(311,103) (340,334) (692,726)
Net cash used in capital financing activities		(1,505,663)	(1,344,163)
Cash flows from investing activities Decrease in short term investment	_	65,000	
Net cash provided by investing activities	_	65,000	_
Net change in cash and cash equivalents Cash and cash equivalents at beginning of year	-	1,328,400 727,216	(1,664,788) 2,392,004
Cash and cash equivalents at end of year	\$_	2,055,616 \$	727,216
Reconciliation of operating loss to net cash used in operating activities: Operating loss Adjustments to reconcile operating loss to net cash used in operating activities:	\$	(12,413,864) \$	(15,610,118)
Depreciation Gain on disposal of fixed asset Uncollectible revenues		1,289,265 (30,212)	938,341 - 290
Changes in assets and liabilities: Accounts receivable, net Inventories Accounts payable		(1,001,254) (23,165) (344,778)	124,024 (30,173) 1,594,864
Accrued liabilities DCRS sick leave liability Deferred revenue		10,955 66,429 71,867	(21,886) 81,361 (112,417) 20,355
Deposits held on behalf of others Net cash used in operating activities	\$	(2,971) (12,377,728) \$	(13,015,359)

Notes to Financial Statements September 30, 2008 and 2007

(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. 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.

Notes to Financial Statements September 30, 2008 and 2007

(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.

<u>Inventory</u>

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

Notes to Financial Statements September 30, 2008 and 2007

(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, 2008 and 2007 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 \$42,184 and less than \$27,580 for the years ended September 30, 2008 and 2007, 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.

Notes to Financial Statements September 30, 2008 and 2007

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

Net Assets

Net assets represent the residual interest in the College's assets after liabilities are deducted and consist of three sections: invested in capital assets, net of related debt; restricted expendable, and unrestricted. Net assets invested in capital assets, net of related debt include capital assets, restricted and unrestricted, net of accumulated depreciation, reduced by outstanding debt net of debt service reserve. Net assets are reported as restricted when constraints are imposed by third parties or enabling legislation. The accounts shown as restricted assets are amounts required to be maintained in revenue bond fund accounts and amounts set aside in accordance with the terms of U.S. Department of the Interior capital grant agreements. All of the College's restricted net assets are expendable. All other net assets are unrestricted.

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.

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, 2008 and 2007, no interest was capitalized.

Notes to Financial Statements September 30, 2008 and 2007

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

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 original cost and market values of investments at September 30, 2008 and 2007, are:

	2008	20	07
-	Market		Market
<u>Cost</u>	<u>Value</u>	<u>Cost</u>	<u>Value</u>
\$ 5,348,663	\$ 6,972,594 \$	5,348,663	\$ 8,417,877

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

	<u>2008</u>	<u>2007</u>
Equities and related	\$ 5,254,795	\$ 6,744,567
Fixed income securities	1,205,288	1,177,436
Cash and equivalents	512,511	495,874
	\$ <u>6,972,594</u>	\$ <u>8,417,877</u>

The following represents the composition of investment income (loss) for the years ended September 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Unrealized investment (losses) gains Net interest income and dividends	\$ (1,698,399) 253,116	\$ 875,818 <u>250,014</u>
	\$ (<u>1,445,283</u>)	\$ <u>1,125,832</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.

Notes to Financial Statements September 30, 2008 and 2007

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

Deposits and Investments

Investment in debt securities are carried at cost which approximates market value.

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.

As of September 30, 2008 and 2007, the carrying amount of the College's total cash and cash equivalents was \$2,055,616 and \$727,216, respectively, and the corresponding bank balances were \$3,191,904 and \$1,624,118, respectively. Of the bank balance amounts, \$2,891,904 and \$1,324,118, respectively, are maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2008 and 2007, 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:

Notes to Financial Statements September 30, 2008 and 2007

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

Deposits and Investments, Continued

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, 2008 and 2007, the College has one fixed income security known as the Tobacco Bond. The bond amount is \$1,675,000 and \$1,740,000 with a rating of BBB- by Fitch, with interest at 5.45%, 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 2008, the College implemented the following pronouncements:

• GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which establishes standards for the measurement, recognition, and display of other post-employment benefits expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

The Government of Guam has determined that implementation of GASB Statement No 45 does not have a material effect on its financial statements or on the financial statements of its component units.

- GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues, which establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing, and includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components.
- GASB Statement No. 50, Pension Disclosures an amendment of GASB Statements No. 25 and 27, which more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits.

The implementation of these pronouncements did not have a material effect on the accompanying financial statements.

Notes to Financial Statements September 30, 2008 and 2007

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

New Accounting Standards, Continued

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 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.

In November 2007, GASB issued Statement No. 52, Land and Other Real Estate Held as Investments by Endowments. GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The provisions of this statement are effective for periods beginning after June 15, 2008. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the College.

In June 2008, GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. GASB Statement No. 53 is intended to improve how state and local governments report information about derivative instruments - financial arrangements used by governments to manage specific risks or make investments - in their financial statements. 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 Authority, a component unit of the Government of Guam. During the years ended September 30, 2008 and 2007, the fund earned interest of \$5,919 and \$68,890, respectively. The College expended \$140,000 and \$0 for capital projects for the years ended September 30, 2008 and 2007, respectively.

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.

Notes to Financial Statements September 30, 2008 and 2007

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

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, 2008 and 2007 are as follows:

	Balance September 30, 2007	Additions	Retirements	Balance September 30, 2008
Depreciable:				
Building	\$ 26,216,954	\$ 124,834	\$	\$ 26,341,788
Equipment	5,548,797	1,694,541	1,857,392	5,385,946
Vehicles	323,454	21,700	82,796	262,358
	32,089,205	1,841,075	1,940,188	31,990,092
Accumulated depreciation:				
Building	16,851,322	377,605	-	17,228,927
Equipment	4,234,509	902,933	1,887,670	3,249,772
Vehicles	<u>287,197</u>	8,727	82,729	<u>213,195</u>
	21,373,028	1,289,265	1,970,399	20,691,894
Non-depreciable:				
Land	1,903,000	-	-	1,903,000
Construction in progress	1,450,393	493,261	1,265,570	678,084
Net	\$ <u>14,069,570</u>	\$ <u>1,045,071</u>	\$ <u>1,235,359</u>	\$ <u>13,879,282</u>
	Balance September 30, 2006	Additions	Retirements	Balance September 30, 2007
Depreciable:				
Building	\$ 25,598,053	\$ 618,901	\$ -	\$ 26,216,954
Equipment	5,200,893	430,714	82,810	5,548,797
Vehicles	323,454			323,454
	31,122,400	1,049,615	82,810	32,089,205
Accumulated depreciation:	·			
Building	16,477,153	374,169	-	16,851,322
Equipment	3,761,746	555,573	82,810	4,234,509
Vehicles	278,598	8,599		287,197
	20,517,497	938,341	82,810	21,373,028
Non-depreciable:				
Land	1,903,000	-	-	1,903,000
Construction in progress	2,188,905	184,824	<u>923,336</u>	1,450,393
Net	\$ <u>14,696,808</u>	\$ <u>296,098</u>	\$ <u>923,336</u>	\$ <u>14,069,570</u>

Notes to Financial Statements September 30, 2008 and 2007

(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, 2008 and 2007. 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, 2008 and 2007, the College has fiscal year appropriations due from the Government of Guam. The College has not received appropriations subsequent to September 30, 2008 to date. Therefore, revenue recognition has been deferred and will only occur upon receipt of the cash. The net receivable is as follows:

	<u>2008</u>	<u>2007</u>
Receivable from the Government of Guam Amount deferred	\$ 2,449,686 <u>331,769</u>	\$ 3,275,126 892,237
Net receivable from the Government of Guam	\$ <u>2,117,917</u>	\$ 2,382,889

(5) Employees' Retirement Plan

Defined Benefit Plan

Plan Description:

The GovGuam Defined Benefit (DB) Plan is a single-employer defined benefit contributory pension plan administered by the GovGuam Retirement Fund (GGRF) to which all funds and agencies, including component units, as well as employees who are members of the DB Plan, contribute a fixed percentage of qualifying payroll. The DB Plan provides retirement, disability, and survivor benefits to members and beneficiaries who enrolled in the plan prior to October 1, 1995. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Guam Legislature. All new employees whose employment commences on or after October 1, 1995, are required to participate in the new Defined Contribution Retirement System (DCRS).

Hence, the DB Plan became a closed group. Membership in the DB Plan was mandatory for all full-time employees, except for those compensated on a fee basis, independent contractors, and persons aged 60 or over upon employment. Most employees may retire with full benefits at age 60 with at least 10 years of service, or after 25 years of service, regardless of age. Vesting of benefits is optional for employees with 3 to 19 years of service, but is mandatory for employees with 20 or more years of service. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website – www.ggrf.com

Funding Policy:

As a result of actuarial valuations performed as of September 30, 2006, 2005, and 2004, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2008, 2007 and 2006, respectively, have been determined as follows:

Notes to Financial Statements September 30, 2008 and 2007

(5) Employees' Retirement Plan, Continued

Defined Benefit Plan, Continued

Funding Policy, Continued:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Normal costs (% of DB Plan payroll) Employee contributions (DB Plan employees)	17.94% <u>9.50%</u>	18.21% <u>9.50%</u>	17.83% <u>9.50</u> %
Employer portion of normal costs (% of DB Plan payroll)	8.44%	8.71%	8.33%
Employer portion of normal costs (% of total payroll)	3.99%	4.26%	4.64%
Unfunded liability cost (% of total payroll)	<u>20.75%</u>	<u>20.66%</u>	21.36%
Government contribution as a % of total payroll	<u>24.74%</u>	<u>24.92%</u>	<u>26.00%</u>
Statutory contribution rates as a % of DB Plan payroll			
Employer Employee	24.07% 9.50%	22.94% 9.50%	21.81% 9.50%
r <i>j</i>			2.2070

2000

2007

2000

The Annual Required Contribution for the years ended September 30, 2008, 2007 and 2006 was determined as part of the September 30, 2006, 2005 and 2004 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included the following:

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

The assumptions did not include cost-of-living adjustments, which have been funded by the College when granted through annual legislation. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of total payroll through May 1, 2031. The remaining amortization period at September 30, 2008 was 22.58 years.

The actuarial valuations performed as of September 30, 2006, 2005, and 2004, 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.

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, 2008 and 2007, the General Fund has accrued approximately \$6,538,424 and \$5,795,287, respectively, for the College's cumulative unfunded retirement liability as a result of the adoption of GASB 27.

Notes to Financial Statements September 30, 2008 and 2007

(5) Employees' Retirement Plan, Continued

Defined Benefit Plan, Continued

Contributions to the DB for the years ended September 30, 2008 and 2007 are \$1,687,786 and \$1,655,385, respectively.

Defined Contribution Plan

Contributions into the DCRS plan 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 investment account within the DCRS. Employees are afforded the opportunity to select from different investment accounts available under the DCRS.

Statutory employer contributions into the DCRS plan for the years ended September 30, 2008 and 2007, are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 5% of the member's regular pay is deposited into the member's individual investment account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

Members of the DCRS plan, 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 years ended September 30, 2008 and 2007 are \$1,366,357 and \$1,379,727, respectively.

Public Law 26-86 allows members of the DCRS to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. The College has accrued an estimated liability of \$503,083 and \$436,654 at September 30, 2008 and 2007, respectively, for potential future sick leave payments as a result of this law. However, this amount is an estimate and actual payout may be materially different than estimated.

(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, \$5,340,183 and \$1,651,247 of outstanding purchase orders and purchase commitments are not reported in the financial statements at September 30, 2008 and 2007, respectively.

(7) Commitment and Contingency

Medicare

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.

Notes to Financial Statements September 30, 2008 and 2007

(7) Commitments and Contingency, Continued

Contract Commitments

Contract commitments in connection with a project currently under construction approximate \$3,778,550 at September 30, 2008.

(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

Note payable to U.S. Department of Educate facility construction purposes, interest a repayable in semi-annual installments of and interest of \$342,620 through December	at 5.5%, principal	\$ 1,580,362	2007 \$ 1,871,515
Note payable to U.S. Department of Agriculative construction purposes, interest at repayable in monthly installments of principal interest of \$2,755 through April 16 collateralized by the income and principal in the reserve account and the booste	4.375%, cipal and 5, 2024, related to		
equipment.	г ратр	336,671	355,171
Less current portion		1,917,033 633,590	2,226,686 458,637
The future maturities of long-term debt are	as follows:	\$ <u>1,283,443</u>	\$ <u>1,768,049</u>
Year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009 2010 2011 2012 2013 2014-2018 2019-2023	\$ 633,590 668,709 336,715 21,322 22,273 127,198 107,226	\$ 84,710 49,591 17,235 11,738 10,787 38,102 8,622	\$ 718,300 718,300 353,950 33,060 33,060 165,300 115,848
	\$ <u>1,917,033</u>	\$ <u>220,785</u>	\$ <u>2,137,818</u>

During 2008, the College refinanced the loan payable amount of \$1,871,515 to the U.S. Department of Education to mature on December 1, 2010.

All gross revenues of GCC have been pledged to repay U.S. Department of Education loan principal and interest. The loan payable amount was \$448,655 and \$1,000,000 for the years ended September 30, 2008 and 2007, respectively, or approximately 11.1% and 30.6%, respectively, of pledged gross revenues for those years.

Notes to Financial Statements September 30, 2008 and 2007

(10) Noncurrent Liabilities

Noncurrent liability activity at September 30, 2008 and 2007, was as follows:

	Beginning Balance September 30, 2007	Additions	Reductions	Ending Balance September 30, 2008	Amount due within one year
Loans payable Deposit held on behalf of others Accrued annual leave DCRS sick leave liability	\$ 2,226,686 286,499 457,081 436,654	\$ - 397,480 <u>66,429</u>	\$ 309,653 2,971 386,525	\$ 1,917,033 283,528 468,036 503,083	\$ 633,590 211,696
Total noncurrent liabilities	\$ <u>3,406,920</u>	\$ <u>463,909</u>	\$ <u>699,149</u>	\$ <u>3,171,680</u>	\$ <u>845,286</u>
	Beginning Balance September 30, 2006	<u>Additions</u>	<u>Reductions</u>	Ending Balance September 30, 2007	Amount due within one year
Loans payable Deposit held on behalf of others Accrued annual leave DCRS sick leave liability	\$ 2,567,020 266,144 478,967 	\$ - 20,355 218,167 81,361	\$ 340,334 240,053	\$ 2,226,686 286,499 457,081 _436,654	\$ 458,637 157,393
Total noncurrent liabilities	\$ 3,667,424	\$ 319,883	\$ 580,387	\$ 3,406,920	\$ 616,030

Schedule 1 Schedule of Salaries and Wages (Cash Basis) Years Ended September 30, 2008 and 2007

		2008	_	2007
Salaries and wages: Regular, differential and hazardous pay (inclusive of part-time employees) Benefits	\$	10,881,574 2,993,461	\$	10,654,296 2,896,905
Total salaries, wages and benefits	\$_	13,875,035	\$_	13,551,201
Full-time employees at end of year		219		212
Federal Funds: Salaries Benefits	\$	528,753 137,903	\$	466,231 131,452
Total salaries, wages and benefits	\$_	666,656	\$	597,683
Full time federal employees at end of year (inclusive in above amount)		13		11

See accompanying independent auditors' report.

Schedule of Expenditures by Function and Object Code Years Ended September 30, 2008 and 2007

Instruction: Salaries, wages and benefits \$ 6,644,033 \$ 7,059,178 Travel 52,252 31,670 Contract services 189,666 256,100 Supplies 174,424 166,833 Minor equipment 404,744 352,877 Capital expenditures - 26,316 Miscellaneous 344,975 373,308 Total employees at end of year 90 98 Total employees at end of year 90 98 2008 2007 Planning: Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: Salaries, wages			2008		2007
Travel 52,252 31,670 Contract services 189,666 256,100 Supplies 174,424 166,853 Minor equipment 404,744 352,877 Capital expenditures - 26,316 Miscellaneous 344,975 373,308 Total employees at end of year 90 98 2008 2007 Planning: Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: \$ 864,478 957,201 Total employees at end of year 9 9 Academic Support: \$ 1,076,738 1,034,904 Travel 53,185 411		¢	6 644 033	r	7 050 178
Contract services 189,666 256,100 Supplies 174,424 166,853 Minor equipment 404,744 352,876 Capital expenditures - 26,316 Miscellaneous 344,975 373,308 Total employees at end of year 90 98 2008 2007 Planning: Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 3864,478 \$ 957,201 Total employees at end of year 9 9 Academic Support: 31,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 <td>• •</td> <td>Ψ</td> <td></td> <td>V</td> <td></td>	• •	Ψ		V	
Supplies 174,424 166,853 Minor equipment 404,744 352,877 Capital expenditures 2 26,316 Miscellaneous 344,975 373,308 Total employees at end of year 90 98 2008 2007 Planning: 2008 2007 Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 2,7957 19,362 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 2008 2007 Academic Support: 31,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533					•
Minor equipment 404,744 352,877 Capital expenditures 26,316 Miscellaneous 344,975 373,308 \$ 7,810,094 \$ 8,266,302 Total employees at end of year 90 98 2008 2007 Planning: Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 2,7066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533			•		•
Capital expenditures 26,316 Miscellaneous 344,975 373,308 Miscellaneous \$ 7,810,094 \$ 8,266,302 Total employees at end of year 90 98 Planning: 2008 2007 Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 364,478 957,201 Total employees at end of year 9 9 Academic Support: 31,076,738 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures			•		•
Miscellaneous 344,975 373,308 *** 7,810,094 *** 8,266,302 Total employees at end of year 90 98 Planning: 2008 2007 Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 2008 2007 Academic Support: 31,076,738 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 8,8943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000	* *		-		
Total employees at end of year 90 98 Planning: 2008 2007 Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 2008 2007 Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000			344,975		
Planning: Salaries, wages and benefits		\$_	7,810,094	\$	8,266,302
Planning: Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 31,076,738 \$ 1,034,904 Travel 53,185 411 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000	Total employees at end of year		90	_	98
Salaries, wages and benefits \$ 497,193 \$ 461,418 Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 3008 2007 Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771			2008		2007
Travel 30,383 23,932 Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 ** 864,478 \$ 957,201 Total employees at end of year 9 9 Academic Support: \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous \$ 1,448,476 \$ 1,296,771	<u> </u>	_			464.440
Contract services 273,928 372,322 Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 Total employees at end of year 9 9 Academic Support: 2008 2007 Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous \$ 1,448,476 \$ 1,296,771	•	\$,	\$	-
Supplies 16,151 22,611 Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 \$ 864,478 \$ 957,201 Total employees at end of year 9 9 2008 2007 Academic Support: Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous \$ 1,448,476 \$ 1,296,771			•		•
Minor equipment 16,800 44,328 Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 * 864,478 957,201 Total employees at end of year 9 9 Academic Support: 2008 2007 Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000			•		•
Capital expenditures 27,066 13,228 Miscellaneous 2,957 19,362 \$ 864,478 \$ 957,201 Total employees at end of year 9 9 2008 2007 Academic Support: Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771			•		•
Miscellaneous 2,957 19,362 \$ 864,478 \$ 957,201 Total employees at end of year 9 9 2008 2007 Academic Support: \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771	1 1		,		•
Total employees at end of year 9 9 2008 2007 Academic Support: \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous \$ 1,448,476 \$ 1,296,771			•		•
Academic Support: Salaries, wages and benefits Travel Contract services Supplies Minor equipment Capital expenditures Miscellaneous 2008 2007 \$ 2008 2007 \$ 1,076,738 \$ 1,034,904 \$ 153,185 \$ 411 \$ 16,741 \$ 16,741 \$ 107,524 \$ 142,533 \$ 474 \$ 8,875 \$ Miscellaneous \$ 1,448,476 \$ 1,296,771		\$	864,478	\$	957,201
Academic Support: \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous \$ 1,448,476 \$ 1,296,771	Total employees at end of year	_	9		9
Salaries, wages and benefits \$ 1,076,738 \$ 1,034,904 Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous \$ 1,448,476 \$ 1,296,771		ستند	2008		2007
Travel 53,185 411 Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771		•	1 056 500	Φ.	1 02 4 00 4
Contract services 79,192 16,741 Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771	• •	\$		\$	
Supplies 88,943 56,307 Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771					
Minor equipment 107,524 142,533 Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771					•
Capital expenditures 474 8,875 Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771			•		
Miscellaneous 42,420 37,000 \$ 1,448,476 \$ 1,296,771			•		
	<u>-</u>	_			
Total employees at end of year 16 12		\$_	1,448,476	\$	1,296,771
	Total employees at end of year		16		12

Schedule of Expenditures by Function and Object Code, Continued Years Ended September 30, 2008 and 2007

		2008		2007
Student Services:				
Salaries, wages and benefits	\$, ,	\$	2,398,727
Travel		57,388		25,021
Contract services		134,501		196,571
Supplies		70,563		55,199
Minor equipment		93,592		93,419
Miscellaneous and transfers		44,535		111,920
	\$_	2,865,708	\$_	2,880,857
Total employees at end of year	_	45	_	42
	_	2008	_	2007
Institutional Support:	\$	2,672,912	Ф	2,137,009
Salaries, wages and benefits	Ф	132,100	Ф	45,741
Travel Contract services		1,472,539		3,298,015
Supplies		76,667		44,715
Minor equipment		19,107		30,402
Capital expenditures		4,569		13
Miscellaneous	_	256,680	_	184,672
	\$_	4,634,573	\$_	5,740,567
Total employees at end of year	=	48	_	39
		2008	_	2007
Operations and Maintenance of Plant: Salaries, wages and benefits	\$	252,569	\$	288,072
Contract services	Ψ	314,747	Ψ	273,959
Supplies		54,204		75,094
Minor equipment		21,132		42,447
Capital expenditures		· -		69,593
Utilities		1,078,444		967,573
Miscellaneous	_	_	_	120
	\$_	1,721,096	\$_	1,716,858
Total employees at end of year	-	7	_	9
	•••			

See accompanying independent auditors' report.

Schedule of Expenditures by Function and Object Code, Continued Years Ended September 30, 2008 and 2007

	2008		2007
Scholarships and Fellowships:			
Salaries, wages and benefits \$,	\$	130,051
Contract services	837		819
Supplies	665		802
Minor equipment	1,457		1,102
Miscellaneous	2,722,983		2,840,655
\$	2,949,222	\$	2,973,429
Total employees at end of year	3	= =	2
	2008		2007
Auxiliary:			
Salaries, wages and benefits	,	\$	41,842
Travel	570		-
Supplies	1,741		655
Minor equipment	436,885		550,298
Miscellaneous	_		15,891
\$	482,377	- \$	608,686
Total employee at end of year	1	= :	1

Unrestricted and Restricted Fund Supplemental Schedule Balance Sheet September 30, 2008 (With Comparative Balances as of September 30, 2007)

		Unrestricted			Restricted								Count Total	otol
		-ioN			Other							•	C Brita	Ota
	Appropriated	appropriated		Federal	Grant		Capital	Tobacco	Campus	Investment	Agency			!
	Fund	Fund	Total	Fund	Fund	Total	Projects	Settlement	Housing	in Plant	Fund	Elimination	2008	2007
ASSETS			9 (13763)	6	6	U	,	117 555 6			283.528 \$,	2.055.616 \$	564.069
Cash		\$ 1,034,533 \$	1,034,033	9	•	9	9	9 000 117 .	•	•	2	•	1 675 000	1 903 147
Investment	•						•	000,000			•	•	000,000	41,0041
Due from Government of Guam	1.836.433	281.484	2,117,917						•	•		•	2,117,917	2,382,889
Due from other College finds	361.400	10.552.967	10.914.367		1.135.589	1,135,589		140,000	•	•		(12,189,956)	•	•
Appearance model concept annual	2011100	- dente	, and the state	1.327.448	27.060	1,354,508			٠	•	•		1,354,508	740,767
Accounts receivable traiton	•	4 014 359	4.014.359	20.057	13,011	33,068			•	٠	•	•	4,047,427	3,317,463
Accounts receivable other		43.406	43 406		191.830	191,830	,		•	•	•	•	235,236	547,685
Accounts receivable - outer		(1 214 990)	(1 214 990)	(5.572)	,	(5,572)				•	•	•	(1,220,562)	(1,220,562)
Terrorder		150 282	159 282	î .		,		•		•	,	•	159,282	136,117
Illyeanory		2026.001	1016/01				,			678,084	•	•	678,084	1,450,393
Construction in progress	•	•				,			•	1.903,000	۰		1,903,000	1,903,000
Land	•	•		•				,	•	26,341,787		•	26,341,787	26,216,953
Buildings		•	•	•				•	•	5,385,946	•	•	5,385,946	5,548,797
Equipment	•	•	•	•				•	•	262.358		•	262,358	323,454
Vehicles	•		•	•	•					(50 601 803)		•	(20.691.893)	(21.373,027)
Accumulated deprectation	1		•				 - 			7 2012 2012				
	\$ 2,197,833	2,197,833 \$ 15,471,041 \$	17,668,874 \$	1,341,933 \$	1,367,490 \$	2,709,423 \$		1,952,555 \$	\$	13,879,282 \$	283,528 \$	13,879,282 \$ 283,528 \$ (12,189,956) \$	24,303,706 \$ 22,471,145	22,471,145
LIABILITIES AND FUND BALANCE														
17	3 000 210	3 519 162 8	9 618 914 8	101 415 \$	\$ 666.06	122.414 \$	\$ (967)	S	34,405 \$	5	9		1,094,937 \$	1,439,715
Accounts payable			336.671	'	, ,	· Î		•	1,580,362	•	٠	•	1,917,033	2,226,686
Luan payable	020 206 6	4 035 979	0 237 847	952.066	7775	959 841	147.540		2.849.728	•	•	(12,189,956)	•	
Due to other College runds	5,270,909	0/0,004	120,262,0	225,000	;;;;		. '	,	,	•	283,528	•	283,528	286,499
Due to depositor	•	÷ 034	468 036						•	•		•	468,036	457,081
Accrued liabilities	•	200,000	503,035						•	•			503,083	436,654
DCRS sick leave liability	•	503,083	1184 043	•					•	٠	,	•	1.184.943	1,113,076
Deferred revenue Fund balance	(1,316,435)	7,320,815	6,004,380	288,452	1,338,716	1,627,168	(146,744)	1,952,555	(4,464,495)	13,879,282		- 100	18,852,146	16,511,434
							•		6	3 620 050 51	3 913 506	\$ (350 056)		34 303 706 \$ 32 471 145
	\$ 2,197,833	\$ 15,471,041 \$	\$ 2,197,833 \$ 15,471,041 \$ 17,668,874 \$	1,341,933 \$	1,367,490 \$	2,709,423 \$,	1,952,555	,	13,07,70,01	070,007	13,673,201 \$ 525,525 \$ 502,870,81	li .	71111111

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

Unrestricted and Restricted Fund Supplemental Schedule Statement of Changes in Fund Balances Year Ended September 30, 2008 (With Comparative Balances for the year ended September 30, 2007)

					Unrestricted	pa					Restricted								
		Appro	Appropriated			Non-e	Non-appropriated										'	Grand Total	otal
				Total				Total	Total	Federal	Other		Capital	Tobacco	Campus	Investment			
	General	Trades	MDF	Appropriated	NAF Supp	NAF Adj.	NAF	Non-appropriated	Unrestricted	Fund	Grant	Total	Projects	Settlement	Housing	In-Plant	Elimination	2008	2007
Revenues:																			
Tuition and fees	. 5	\$,,	۰ ،	•	3,952,260 \$	3,952,260 \$	3,952,260 \$,	٠.	•	•		•	,	3,952,260 \$	3,105,694
Government of Guarn appropriations	13,629,232	٠	1,252,587	14,881,819					14,881,819	•					•	•		14,881,819	14,142,196
Federal grants and contracts	•	•		•			•		•	4,504,107	1,086,170	5,590,277		•	•	•		5,590,277	4,428,737
Government of Guern grants and contracts/agency			•	•		•			•	•	307,685	307,685	٠		٠	•		307,685	485,458
Colon and services of suviliant entermises		•		•			723,302	723.302	723.302	•				•		٠	•	723,302	610,270
Ones and services of securior y care prises							087 140	091 140	667 140					•	•		•	667.140	595.279
Other sources							123,417	123,417	123,417			•	•	49,408	•	30,212		203,037	384,484
Total current revenues	13,629,232	•	1,252,587	14,881,819		1	5,466,119	5,466,119	20,347,938	4,504,107	1,393,855	5,897,962		49,408		30,212		26,325,520	23,752,118
Expenditures and mandatory transfers;																			
Educational and general:																			
Instruction	5,525,698	•	550,634	6,076,332		•	1,222,499	1,222,499	7,298,831	447,998	63,265	511,263	٠	•	•	•		7,810,094	8,266,302
Planning	421,117	•	٠	421,117			43,227	43,227	464,344	400,134		400,134	•		•	•		864,478	957,201
Academic support	924,922	•	٠	924,922	٠		253,528	253,528	1,178,450	115,966	154,060	270,026				•	•	1,448,476	1,296,771
Student services	2,129,037		•	2,129,037			276,374	276,374	2,405,411	443,893	16,404	460,297		•		•		2,865,708	2,880,857
Institutional support	3,456,387		٠	3,456,387	٠	٠	1,022,245	1,022,245	4,478,632	•			43,560	٠	112,381	•	•	4,634,573	5,740,567
Operation and maintenance of plant	835,277		•	835.277			845,477	845,477	1,680,754			•	40,342	•	•	•		1,721,096	1,716,858
Scholarship and fellowship	170,246	٠	•	170,246			1,500	1,500	171,746	2,777,476		2,777,476				•		2,949,222	2,973,429
Bad debt	•	٠					•	•	•	•				•		•	•	•	290
Depreciation expense		•	٠	•		,	•	•	•	•			1	•		1,289,265		1,289,265	938,341
	13,462,684		550,634	14,013,318		•	3,664,850	3,664,850	17,678,168	4,185,467	233,729	4,419,196	83,902	•	112,381	1,289,265	•	23,582,912	24,770,616
Auxiliary enterprises:	22 26	,	•	43 388	•		438 989	438 989	482.377		•							482,377	989'809
experiments	20060			2000															
Total expenditures	13,506,072		550,634	14,056,706			4,103,839	4,103,839	18,160,545	4,185,467	233,729	4,419,196	83,902		112,381	1,289,265	•	24,065,289	25,379,302
Not (Accesses) increases in find belong	123 160	٠	701 953	825.113	٠	,	1.362.280	1.362.280	2.187.393	318,640	1,160,126	1,478,766	(83,902)	49,408	(112,381)	(1,259,053)		2,260,231	(1,627,184)
Bezinning fund belance	(2,218,934)	•	134,674	(2,084,260)	•	,	7,590,300	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
Fund transfer	(57,288)			(57,288)			(1,631,765)	(1,631,765)	(1,689,053)	(317,968)	(211,759)	(529,727)	(121,963)		(97,934)	2,519,158		80,481	32,019
Ending front belonds	\$ - \$ (5645)10 1/ \$ 229 588 \$. \$ (290 05)12/ \$,	1, 836.677	\$ 0.316435			. \$ 7320.815 \$	7.320.815 \$	\$ 6,004,380 \$	288,452 \$	288.452 \$ 1.338.716 \$ 1,627.168 \$ (146,744) \$	1,627,168 \$	(146,744) \$	1,952,555 \$	1,952,555 \$ (4,464,495) \$ 13,879,282	13,879,282		18,852,146 \$ 16,511,434	16,511,434
Chaing land balance	120000000000000000000000000000000000000		Section.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	,	н		ı											

See Accompanying Independent Auditors' Report.



The Guam Community College Foundation supports the mission of the Guam Community College through the generous donations of members of our island community. GCC, its administrators, faculty, staff, students, and their families, are extremely grateful for the gifts, donations and other forms of support we receive from island businesses, families, friends and alumni. Biba GCC!

GCC FOUNDATION EVENTS

- 2008 Christmas Tree Sales in November/December
- Payless Markets, Inc. "Kick the Fat" 5K Run/Walk in April
- Par Excellence Golf Tournament at Onward Talofofo Golf Club in September

Hawaiian Rock Products Guam – Platinum Sponsor

- Dot Dot Dot Concert at FDMS Phoenix Center in April
- Distinguished Alumni Event in May
- Michael Jackson Birthday Tribute in August

MAJOR/CAPITAL GIFT GIVING

- Bank of Guam
- Naming Opportunities:

Anthony A. Leon Guerrero Allied Health Center

- Ms. Lourdes Leon Guerrero Naming Opportunities:
 Lou Leon Guerrero Lecture Hall
- Joseph Leon Guerrero
- Lorraine Okada

COMPANY DONATIONS

- Superior Essex of Atlanta, Georgia.
 Cable and fiber optic cable donated to GCC Electronics
 Department.
- Guam Marianas Trading Several thousand dollars worth of 3M Products donated.

WORKPLACE GIVING PROGRAM

The following contributors participated in the GCC WorkPlace Giving Program, which began in August 2009.

- Gary Hartz
- Dr. Ray Somera
- Renato Valanzuela



Guam Community College

Created by the Community College Act of 1977, Guam Community College offers associate degrees, certificates, and industry certification in more than 50 fields of study. GCC offers an apprenticeship program in conjunction with nearly 50 island employers. The College also offers Adult Basic Education, an Adult High School Diploma program, GED testing and preparation, and English as a Second Language courses.

Location

Mangilao, Guam

Mailing Address

P.O. Box 23069 GMF Barrigada, Guam 96921

Admission & Registration

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

Scholarships & Financial Aid

(671) 735-5544

Accreditation

Accredited by the Accrediting Commission for Colleges and Junior Colleges Western Association of Schools and Colleges

Degrees Offered

Associate of Science Associate of Arts Certificate Diploma

Website

www.guamcc.edu

