

# A Citizen's Report - FY 2010



## UNIVERSITY OF GUAM UNIBETSEDÁT GUAHAN

### About Us



*The University.* The Higher Education Act of 1976 established the University of Guam (UOG) as a non-membership, non-profit, public corporation under the control of a Board of Regents appointed by the Governor of Guam with the advice and consent of the Guam Legislature. It is a U.S. land-grant institution accredited by the Western Association of Schools and Colleges (WASC) offering associate, baccalaureate and master's degrees. The University is reported as a component unit of the government of Guam.

*The Leadership:* The University is governed by a nine-member Board of Regents namely, Peter "Sonny" Ada-Chair; W. Chris Perez-Vice Chair; Cynthia Henson-Treasurer and Audit Committee Chair. Robert A. Underwood EdD is the University's 10th President. Helen Whippy PhD is Senior Vice President of Academic and Student Affairs. David M. O'Brien is Vice President of Administration and Finance. Zeny Asuncion-Nace is the Comptroller.

As the island undergoes its most dramatic transformation since World War II due to the U.S. military buildup and Guam's economic growth, the University has identified three overarching themes: UOG Green, Natural Choice and Leading Change-Center for Island Sustainability.

### FY10 Financial Highlights

The University showed a \$4.9 million increase in net assets for Fiscal Year 2010. This was due to substantial revenue growth of over 18% that adequately covered expense increases, ongoing financial and cash management controls in the face of government shortfalls in appropriation payments, and unrealized investment gains.

For the sixth consecutive year, the University has again earned an unqualified or clean opinion on its financial and compliance audit reports, thus maintaining its low-risk audit status. One significant deficiency and two immaterial non compliance conditions were found. 112 federal grants were administered, amounting to approximately \$36 million in external revenues for Guam's and the region's environmental, economic and social development.

### Mission Statement

Ina, Diskubre, Setbe

To Enlighten, to Discover, to Serve

### Core Commitments

- Student success, enrollment growth, retention & institutional visibility
- Community engagement



- Academic quality
- Institutional effectiveness & efficiency

### At a Glance

The University of Guam is located in the Western Pacific on the island of Guam, an unincorporated U.S. Territory in the Marianas Islands. The 3,659 students (Fall'10 headcount) are multicultural, multilingual and 92% Asian-Pacific Islanders. The University employs 258 faculty, 30 administrators and 555 staff. Currently, there are 15 master's degree programs, 34 undergraduate programs, and one associate degree program. The campus is located in the village of Mangilao on 110 acres overlooking scenic Pago Bay, east of the island.

# How We Performed - FY 2010



## Number of Degrees Granted, by School and Year

	2007-2008	2008-2009	2009-2010
College of Liberal Arts & Social Sciences	51	64	65
CNAS	35	27	40
SBPA	86	100	129
School of Education	55	70	67
School of Nursing	54	30	40
Graduate Studies	62	90	121
<b>TOTAL</b>	<b>343</b>	<b>381</b>	<b>462</b>



### The University's enrollment growth

The University is the natural choice for 3,639 students registered for Fall 2010, conferring a total of 462 degrees, a growth of over 35% in degrees from three years ago. Students earning a degree increased by 267 from three years ago.

The School of Business and Public Administration continues to attract the highest number of graduates at 129 for 2009-2010 from 86 in 2007-2008.

The gender diversity of students is 61% female and 39% male.

### Academic Quality (Statements of Accreditation)

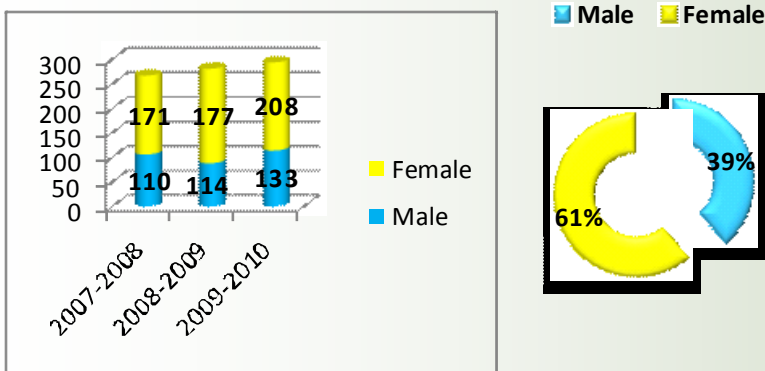
The University of Guam remains committed to academic quality, evidenced by primary accreditation for eight years from the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges (WASC, <http://www.wascenior.org/wasc/>). In addition to WASC accreditation, the following specialized organizations have accredited the University's professional programs:

- National League for Nursing Accrediting Commission, Inc. (NLNAC), eight years maximum
- International Assembly for Collegiate Business Education (IACBE), eight years maximum
- National Council for Accreditation of Teacher Education (NCATE)
- Council on Social Work Education (CSWE)

## Enrollment Data, by Type, by Year: Fall Semester

Type of student	2007-2008	2008-2009	2009-2010
degree	3000	3210	3267
graduate	293	272	328
Nondegree/postgrad	94	68	44
<b>TOTAL</b>	<b>3387</b>	<b>3550</b>	<b>3639</b>

## Undergraduate Degrees, Year and Gender



The University leverages its government of Guam appropriations with Federal monies to fund research and programs that benefit the island and region. The FY2010 revenues from Federal grants and contracts increased to \$35.8 million, an increase of over 23% from FY2009. The University currently administers 112 Federal grant awards by Catalog of Federal Domestic Assistance (CFDA). The University's largest Federal grant award is the State Fiscal Stabilization Fund (ARRA) funded by the U.S. Department of Education earmarked for job creation, strengthening technology, and modernizing classroom facilities.

## Major Federal Grant Awards: as of FY 2010

State Fiscal Stabilization Fund - ARRA (sub-recipient)	\$ 16.8 million
PELL	\$ 16.0 million
Cancer Research Center	\$ 8.2 million
Center for Excellence in Developmental Disabilities, Education, Research and Service (CEDDERS)	\$ 6.9 million

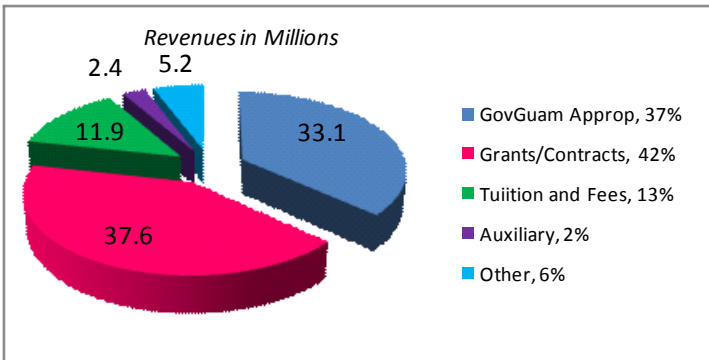


# Our Financial Performance - FY2010



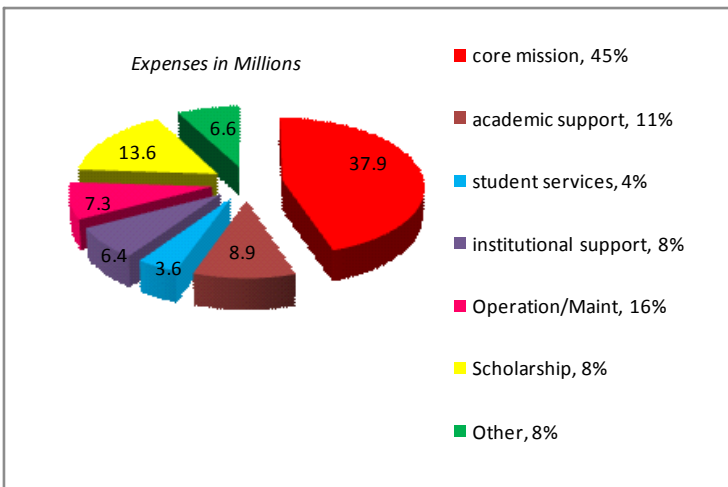
## Major Revenue Sources

The University brought in \$57.2 million in revenues from operations. Government of Guam appropriations are \$33M. The University brings in \$1.73 for every \$1 of government funding. A 2-year comparison shows over 18% growth in revenue, mainly due to growth in federal grants and student enrollment.



## Expenses

The University spent \$84.3 million of which \$37.9 million (or 45%) was spent directly on its core mission - instruction, research and public service.



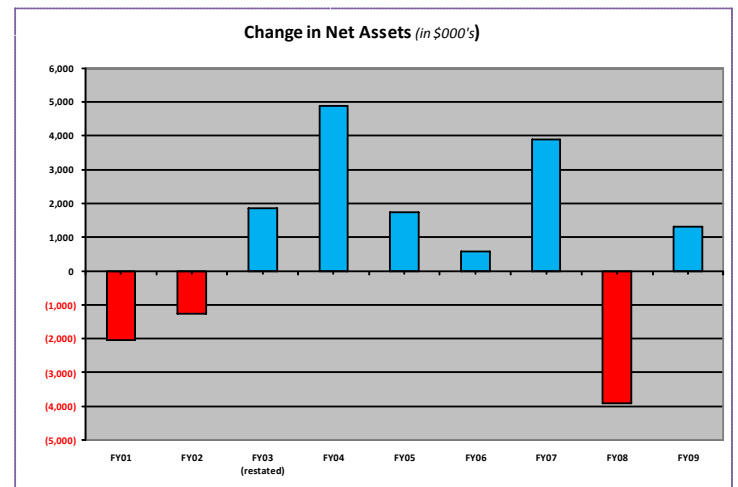
## 2-Year Revenue and Expense Comparison

The 2-year comparison shows a \$3.6 million year-to-year increase in ending net assets as follows:

	2010	2009
<b>OPERATING REVENUES &amp; EXPENSES:</b>		
Total operating revenues \$	57,215,758	48,355,596
Total operating expenses	84,349,205	77,395,083
	\$ (27,133,447)	\$ (29,039,487)
<b>NON OPERATING REVENUES (EXPENSES):</b>		
Government of Guam appropriations \$	33,071,927	32,951,753
Net investment income	1,602,509	46,693
Debt service and related interest	(2,635,424)	(2,634,990)
	32,039,012	30,363,456
<b>NET INCREASE IN NET ASSETS</b>	<b>\$ 4,905,565</b>	<b>\$ 1,323,969</b>
<b>NET ASSETS</b>		
Net assets, beginning	84,019,631	82,695,662
Net assets, ending \$	<b>88,925,196</b>	<b>84,019,631</b>

## Improvement in Net Assets

FY09 finances showed a \$1.3 million increase, a \$5.2 million im-



To see the Annual Audit Report, visit: [www.uog.edu/admin](http://www.uog.edu/admin)



## Challenges and Opportunities

### Global Equity Markets Slowly Rebound.

After the deepest recession since the 1930's Great Depression, the U.S. and global economies have begun to slowly recover from the 2008 financial crisis. Despite the turbulence in global equity markets, the University's investment holdings rallied during the second half of the 2010 fiscal year, generating investment income of \$1.6 million, a significant increase from FY 2009's \$47 thousand. It has been, and will likely continue to be, an uneven and bumpy road.

### Delayed Progress of Military Build up.

In Fiscal Year 2010, the government of Guam operated under another year of stagnant revenues and lowered expectations. The takeoff in economic growth associated with the military buildup did not materialize. After delays and political controversy, there was little progress on the plans to proceed in the relocation of military forces to Guam from Okinawa.

2011 is expected to be Guam's long-awaited transition to several years of unprecedented economic growth and social change, as the military buildup gains steam. By mid-year, increases in U.S. Department of Defense construction projects and the fulfillment of the over \$240 million projects will be underway. This includes the University's ARRA projects of over \$16.5 million.

### New Government of Guam Leadership.

Governor Edward J.B. Calvo assumed office in January 2011. He inherited a stagnant economy, delays in the military build up, and a barren cash drawer, which ushered in financial belt tightening. The Governor has publicly called for fiscal austerity and has rescinded recent government staff salary adjustments to preserve cash.

## The University Continues to Grow



The University of Guam continues to build new capacity and to lead change. It is an economic driver and the region's primary instrument for creating a professional class into the foreseeable future. To those ends, the University is implementing several strategic initiatives:

- i) Increase enrollment of high school graduates in pursuit of college degrees (UOG Natural Choice);
- ii) Provide environmental education and awareness for a sustainable future (UOG Green);
- iii) Develop a Center for Island Sustainability within the University for conducting research, developing policy and leading public discussion on critical environmental, economic and social issues (UOG Leading Change);
- iv) Implement distance education courses and programs under new technological capacity;
- v) Strengthen professional programs and establish a School of Engineering; and
- vi) Build additional infrastructure capacity in a Student Services Center and Engineering Annex.

The government may again administer allotment controls, as government expenditures are outpacing cash collections. Large government obligations are unbudgeted or under budgeted. The University maintains strict adherence to its conservative cash management plan and focuses on its academic and student priorities.



*We want to hear from you! Do you believe this report should include any other information?  
Please contact: David O'Brien, Vice President for Administration and Finance at (671) 735-2900  
For further up-to-date information concerning the University of Guam, please visit the website at [www.uog.edu](http://www.uog.edu).*