The theme for Guam Community College this Academic Year was “Sustainability Across the Campus.” The College is leading by example as a proponent of sustainable energy features in our new buildings, and in programs that will allow our graduates to acquire jobs that turn into sustainable careers.

An ARRA grant funded the photovoltaic parking lot lighting project, resulting in a safer campus at night for our students, and less energy consumption for the institution as a whole.
and in our workforce

GCC graduates continue to provide island businesses with educated, well-trained employees that are able to excel in the workplace. Our partnerships with employers help us to design workforce training based on business needs, because successful training translates into successful businesses and a productive island economy.

“Our culinary graduates work in nearly every major hotel and restaurant on the island. They are definitely making their mark on the island and in the region.”
Chef Kevin Dietrichs
GCC Culinary Arts instructor

“The best part of the program is that you’re working with the local resources and we’re starving for local resources. There are a lot of bright kids out there.”
Tom Camacho, Vice President
Duenas Camacho Associates
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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 postsecondary 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.
It has been a year of rewards and challenges for the GCC Board of Trustees. The rewards have come in the form of another new building on campus and yet another year of record enrollment. The challenges have included making policy decisions under increasing budget constraints, and having had to institute a tuition increase for the first time in three years. Fortunately, our students see how responsibly the funds are spent at GCC, in order to maintain the quality education they need to receive. It has been an honor to serve as chair of the Board of Trustees at this very progressive institution, and on behalf of my fellow board members, I am proud to present this look back at a year from which GCC emerged stronger and better.

Respectfully,
Gina Y. Ramos
Chairperson
Hafa Adai GCC Alumni and friends!

On behalf of the Foundation Board of Governors, I want to thank those who have supported GCC this past year. GCC has literally taken the lead in career and workforce development on Guam and in the region. As you look through this year's annual report, take pride in the successes of our students and graduates. Their achievements signal their readiness to be successful in the workplace, and that success translates into a thriving island economy. We take pride in our new Learning Resource Center, and look forward to our new Student Center, renovated Foundation Building and much more. As always, we appreciate your continued support for GCC!

Lorraine S. Okada
Chairperson
A key word this year at Guam Community College has been sustainability. As our annual report shows, we are sustainable not only with regard to our environment, but also with regard to the education and training we provide to our students.

We are grateful for the federal dollars that allow us to fund our renewable projects and for the support of our local government and our community benefactors. Our employees are dedicated, and our steadily increasing student population tells us that our students have confidence in our ability to educate and train them for successful employment opportunities. This year has not been without its fiscal challenges, but here at GCC, we pride ourselves on meeting those challenges and creating an environment that sustains success. Not only are we constructing buildings here at GCC, we are helping people to build a better quality of life for themselves, for their families, and for our island.

Biba GCC!
Mary A.Y. Okada, Ed.D.
“LEED certification is a very demanding process, but one that is important for the island of Guam. We don’t have the resources available that they do on the mainland, so we have to protect what we have.”
Michael Makio, AIA, Principal, Taniguchi Ruth Makio Architects
New programs and new buildings represent better opportunities for GCC students. In June, 343 students graduated from the College's 20 associate degree and 17 certificate programs, including the new Pre-Architectural Drafting, Computer Aided Design and Drafting, and Medium/Heavy Truck Diesel Technology programs. The top programs continue to be Criminal Justice, Liberal Arts, and Education.

“We feel that our new LRC epitomizes the goal of the federal grant money that helped to build it. Our students now have a state-of-the-art place in which to study and do the research that will, in turn, allow them to be successful when they graduate.”
Mary Okada, Ed.D., GCC President
Postsecondary Academic Excellence

Our record enrollment for Fall 2010 (2,436 students), Spring 2011 (2,359), and Fall 2011 (2,536) semesters shows the public’s confidence in GCC’s ability to fulfill its workforce development mission. Response to the needs of the business community resulted in the addition of Pre-Architectural Drafting, Computer Aided Design and Drafting, and Medium/Heavy Truck Diesel Technology programs to the curriculum.

GCC’s second Open Campus Day brought over 50 businesses to a luncheon forum in our Multipurpose Auditorium to discuss future partnerships and workforce needs, and several hundred members of the community to the campus that evening to explore the new Learning Resource Center, our programs, and grant-funded equipment such as our Emergency Vehicle Operators Course simulator that trains students and professionals alike. The College sent 383 graduates out into the workforce in May, many of them with jobs they had secured while as interns in their respective programs of study.

“It’s a friendly, inviting atmosphere. The instructors are professionals, and they bring their industry expertise into the classroom, so you learn not only from the books, but also from the instructors’ real life experiences. That’s something you can’t get from books. It’s helped me gain knowledge and experience.”

-Jessica Sachuo, Sophomore, Travel & Tour Management, Accounts Receivables, Hotel Nikko Guam
Students celebrated their cultural diversity during “Tour of the Pacific” contests at the Spring and Fall 2011 festivals. The festivals introduce students to GCC’s 15 student organizations. This fall, in addition to dressing up in native costumes, each organization carved, painted or added objects to at least one unhusked coconut that represented their designated island.

The Management Development Class organized and presented gubernatorial forums to allow their classmates to be more informed voters in November. Democrats former Gov. Carl Gutierrez and Sen. Frank Aguon Jr, and then-Senators and now Governor Eddie Calvo and Lt. Governor Ray Tenorio attended separate forums on October 6 and 11, answering questions about the military buildup, higher education, health care and other issues.

The Council on Postsecondary Student Affairs joined forces with the Rotary Club of Sunrise Guam for its Fall 2010 conference, “Building a Stronger Workforce.” Rotary members offered their expertise in various fields, speaking to 156 students about actual workforce scenarios and answering questions about their jobs.

A record 700 students attended the Fall Festival in September 2011 and took part in the campus’ democratic process, voting to have Aaron Unpingco serve as the new Student Trustee for the GCC Board of Trustees.
The year saw many challenges for GCC’s 11 Career and Technical Education programs in Guam’s five public high schools. Although not all 11 programs are offered in each high school due to facility or budget constraints, our secondary programs enrollment also reached a record of 2,416 students. The highlight was when the Lodging Management Program team from Okkodo High School put Guam at center stage by winning the 8th annual American Hotel & Lodging Educational Institute National Lodging Management Program Competition in Orlando, Florida in April. Raquel Maminta, Donna Lubas, Iris Lapid, and Jessica De Vera edged out competitors from 11 other teams to win the competition, which is based on real-world hotel industry job scenarios.

“This win proves that our students have the skills, the training, and the heart to be the finest in the nation. The leaders in Guam’s hotel industry should take note, because these ladies excel now, and when they get into the workforce, they’ll be even brighter stars!”

Barry Mead, Guam LMP State Director, Chairman, GCC Tourism & Hospitality Department
The CTE High School Summer Work Experience Program saw 154 students working at 43 companies. The program grew by more than 64 percent over last summer. The top employers were City Hill (15 interns), Sheraton Laguna Resort and Westin Resort (12 interns each), and the Hilton Guam Resort & Spa (11 interns).

“This is a valuable program for our CTE students in the public high schools, because they get to experience the real working world.”
Eric Chong, SWU program co-coordinator
LMP instructor, Simon Sanchez High School

Several John F. Kennedy High School CTE graduates proved they are ready for the workforce in June by passing the National Career Readiness Certificate test. The test is part of the WorkKeys program administered by GCC. The students are the first in the entire Western Pacific region to earn their NCRC.

“I knew it would benefit me in the future and that it would be a great learning experience. It definitely gave me more confidence.”
Anthony Clark P. Ponce
JFK graduate/NCRC recipient

The first-ever Electronics Skills Challenge in March allowed students in the CTE Electronics programs in the high schools to showcase their cable termination, NIC card installation and Packet Tracer skills. Industry representatives sponsored and attended the event.

“Each school had their own competition to see which students would represent their school in each of the categories.”
Rick Tyquiengco
Chair, GCC Electronics Department

Okkodo High School CTE Electronics students, under the direction of instructor Adrian Atalig, repaired eight computers for Lt. Gov. Ray Tenorio’s Comps for Kids program.

“It feels good because we were helping people, and we also gained experience in repairing computers.”
-Saren Formento, Senior, Okkodo High School. (Plans to major in Computer Networking at GCC).

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JFK graduate/NCRC recipient
Valuable

GCC partnered with 71 island companies through our Apprenticeship program this year, in order to teach 377 active apprentices, including 81 new apprentices, the components of various trades and professions. Because the apprentices work full-time for the company with which they are apprenticed, and take their classes in the evening hours, a total of 22 actually completed their apprenticeships this past year. The program, run in conjunction with the U.S. Department of Labor, combines on the job training and academic, trade theory training in order to have an apprentice earn his/her journeyman certificate. A company must first have its training regimen approved by US DOL, and then register with the Guam Registered Apprentice Program (GRAP) with the local Department of Labor. Employees that the company agrees to apprentice can then register for classes at GCC, taking 144 hours of trade theory classroom instruction per year.
“We’re going to be able to train young men to have careers in surveying. We’re desperately in need of crew chiefs and instrument operators and draftsmen at this time. This program is designed to give us the type of people we need to facilitate the military buildup. My students come out knowing a lot about the whole industry. This program is going to be essential as we move forward. It’s very difficult to hire from off island. I would much rather hire locally, and have the talent locally. That’s the goal.”

David Eaton, P.L.S.
Survey Manager, TG Engineers
on the GCC Apprenticeship program with TG Engineers

“I have better analytical skills, and the courses gave me more confidence in my work and my ability to talk about my work. It’s a great opportunity.”

Ken Duenas
Network Technician Apprentice, GTA

“There are a lot of opportunities coming up for me. I want to finish the apprenticeship program and get certified in ship fitting, continue working, and move into management.”

Kevin Diaz, Jr.
Apprentice Ship Fitter, Gulf Copper
Providing a second Chance

GCC’s Adult Basic Education (ABE) Program offers adult-oriented free GED® refresher courses that prepare students to take the GED®. For the Academic Year 2010-2011, a total of 267 people enrolled in the program. The Adult High School Diploma Program offers adults 16 and older the opportunity to earn credits towards their diploma while receiving education and training that will prepare them for the workplace. A total of 22 people opted for this route to receive their high school diploma. Completion in these programs is often a challenge for the students, with 79 completing the ABE Program, and 12 completing the Adult High School Program.

To try and improve those completion rates, each semester, the Adult Education Office hosts an Adult Education conference that addresses issues specific to adult learners and instructors. In November 2010, the conference focused on Adult Education in the insular areas, providing 23 faculty, staff, and administrators from GCC and outlying regions with information, strategies, and teaching methodologies to improve literacy, retention, and curriculum. The event was funded through an Insular Area grant administered by the Northern Marianas College.
In March 2011, the Adult Education Office hosted “Celebrating Adult Literacy Across All Cultures” in the Multipurpose Auditorium. This conference addressed issues specific to adult learners through an open forum, “Community Partners: How Can We Assist the Adult Learner?” The conference also offered attendees information on the JOBS Program & Childcare Block Grant; Guam’s Occupational Outlook and Online Assistance; Military Life; Smoking Cessation & Drugs & Alcohol Awareness; Employee Rights; and the CHOICES Career inventory, in addition to information about GCC programs.
Increasing employment

The Office of Continuing Education and Workforce Development provided training and employment improvement opportunities for 42 people in the construction industry through its Congressional Earmark grant this year. The grant trains individuals as semi-skilled helpers in the construction and electronics fields in light of the increased need for skilled workers on the island.

“Because of the Earmark grant, I was able to participate and I did learn a lot. The practical approach to training and the affordability of the training is something that is so very important if Guam is to be competitive in its workforce. I believe that GCC is one of the cornerstones of Guam’s economic independence.”

Michelle Roberto, Earmark grant welding intern

Earmark Grant Employer Partners
Guam Manpower Resources
Guam Housing Corporation
GTA
The Sign Man
KEI Construction
Wada Company
Budazu Electric
Barrett Plumbing
Nova Technologies, Inc.
Guam Marriott Resort & Spa
dck Pacific Guam, LLC
Multi-Trade Services
BBR Micronesia

“We’re looking for local talent. It’s cheaper for contractors to hire locally, but you have to have the skills.”

-James Martinez, president, Guam Contractors Association.

“We training the local workforce is an obvious benefit to the island. They come in really prepared. Adding these programs gives our kids another educational opportunity.”

-Vince Bordallo, Budazu Electric
opportunities

GCC’s Basic Project Management course enhanced the local workforce level in Guam’s construction industry by providing certification preparation to several dozen individuals for Project Management Professional (PMP®) designation or Certified Associate in Project Management (CAPM®) from PMI® (Project Management International). CEWD also provided other new business advancement courses, including SHRM certification and online LEED certification prep courses, and hosted an Employability Workshop in collaboration with the Guam Contractors Association, Department of Labor, and the Guam Chamber of Commerce in November, in order to help attendees prepare for an Employment Expo held two days later.

The CEWD Office also partnered with Agency for Human Resource Development for launch of KeyTrain, the free training component of the WorkKeys National Career Readiness Certificate program. KeyTrain provides a self-paced job skills improvement program to allow individuals to earn a National Career Readiness Certificate to enhance their employment opportunities.

“We want the federal contractors who come to Guam for the military buildup or for any other jobs to realize that the local professionals are more than qualified for this type of work.”
Victor Rodgers, Asst. Director
GCC Continuing Education & Workforce Development
Teaching Awareness

For the second year in a row, our students’ community service efforts have earned GCC a spot on the President’s Higher Education Community Service Honor Roll. GCC students conducted over 120 different service learning projects during Fall Semester 2010 and Spring Semester 2011. They volunteered at senior citizens centers, Sanctuary, Erica’s House, GAIN, and other organizations. They created promotional materials for Big Brothers Big Sisters of Guam, organized clean-ups, and educated the public about the benefits of recycling. GCC encourages students to continue applying their knowledge and skills to benefit the community through volunteerism after they graduate.

Sophomore Marina Taylor received the Hawaii Pacific Islands Campus Compact (HPICC) 2011 Community Impact Award for her Fall 2010 community service project volunteering with Island Girl Power, an organization that helps young girls to succeed through prevention and enrichment programs. Taylor took on the position of Creative Writing and Expressions Director and was instrumental in providing personal development workshops at the Island Girl Power Saturday Clubhouse.

“I intend to pursue a degree in the realm of social sciences once I am finished with my associate’s degree at GCC. Volunteer work will always be a vital aspect of my life.” Marina Taylor, GCC student HPICC 2011 Community Impact Award winner

“The materials they created exceeded our expectations.”
Vanessa Estella, director Big Brothers Big Sisters of Guam
During 2010-2011, the College continued its active preparation for our March 2012 Accreditation visit. Re-accreditation for the six years following that date will allow GCC to continue grant funding for federal programs operated by the College, Pell grant funding for students, and, most importantly, will give our students and graduates confidence that their institution is providing them with, as our mission states, “the highest quality education and job training in Micronesia.” Chairs of the four accreditation standards have been gathering information and data for their respective reports that will combine into an Institutional Self Evaluation Report in December 2011. In October 2010, faculty, staff and administrators assembled for an update on those reports and data collection. In February 2011, a team from GCC traveled to Honolulu to attend the Accrediting Commission for Community and Junior Colleges/Pacific Postsecondary Education Council training on program review and institutional planning. During Convocation in August 2011, Dr. Ray Somera, GCC’s accreditation liaison officer, updated the faculty on accreditation activities planned for the year, including monthly brown bag lunches that familiarize faculty, staff, and administrators with what will happen during the accreditation visit.

“Solar energy as derived from the sun is much like the power we derive from accreditation. Reaffirmation of our accreditation means our students can avail of federal funding, and their credits will transfer to any accredited school in the nation. Employers are also more likely to hire graduates of accredited institutions.”

-Dr. Ray Somera, GCC Accreditation Liaison Officer/Academic Vice President
GCC has successfully managed its increasing enrollment, additional programs, added facilities, and special events, due to the dedication and outstanding teamwork of 238 employees, including 116 full-time faculty, 89 staff, and 33 administrators. The class load is also handled by 74 adjunct faculty. Although the workload is challenging, the employees at GCC are fully dedicated to their mission to provide the highest quality education and job training in Micronesia. The faces of our students are proof of our devotion to this mission, and to the institution that is Guam Community College.

“GCC is all about students. From administrators to faculty and staff, they support the students and help us achieve our goal of finishing our associate degree or certificate, and encouraging us to go farther.”

-Ariane Nepomuceno, COPSA President
Teamwork

Highlights of faculty, staff, and administrators’ professional training and accomplishments:

• Chef Paul Kerner earns second place in the CCC (Comité de coordination des collectivités) international chefs competition in Paris in November. The CCC is a French organization representing the non-subcontracted sector of food service in hospitals, schools, factories, ministries, and military branches.

• Pilar O. Pangalinan, GCC Assistant Professor, Business, Marketing, & VisCom Department and Accounting and Phi Theta Kappa Advisor, gave a presentation about service learning at the 23rd Annual Regional Language Arts Conference in November 2010.

• 14 staff and faculty earned their Microsoft Certified Professional status in February 2011, thanks to the instruction of Elaine Fejerang, Microsoft Certified Trainer and GCC faculty.

• Evon Wong, LMP instructor at Southern High School, earned her Certified Hospitality Educator (CHE) certificate in April and was recognized on the American Hotel & Lodging Educational Institute web site. The GCC Lodging Management Program faculty has a 100 percent CHE pass rate.

• Nearly three dozen GCC personnel participated in the Chair Leadership Academy, a worldwide leadership training program for college and university leaders, in June.
Over sixty percent of the 2,536 students at GCC receive financial aid, either in the form of federal Pell grants or Supplemental Education Opportunity Grants. Several dozen students are also the fortunate recipients of scholarships through the generosity of our GCC Foundation and community organizations such as the Association of Government Accountants, American Association of University Women, Asia Pacific Association for Fiduciary Studies, First Hawaiian Bank/Guam Business Businesswoman of the Year, Friends of the Crime Lab, Laguna Association of Guam, and Western Visayas College of Science & Technology Alumni Association. We are grateful for the opportunities these generous organizations continue to provide for our students.

Ten students were each awarded a $1,000 scholarship from the GCC Foundation during Convocation in August.

Governor Eddie Calvo and Public Auditor Doris Flores Brooks assisted the Association of Government Accountants in awarding GCC accounting students Colleen Punzalan and Justin Alano each a $1,000 scholarship in April.
Our students are able to avail themselves of federal financial assistance because of GCC’s sustainable financial practices. Procurement procedures and federal grant funding procedures are followed to the letter of the law, resulting in the College’s 10th consecutive unqualified or clean opinion on its financial statements by independent auditors Deloitte & Touche, LLP, in March 2011. According to the Office of the Public Auditor, GCC also received an unqualified opinion on the auditor’s report on Compliance and Internal Controls, resulting in the independent auditor’s designation of GCC as a low-risk” auditee.

“GCC is proud of its ability to maintain the highest standard when it comes to fiscal responsibility in these austere times. Even with our increase in enrollment over the past four years, the college has continued to prioritize our budget based on student needs. We are also grateful for the support our partners in the business community give to our programs, and for the assistance we receive from the governor’s office and the legislature.”

Mary Okada, Ed.D.
GCC President/CEO
Guam Community College
FY 2010 Financial Highlights

The Guam Community College (GCC) closed Fiscal Year (FY) 2010 with a $4.4 million (M) increase in net assets (revenues minus expenses), a 33% or $1.1M improvement from FY 2009’s $3.3M increase in net assets. This was mainly due to increases in Pell grants and other federal grants, and an increase in student enrollment.

Independent auditors Deloitte & Touche, LLP rendered an unqualified or clean opinion on GCC’s Financial Statements; however, in order to receive the unqualified opinion, 10 audit adjustments were made, which had a negative cumulative effect on net assets of $1.1M. GCC also received an unqualified opinion on the auditor’s report on Compliance and Internal Controls resulting in the independent auditor’s designating them as a “low-risk” auditee. GCC is to be congratulated for maintaining its low-risk status for the 10th consecutive fiscal year. A separate management letter was issued identifying three findings.

Increase in Revenues

GCC realized a $3.9M increase in revenues, which was a result of increases in all but one revenue category. Federal grants and contracts increased $1.8M from $8.1M to $9.9M due to Pell grant increases, which comprise 66% of student tuition and fees. Capital contributions from the U.S. government increased $1.4M, from $943 thousand (K) to $2.3M. Other revenues increased 108%, or $904K, from $841K to $1.7M mainly due to a Memorandum of Agreement with the Department of Public Health and Social Services to provide training and technical assistance, and outreach support for child care providers.

After adjusting for bad debts of $929K, tuition and fees of $1.7M dropped to $844K compared to $1.6M in FY 2009. Bad debts allowance was not recognized in prior years. Tuition and fees represented just five percent of total revenues. GCC places heavy reliance on Government of Guam appropriations as it represents 49% of total revenues. Government of Guam appropriations increased five percent, from $15.7M to $16.5M. The next highest revenue source was from the federal government, representing 36% of which federal grants and contracts represents 29% and capital contributions represents 7%.

In FY 2010 the maximum federal full-time award per student per academic year increased from $4,731 to $5,350 as the American Recovery and Reinvestment Act (ARRA) has greatly assisted students who are struggling to go back to school. Combined with the increase in the maximum allowable Pell awards, GCC also suspended increases to its tuition rate of $110 per credit resulting in marked increases in enrollment seats and headcounts. GCC also cited the decline in the global economy for the increase in post-secondary enrollment as prior trends has shown that people return to school to obtain degrees to get higher paying jobs during economic declines. In academic year 2010, student enrollment for post-secondary students increased by 568 students from 4,574 in academic year 2009 to 5,142.
Independent auditors Deloitte & Touche, LLP rendered an unqualified or clean opinion on grants, and an increase in student enrollment. $3.3M increase in net assets. This was mainly due to increases in Pell grants and other federal increase in net assets (revenues minus expenses), a 33% or $1.1M improvement from FY 2009's result.

The Guam Community College (GCC) closed Fiscal Year (FY) 2010 with a $4.4 million (M) increase in revenues, which was a result of increases in all but one revenue category. Federal grants and contracts increased $1.8M from $8.1M to $9.9M due to allowable Pell awards, GCC also suspended increases to its tuition rate of $110 per credit students who are struggling to go back to school. Combined with the increase in the maximum federal full-time award per student per academic year increased from $3.4M to $4.9M. Student services increased $551K, from $2.4M to $3.0M. Other categories of expenses also increased but were offset by decreases in academic support and planning. Additionally, prior year cost of living allowances to retirees of $574K was paid in FY 2010.

GCC has 227 full-time employees, 13 of whom are funded by federal grants excluding adjunct instructors hired to teach post-secondary courses. Full-time employees increased in FY 2010 by eight employees. As a result, total salaries and wages increased by $414K from $15M to $15.4M.

Increase in Expenses
The increase in GCC's revenues of $3.9M was offset by a $2.8M increase in total expenses, which rose from $26.7M in FY 2009 to $29.4M in FY 2010. With the increase in student enrollment and federal funding, GCC hired adjunct instructors increasing instruction expenses by $758K from $9M to $9.8M. GCC also incurred more equipment and supply costs resulting in the overall increase in expenditures. Scholarships and fellowships increased $1.4M from $3.5M to $4.9M. Student services increased $551K, from $2.4M to $3.0M. Other categories of expenses also increased but were offset by decreases in academic support and planning. Additionally, prior year cost of living allowances to retirees of $574K was paid in FY 2010.

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Construction In Progress
The Learning Resource Center, which is the first Government of Guam Leadership in Energy and Environmental Design certified building, completed construction in December 2010 with a total construction and Architectural and Engineering (A&E) cost of $4.5M. In September 2010, GCC awarded the ARRA funded Student Center project, for $3.9M with A&E costs of $365K. As of March 2011, the project is 20% complete and expected completion date is September 2011. GCC also recently awarded a $3.9M contract for the hardening and renovation of the existing Foundation Building with A&E cost of $352K. GCC continues to invest prior-year surpluses into capital improvement projects.

GCC Foundation
The GCC Foundation is a legally separate, private corporation that meets the criteria for reporting as a component unit of the College. The Foundation, audited by Deloitte and Touche, LLP, recorded an increase in net assets of $499K, a 300% improvement from the prior year’s negative $250K. This increase resulted from gains in investment income and other additions which totaled $937K in FY 2010 compared to $114K in FY 2009.

Expenditures slightly increased by $74K from $364K to $438K. The increase was due primarily to a $362K transfer to GCC during the year, compared to $253K in FY 2009. The Foundation had fundraising proceeds of $301K, fundraising expenses of $500, resulting in net proceeds of $300K.

Report on Compliance and Management Letter
The Independent Auditor’s Reports on Compliance and Internal Controls did not identify any deficiencies that were considered material weaknesses. A separate Management Letter identified three findings: (1) GCC implemented a new system in 2007 which a network penetration test should be performed; (2) pre-printed fixed asset tags for certain property equipment was not utilized; and (3) there was no centralized filing of journal entries made during the year. A separate document to the Board was also issued by the independent auditors outlining strategies, emphasis, required communication, audit deficiencies, and adjustments. For more details, refer to the Management Discussion and Analysis in the audit report at www.guamopa.org.
Management’s Discussion and Analysis

The following discussion and analysis provides an overview of the financial activities of Guam Community College (the College or GCC). This is a requirement of the Governmental Accounting Standards Board (GASB) found in Statement 34, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments. In November 1999, GASB issued Statement No. 35, Basic Financial Statements-and Management’s Discussion and Analysis-for Public Colleges and Universities, which established new reporting standards for public colleges and universities. This discussion has been prepared by College management. It is based on the three financial statements provided in the annual audit report. 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.

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. Accordingly, these additions to revenue are placed after the results of operations.

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 financial statements 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 presented as other supplementary information and the statements are structured so the dollar totals there link to the basic financial statements.

For the tenth consecutive year, GCC has maintained its low-risk auditee status. Given this designation by the Independent Auditor, review of the College’s financial records demonstrate there were no questioned costs or unresolved prior year audit findings in fiscal year 2010. 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 2010 Overview

The College continued to encounter many challenges throughout fiscal year 2010, faced with the downturn in the economy, stagnant local appropriations and record student enrollment. The College was able to maintain its fiscal accountability and manage the increased student enrollment, through the management of its available resources. Fiscal year 2010 resulted in the second year of Pell increases to a maximum full time award of $5,350 and $4,731 as of 2010 and 2009, respectively, per student per academic year. This increase is a result of the American Recovery & Reinvestment Act (ARRA) and has greatly assisted students who were struggling to go back to school. Pell grants make up approximately 66% of student tuition and fee payments.

The College received additional funds during the year through various federal and local grants. The ability of the College to source and receive additional resources through federal and local grants greatly shows its fiscal responsiveness and management of different funding sources.
• GCC was a sub-recipient of $6,000,000 of U.S. Department of Education American Recovery and Reinvestment Act State Fiscal Stabilization Funds, administered through the Office of the Governor for these seven projects: Student Center construction, Northwest Parking Area Project, Building D Generator Project, Sungard Higher Education Software, VoIP Telephone Systems Project, GCC Automotive Paint Booth, and Buildings 500 and 600 Fire Sprinkler Riser System.

• GCC was a sub-recipient of a $306,613 Area Health Education Center (AHEC) grant from the University of Guam to re-establish a Certified Nursing Assistant program; plan a 2+2 training program for dental hygienists in coordination with Guam Dental Society and UOG Health Science Program; implement high school bridge program for health careers; and provide regional training.

• GCC was a sub-recipient of U.S. Department of Energy grant through the Guam Energy Office for $1.28 million to conduct an energy audit, buildings updates with photovoltaic's and implementation of other energy efficient and saving features around the campus.

• GCC was a recipient of a National Science Foundation grant of $150,000 to provide training on solar energy and to develop curriculum and training for energy-related programs.

• GCC was a sub-recipient of a $66,522 Green Recycle grant administered through the University of Guam to establish a part time green coordinator position and to fund student internships to organize workshops and other activities to promote awareness, energy conservation, recycling, and exploration of alternative renewable energy practices for Guam.

• GCC was a recipient of a DOI sub-grant of $319,623 for the purchase of furniture and equipment for the Learning Resource Center.

• GCC was a recipient of a DOI sub-grant of $365,000 for the purchase of Instruction Trades Facility Upgrades for the Construction Trades Programs.

• The Citi Foundation awarded a $25,000 grant to GCC. This allowed approximately 15 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. The College Access Challenge Grant was awarded for a two year period of $1,500,000. The funds will be used to implement activities and services for students who may be at-risk of not enrolling or completing postsecondary education. The grant will improve access to, or participation in, postsecondary education and college retention.

• GCC was a recipient of a $203,749 Administration for Native Americans grant. The purpose of this grant is to continue the production of DVD’s and materials to document the ancient Chamorro language.

• GCC was a recipient of $50,000 from the TakeCare Foundation to support faculty professional development and student scholarships.
The College operated with 227 classified full-time personnel positions. This does not include adjunct faculty members hired to teach additional postsecondary courses. The College’s Government of Guam local appropriation funds are used to provide personnel and other resources to the five secondary high schools and the post-secondary programs. The College continues to receive funding for the Licensed Practical Nursing (LPN) and Vocational Guidance programs. The LPN program addresses 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 the apprenticeship programs which served 356 and 326 apprentices over 54 and 50 employers in Fall 2010 and 2009, respectively.

At the February 2010 Board of Trustees meeting, a resolution was passed to extend suspension of the tuition and fee increases scheduled for Fall 2010. The tuition rates effective Fall 2010 and Fall 2011 remain at $110 per credit. The suspension was passed to address the needs of the students and the economic situation during the year. The increase in actual tuition revenues is due to increases in the number of students and classes during the academic year 2009-2010. 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 and administrative positions. The BOT authorized 30% of the increase to be used for capital improvements to the campus and related operating expenses. Classroom improvements, technology lab upgrades and capital projects are funded through increases in tuition, technology and parking fees. Funds utilized in FY2010 for capital projects and technology fees were $368,000 and $230,000, respectively.

There were marked increases in the post-secondary enrollment seats and head-counts for the Spring 2010 and Fall 2010 of 9% and 15.7% as compared to prior 2009 semesters. This is mainly attributable to the suspension in tuition rate increase, increases in the maximum annual allowable Pell awards, and the decline in the global economy. Based on prior trends, declines in the global economy usually lead to increases in post-secondary enrollment, as people tend to go back to school to obtain degrees so that they can get higher paying jobs.

<table>
<thead>
<tr>
<th>Enrollment (Seat)</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring</td>
<td>6,804</td>
<td>6,367</td>
</tr>
<tr>
<td>Summer</td>
<td>1,273</td>
<td>1,128</td>
</tr>
<tr>
<td>Fall</td>
<td>8,527</td>
<td>7,300</td>
</tr>
<tr>
<td>Total</td>
<td>16,604</td>
<td>14,795</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enrollment (Head)</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring</td>
<td>2,066</td>
<td>1,897</td>
</tr>
<tr>
<td>Summer</td>
<td>533</td>
<td>479</td>
</tr>
<tr>
<td>Fall</td>
<td>2,543</td>
<td>2,198</td>
</tr>
<tr>
<td>Total</td>
<td>5,142</td>
<td>4,574</td>
</tr>
</tbody>
</table>

Management’s Discussion and Analysis
Year Ended September 30, 2010
The College continues to provide career and technical education programs for students in five of the Guam high schools: GW, JFK, Southern, Simon Sanchez and Okkodo. The secondary high schools had a record enrollment of 2,214 and 2,042 students in SY10-09 and SY08-09, respectively. These programs included the Allied Health, Auto Body, Automotive Service, Construction, Electronics/Networking Lodging Management, Marketing, Pro-Start, Education and Visual Communications.

The overall economic situation at the College improved from the previous year. Increases in current assets were due to the increased student enrollment in the post-secondary programs, which resulted in increased student tuition receivable and Pell grant awards. Investment balances increased as the market continued to recover from the 2008 market crash when the housing market crisis and the economic recession, caused investment declines. Increases in capital assets were due to the construction of the new Anthony A. Leon Guerrero Allied Health Building completed in October 2009 and the equipment and furniture placed in the building. Additionally, increases in construction in progress were due to the Learning Resource Building which was completed in December 2010. The changes in current and non-current liabilities are due to loan payments made to the U.S. Department of Education (DOE) for the administration building, and deferred tuition revenue increases related to the Fall 2010 semester.

Due to the constraints of College and University accounting, approximately $9,442,480 in encumbrances incurred in fiscal year 2010 have yet to be reflected as expenditures in the accompanying financial presentation, but will be liquidated with 2010 net assets. The decrease in encumbrances is due to payments made for construction costs related to the Learning Resource Center, which was awarded to the contractor in September 2009.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other current assets</td>
<td>$8,958</td>
<td>$6,795</td>
<td>$7,197</td>
</tr>
<tr>
<td>Accounts receivable – U.S.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>2,295</td>
<td>2,759</td>
<td>1,553</td>
</tr>
<tr>
<td>Investments (noncurrent)</td>
<td>1,758</td>
<td>1,637</td>
<td>1,675</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>18,880</td>
<td>16,400</td>
<td>13,879</td>
</tr>
<tr>
<td>Total</td>
<td>$31,891</td>
<td>$27,591</td>
<td>$24,304</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$4,016</td>
<td>$3,942</td>
<td>$3,409</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,297</td>
<td>1,475</td>
<td>2,043</td>
</tr>
<tr>
<td>Total</td>
<td>5,313</td>
<td>5,417</td>
<td>5,452</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>17,799</td>
<td>15,119</td>
<td>11,962</td>
</tr>
<tr>
<td>Restricted – expendable</td>
<td>1,793</td>
<td>1,830</td>
<td>1,903</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>6,986</td>
<td>5,225</td>
<td>4,987</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$31,891</td>
<td>$27,591</td>
<td>$24,304</td>
</tr>
</tbody>
</table>
At the end of FY 2010, the net assets of the College increased by approximately $4 million. The increase is due to increases in tuition revenues of $900,000, a $2 million grant from US DOE under the Asian American and Native American Pacific Island-serving Institution (AANAPISI), increase of local appropriation from the Manpower Development Fund of $700,000 and increases in other federal and local grants. In fiscal year 2010, the College was able to receive most of its appropriations from the Government of Guam with the remaining balance received in FY11.

Expenditures from local appropriations remained fairly stable in comparison with prior years. During the first nine months of the fiscal year, the College received on average only 50% of its local appropriations. This required the operational reduction of contractual services and strict management and control over its resources in order to deal with the cash shortages. The College remains committed to displaying fiscal responsibility in the management of its funds by operating within the levels of authorization. Overall expenditures increased due to increased federal funds, increased enrollment that required adjunct hiring, equipment, and supply costs.

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

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$15,967</td>
<td>$13,341</td>
<td>$11,524</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>29,752</td>
<td>26,610</td>
<td>24,360</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(13,795)</td>
<td>(13,269)</td>
<td>(12,836)</td>
</tr>
<tr>
<td>Non operating revenues</td>
<td>15,900</td>
<td>15,648</td>
<td>15,177</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>2,299</td>
<td>943</td>
<td>___</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>4,404</td>
<td>3,322</td>
<td>2,341</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>22,174</td>
<td>18,852</td>
<td>16,511</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$26,578</td>
<td>$22,174</td>
<td>$18,852</td>
</tr>
</tbody>
</table>

### Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>($13,131)</td>
<td>($13,113)</td>
<td>($12,378)</td>
</tr>
<tr>
<td>Noncapital financing activities</td>
<td>16,079</td>
<td>15,495</td>
<td>15,147</td>
</tr>
<tr>
<td>Capital and related financing activities</td>
<td>(2,650)</td>
<td>(3,460)</td>
<td>(1,505)</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(121)</td>
<td>38</td>
<td>65</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>177</td>
<td>(1,040)</td>
<td>1,329</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>1,016</td>
<td>2,056</td>
<td>727</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$1,193</td>
<td>$1,016</td>
<td>$2,056</td>
</tr>
</tbody>
</table>
The College continues to collaborate with the U.S. 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. The Learning Resource Center, which is the first Government of Guam LEED certified building, completed construction in December 2010 with a total construction and A&E cost of $4.5 million. The addition of the LRC included a photovoltaic system, digital controls, and solar parking lights. In Summer 2010, the College put out for bid the Student Center project that is ARRA funded and awarded the bid on this construction project in September 2010 for $3,930,000 with A&E costs of $365,000. As of March 2011, the project is 20% complete and expected completion date is September 2011. The College recently awarded a $3,998,000 contract for the hardening and renovation of the existing Foundation Building with A&E cost of $351,845. The renovation has an expected completion date of November 2011.

As of the date of this report, the College has expended approximately 8% of its ARRA SFSF grants and encumbered 84% of the $6 million sub-grant and 39% of the $1,286,000 Guam Energy Office ARRA sub-grant. The College fully expects to expend all ARRA related sub-grants by December 31, 2010.

Other small capital improvement projects are planned for FY 2011, such as A/C repairs, installation of a new carpentry exhaust system, water tank repair, safety issues, renovation of existing classrooms and repair and renovation of restrooms. These projects address the repair and maintenance requirements needed to ensure student accessibility and safety, along with the security needed for our College’s assets. During FY 2011, the College will complete its Energy Audit that will assist in identifying cost saving measures to reduce the cost of electricity. The College expects to implement many of the recommendations. In addition, the College will update its Campus Master Plan and update its Technology Plan by conducting an audit of its current infrastructure.
GUAM COMMUNITY COLLEGE  
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)  
Unrestricted and Restricted Fund Supplemental Schedule  
Balance Sheet  
September 30, 2010  
(With Comparative Balances as of September 30, 2009)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th></th>
<th>Restricted</th>
<th></th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriated</td>
<td>Non-Appropriated</td>
<td>Total</td>
<td>Federal Grants ARRA</td>
<td>Total</td>
</tr>
<tr>
<td>Cash</td>
<td>914,357</td>
<td>914,357</td>
<td>$914,357</td>
<td>15,825</td>
<td>$1,030,182</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
<td></td>
<td>1,757,651</td>
<td>1,757,651</td>
</tr>
<tr>
<td>Due from Government</td>
<td>2,947,008</td>
<td>2,947,008</td>
<td></td>
<td>1,558,375</td>
<td>4,505,383</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
<td></td>
<td>2,018,000</td>
<td>2,018,000</td>
</tr>
<tr>
<td>Accumulated</td>
<td></td>
<td></td>
<td></td>
<td>1,939,478</td>
<td>1,939,478</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,549</td>
<td>45,549</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(18,416,522)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,094,581</td>
<td>2,790,563</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,645,277</td>
<td>4,923,696</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1,249,292)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>166,997</td>
<td>162,782</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2,663,572)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,994,941</td>
<td>3,962,133</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2,663,572)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(22,970,211)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,992,867</td>
<td>21,516,922</td>
<td>26,419,789</td>
<td>(1,367,002)</td>
<td>1,072,581</td>
</tr>
<tr>
<td></td>
<td>4,992,867</td>
<td>21,516,922</td>
<td>26,419,789</td>
<td>2,735,180</td>
<td>1,030,182</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,880,493</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>285,584</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,195,089</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22,590,563</td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCE

| Accounts payable    | 90,438       | 765,115                | 855,563    | 30,992                  | 33,802      |
| Treasury bill       | 291,428      | 258,427                |            | 1,052,231               | 1,313,462   |
| Due to other funds  | 4,325,049    | 4,325,049              | 4,325,049  | 345,557                 | 3,980,596   |
| Due to deposit      |              |                        |            | 4,202,268               | (18,416,522) |
| Accrued liabilities |              |                        |            | 488,584                 |             |
| DCRS sick leave     |              |                        |            | 594,262                 | 472,967     |
| Deferred revenue    |              |                        |            | 752,263                 | 604,465     |
| Fund balance        | 4,937,888    | 12,727,588             | 13,165,476 | (1,367,002)             | 1,072,581   |
|                       | 4,937,888    | 12,727,588             | 13,165,476 | 345,557                 | 2,735,180   |
|                       |              |                        |            |                         | 11,880,493  |

See accompanying Independent Auditors' Report.
# 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, 2010
(With Comparative Balances for the year ended September 30, 2009)

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Amount</th>
<th>Unrestricted</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General</td>
<td>MDF</td>
<td>Total</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$3,109,408</td>
<td></td>
<td>$3,109,408</td>
</tr>
<tr>
<td>Government of Guam amenities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal assets and contracts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of Guam grants and contracts/escort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and related expenses/Annexures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current revenues</td>
<td>$3,109,408</td>
<td></td>
<td>$3,109,408</td>
</tr>
<tr>
<td>Expenditures and transfers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>$3,109,408</td>
<td></td>
<td>$3,109,408</td>
</tr>
<tr>
<td>Payroll</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,109,408</td>
<td></td>
<td>$3,109,408</td>
</tr>
<tr>
<td>Net decrease/increase in fund balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net decrease in unrestricted fund balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance claims balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase in unrestricted fund balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending fund balance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See Accompanying Independent Auditors' Report.
GUAM COMMUNITY COLLEGE  
(A COMPONENT UNIT OF THE GOVERNMENT OF GUAM)  

Statements of Cash Flows  
Years Ended September 30, 2010 and 2009

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>$1,863,721</td>
<td>$1,029,273</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>10,959,284</td>
<td>6,980,919</td>
</tr>
<tr>
<td>Government of Guam grants and contracts</td>
<td>(1,304,374)</td>
<td>1,008,811</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>998,917</td>
<td>894,288</td>
</tr>
<tr>
<td>Other receipts/payments</td>
<td>2,265,705</td>
<td>1,741,808</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(14,709,661)</td>
<td>(14,793,983)</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(8,360,325)</td>
<td>(6,694,552)</td>
</tr>
<tr>
<td>Payments for scholarships and fellowships</td>
<td>(4,644,577)</td>
<td>(3,279,410)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(13,131,310)</td>
<td>(13,112,846)</td>
</tr>
</tbody>
</table>

|                                |               |               |
| **Cash flows from noncapital financing activities:** |               |               |
| Government of Guam appropriations | 16,079,013    | 15,494,871    |

|                                |               |               |
| **Cash flows from capital and related financing activities:** |               |               |
| Purchases of capital assets    | (3,668,579)   | (3,659,375)   |
| Write-off of capital assets    | (196)         | -             |
| Capital contributions received | 1,709,168     | 888,266       |
| Principal paid on long-term debt | (648,617)   | (636,539)     |
| Interest paid on long-term debt | (41,683)     | (52,001)      |
| **Net cash used in capital and related financing activities** | (2,649,907)   | (3,459,649)   |

|                                |               |               |
| **Cash flows from investing activities:** |               |               |
| (Increase in)/withdrawal of investments | (120,653)     | 38,000        |

|                                |               |               |
| **Net change in cash and cash equivalents** | 177,143       | (1,039,624)   |
| **Cash and cash equivalents at beginning of year** | 1,015,992     | 2,055,616     |
| **Cash and cash equivalents at end of year** | $1,193,135    | $1,015,992    |

|                                |               |               |
| **Reconciliation of operating loss to net cash used in operating activities:** |               |               |
| Operating loss                 | (13,795,112)  | (13,269,090)  |

|                                |               |               |
| **Adjustments to reconcile operating loss to net cash used in operating activities:** |               |               |
| Depreciation                   | 1,187,981     | 1,138,762     |
| Bad debts                      | 928,730       | 40,137        |
| Loss on disposal of fixed assets | 196          | -             |
| Cost of prior year living allowance to retirees | (574,200) | -             |
| On-behalf payments for retiree healthcare costs | 436,614     | 459,245       |

|                                |               |               |
| **Changes in assets and liabilities:** |               |               |
| Tuition receivable             | (962,008)     | (909,047)     |
| Accounts receivable - U.S. Government and others | (989,254) | (1,151,688)   |
| Other receivables              | 89,039        | (19,158)      |
| Inventories                    | 1,785         | (3,500)       |
| Accounts payable and accrued liabilities | 294,047     | 224,002       |
| Accrued annual leave           | (17,008)      | 4,931         |
| DCRS sick leave liability      | 147,800       | 101,382       |
| Deferred revenue               | 123,792       | 262,490       |
| Deposits held on behalf of others | (3,712)     | 8,688         |
| **Net cash used in operating activities** | (13,131,310) | (13,112,846) |

|                                |               |               |
| **Supplemental information of noncash activity:** |               |               |
| During the year ended September 30, 2010, the College reimbursed GovGuam for the cost of living allowance paid to the retirees in prior years for $574,200. Such was credited to other revenues. |               |               |

See accompanying notes to financial statements.
The GCC Go’Ti Yan Adahi I Fino’ta Chamorro Office, funded by an Administration for Native Americans grant, premiered the first four Fino’ Háya DVDs produced under a federal grant to create 16 DVDs that preserve, promote, and perpetuate the indigenous, pre-contact language of Guam.

Sophomore Franchesca Alvarez was the first GCC student accepted as a summer intern in the Undergraduate Research and Mentoring in the Biological Sciences (URM) program at University of Hawaii at Manoa. She trained in current methods of research in environmental biology, developed, and pursued a project under the guidance of a scientist mentor.

Lourdes Leon Guerrero, President of the Bank of Guam, and Josephine Mariano, BOG Senior Vice President, Branch Control Operations, presented a check for $100,000 to Dr. Mary Okada, GCC President, and Lolita Reyes, Asst. Director, Development & Alumni Relations, on April 5 for GCC’s Anthony A. Leon Guerrero Allied Health Center.

Students and law enforcement officers trained on a new firearms training simulator and an Emergency Vehicle Operator Course simulator purchased by the Criminal Justice Department through a $327,500 Carl D. Perkins federal grant in December 2010. CJ faculty justified the grant due to increased enrollment and the need to train additional law enforcement personnel due to the military buildup. The grant was one of six Perkins grants obtained by GCC faculty this year for CTE development.
Dr. Anita Borja Enriquez was named this year’s Distinguished Alumnus of Guam Community College during the third annual GCC Distinguished Alumni Award luncheon in GCC’s Multipurpose Auditorium in April. Dr. Enriquez is the Dean of the School of Business and Public Administration at the University of Guam, and a 1981 graduate of the former GCC Vo-Tech High School.

On May 13, dozens of people gathered at the Anthony A. Leon Guerrero Allied Health Center to witness the official naming and recognition of our donors for various rooms in the center. Wall signage was unveiled for each of the named rooms: the Lou Leon Guerrero Lecture Hall, the Shigeru and Dorothy T. Okada Lecture Hall, the Hawaiian Rock Products Science Lab, the John and Donna Quinata Faculty Office, and the David L. and Frances E.A. Camacho Faculty Office.

In September, Redge Camacho, a junior on the FDMS golf team and the nephew of the late Ray Rojas, avid golfer, baseball star, and beloved GCC bookstore manager, teamed up with his aunt, Lina Rojas, to win the GCC Foundation Annual Par Excellence Golf Tournament at the LeoPalace Golf Resort. The win was bittersweet, as Lina and Ray won last year’s tournament. Ray was killed in an automobile accident in February.

GCC invited over 50 potential donors to the MPA in May to eat sumptuous Asian cuisine prepared by our culinary students and to see what GCC has been doing over the past several years to enhance workforce training and development on Guam. Business partners and potential partners joined island leaders and members of the Board of Trustees, the Foundation Board of Governors, and College administrators for a night of great food and great news about GCC.
THANK YOU
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Circle of Partners
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Lou Leon Guerrero

Circle of Supporters
ICRC
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George & Doreen Pereda
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Bonnie Datuin
Federation of Pangasinans
Friends of the Crime Lab
Johanna Camacho
Lalita Reyes
Lorraine Okada
Marsha Postrozny
Norma R. Guerrero
Ray Somera
Rotary Club of Northern Guam
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Carlsmith & Ball LLC
Coast 360
Deloitte & Touche, LLP
First Hawaiian Bank
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GCC Faculty Union/AFT
Guam Contractors Association
Guam Premier Outlets
Laguna Association of Guam
MB & MLG Flores Foundation
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Maryann Mendiola
Pat Lam
Robin Roberson
Tara Pascua
Vivian Cruz
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Abe Voit
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Brian Cho
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Danielle Anderson
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Eduardo Jan
Edward Untalan
Eddie Manglona
Eloy Lizama
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Gordon Nelson
Jared Taitano
Joe Flores
Jonathan Pablo
Justine Bautista
Kin Mendiola
La’arni Servillon
Larry Rhoden
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Lisa Cruz
Lorraine Mendoza
Louis Sunga
Lucy Tenorio
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Otha Willingham
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Pete Charfauros
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Richard Arroyo
Rick Nauta
Stacy McDonald Flores
Thomas Terlaje
Toshi Doi

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