

GUAM COMMUNITY COLLEGE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2003 AND 2002

Independent Auditors' Report

Board of Trustees
Guam Community College:

We have audited the accompanying statements of net assets of the Guam Community College, a component unit of the Government of Guam, as of September 30, 2003 and 2002, and the related statements of revenues, expenditures and changes in net assets and cash flows for the years then ended. 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.

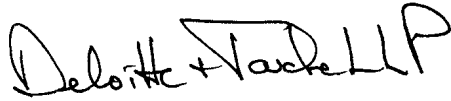
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 as of September 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit of the financial statements was made for the purpose of expressing our opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules on pages 17 – 20 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Guam Community College's management. Such information in those schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis on pages 1 through 4 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2005, on our consideration of the Guam Community College's internal control over financial reporting and our tests of its compliance and other matters. The purpose of that report is to describe the scope of our 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 read in conjunction with this report in considering the results of our audit.

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

March 15, 2005

GUAM COMMUNITY COLLEGE

Management's Discussion and Analysis Year Ended September 30, 2003

Introduction

The following discussion and analysis provides an overview of the financial activities of Guam Community College (the College). This is a new requirement of the Governmental Accounting Standards Board (GASB) found in Statement 34, *Basic Financial Statements and Management's Discussion for State and Local Governments*. 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 second year this report format is being used. As a result comparable financial data from the prior year is being provided for the first time. 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 a 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 this summarized format is not able to provide answers to these specific questions, the College also provides a set of financial statements in the fund accounting format used previously. These statements are found at the end of the report and the statements are structured so the dollar totals there link to the official statements.

Fiscal Year 2003 Overview

During fiscal year 2003, the economy on Guam continued to suffer from events of the prior two fiscal years. The fear of terrorism brought on September 11, 2001 affected air travel and tourism around the world. In addition, during FY 2002, Guam itself suffered two earthquakes and Typhoon Chataan. These events cut tourism numbers by 50 to 60 percent. Unfortunately early in FY 2003 two further events compounded the ongoing slowdown in Guam's economy. On December 8, 2002 Supertyphoon Pongsona made a direct pass over Guam, leaving behind significant destruction. Pongsona was a category 5 typhoon, the worst storm to hit Guam in over twenty five years. In addition, the threat of a SARS (Severe Acute Respiratory Syndrome) epidemic caused the cancellation of vacation travel throughout the Far East.

Because of the negative effect on Guam's tax collections during FY 2003, GovGuam ordered a ten percent reduction in government employee work hours. In addition the governmental appropriation to each GovGuam agency was reduced. The College's appropriation was initially cut \$560,000 and then cut by an additional \$486,714 for a total appropriation cut of eight percent.

Pongsona itself brought major destruction of several of the College's buildings. Fortunately the College was close to finishing work on a new student dormitory that only had minimal storm damage. The new building was converted into a Student Services and Administration Building. While it took many months to connect the air conditioning, telephone services, and computer services, the building continues to

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Management's Discussion and Analysis Year Ended September 30, 2003

provide an acceptable workspace. However because GovGuam has not been able to provide water to the building, it is currently using a temporary water supply. The College has taken out a loan from the United States Department of Agriculture and has initiated construction of a basic water supply. Until the building is provided with a permanent water supply, the College is using the building under a temporary occupancy permit. This has delayed finalizing the building loan taken out from the US Department of Education.

Despite the damage from the Pongsona, the College was able to complete Fall 2002 classes and open Spring 2003 classes within acceptable parameters. The damage did not substantively affect the College's enrollment. The College has worked with the Federal Emergency Management Agency (FEMA) to obtain federal assistance in making repairs. Major repair work was initiated in FY 2004. While FEMA has been helpful, there has been a significant delay in obtaining FEMA reimbursements and there continues to be a lack of clarity from FEMA about requirements for subsequent property insurance. The price of the College's property insurance has increased by 400 percent and the insurance deductible has increased by 800 percent. Funding for the repairs is coming from College reserves, FEMA support, and Tobacco Funds.

In FY 2003, GovGuam Appropriations represented 63% of the College's annual educational and general operating expenditures. The equivalent percentage for FY 2002 was 67%. The figure for FY 2001 was 94% and for FY 2000 was 79%. This percentage has changed because GovGuam has been supplying a smaller proportion of the College's overall budget. During those fiscal years, because of delays in releases of appropriated funds, the College has been conservative in all its expenditures. This was done so there would be a reserve in case of additional cutbacks in appropriations during a period of continued fiscal uncertainty.

In FY 2003, FY 2002 and FY 2001, GovGuam appropriated for 198 full time personnel positions in the College. In FY 2000 GovGuam appropriated 230 full time personnel positions. In some years filling the full number of appropriated positions was held up because of significant delays in releases of appropriated funds to the College.

Since the early 1990's, GovGuam has cut back on appropriations for over 100 full time personnel positions at the College. Because of these cutbacks, to conserve funds, the College has focused on its existing educational mission. Also since the early 1990's, GovGuam has not appropriated any capital funds for the construction of new buildings or the maintenance and repair of existing buildings. The single exception has been the appropriation of a portion of the capitalized Tobacco Fund Settlement to the College. Approximately one half of the Tobacco Funds are available for capital projects. Because the campus requires significant repair efforts, the College has had to build up a pool of maintenance and repair funds from its operational efforts. This includes accepting loans from federal sources and through prudent spending of the College's own funds.

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

Summary Statement of Net Assets

	2003	2002
Assets		
Current Assets and Other Assets	\$ 13,701	\$ 12,160
Investments (Non-Current)	1,740	1,740
Capital Assets, net	<u>6,153</u>	<u>6,153</u>
Total	\$ <u>21,594</u>	\$ <u>20,053</u>

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Management's Discussion and Analysis Year Ended September 30, 2003

	2003	2002
Liabilities:		
Current Liabilities	\$ 1,678	\$ 1,876
Noncurrent Liabilities	3,651	3,692
Net Assets:		
Invested in capital assets	3,153	3,153
Restricted – expendable	1,577	1,543
– nonexpendable	1,753	1,753
Unrestricted	<u>9,780</u>	<u>8,036</u>
Total Liabilities & Net Assets	\$ <u>21,594</u>	\$ <u>20,053</u>

The net assets of the College increased by \$1,778,000. \$239,000 of the increase was brought about by a reduction in liabilities. In the prior year the net assets increased by \$2,247,000. Overall, these increases have been brought about by the prudent management of funds in the light of ongoing delays in releases and cutbacks in appropriations. These increases have been allocated to major maintenance and repair projects at the College and to pay back federal loans related to the construction of the new Student Services and Administration Building.

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

	2003	2002
Operating Revenue	\$ 8,810	\$ 8,785
Operating Expenses	<u>19,249</u>	<u>19,558</u>
Operating Loss	(10,439)	(10,773)
Non Operating Revenues	<u>12,217</u>	<u>13,020</u>
Increase in Net Assets	1,778	2,247
Net Assets at Beginning of Fiscal Year	<u>14,485</u>	<u>12,238</u>
Net Assets at End of Fiscal Year	\$ <u>16,263</u>	\$ <u>14,485</u>

The increase in net assets was brought about by the prudent management of funds in the light of ongoing cutbacks in releases and even appropriations. Increases in net assets have been allocated to major maintenance and repair projects at the College and to pay back federal loans related to the construction of the new Student Services and Administration Building.

Statement of Cash Flows

	2003	2002
Cash Provided By (Used in)		
Operating Activities	\$ (10,448)	\$ (10,552)
Nonoperating Financing Activities	11,587	11,946
Capital Financing Activities	<u>(549)</u>	<u>(356)</u>
Net Change in Cash and Cash Equivalents	590	1,038
Cash and Cash Equivalents at Beginning of Fiscal Year	<u>7,735</u>	<u>6,697</u>
Cash and Cash Equivalents at End of Fiscal Year	\$ <u>8,325</u>	\$ <u>7,735</u>

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Management's Discussion and Analysis Year Ended September 30, 2003

There is a \$1,188,000 negative difference between the increase in net assets shown on the Statement of Revenues, Expenses, and Changes in Net Assets and the Net Change in Cash and Cash Equivalents. Most of this difference is the result of delays in the release of GovGuam appropriations.

Economic Outlook

Guam's economy is closely linked to tourism - primarily tourism from Japan - and to a lesser extent US Government defense and non-defense outlays. However because of Guam's modest size, limited population numbers, and location, the Island's economy is susceptible to political and economic crises happening throughout the Far East. Because of its volcanic origins and location in the Pacific, Guam also often experiences earthquakes and typhoons.

Ongoing concerns compounded by Supertyphoon Pongsona and the SARS epidemic directly affected tourism during the fiscal year, continuing the downturn began in previous years and delaying the economic turn around anticipated by many.

Guam also reaps a number of benefits from the Federal Government. Because of its location between the military bases in Hawaii and the Far East, the Federal Government has, for many years, had several naval bases and one large air force base on Guam. The reduction in international tensions after the break up of the Soviet Republic led to cutbacks in base staffing and military expenditures. At the same time the Federal Government began outsourcing non military functions such as the management of post exchanges. The result was an ongoing substitution of highly paid positions by low salary positions. Because of these factors, the importance of military expenditures to Guam's economy continued to be reduced. However the federal government has announced that several nuclear submarines will be stationed on Guam in the near future.

This reduction may be contrasted with Guam's very significant other advantage. Federal income tax payments made by Guam residents belong to the Government of Guam. This means that the Government of Guam has a large source of revenue that would, in other locations, belong to the Federal Government. At the same time Guam is responsible for a number of government functions that would be carried out by the Federal Government elsewhere. The Government of Guam has chosen to utilize its funding sources, including the return from income taxes, to develop a bureaucracy with a large employee base.

During FY 2003, global events together with natural disasters and economic problems in this part of the world contributed to a continuation of the contraction in Guam's economy that began in the mid 1990s. Given the pervasiveness of these factors, positive change in the economy of Guam will take place slowly.

Despite this negative outlook, because of its position in the Pacific, its proximity to the Far East, its developed infrastructure, and its political, economic, and legal ties to the United States, Guam possesses geopolitical advantages that can contribute to the development of a strong economy. Guam's primary need continues to be for a predictable institutional and political foundation that will support ongoing social, economic, and, technological growth.

Information in this section on the economic outlook is based on the *October 2001 and October 2003 Guam Economic Reports* from the Bank of Hawaii.

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Statements of Net Assets September 30, 2003 and 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
Current assets:		
Cash and cash equivalents	\$ 6,494,429	\$ 6,001,331
Cash and cash equivalents - restricted	1,831,063	1,734,152
Due from Government of Guam	2,006,276	1,376,321
Tuition receivable, less allowance for doubtful accounts of \$153,631	1,595,158	1,493,275
Accounts receivable - U.S. Government	411,145	142,387
Other receivables	518,670	533,073
Inventories	102,172	93,528
Other current assets	141,859	186,542
Total current assets	<u>13,100,772</u>	<u>11,560,609</u>
Noncurrent assets:		
Accounts receivable - U.S. Government	600,000	600,000
Investments	1,740,000	1,740,000
Property, plant and equipment, net	6,152,875	6,153,237
Total noncurrent assets	<u>8,492,875</u>	<u>8,493,237</u>
Total assets	<u>\$ 21,593,647</u>	<u>\$ 20,053,846</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current liabilities:		
Current portion of long-term debt	\$ 83,525	\$ 40,398
Accounts payable and accrued liabilities	148,326	120,519
Deferred revenue	1,221,231	1,461,666
Current portion of accrued annual leave	225,570	253,216
Total current liabilities	<u>1,678,652</u>	<u>1,875,799</u>
Noncurrent liabilities:		
Accrued annual leave	494,360	554,950
Long-term debt	2,916,475	2,959,602
Deposits held on behalf of others	240,350	178,180
Total noncurrent liabilities	<u>3,651,185</u>	<u>3,692,732</u>
Net assets:		
Invested in capital assets, net of related debt	3,152,875	3,153,237
Restricted:		
Expendable	1,577,136	1,542,395
Nonexpendable	1,753,577	1,753,577
Unrestricted	9,780,222	8,036,106
Total net assets	<u>16,263,810</u>	<u>14,485,315</u>
Total liabilities and net assets	<u>\$ 21,593,647</u>	<u>\$ 20,053,846</u>

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE

Statements of Revenues, Expenses and Changes in Net Assets Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues:		
Operating revenues:		
Student tuition and fees	\$ 2,313,373	\$ 2,310,940
Less: Scholarship discounts and allowances	<u>(1,211,553)</u>	<u>(1,009,831)</u>
	1,101,820	1,301,109
Federal grants and contracts	5,193,968	5,337,475
Government of Guam grants and contracts	351,257	369,816
Auxiliary enterprises	581,222	432,681
Other revenues	<u>1,581,887</u>	<u>1,344,781</u>
Total operating revenues	<u>8,810,154</u>	<u>8,785,862</u>
Operating expenses:		
Education and general:		
Instruction	6,735,921	6,859,643
Institutional support	3,140,364	3,287,589
Operations and maintenance of plant	1,807,093	2,276,466
Academic support	1,765,986	2,122,979
Student services	1,721,571	1,626,670
Depreciation	548,920	441,326
Special projects	267,550	187,456
Scholarships and fellowships	2,823,058	2,281,443
Auxiliary enterprises	<u>438,280</u>	<u>475,363</u>
Total operating expenses	<u>19,248,743</u>	<u>19,558,935</u>
Operating loss	<u>(10,438,589)</u>	<u>(10,773,073)</u>
Nonoperating revenues:		
Government of Guam appropriations:		
Operations	<u>12,217,084</u>	<u>13,020,000</u>
Net nonoperating revenues	<u>12,217,084</u>	<u>13,020,000</u>
Increase in net assets	1,778,495	2,246,927
Net assets:		
Net assets at beginning of year	<u>14,485,315</u>	<u>12,238,388</u>
Net assets at end of year	<u>\$ 16,263,810</u>	<u>\$ 14,485,315</u>

See accompanying notes to financial statements.

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Statements of Cash Flows Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Student tuition and fees	\$ 750,858	\$ 576,823
Federal grants/contracts	4,925,206	5,459,046
Government of Guam grants and contracts	365,660	871,632
Auxiliary services	142,942	(42,682)
Other receipts/payments	1,581,887	1,344,781
Payments to educational and general expenses	(15,392,057)	(16,480,293)
Scholarship/fellowships	<u>(2,823,058)</u>	<u>(2,281,443)</u>
Net cash used in operating activities	<u>(10,448,562)</u>	<u>(10,552,136)</u>
Cash flows from noncapital financing activities:		
Government of Guam appropriations	<u>11,587,129</u>	<u>11,946,425</u>
Net cash provided by noncapital financing activities	<u>11,587,129</u>	<u>11,946,425</u>
Cash flows from capital financing activities:		
Expended on plant facility and capital assets	(548,558)	(356,348)
Proceeds from capital debt	-	1,628,034
Construction in progress	<u>-</u>	<u>(1,628,034)</u>
Net cash used in capital financing activities	<u>(548,558)</u>	<u>(356,348)</u>
Net increase in cash and cash equivalents	590,009	1,037,941
Cash and cash equivalents at beginning of year	<u>7,735,483</u>	<u>6,697,542</u>
Cash and cash equivalents at end of year	<u>\$ 8,325,492</u>	<u>\$ 7,735,483</u>
<u>Reconciliation of operating loss to net cash used in operating activities:</u>		
Operating loss	\$ (10,438,589)	\$ (10,773,073)
Depreciation	548,920	441,326
Accounts receivable, net	(356,238)	(629,029)
Inventory	(8,644)	(11,474)
Other assets	44,683	42,991
Accounts payable	27,807	(166,597)
Accrued liabilities	(88,236)	(8,765)
Deferred revenue	(240,435)	539,604
Deposits held on behalf of others	<u>62,170</u>	<u>12,881</u>
Net cash used in operating activities	<u>\$ (10,448,562)</u>	<u>\$ (10,552,136)</u>

See accompanying notes to financial statements.

GUAM COMMUNITY COLLEGE

Notes to Financial Statements
September 30, 2003 and 2002

(1) Organization and Purpose

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

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

The Guam Community College Foundation (the Foundation) was founded in August 1982, as a non-profit, public benefit corporation, which operates under a separate Board of Governors from that of the College. Accordingly, the accompanying financial statements do not include the accounts of the Foundation.

(2) Summary of Significant Accounting and Reporting Policies

Financial Statement Presentation

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

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

GUAM COMMUNITY COLLEGE

Notes to Financial Statements
September 30, 2003 and 2002

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

Financial Statement Presentation, Continued

Since the College has historically recorded depreciation, the only significant changes made in order to comply with new requirements include (1) reporting fall semester revenues and expenses between fiscal years rather than in one fiscal year; (2) recording scholarship discounts and allowances netted against tuition and fee revenues; (3) the elimination of fund group presentation; and (4) the presentation of a cash flow statement.

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.

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 ninety days.

Inventory

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

Investments

Investments consist of bank certificates of deposit with original maturities of more than three months. Time certificates of deposit with initial maturities of less than three months are included in cash and cash equivalents. Investments are stated at amortized cost including accrued interest. At September 30, 2003 and 2002, the College's time certificates of deposit balance in a bank is \$3,792,659 and \$4,775,833, respectively, of which \$200,000 is insured by the Federal Deposit Insurance Corporation and \$2,904,589 and \$3,895,049, respectively, is collateralized by securities held by a trustee in the name of the financial institution. The remaining balance is uncollateralized.

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.

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Notes to Financial Statements
September 30, 2003 and 2002

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

Compensated Absences

Earned employee vacation due is accrued at year end for financial statement purposes. Included in the accounts payable and accrued liabilities at September 30, 2003 and 2002 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 and Changes in Net Assets.

Public Law 26-86 allows members of the Defined Contribution Retirement System to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. The Government of Guam is evaluating the impact of this law and accordingly no liability, if any, that may result has been recorded in the accompanying financial statements.

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 less than \$10,000 in September 30, 2003 and 2002.

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.

Net Assets

The College's net assets are classified as follows:

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

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

Restricted Net Assets - Nonexpendable - Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. Related cash accounts are also restricted.

Unrestricted Net Assets –Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for student, faculty and staff.

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Notes to Financial Statements
September 30, 2003 and 2002

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

Net Assets, Continued

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

Classification of Revenues

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

Operating Revenues – Operating revenues 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 – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues 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.

New Accounting Standard

GASB has issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. Statement No. 39 amends GASB Statement No. 14, *The Financial Reporting Entity*. This Statement requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a government unit. The College has not completed the process of evaluating the impact that will result from adopting this Statement. The College is therefore unable to disclose the impact that adopting this Statement will have on its net assets, revenues, expenditures, and changes in net assets. The requirements of this Statement are effective for the College's fiscal year ending September 30, 2004.

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 fund may only be expended in accordance with purposes set forth by the Guam Economic Development and Commerce Authority, a component unit of the Government of Guam. During the years ended September 30, 2003 and 2002, the fund earned interest of \$34,741 and \$54,769, respectively, and no payments were made from the fund.

GUAM COMMUNITY COLLEGE

Notes to Financial Statements
September 30, 2003 and 2002

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

Estimates

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

Risk Management

The College is exposed to various risks of loss; theft of, damage to, and destruction of assets; operation liability; errors and omissions; employee injuries and illnesses; natural disasters and employee health, dental and accident benefits. There is commercial insurance coverage obtained to provide for claims arising from most of these matters. No material losses have been sustained as a result of the College's risk management practices. The College is not self-insured for typhoon damages.

Reclassifications

Certain balances in the 2002 financial statements have been reclassified to correspond to the 2003 presentation.

(3) 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's capitalization policy requires acquisitions greater than \$500 to be capitalized. 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.

Movements of property, plant and equipment for the years ended September 30, 2003 and 2002 are as follows:

	Balance September 30, <u>2002</u>	<u>Additions</u>	<u>Retirements</u>	Balance September 30, <u>2003</u>
Land	\$ 1,903,000	\$ -	\$ -	\$ 1,903,000
Building	16,014,000	3,000,000	-	19,014,000
Equipment	2,720,962	548,558	-	3,269,520
Vehicles	<u>491,787</u>	<u>-</u>	<u>-</u>	<u>491,787</u>
	<u>21,129,749</u>	<u>3,548,558</u>	<u>-</u>	<u>24,678,307</u>

GUAM COMMUNITY COLLEGE

Notes to Financial Statements September 30, 2003 and 2002

(3) Property, Plant and Equipment, Continued

	Balance September 30, <u>2002</u>	<u>Additions</u>	<u>Retirements</u>	Balance September 30, <u>2003</u>
Accumulated depreciation:				
Building	15,927,750	80,000	-	16,007,750
Equipment	1,600,769	458,226	-	2,058,995
Vehicles	<u>447,993</u>	<u>10,694</u>	<u>-</u>	<u>458,687</u>
	<u>17,976,512</u>	<u>548,920</u>	<u>-</u>	<u>18,525,432</u>
Construction in progress	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>
Net	\$ <u>6,153,237</u>	\$ <u>2,999,638</u>	\$ <u>3,000,000</u>	\$ <u>6,152,875</u>

	Balance September 30, <u>2001</u>	<u>Additions</u>	<u>Retirements</u>	Balance September 30, <u>2002</u>
Land	\$ 1,903,000	\$ -	\$ -	\$ 1,903,000
Building	16,014,000	-	-	16,014,000
Equipment	2,364,614	356,348	-	2,720,962
Vehicles	<u>491,787</u>	<u>-</u>	<u>-</u>	<u>491,787</u>
	<u>20,773,401</u>	<u>356,348</u>	<u>-</u>	<u>21,129,749</u>
Accumulated depreciation:				
Building	15,922,750	5,000	-	15,927,750
Equipment	1,176,313	424,456	-	1,600,769
Vehicles	<u>436,123</u>	<u>11,870</u>	<u>-</u>	<u>447,993</u>
	<u>17,535,186</u>	<u>441,326</u>	<u>-</u>	<u>17,976,512</u>
Construction in progress	<u>1,371,906</u>	<u>1,628,094</u>	<u>-</u>	<u>3,000,000</u>
Net	\$ <u>4,610,121</u>	\$ <u>1,543,116</u>	\$ <u>-</u>	\$ <u>6,153,237</u>

(4) Due from Government Agencies

Due from Government of Guam agencies consists of receivables from the Government of Guam General Fund and the accounts receivable - U.S. Government consists of uncollected grants at September 30, 2003 and 2002. 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.

(5) Employees' Retirement Plan

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

GUAM COMMUNITY COLLEGE

Notes to Financial Statements September 30, 2003 and 2002

(5) Employees' Retirement Plan, Continued

As a result of actuarial valuations performed as of September 30, 2001 and 2000 (applicable to fiscal year 2003 and 2002, respectively), contribution rates for the years ended September 30, 2003 and 2002, respectively, have been determined as follows:

	<u>2003</u>	<u>2002</u>
Normal costs (% of DB Plan payroll)	16.42%	15.15%
Unfunded liability costs (% of total payroll)	<u>22.94%</u>	<u>18.58%</u>
	39.36%	33.73%
Employee contributions (DB Plan employees)	<u>9.50%</u>	<u>9.50%</u>
	29.86%	24.23%
Agency specific adjustments	<u>2.68%</u>	<u>.91%</u>
Government contribution as a % of DB Plan payroll	<u>32.54%</u>	<u>25.14%</u>
Government contribution as a % of total payroll	<u>29.25%</u>	<u>N/A</u>

Statutory contribution rates for employer and employee contributions were initially set at 26% and 9.5%, respectively, by the Guam Legislature for the year ended September 30, 2003. The employer contribution rate was reduced to 18% by legislative action effective March 1, 2003. The statutory employer and employee contribution rates for the year ended September 30, 2002 were 18.6% and 9.5%, respectively.

The Defined Benefit Plan utilized the actuarial cost method termed "entry age normal" with an assumed rate of return of 7.5% and an assumed salary scale increase of 5.5% per annum. The most recent actuarial valuation performed as of September 30, 2001, 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.

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

Statutory employer contributions into the DCRS for the years ended September 30, 2003 and 2002, are determined using the same rate as the DB plan. Of the amount contributed by the employer, only 5% of the member's regular base pay is deposited into the member's individual annuity account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

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

Contributions to DCRS for the year ended September 30, 2003 and 2002 are \$1,172,097 and \$1,126,866, respectively.

However, as a result of Public Law #21-03, the College has no further responsibility to pay for its share of the unfunded retirement costs. This responsibility now rests with the General Fund of the Government of Guam. Rather, the College's responsibility is to pay the statutorily imposed retirement rate. As of September 30, 2003 and 2002, the General Fund has accrued approximately \$962,583 and \$606,334, respectively, for the College's cumulative unfunded retirement liability as a result of the adoption of GASB 27.

GUAM COMMUNITY COLLEGE

Notes to Financial Statements September 30, 2003 and 2002

(5) Employees' Retirement Plan, Continued

Public Law 26-86 allows members of the Defined Contribution Retirement System to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. Management is of the opinion that the liability that may result from Public Law 26-86 is not material to the financial statements.

(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, \$2,413,014 and \$1,607,984 of outstanding purchase orders and purchase commitments are not reported in the financial statements at September 30, 2003 and 2002, respectively.

(7) Contingency

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

(8) Transfer of Property

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

(9) Long-Term Debt

The College has committed to a \$3 million loan to finance the construction of a 64-room dormitory on the College's premises. The loan will have interest at 5.5% and is repayable in semi-annual installments of \$102,660 over a term of thirty years. The loan is secured by a note pledging gross revenues from project operations and other internally generated revenues, non-appropriated funds, student tuition and fees, and other contract proceeds. The College has a \$600,000 receivable from the U.S. Department of Education as of September 30, 2003 and 2002, which is recorded as a noncurrent asset in the statement of net assets. The dormitory is awaiting the approval of the Guam Waterworks Authority to obtain a certificate of occupancy. As such, the College has not made any loan payments as of September 30, 2003 and 2002.

GUAM COMMUNITY COLLEGE

Notes to Financial Statements September 30, 2003 and 2002

(9) Long-Term Debt, Continued

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

<u>Year ending September 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2004	\$ 327,115	\$ 83,525	\$ 410,640
2005	159,789	45,531	205,320
2006	157,250	48,070	205,320
2007	154,570	50,750	205,320
2008	151,740	53,580	205,320
2009-2013	710,416	316,184	1,026,600
2014-2018	611,876	414,724	1,026,600
2019-2023	482,627	543,973	1,026,600
2024-2028	313,096	713,504	1,026,600
2029-2032	<u>93,426</u>	<u>730,159</u>	<u>823,585</u>
	\$ <u>3,161,905</u>	\$ <u>3,000,000</u>	\$ <u>6,161,905</u>

(10) Noncurrent Liabilities

Noncurrent liability activity at September 30, 2003 and 2002, was as follows:

	Balance September 30, <u>2002</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2003</u>	Amount due within <u>one year</u>
Loan payable	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ 83,525
Deposit held on behalf of others	178,180	62,170	-	240,350	-
Accrued annual leave	<u>808,166</u>	<u>240,258</u>	<u>328,494</u>	<u>719,930</u>	<u>225,570</u>
Total noncurrent liabilities	\$ <u>3,986,346</u>	\$ <u>302,428</u>	\$ <u>328,494</u>	\$ <u>3,960,280</u>	\$ <u>309,095</u>
	Balance September 30, <u>2001</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2002</u>	Amount due within <u>one year</u>
Loan payable	\$ 1,371,906	\$ 1,628,094	\$ -	\$ 3,000,000	\$ 40,398
Deposit held on behalf of others	165,299	12,881	-	178,180	-
Accrued annual leave	<u>816,931</u>	<u>-</u>	<u>8,765</u>	<u>808,166</u>	<u>253,216</u>
Total noncurrent liabilities	\$ <u>2,354,136</u>	\$ <u>1,640,975</u>	\$ <u>8,765</u>	\$ <u>3,986,346</u>	\$ <u>293,614</u>

GUAM COMMUNITY COLLEGE

Schedule 1 Schedule of Salaries and Wages (Cash Basis) Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>	
Salaries and wages:			
Regular, differential and hazardous pay (inclusive of part-time employees) **	\$ 8,788,970	\$ 9,928,881	**
Benefits	<u>2,272,015</u>	<u>2,197,334</u>	
Total salaries, wages and benefits	<u>\$ 11,060,985</u>	<u>\$ 12,126,215</u>	
Full-time employees at end of year	180	188	

** The first part time (adjunct) payday was split between FY2002 and FY2003. The pay period ending October 5, 2002 was included in FY2002.

See accompanying independent auditors' report.

GUAM COMMUNITY COLLEGE

Schedule 2
Schedule of Expenditures by Function and Object Code
Years Ended September 30, 2003 and 2002

	Salaries, Wages and Benefits	Travel	Contract Services	Supplies	Minor Equipment	Miscellaneous	Capital Expenditures	Depreciation	Totals	
									2003	2002
Function:										
Instruction	\$ 5,911,061	\$ 36,033	\$ 188,719	\$ 146,508	\$ 67,205	\$ 148,429	\$ 237,966	\$ -	\$ 6,735,921	\$ 6,859,643
Special projects	175,632	5,229	74,430	3,110	540	-	8,609	-	267,550	187,456
Academic support	1,389,798	13,599	70,951	54,004	38,873	-	198,761	-	1,765,986	2,122,979
Student services	1,523,363	21,758	58,690	28,428	22,826	6,558	27,948	-	1,689,571	1,626,670
Instructional support	1,667,978	59,291	992,177	75,774	8,276	22,354	314,514	-	3,140,364	3,287,589
Operation and maintenance of plant	247,563	-	1,410,281	73,515	2,252	-	73,482	-	1,807,093	2,276,466
Scholarships and fellowships	105,858	-	1,028	967	29	2,715,176	-	-	2,823,058	2,281,443
Depreciation	-	-	-	-	-	-	-	548,920	548,920	441,326
Auxiliary	39,732	-	665	2,421	395,462	-	-	-	438,280	475,363
Totals	<u>\$ 11,060,985</u>	<u>\$ 135,910</u>	<u>\$ 2,796,941</u>	<u>\$ 384,727</u>	<u>\$ 535,463</u>	<u>\$ 2,892,517</u>	<u>\$ 861,280</u>	<u>\$ 548,920</u>	<u>\$ 19,216,743</u>	<u>\$ 19,558,935</u>

See accompanying independent auditors' report.

(With Comparative Balances as of September 30, 2002)

LIABILITIES AND FUND BALANCE

Accounts payable	\$ -	\$ 148,326	\$ 148,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,326	\$ 120,519
Loan payable	-	-	-	-	-	-	-	-	3,000,000	-	-	-	3,000,000	3,000,000
Due to other College funds	798,858	3,791,027	4,589,885	1,356,941	96,837	1,453,778	284,186	-	1,045,869	-	-	(7,373,718)	-	-
Due to depositor	-	-	-	-	-	-	-	-	-	-	240,350	-	240,350	178,180
Accrued liabilities	-	719,930	719,930	-	-	-	-	-	-	-	-	-	719,930	808,166
Deferred revenue	-	1,221,231	1,221,231	-	-	-	-	-	-	-	-	-	1,221,231	1,461,666
Fund balance	<u>1,133,097</u>	<u>7,944,463</u>	<u>9,077,560</u>	<u>280,737</u>	<u>221,621</u>	<u>502,358</u>	<u>550,535</u>	<u>3,330,713</u>	<u>(425,231)</u>	<u>3,227,875</u>	<u>-</u>	<u>-</u>	<u>16,263,810</u>	<u>14,485,315</u>
	<u>\$ 1,931,955</u>	<u>\$ 13,824,977</u>	<u>\$ 15,756,932</u>	<u>\$ 1,637,678</u>	<u>\$ 318,458</u>	<u>\$ 1,956,136</u>	<u>\$ 834,721</u>	<u>\$ 3,330,713</u>	<u>\$ 3,620,638</u>	<u>\$ 3,227,875</u>	<u>\$ 240,350</u>	<u>\$ (7,373,718)</u>	<u>\$ 21,593,647</u>	<u>\$ 20,053,846</u>

See Accompanying Independent Auditors' Report.

GUAM COMMUNITY COLLEGE																		
Unrestricted and Restricted Fund Supplemental Schedule																		
Statement of Changes in Fund Balances																		
Year Ended September 30, 2003																		
(With Comparative Balances for the year ended September 30, 2002)																		
	Unrestricted								Restricted									
	Appropriated			Non-appropriated													Grand Total	
	General	Trades	MDF	Total Appropriated	NAF Supp	NAF Adj.	NAF	Total Non-appropriated	Total Unrestricted	Federal Fund	Other Grant	Total	Capital Projects	Tobacco Settlement	Campus Housing	Investment In-Plant	2003	2002
Revenues:																		
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,313,373	\$ -	\$ 2,313,373	\$ 2,313,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,313,373	\$ 2,310,940
Government of Guam appropriations	12,217,084	-	-	12,217,084	-	-	-	-	12,217,084	-	-	-	-	-	-	-	12,217,084	13,020,000
Federal grants and contracts	-	-	-	-	-	-	-	-	-	3,982,415	-	3,982,415	-	-	-	-	3,982,415	4,327,644
Government of Guam grants and contracts/agency	-	-	-	-	-	-	-	-	-	-	351,257	351,257	-	-	-	-	351,257	369,816
Sales and services of auxiliary enterprises	-	-	-	-	-	-	581,222	581,222	581,222	-	-	-	-	-	-	-	581,222	432,681
Special projects	-	-	-	-	-	-	802,997	802,997	802,997	-	-	-	-	-	-	-	802,997	677,368
Other sources	-	-	-	-	-	-	188,168	188,168	188,168	-	-	-	7,423	34,741	-	548,558	778,890	667,413
Total current revenues	12,217,084	-	-	12,217,084	-	2,313,373	1,572,387	3,885,760	16,102,844	3,982,415	351,257	4,333,672	7,423	34,741	-	548,558	21,027,238	21,805,862
Expenditures and mandatory transfers:																		
Educational and general:																		
Instruction	5,210,503	200	-	5,210,703	-	638,872	461,704	1,100,576	6,311,279	328,402	96,240	424,642	-	-	-	-	6,735,921	6,859,643
Special project	107,094	-	-	107,094	-	6,360	-	6,360	113,454	154,096	-	154,096	-	-	-	-	267,550	187,456
Academic support	1,104,612	-	-	1,104,612	-	31,045	184,361	215,406	1,320,018	244,054	201,914	445,968	-	-	-	-	1,765,986	2,122,979
Student services	1,131,192	-	-	1,131,192	-	-	22,609	22,609	1,153,801	535,770	-	535,770	-	-	-	-	1,689,571	1,626,670
Institutional support	2,548,083	-	-	2,548,083	-	433,670	77,995	511,665	3,059,748	-	-	-	30	-	80,586	-	3,140,364	3,287,589
Operation and maintenance of plant	1,322,006	-	-	1,322,006	-	205,120	136,267	341,387	1,663,393	-	-	-	126,627	-	17,073	-	1,807,093	2,276,466
Scholarship and fellowship	107,882	-	-	107,882	-	-	-	-	107,882	2,715,176	-	2,715,176	-	-	-	-	2,823,058	2,281,443
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,000	473,920	548,920	441,326
	11,531,372	200	-	11,531,572	-	1,315,067	882,936	2,198,003	13,729,575	3,977,498	298,154	4,275,652	126,657	-	172,659	473,920	18,778,463	19,083,572
Auxiliary enterprises:																		
Expenditures	40,494	-	-	40,494	-	-	397,786	397,786	438,280	-	-	-	-	-	-	-	438,280	475,363
Total expenditures	11,571,866	200	-	11,572,066	-	1,315,067	1,280,722	2,595,789	14,167,855	3,977,498	298,154	4,275,652	126,657	-	172,659	473,920	19,216,743	19,558,935
Net (decrease) increase in fund balance	645,218	(200)	-	645,018	-	998,306	291,665	1,289,971	1,934,989	4,917	53,103	58,020	(119,234)	34,741	(172,659)	74,638	1,810,495	2,246,927
Beginning fund balance	562,400	(74,321)	-	488,079	3,246,754	(3,748)	3,443,486	6,686,492	7,174,571	275,820	168,518	444,338	669,769	3,295,972	(252,572)	3,153,237	14,485,315	12,238,387
Fund transfer	-	-	-	-	-	-	(32,000)	(32,000)	(32,000)	-	-	-	-	-	-	-	(32,000)	-
Adjustments to fund balance	-	-	-	-	(3,246,754)	3,246,754	-	-	-	-	-	-	-	-	-	-	-	1
Ending fund balance	\$ 1,207,618	\$ (74,521)	\$ -	\$ 1,133,097	\$ -	\$ 4,241,312	\$ 3,703,151	\$ 7,944,463	\$ 9,077,560	\$ 280,737	\$ 221,621	\$ 502,358	\$ 550,535	\$ 3,330,713	\$ (425,231)	\$ 3,227,875	\$ 16,263,810	\$ 14,485,315

See Accompanying Independent Auditors’ Report.