

Financial Report

Grand Rapids Community College

*Years ended June 30, 2008 and 2007
with Report of Independent Auditors*

Grand Rapids Community College

Financial Report

Years ended June 30, 2008 and 2007

Contents

Report of Independent Auditors.....	1
Management's Discussion and Analysis	2
Basic Financial Statements	
Statements of Net Assets	16
Statements of Revenues, Expenses, and Changes in Net Assets	18
Statements of Cash Flows.....	19
Notes to Financial Statements.....	21
Additional Information	
Report of Independent Auditors on Additional Information	34
Combining Statement of Net Assets.....	35
Combining Statement of Revenues, Expenses, and Changes in Net Assets	39
Schedule of General Fund Revenues, Expenditures, and Transfers - Budget and Actual.....	41
Schedule of Changes in Designated Fund	42
Schedule of Changes in Auxiliary Activity Fund.....	43
Schedule of Changes in Expendable Restricted Fund	44
Schedule of Bonded Debt	45



ANDREWS HOOPER & PAVLIK P.L.C.
Certified Public Accountants

Report of Independent Auditors

Board of Trustees
Grand Rapids Community College
Grand Rapids, Michigan

We have audited the accompanying financial statements of Grand Rapids Community College as of June 30, 2008 and 2007 and 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, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Rapids Community College as of June 30, 2008 and 2007 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2008, on our consideration of Grand Rapids Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis presented on pages 2 through 15 is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of Management, regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Andrews Hooper & Pavlik P.L.C.

Grand Rapids, Michigan
October 8, 2008

Grand Rapids Community College

Management's Discussion and Analysis

June 30, 2008

The discussion and analysis of the financial statements of Grand Rapids Community College (the College) provides an overview of the College's financial activities for the years ended June 30, 2008 and 2007. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Using this Report

These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. These financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Capital expenditures are capitalized on the Balance Sheet instead of recording as an expense, and depreciation is recorded.

Activities are reported as either operating or non-operating in accordance with GASB Statement No. 35. Charges for services are recorded as operating revenues. Essentially all other types of revenue, including state appropriations and property tax levies, are non-operating. A public community college's reliance on state funding and local property taxes will result in reporting an operating deficit.

The Grand Rapids Community College Foundation (the Foundation) is a private non-profit tax-exempt organization formed for the purpose of receiving funds for the sole benefit of the College. Based on the criteria set forth in GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is considered a component unit of Grand Rapids Community College. Accordingly, the activity and financial position of the Foundation have been blended with the College's in the accompanying financial statements.

This annual financial report complies with these requirements and includes this management's discussion and analysis, the report of independent auditors, the financial statements, notes to financial statements, and supplemental information similar to commercial enterprises and private-sector institutions.

Over time, increases or decreases in net assets provide one indication of the financial health of an organization. To assess the overall health of the College, many other non-financial factors need also be considered such as trends in enrollment, condition of facilities, attention to workforce needs, success of students and graduates, and the strength of the faculty and staff.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Financial Highlights

The College's financial position remains strong for the fiscal years ended June 30, 2008 and 2007 with assets totaling \$156.3 and \$148.8 million against liabilities of \$63.9 million and \$67.3 million, respectively. Current assets (assets with a one-year or shorter life) exceed current liabilities by \$27.1 million in 2008 and \$17.7 million in 2007. The increase in current assets over current liabilities compared to 2007 is due to increased cash and shorter-term investments on hand at June 30, and an increase in the receivable for state appropriations (see later discussions of state appropriations). Also, both the short and long-term portions of contributions receivable, related to the Foundation's Open Door fundraising campaign, increased as total donations exceeded the campaign goal. Total current liabilities remained steady from 2007 to 2008.

For the fiscal year ended June 30, 2008, the College's net assets increased by \$10.9 million or 13.3% from the previous year. During 2008, the College's revenue from state appropriations increased by \$4.5 million, or 32.5%, from 2007, due to full restoration of the delayed August 2007 payment of \$1.5 million, a 1% increase from the original 2007 appropriation, and no further reductions during the year. Tuition increases approved by the Board of Trustees for the 2008 fiscal year, coupled with an increase in credit enrollment of approximately 5,800 billing units, resulted in net tuition and fee revenue increases of \$2.4 million over 2007. The increase in billing units was the result of a successful effort by the academic administration to increase enrollment during the summer semester, when additional capacity is available. Property taxes, the third primary source of revenue for the College, increased by \$1.8 million, or 4.8%, over 2007. This, for the first time in several years, is slightly below the historical average growth of about 5% for property tax revenue and is due to decreased property values and sluggish home sales. Fortunately, in 2008 there was no additional Headlee Rollback of the millage rate. The College also experienced significant growth in revenues from federal and local grants, non-credit instruction, and from its auxiliary operations. Finally, the College continues to demonstrate financial stewardship through conservative budget and spending practices, and by continually seeking opportunities for improved efficiency. An example is the implementation in 2008 of an energy education and management program which will seek to significantly reduce utility costs, as well as carbon emissions, through staff and student education, use of advanced technology, and vendor participation.

In total for 2007, the College's net assets increased by \$5.5 million or 7.3% from the previous year. A \$2.8 million, or 16.7%, reduction in revenue from state appropriations was offset by higher enrollment and tuition increases, growth in property tax revenue, increased investment income, and an additional \$0.3 million in cost reductions.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Net Assets

One of the most important questions asked about the College's finances is, "Is Grand Rapids Community College as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information on the College as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net assets. When the reverse occurs, the result is a decrease in net assets. The relationship between revenues and expenses may be thought of as the College's operating results.

Following are the major components of assets, liabilities, and net assets (in thousands) for the College as of June 30:

	2008	2007	2006
Current assets	\$ 43,289	\$ 33,846	\$ 31,550
Noncurrent assets:			
Capital assets, net of depreciation	90,115	91,807	94,822
Other	22,942	23,179	19,320
Total assets	<u>\$ 156,346</u>	<u>\$ 148,832</u>	<u>\$ 145,692</u>
Current liabilities	\$ 16,164	\$ 16,101	\$ 15,818
Noncurrent liabilities:			
Bonds payable	44,443	48,160	51,245
Other	3,331	3,016	2,622
Total liabilities	<u>63,938</u>	<u>67,277</u>	<u>69,685</u>
Net assets:			
Invested in capital assets	42,116	40,204	44,790
Restricted – expendable	14,392	10,383	6,847
Restricted – nonexpendable	5,968	5,968	5,930
Unrestricted	29,932	25,000	18,440
Total net assets	<u>92,408</u>	<u>81,555</u>	<u>76,007</u>
Total liabilities and net assets	<u>\$ 156,346</u>	<u>\$ 148,832</u>	<u>\$ 145,692</u>

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Net Assets (continued)

Current assets are comprised primarily of cash and cash equivalents, which represent 77% and 74% of current assets for 2008 and 2007, respectively. The increase in cash and cash equivalents between 2008 and 2007 is due to additional cash on hand at June 30 from operations, maturing investments, generally shorter maturities, and increased investments in Certificates of Deposit. These funds will be used primarily for operating purposes. Receivables resulting from tuition and fees, student loans, Foundation contributions receivable, and federal, state, and local grants and appropriations represent the majority of the remainder of current assets at \$10.1 and \$8.9 million for 2008 and 2007, respectively. The increase is due to higher receivables for state appropriations, tuition and fees, and Foundation pledges due within the next fiscal year. Partially offsetting these increases was a significant decrease in prepaid expenses. This is due primarily to the utilization in 2008 of credits, issued in 2007, by the state (see later detailed discussion of state appropriations) to offset payments to the Michigan Public School Employee Retirement System (MPERS). Current and noncurrent prepaid expenses totaled \$0.2 million in 2008 and \$1.9 million in 2007.

Other noncurrent assets primarily represent investments with long-term maturity dates and are related to Foundation endowments and College investments of net assets not needed to meet current cash flow obligations. The decrease of \$1.9 million between 2008 and 2007 reflects the shorter investment maturities for operational cash, amortization of bond issuance costs, and depreciation on physical properties, offset by an increase in Foundation contributions due subsequent to June 30, 2009.

Current liabilities are comprised primarily of employee compensation and vendor payments, representing 57% and 59% of current liabilities for 2008 and 2007, respectively. Bond, capital lease, and interest payments due in November and May of the subsequent fiscal year make up an additional 22% (2008 and 2007) of current liabilities. Student tuition and fee revenue for the portion of the summer session occurring after June 30 of the applicable fiscal year represents the balance of current liabilities.

Other than future payments on bond debt and the capital lease referenced above, noncurrent liabilities include accruals for employee leaves based on current contract parameters and retirement guidelines established by the State of Michigan that are not expected to be paid in the next year. Total noncurrent liabilities decreased from \$51.2 million to \$47.8 million from 2007 to 2008, due to the retirement of bond debt and capital lease obligations.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets present the operating results of the College, as well as non-operating revenues and expenses. Annual state appropriations and property tax collections, while budgeted for operational purposes, are considered non-operating revenues according to generally accepted accounting principles.

Following are the major components of the College's revenues and expenses (in thousands) for the years ended June 30, 2008 and 2007:

	2008	2007	2006
Operating revenues:			
Net tuition and fees	\$ 33,671	\$ 31,302	\$ 28,251
Grants and contracts	12,403	10,144	9,454
Auxiliary activities	4,711	4,171	4,090
Other	4,179	3,384	3,580
Total operating revenue	54,964	49,001	45,375
Operating expenses	116,108	109,520	104,857
Operating loss	(61,144)	(60,519)	(59,482)
Non-operating revenues (expenses):			
State appropriations	18,398	13,885	16,672
Property taxes	38,551	36,779	34,486
Investment income	1,969	3,607	2,498
Federal Pell grant program	12,255	10,285	9,360
Contributions	4,089	4,516	3,344
Interest expense on bonds	(2,052)	(2,501)	(2,482)
Other expense, net of other revenue	(1,213)	(504)	(900)
Total non-operating revenues	71,997	66,067	62,978
Increase in net assets	10,853	5,548	3,496
Net assets – beginning of year	81,555	76,007	72,511
Net assets – end of year	\$ 92,408	\$ 81,555	\$ 76,007

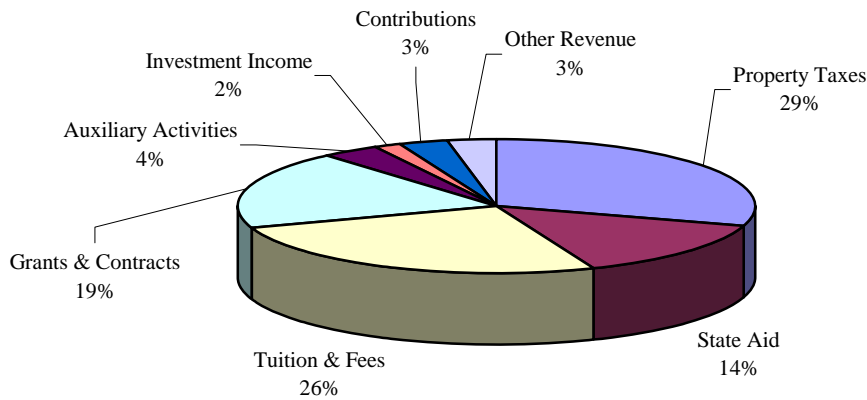
Grand Rapids Community College

Management's Discussion and Analysis (continued)

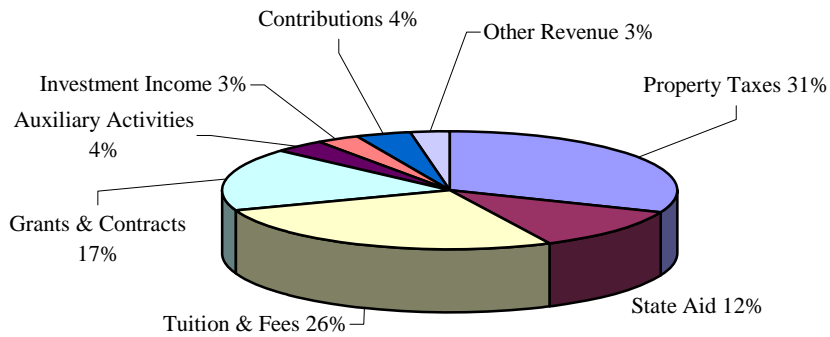
Statements of Revenues, Expenses, and Changes in Net Assets (continued)

College revenues are derived from three primary sources: property taxes, student tuition and fees, and state appropriations. The following graphs show the percentage of revenue from the component sources for the years ended June 30, 2008 and 2007:

Revenue Sources - 2008



Revenue Sources - 2007



Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Revenues, Expenses, and Changes in Net Assets (continued)

Property tax collections (29% and 31% of revenue for 2008 and 2007, respectively) continue to be the largest source of revenue for the College. Growth in property tax revenues is attributed to growth in taxable value in the Kent Intermediate School District (the tax base for the College). The College is authorized to levy 1.9 mills, which the Board of Trustees has allocated to support operating expenditures (1.5 mills) and capital expenditures and debt retirement (.4 mills). However, the cumulative impact of the Headlee Rollback has reduced the effective levy to 1.7865 mills for the fiscal years ended June 30, 2008 and 2007.

Net student tuition and fees (26% of revenue for 2008 and 2007) provides the next largest source of funds. Enrollment has remained at record levels during the past two fiscal years; however, further growth will be limited due to lack of additional capacity. The College was forced, due to the loss of a millage request and tenuous state funding, to implement one of the largest tuition increases in its history in 2008. It also continued the implementation, begun in 2004, of a tuition equity plan which, over time, increases tuition for non-resident (outside of the Kent Intermediate School District) and out-of-state students by greater amounts than the increase for in-district (KISD residents) students. These increases have not had a significant impact on the College's residency mix. Net student tuition and fees reflects a scholarship allowance of approximately \$6.7 and \$5.3 million for 2008 and 2007, respectively. This offset to tuition reflects funds the College receives, primarily through federal and state grants, which are applied to student tuition bills and are shown in the financial statements as federal and state grant revenue. The increase in the allowance between 2008 and 2007 is due to higher enrollment as well as a larger percentage of financial aid awards being applied to tuition and fees costs, due to the increased rates.

State appropriations (14% and 12% of revenue for 2008 and 2007, respectively) increased, as a percentage of total revenue, due to the following:

1. The College's original 2007 appropriation was reduced through executive orders and other legislative action by a total of \$2.8 million. Of that, \$1.3 million was "restored" in the form of credits to offset future payments to MPSERS. Since none of these credits had been utilized as of June 30, 2007, a current prepaid expense was recorded, with an offsetting reduction in fiscal year 2007 retirement expense.
2. The remainder of the above \$2.8 million reduction (\$1.5 million) was restored in 2008 via an appropriation in the state's 2008 budget. Given the uncertainty surrounding the 2008 state budget, no receivable or related revenue was recorded as of June 30, 2007. Thus, the \$1.5 million was recognized as revenue in 2007-08.
3. Finally, the College's 2008 appropriation included a 1% increase, (approximately \$170,000) over the original 2007 appropriation.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Revenues, Expenses, and Changes in Net Assets (continued)

Grants and contracts (19% and 17% of revenue in 2008 and 2007, respectively) are primarily federal and state funding for financial aid programs. In addition, the College receives federal and state funding for economic job development, grant programs, employment services, and training to work programs, among others. Funding increases for Federal Pell grants, as well as for the federal WIRED and Trade Act grants, accounted for the increase in the percentage of revenue from 2007 to 2008.

The remainder of the College's revenue (12% and 14% in 2008 and 2007, respectively) is derived from the following sources:

- Auxiliary activities, which include the College's parking ramps, food service, bookstore, media services, and printing operations. The day to day operations of the parking ramps, bookstore, and food service are managed by external providers through a variety of rental and management agreements.
- Seminars and workshops. Customized training programs for business and industry are offered through the College's Training Solutions/Job Training unit.
- Rental of College facilities.
- Contributions, primarily to the Foundation, fund scholarships, facility improvements, faculty/staff professional development, and other College programs. Contributions decreased in 2008 due to the completion of the Foundation's Open Door fundraising campaign. The campaign raised a total of \$11.6 million for the above purposes, exceeding its goal of \$10 million.
- Interest and investment income for both the College and Foundation. The decrease in this revenue source is due to unrealized losses on investments, primarily equities, held by the Foundation. This is a direct result of the decline in the equity markets during the year. Interest, dividends and realized investment gains were comparable at \$2.8 million and \$2.7 million in 2008 and 2007, respectively.

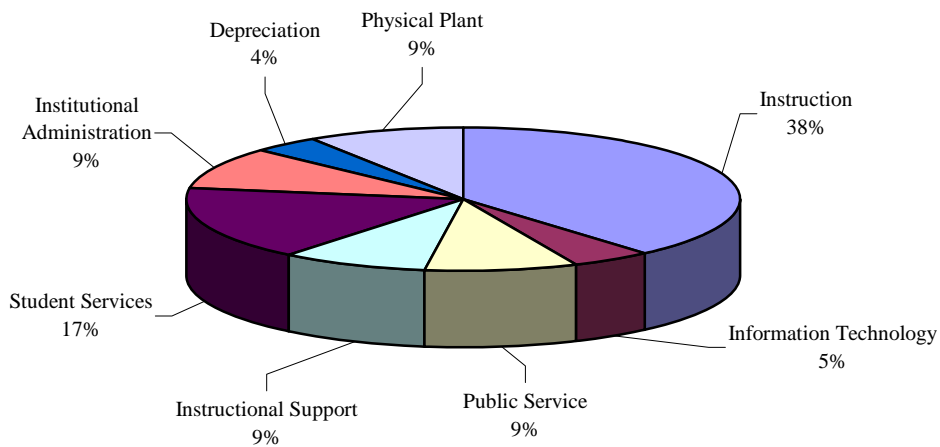
Grand Rapids Community College

Management's Discussion and Analysis (continued)

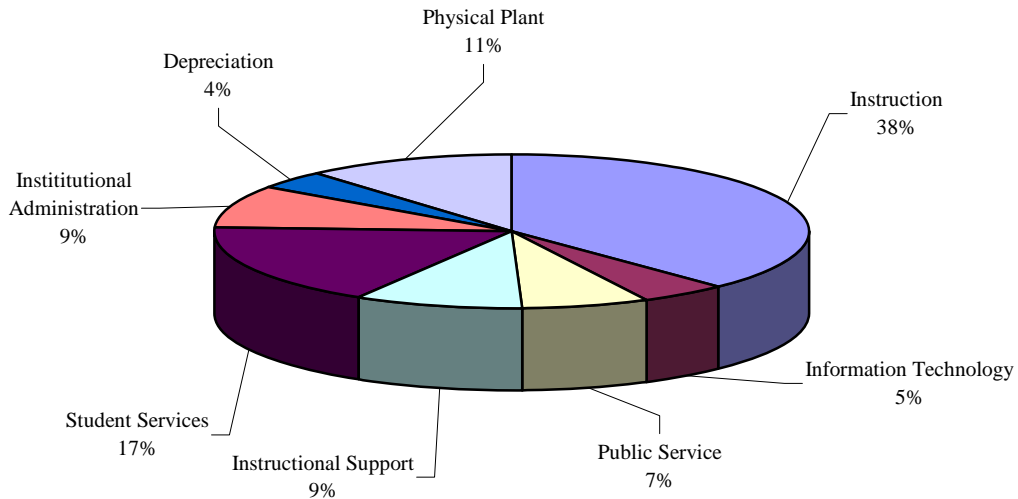
Statements of Revenues, Expenses, and Changes in Net Assets (continued)

Operating expenses are reported using functional classifications. For the years ended June 30, 2008 and 2007, the following shows the breakdown of operating expenses:

Operating Expenses - 2008



Operating Expenses - 2007



Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Revenues, Expenses, and Changes in Net Assets (continued)

The College expends the largest percentage (38% in 2008 and 2007) of its available operating dollars on instruction. Expenditures for instruction include all costs required to provide direct instruction in the classroom, such as faculty salaries and fringe benefits, classroom supplies, printing supplies, and instructional equipment. Contractual compensation adjustments, fringe benefit cost increases, equipment and technology upgrades, as well as a greater number of class sections delivered (due to higher enrollment) in recent years have resulted in higher instructional costs. Because this expense category consists primarily of salaries, wages, and fringe benefits, it is the most sensitive to year to year fluctuations in these costs.

Student services expenditures (17% in 2008 and 2007) include support services for students such as counseling, academic advising, financial aid, registrars, and job placement. In addition, this category includes costs associated with operating a comprehensive community college such as athletics, student clubs, and organizations and auxiliary activities.

Instructional support (9% in 2008 and 2007) includes the costs of the academic support structure for the delivery of instruction. Expenditures in this area include the provost and deans, departmental support, instructional technology support, and the library operations.

Institutional administration (9% in 2008 and 2007) includes expenditures for the President's office, research and planning, and financial and business services functions.

Physical plant operations (9% in 2008 and 11% in 2007) and depreciation (4% in 2008 and 2007) reflect the cost of operating and maintaining the College's physical environment and the safety of students, staff, and visitors to the campus. The decrease between years is due to significant non-capitalized plant fund expenditures in 2007 for personal computer replacements, installment purchase payments for new servers, and various classroom renovations. Expenditures for these items were lower in 2008.

Public service expenditures (9% in 2008 and 7% in 2007) include activities that make available to the public unique resources for the specific purpose of responding to a community need or solving a community problem. Higher funding for grant programs, including those aimed at supporting innovation as a driver of regional economic development, and at retraining workers displaced due to foreign competition, is the primary reason for the increase as a percentage of expenditures.

Information technology expenditures (5% in 2008 and 2007) include all costs associated with providing software, hardware, network, and infrastructure for the instructional and administrative computing needs of the College.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Cash Flows

The primary purpose of this statement is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows may also help users assess:

- An entity's ability to generate future net cash flows,
- Its ability to meet its obligations as they come due, and
- Its need for external financing.

The College's liquidity increased during the year. Highlights from the College's cash flow for the years ended June 30, 2008 and 2007 include:

- Cash used in operating activities totaled \$56.5 million (\$54.0 million in 2007) with the most significant use of cash flow being in the form of payments related to employee compensation and fringe benefits of \$79.9 million (\$75.1 million in 2007). This increase is attributed to contractual obligations of labor contracts and employment agreements and increased adjunct/overload contact hours due to higher enrollment, as well as continuing increases in health care costs and required contributions to the Michigan Public School Employees' Retirement System (MPERS). Payments to vendors (\$22.3 million in 2008 and \$18.9 million in 2007) and for building utilities (\$2.8 million in 2008 and 2007) also represent use of cash for operations. These operating uses of cash, including payments to students for scholarships and grants of \$15.7 million and \$13.4 million, in 2008 and 2007, respectively, were offset by cash provided by operations from tuition and fees collected of \$41.0 million (\$36.5 million in 2007), federal, state, and local grants and contracts collected of \$14.4 million (\$11.7 million in 2007), auxiliary sales of \$4.7 million in 2008 compared to \$4.2 million in 2007, and other cash collections of \$4.2 million (\$3.7 million in 2007), primarily from rentals, seminars and workshops.
- Non-capital financing activities provided \$71.8 million (\$62.6 million in 2007) in cash flow for the College, the most significant sources being the local property taxes collected of \$38.7 million (\$36.6 million in 2007) and state appropriations of \$16.2 million (\$13.7 million in 2007). Gifts and contributions, offset by Foundation scholarship and awards paid, account for the remainder of cash provided by noncapital financing activities.
- The College used approximately \$6.8 million of cash for capital and related financing activities in 2008 compared to \$6.8 million in 2007. The acquisition of capital assets (\$3.6 million), principal paid on debt and capital lease (\$1.9 million), and interest paid on debt and capital leases (\$2.1 million) accounted for the most significant use of cash from capital and related financing activities in 2008.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Statements of Cash Flows (continued)

- Investing activities used \$0.3 million of cash in 2008 (as compared to providing \$0.9 million in 2007). Generally, this variation reflects the active management of the Foundation's portfolio, with the sale of investments at a gain netted against the reinvestment of all or a portion of those dollars. Also, earnings on the College's investments increased due to higher, more stable interest rates. Interest on investments provided \$2.3 million in cash in 2008, up from \$1.9 million in 2007. College investments are converted to cash throughout the year to pay for general operating and auxiliary fund operations, as well as the obligations of on-going construction, renovation, and maintenance projects as budgeted for the plant funds. Generally, the College has moved to shorter maturities in recent years as this offered the best available returns relative to risk.

Capital Assets and Debt Administration

At June 30, 2008 and 2007, the College had \$90.1 and \$91.8 million invested in capital assets, net of accumulated depreciation of approximately \$63.9 and \$59.7 million, respectively. Depreciation charges increased from \$4.5 million in 2007 to \$4.6 million in 2008, reflecting depreciation against assets placed in service during 2008.

During 2008, capital asset additions totaled \$3.6 million. Building and improvements included renovations to the Bostwick Ramp (\$0.8 million), the Cook Academic Hall, funded by a private donation (\$1.0 million), and the Calkins Science Center offices and the Ford Fieldhouse roof (\$0.2 million). Vehicles (including five new passenger vans), instructional equipment, furniture, and technology replacements totaled \$1.4 million. At June 30 2008, construction in progress totaled \$0.2 million and reflects on-going project activity.

Capital asset additions of \$1.6 million in 2007 included renovations to the Student Center and Calkins Science Center (\$0.2 million). Vehicle, instructional equipment, furniture, and technology replacements totaled \$0.7 million. Construction in progress at June 30, 2007 reflected on-going renovations to the Bostwick parking ramp and renovations to Level 1 of the Cook Academic Hall (\$0.7 million).

Capital expenditures, estimated at approximately \$4.8 million for the fiscal year ending June 30, 2009, consist of on-going renovation and deferred maintenance projects to the College's existing campus, campus safety and security enhancements, and equipment and technology replacements and upgrades. These projects are to be funded from donations, allowable grant dollars, general and auxiliary funds, and designated plant funds.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Capital Assets and Debt Administration (continued)

At June 30, 2008, the College had \$47.7 million in debt outstanding versus \$51.2 million the previous year. The decrease in principal is attributed to scheduled debt payments made in May of 2008. Also, during 2008, the College advance refunded its outstanding 1998 Series Bonds to take advantage of favorable interest rates. The refunding will save approximately \$1.1 million in future debt service payments. As an objective indication of its financial stability, the College's debt is rated AAA (Standard & Poor's) and Aaa (Moody's). Annual bond payment obligations are met by the .4 mill property tax allocation authorized by the Board of Trustees.

Economic Factors Affecting the Future

The economic position of the College continues to be closely tied to that of the state. As noted earlier, state funding accounted for only 14% of revenues in 2008, compared to approximately 20% in the mid 1990's. In fact, 2007-08 appropriations approximated those of 1996-97, *without adjusting for inflation*. Fortunately, the Governor and state legislature do recognize the important role community colleges play in educating the state's future workforce, and granted the colleges a 2.0% increase in operating appropriations for 2008-09. While this is reason for optimism, it remains to be seen if the state will be able to keep this commitment in light of its other budgetary challenges. What is clear, however, is that Michigan's economic challenges are far from over.

The fortunes of the local economy will also impact the College in the future. Growth in property tax revenue, the College's largest funding source, is to a large degree dependent on home sales values, new construction, and commercial development. As noted earlier, growth in property tax revenue slowed to *below* the historical average in 2008. For 2009, assessments were flat or in some cases decreased. This is a disturbing trend that will need to be an important consideration in long term budget decisions. Also, the defeat of two millage increase requests in 2007 is clearly indicative of the condition of the local economy and of current voter sentiment regarding tax increases in the near future.

The Board of Trustees and administration continue to work diligently with College faculty and staff to arrive at budget solutions for fiscal year 2009 and beyond. The financial stability of the College is paramount. The loss of state support from historical levels has required a combination of tuition/fee and other revenue increases, expense reductions, increased operational support from auxiliary and designated activities, and new initiatives in employee cost sharing and benefit plan design to address the rapidly rising cost of health care.

Grand Rapids Community College

Management's Discussion and Analysis (continued)

Economic Factors Affecting the Future (continued)

In addition, capital infusion through periodic bond issues and other planning and allocations around maintenance, equipment, and technology indicate the College's ability to meet current and future financial challenges. Finally, conservative spending habits by College personnel have enabled the College to designate funds for use in replacing equipment, upgrading technology, and addressing critical deferred maintenance needs. In the coming years, it will continue to be necessary to closely and strategically scrutinize all programs and services we offer in order to direct precious resources toward those activities that best support the mission of the College.

The GRCC Foundation exceeded the \$10 million goal of its Open Door fundraising campaign, raising a total of \$11.6 million. The generous response from the community, as well as from College faculty and staff, has resulted in significant new support for facility enhancements, classroom technology, and equipment upgrades and student scholarships. Also, the Foundation's endowed funds are well positioned to provide scholarships to current and future students of the College.

With Grand Rapids Community College now in its tenth decade of operation, the College administration and its Board of Trustees are of the opinion that, in spite of some critical challenges, the College is positioned to meet the needs of its students and the community during the current year and has established a financial foundation to carry the College into the future. The College continues its commitment to "student success" and is confident that with the dedicated staff, Board of Trustees, and community support, Grand Rapids Community College will continue to be right for the times for 2009 and beyond.

Grand Rapids Community College

Statements of Net Assets

	June 30	
	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 33,211,742	\$ 24,994,298
Accounts receivable:		
Federal grants	483,070	955,317
State grants and appropriations	4,553,517	2,056,037
Tuition and other - less allowance of \$714,000 for 2008 and \$770,000 for 2007	2,784,502	2,513,139
Student loans receivable - less allowance of \$148,000 for 2008 and \$142,000 for 2007	48,636	52,276
Contributions receivable - net	1,998,467	1,388,251
Prepaid expenses and other current assets	208,665	1,886,898
Total current assets	43,288,599	33,846,216
Noncurrent assets:		
Contributions receivable - long-term portion - net	3,185,377	2,386,960
Investments - long-term	19,347,839	20,019,581
Prepaid bond issuance costs	409,360	738,559
Prepaid expenses	-	33,285
Capital assets - net	90,114,867	91,807,391
Total noncurrent assets	113,057,443	114,985,776
 Total assets	 \$ 156,346,042	 \$ 148,831,992

See accompanying notes.

	June 30	
	2008	2007
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 2,719,530	\$ 3,172,767
Accrued salaries and related amounts	6,488,307	6,372,841
Unearned student fees and other revenue	3,194,730	2,885,637
Deposits held in custody for others	178,516	184,472
Interest payable	372,259	400,344
Current portion of bonds payable and other	3,210,365	3,085,000
Total current liabilities	<u>16,163,707</u>	16,101,061
Noncurrent liabilities:		
Accrued employee leave	3,331,239	3,016,018
Bonds payable	44,443,246	48,160,000
Total noncurrent liabilities	<u>47,774,485</u>	51,176,018
Total liabilities	<u>63,938,192</u>	67,277,079
Net assets:		
Restricted:		
Expendable - Foundation	14,385,136	10,374,199
Nonexpendable - Foundation	5,968,153	5,968,098
Federal student loan programs	2,445	4,009
College student loan programs	4,894	4,894
Total restricted net assets	<u>20,360,628</u>	16,351,200
Investment in capital assets, net of related debt	42,115,532	40,204,079
Unrestricted net assets	29,931,690	24,999,634
Total net assets	<u>92,407,850</u>	81,554,913
Total liabilities and net assets	<u><u>\$ 156,346,042</u></u>	<u><u>\$ 148,831,992</u></u>

See accompanying notes.

Grand Rapids Community College

Statements of Revenues, Expenses, and Changes in Net Assets

	Year ended June 30	
	2008	2007
Operating revenues:		
Student tuition and fees	\$ 40,389,594	\$ 36,608,481
Scholarship allowance	(6,718,714)	(5,306,385)
Net student tuition and fees	<u>33,670,880</u>	<u>31,302,096</u>
Local grants and contracts	414,337	190,952
State grants	1,678,513	1,677,432
Federal grants	10,310,415	8,275,501
Auxiliary activities - sales	4,710,591	4,171,200
Seminars, workshops, and other revenue	4,179,370	3,383,914
Total operating revenues	<u>54,964,106</u>	<u>49,001,095</u>
Operating expenses:		
Instruction	44,846,642	41,303,257
Information technology	5,610,677	5,285,931
Public service	10,170,312	7,693,367
Instructional support	10,071,997	10,054,608
Student services	19,314,063	18,569,078
Institutional administration	10,827,404	9,760,482
Depreciation expense	4,583,914	4,516,813
Physical plant operations	10,683,493	12,336,127
Total operating expenses	<u>116,108,502</u>	<u>109,519,663</u>
Operating loss	(61,144,396)	(60,518,568)
Nonoperating revenues (expenses):		
Property taxes	38,551,467	36,778,845
Interest income	2,070,857	1,944,075
Interest expense on bonds	(2,051,655)	(2,500,764)
Investment income - net	711,157	745,761
Federal Pell grant program	12,254,757	10,285,220
State operating appropriations	18,397,802	13,885,100
Unrealized gain (loss) on investments	(812,562)	916,823
Contributions	4,088,670	4,515,643
Scholarships and grants expense	(816,646)	(664,298)
Other bond-related revenue (expense)	(151,578)	115,472
Other revenue (expense)	(244,936)	44,588
Net nonoperating revenue (expense)	<u>71,997,333</u>	<u>66,066,465</u>
Increase in net assets	<u>10,852,937</u>	<u>5,547,897</u>
Net assets - beginning of year	<u>81,554,913</u>	<u>76,007,016</u>
Net assets - end of year	<u>\$ 92,407,850</u>	<u>\$ 81,554,913</u>

See accompanying notes.

Grand Rapids Community College

Statements of Cash Flows

	Year ended June 30	
	2008	2007
Cash flows from operating activities		
Tuition and fees	\$ 40,966,410	\$ 36,529,243
Grants and contracts	14,428,498	11,671,066
Payments to vendors	(22,330,307)	(18,856,395)
Payments for utilities	(2,811,157)	(2,768,974)
Payments to employees	(57,807,618)	(55,460,947)
Payments for benefits	(22,083,460)	(19,595,331)
Payments for scholarships and grants	(15,748,104)	(13,379,979)
Auxiliary enterprises charges	4,710,591	4,180,644
Other	4,179,370	3,710,499
Net cash used in operating activities	(56,495,777)	(53,970,174)
Cash flows from noncapital financing activities		
Local property taxes	38,703,067	36,636,846
Noncapital contributions	5,497,303	2,695,347
State appropriations	16,196,084	13,743,101
Federal Pell grant program	12,254,757	10,285,220
Scholarships and grants - Foundation	(808,806)	(749,832)
Net cash provided by noncapital financing activities	71,842,405	62,610,682
Cash flows from capital and related financing activities		
Purchase of capital assets	(2,898,564)	(1,404,931)
Principal paid on capital debt	(1,850,580)	(2,966,529)
Interest paid on capital debt	(2,079,740)	(2,433,914)
Net cash used in capital and related financing activities	(6,828,884)	(6,805,374)
Cash flows from investing activities		
Net proceeds from sales, maturities, and calls of investments	155,688,662	133,417,211
Purchase of investments	(158,251,699)	(134,366,730)
Interest on investments	2,262,737	1,893,951
Net cash provided by (used in) investing activities	(300,300)	944,432
Net increase in cash and cash equivalents	8,217,444	2,779,566
Cash and cash equivalents - beginning of year	24,994,298	22,214,732
Cash and cash equivalents - end of year	\$ 33,211,742	\$ 24,994,298

See accompanying notes.

	Year ended June 30	
	2008	2007
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (61,144,396)	\$ (60,518,568)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	4,583,914	4,516,813
Change in allowance on contributions receivable	(5,000)	(11,535)
Change in discount on contributions receivable	69,442	328,455
Changes in assets and liabilities:		
Accounts receivable	(2,292,956)	1,403,706
Other assets	2,040,717	(912,417)
Accounts payable and accrued liabilities	(22,550)	665,265
Unearned student fees and other revenue	309,093	533,609
Deposits held in custody for others	(5,956)	44,237
Interest payable	(28,085)	(19,739)
Net cash used in operating activities	<u>\$ (56,495,777)</u>	<u>\$ (53,970,174)</u>

Grand Rapids Community College

Notes to Financial Statements

June 30, 2008

1. Summary of Significant Accounting Policies

Reporting Entity

The accompanying basic financial statements as of and for the years ended June 30, 2008 and 2007 include the accounts of all funds of Grand Rapids Community College (College) and Grand Rapids Community College Foundation (Foundation). The College reports financial information for the Foundation using a blended presentation rather than discrete presentation because the Foundation operates under the same management and policies and practices as the College, the Foundation and College have several common Officers and Board of Trustee members, the College appoints trustees to the Foundation Board, and the Foundation provides services entirely or almost entirely to the College.

Basis of Presentation

The College's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis - for Public Colleges and Universities*, issued in June and November of 1999. The College follows the "business-type activities" reporting requirements of GASB Statement No. 35, which provides a comprehensive one-line look at the College's financial activities.

The accompanying financial statements include the accounts and balances of the Grand Rapids Community College Foundation in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, issued in May 2002. The Foundation is a private nonprofit organization that reports under FASB standards, including FASB No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis and are generally in accordance with the accounting principles outlined in the State of Michigan Board of Education's *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*.

Grand Rapids Community College

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

In accordance with GASB Statement No. 20, the College is required to follow all applicable GASB pronouncements. In addition, the College should apply all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The college has elected not to apply FASB pronouncements issued after November 30, 1989.

Internal Services Activities

Both revenue and expenses related to internal service activities, including print shops, office equipment, maintenance, telecommunications, and institutional computing, have been eliminated.

Revenue Recognition

The College generally follows the revenue recognition methods set forth in the *Manual for Uniform Financial Reporting – Michigan Public Community Colleges, 2001*. Property taxes are recorded as revenue in the year taxes are levied. Under this method, revenue for fiscal year 2008 includes property taxes that were levied on July 1, 2007 and generally collected before September 30, 2007, and revenue for fiscal year 2007 includes property taxes that were levied on July 1, 2006 and generally collected before September 30, 2006. State appropriations are recorded as revenue in the period for which they are appropriated. Reductions to State appropriations are recorded in the College's fiscal year in which the changes are approved by the State legislature. The College's 2008 State appropriations includes \$1.5 million that was reduced from the 2007 appropriation through executive orders and subsequently restored in 2008.

Use of 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 disclosure 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.

Grand Rapids Community College

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Investments

Investments are stated at fair market value, based on quoted market prices or estimated fair value.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, including certificates of deposit, with an initial maturity of twelve months or less.

Accounts Receivable

Accounts receivable resulting from government and State grants, State appropriations, and student tuition consist of operating revenues recorded, but not received as of June 30, 2008 and 2007. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal student payment periods. In addition, a general valuation allowance is established for other student accounts receivable based on historical loss experience.

Contributions Receivable

Voluntary nonexchange transactions (pledges) are recognized as pledges receivable and contribution revenue in the first period that use is permitted and all applicable eligibility requirements have been met. Such pledges are recorded at their discounted present value. An allowance for uncollectible pledges is used to reduce pledges receivable for estimated uncollectible amounts.

Capital Assets

Recorded capital assets are stated at estimated cost and include expenditures for new facilities and equipment and for significant improvements to existing facilities. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenditures for major renewals and betterments that extend the useful lives are capitalized. The following estimated useful lives are used to compute depreciation:

Buildings	40 years
Library books	5-15 years
Land improvements and infrastructure	20 years
Equipment	5-15 years

Grand Rapids Community College

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Unearned Fees and Revenue

Revenues received prior to year end that are related to the next fiscal year are recorded as unearned fees and revenues. Unearned student fees relate primarily to summer-term tuition received prior to June 30. Unearned other revenue relates to grant and award monies received in excess of costs incurred as of year end for College programs financed by government agencies and other organizations.

Net Assets

GASB Statement No. 34 reports equity as “net assets” rather than “fund balance.” Net assets are classified according to the external donor restrictions or availability of assets for satisfaction of College obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes and funds held in federal loan programs.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

2. Cash and Investments

The College has adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Cash and Short-term Investments

Investment policies for cash and short-term investments, as set forth by the Board of Trustees, authorize the College to invest in demand accounts, negotiable certificates of deposit, saving accounts, or other interest-earning deposit accounts of banks that are members of the Federal Deposit Insurance Corporation (FDIC) or savings and loan associations that are members of the Federal Savings and Loan Insurance Corporation.

Investments

Investment policies as set forth by the Board of Trustees also authorize the College to invest in bonds, bills, or notes of the United States or of an agency of instrumentality of the United States or obligations of the State of Michigan. Funds may also be invested in commercial paper that is supported by an irrevocable letter of credit issued by a bank that is a member of the FDIC and commercial paper of corporations located in Michigan.

Grand Rapids Community College

Notes to Financial Statements (continued)

2. Cash and Investments (continued)

Investments (continued)

The investment policy of the Foundation, as established by the Foundation's Board of Directors, authorizes investments in a diversified portfolio of stocks and bonds based on the following asset allocation ranges:

Investment Type	Range	Benchmark
Stocks	45% - 60%	50%
Fixed income	40% - 50%	45%
Cash	0% - 15%	5%

Reports are submitted to the College's Board of Trustees on a monthly basis to ensure compliance with the prescribed policy. The Foundation's Board of Directors reviews investment performance on a quarterly basis to ensure compliance with the prescribed policy.

Interest Rate Risk

The College's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Foundation invests with the long-term objectives of: 1) income and appreciation, 2) preservation of principal, and 3) maintaining adequate liquidity. Due to the long-term nature of the investments, the Foundation's investment policy does not limit investment maturities.

As of June 30, 2008, the College and Foundation had the following investments and maturities:

	S&P Quality Rating	Fair Market Value	By Maturity		
			Less Than One Year	1 – 3 Years	More Than 3 Years
Cash and money market accounts	N/A	\$12,608,553	\$12,608,553		
Certificates of deposit	N/A	16,445,000	14,545,000	\$1,900,000	
Commercial paper	A1+/P1	4,989,154	4,989,154		
U.S. treasury securities	TSY	3,816,985	352,653	1,004,641	\$ 2,459,691
U.S. agency securities	AGY	3,480,463	676,450	2,539,703	264,310
Individual bonds	AAA-BBB	2,487,152	39,932	218,859	2,228,361
Individual common stocks	N/A	8,732,274			8,732,274
		\$52,559,581	\$33,211,742	\$5,663,203	\$13,684,636

Total carrying value as reported on the financial statements:

Cash and cash equivalents	\$33,211,742
Investments – long-term	19,347,839
	\$52,559,581

Grand Rapids Community College

Notes to Financial Statements (continued)

2. Cash and Investments (continued)

Interest Rate Risk (continued)

As of June 30, 2007, the College and Foundation had the following investments and maturities:

	S&P Quality Rating	Fair Market Value	By Maturity		
			Less Than One Year	1 – 3 Years	More Than 3 Years
Cash and money market accounts	N/A	\$12,841,620	\$12,841,620		
Certificates of deposit	N/A	8,150,000	8,150,000		
Commercial paper	A1+/P1	1,303,920	1,303,920		
U.S. treasury securities	TSY	4,234,621		\$1,388,357	\$ 2,846,264
U.S. agency securities	AGY	6,828,253	2,623,915	3,870,966	333,372
Individual bonds	AAA-BBB	2,231,095	74,843	217,559	1,938,693
Individual common stocks	N/A	9,424,370			9,424,370
		<u>\$45,013,879</u>	<u>\$24,994,298</u>	<u>\$5,476,882</u>	<u>\$14,542,699</u>

Total carrying value as reported on the financial statements:

Cash and cash equivalents	\$24,994,298
Investments – long-term	<u>20,019,581</u>
	<u>\$45,013,879</u>

Credit Risk

State law limits investments in commercial paper to corporations rated prime by at least one of the standard rating services. The College uses Standard & Poor's and Moody's Investors Service to monitor ratings. The College's portfolio is invested in accordance with these guidelines. The Foundation's corporate bonds are all investment grade rated by Standard & Poor's and Moody's Investors Service.

Concentration of Credit Risk

The College's investment policy limits investments in any one institution to an upper limit of 5% of the net worth of that institution. Also, commercial paper investments are limited to no more than \$5,000,000 in any single issuer. The College's investment policy does not limit investments in U.S. agencies or treasuries. The Foundation's investment policy limits investments in any single equity security to no more than 5% of the market value of all equity securities.

Grand Rapids Community College

Notes to Financial Statements (continued)

2. Cash and Investments (continued)

Concentration of Credit Risk (continued)

More than five percent of the College's investments at June 30 were invested as follows:

Issuer	2008	2007
Huntington Bank CD's	19%	N/A
Fifth Third Bank	5%	8%
Flagstar Bank CD's	4%	9%
Federal Home Loan Bank	3%	12%

Approximately \$742,000 at June 30, 2008 and \$740,000 at June 30, 2007 of cash and cash equivalents were covered by FDIC insurance.

Custodial Credit Risk

The College and Foundation investment policies do not address custodial credit risk. However, all of the investments are in the name of the College or Foundation, as applicable, and the investments are held in trust accounts with each financial institution from which they were purchased.

3. Contributions Receivable

Contributions receivable, net of an allowance of \$83,367 at June 30, 2008 and \$88,367 at June 30, 2007, consist of unconditional promises to give. The allowance for uncollectible contributions is a general valuation based on the percentage of prior year pledge write-offs. Pledges deemed uncollectible are charged against the allowance for uncollectible contributions in the period in which the determination is made. The present value of contributions receivable is calculated using a discount rate of 5% and is expected to be collected as follows:

	June 30	
	2008	2007
2008	\$ -	\$ 1,423,321
2009	2,048,952	880,675
2010	1,545,679	797,395
2011	1,231,504	735,916
2012	539,486	314,116
2013 and thereafter	263,876	-
Total	5,629,497	4,151,423
Less present value discount	(445,653)	(376,212)
Net present value	\$ 5,183,844	\$ 3,775,211

Grand Rapids Community College

Notes to Financial Statements (continued)

3. Contributions Receivable (continued)

In the fall of 2005, the Foundation embarked on a fundraising campaign, called the Open Door campaign, with a goal of raising \$10 million for scholarships, facility, and equipment enhancements and other operational purposes. Promises to give of \$5,629,497 at June 30, 2008 and \$4,151,423 at June 30, 2007 are unconditional and are estimated to be collected in the years indicated. Pledges have been recorded in the financial statements at their net present value, which results in a present value discount adjustment of \$445,653 at June 30, 2008 and \$376,212 at June 30, 2007. Uncollectible promises to give related to the Open Door campaign are, as of June 30, 2008, expected to be insignificant.

4. Capital Assets

The following presents the changes in the various capital assets categories for the year ended June 30, 2008:

	Balance at June 30, 2007	Additions	Deletions	Balance at June 30, 2008
Land and improvements	\$ 6,824,714			\$ 6,824,714
Building and improvements	125,872,201	\$ 1,997,185		127,869,386
Equipment, furniture, and artwork	18,133,820	1,389,309	\$ (42,525)	19,480,604
Construction in progress	664,401	177,015	(664,291)	177,125
Total capital assets	151,495,136	3,563,509	(706,816)	154,351,829
Accumulated depreciation:				
Building and improvements	(47,346,621)	(3,102,795)		(50,499,416)
Equipment and furniture	(12,341,124)	(1,481,119)	34,697	(13,787,546)
Total accumulated depreciation	(59,687,745)	(4,583,914)	34,697	(64,236,962)
Capital assets - net	\$ 91,807,391	\$ (1,020,405)	\$ (672,119)	\$ 90,114,867

The above amounts include both the College and the Foundation fixed assets.

Grand Rapids Community College

Notes to Financial Statements (continued)

5. Bonds Payable

Bonds payable consist of the following:

	Balance at June 30, 2007	Additions	Payments	Balance at June 30, 2008
Serial bonds, 2008 series	\$ -	\$ 18,225,000		\$ 18,225,000
Serial bonds, 2006 series	15,865,000		\$ (690,000)	15,175,000
Serial bonds, 2003 series	13,835,000		(700,000)	13,135,000
Serial bonds, 1999 series	1,340,000		(430,000)	910,000
Serial bonds, 1998 series	20,205,000		(20,205,000)	0
Capital leases	-	239,191	(30,580)	208,611
Total bonds payable	51,245,000	<u>\$ 18,464,191</u>	<u>\$(22,055,580)</u>	47,653,611
Less current portion	(3,085,000)			(3,210,365)
Total long-term bonds payable	<u>\$ 48,160,000</u>			<u>\$ 44,443,246</u>

During 2008, the College issued \$18,225,000 in general obligation bonds (2008 Series Bonds) with an average interest rate of 5.0 percent. The 2008 Series Bonds were issued to refund outstanding 1998 Series Bonds with an average interest rate of 4.81 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 1993 Series Bonds.

As a result, the 1998 Series Bonds are considered to be defeased and the liability for the bonds has been removed from the balance sheet and the transaction has been treated as a noncash financing activity in the statement of cash flows. The advance refunding resulted in the recognition of an accounting gain of approximately \$252,000 during 2008, and future debt service payments are reduced by the net present value of approximately \$1,099,693.

During 2006, the College issued \$16,515,000 in general obligation bonds (2006 Series Bonds) with an average interest rate of 4.45 percent. Of the 2006 Series Bonds, \$14,060,000 was issued to advance refund outstanding 1996 Series Bonds with an average interest rate of 5.35 percent and \$2,455,000 was issued to advance refund a portion of the outstanding 1999 Series Bonds with an average interest rate of 5.00 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2006 Series Bonds. As a result, the 1996 and a portion of the 1999 Series Bonds are considered to be defeased and the liability for the bonds has been removed from the balance sheet and the transaction has been treated as a noncash financing activity in the statement of cash flows. The advance refunding resulted in the recognition of an accounting gain of approximately \$31,000 during 2006, and future debt service payments are reduced by the net present value of approximately \$1,051,000.

Grand Rapids Community College

Notes to Financial Statements (continued)

5. Bonds Payable (continued)

The principal and interest on the 2006 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates from 4.00 percent to 5.00 percent and have remaining annual maturities ranging from \$690,000 to \$1,765,000.

During 2003, the College issued \$16,475,000 in general obligation bonds (2003 Series Bonds) with an average interest rate of 4.45 percent. Of the 2003 Series Bonds, \$11,475,000 was issued to advance refund outstanding 1993 Series Bonds with an average interest rate of 4.81 percent. The remaining \$5,000,000 was for various renovation projects, equipment, and furniture to be used by the College. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 1993 Series Bonds.

As a result, the 1993 Series Bonds are considered to be defeased and the liability for the bonds has been removed from the balance sheet and the transaction has been treated as a noncash financing activity in the statement of cash flows. Although the advance refunding resulted in the recognition of an accounting loss of approximately \$42,000 during 2003, future debt service payments are reduced by the net present value of approximately \$294,000.

The principal and interest on the 2003 Series Bonds are paid primarily from property tax levies. Beginning in the fiscal year 2013, the College may redeem bonds maturing on or after May 1, 2014 prior to their scheduled maturities in any order on any interest date. The bonds bear interest at rates from 2.65 percent to 5.25 percent and have remaining annual maturities ranging from \$470,000 to \$1,105,000.

During 2000, the College issued \$6,000,000 in general obligation bonds (1999 Series Bonds) with an average interest rate of 5.01 percent. The proceeds were used for capital improvements to existing College facilities and to build the downtown Tassell M-Tec building.

The principal and interest on the 1999 Series Bonds are paid primarily from property tax levies. As part of the 2006 Series Bonds issued, \$2,455,000 was advanced to refund bonds maturing on or after May 1, 2010. The remaining bonds outstanding bear interest at a rate of 5.00 percent and have remaining annual maturities ranging from \$430,000 to \$465,000.

Future principal debt service requirements on bonds outstanding at June 30, 2008 are as follows:

	Principal	Interest
2009	\$ 3,165,000	\$ 2,233,558
2010	3,300,000	2,101,208
2011	3,445,000	1,956,390
2012	3,590,000	1,808,892
2013	3,745,000	1,654,230
2014-2018	19,080,000	5,518,365
2019-2023	11,120,000	1,269,951
Total	\$ 47,445,000	\$ 16,542,594

Grand Rapids Community College

Notes to Financial Statements (continued)

6. Capital Leases

During 2008, the College acquired copier systems under four and five year capital lease agreements. Payments of \$59,652 are due annually. The servers are included in capital assets at a cost of \$247,126 and have recorded accumulated depreciation of \$33,913 as of June 30, 2008.

7. Local Property Tax Levy

Approximately 1.4 mills of the local property tax levy are allocated to support the General Fund, and approximately 0.4 mills are allocated to support capital expenditures and debt retirement.

8. Rental Expense

The College leases certain facilities and office equipment under various operating lease agreements. The College is generally responsible for insurance, maintenance, and other related costs under the agreements. Total rent expense of the College was approximately \$429,000 for the year ended June 30, 2008 and \$461,000 for the year ended June 30, 2007.

9. Retirement Benefits and Deferred Compensation

Plan Description

The College participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the College. The MPSERS provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPSERS. This report may be obtained by writing to the MPSERS at 7150 Harris Drive, P.O. Box 30673, Lansing, MI 48909-8103.

Funding Policy

Employer contributions to the MPSERS result from the implementing effects of the School Finance Reform Act. Under these procedures, each college and school district is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The pension benefit rate totals 16.72 percent for the period from October 1, 2007 through September 30, 2008 of the covered payroll to the plan, 17.74 percent for the period from October 1, 2006 through September 30, 2007, and 16.34 percent for the period from October 1, 2005 through September 30, 2006. Basic plan members do not contribute, but contribute to a Member Investment Plan (MIP) at rates ranging from 3.00 percent to 4.30 percent of gross wages. The

Grand Rapids Community College

Notes to Financial Statements (continued)

9. Retirement Benefits and Deferred Compensation (continued)

Funding Policy (continued)

College's contributions to the MPSERS plan for the years ended June 30, 2008, 2007, 2006, and 2005, were \$6,949,000, \$7,716,000, \$6,376,000, and \$5,771,000, respectively.

Postemployment Benefits

Under the MPSERS Act, all retirees participating in the MPSERS Pension Plan have the option of continuing health, dental, and vision coverages. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 10.00 percent of the monthly premium amount for the health, dental, and vision coverages. Required contributions for postemployment health care benefits are included as part of the College's total contribution to the MPSERS plan discussed above.

Optional Defined Contribution Plan

Effective January 1, 1997, the College established an Optional Retirement Plan (ORP) in addition to the MPSERS plan as required by State law. Eligible employees had a 90-day window to elect to remain in the MPSERS plan or join the ORP. Eligible employees are defined as full-time faculty and professional staff. Participants are immediately vested in the ORP, which requires an employer and employee contribution of 12.00 percent and 3.00 percent, respectively. In general, a participant may request payment of benefits at any time after total disability, termination of employment, or age 65, unless deferred until age 70½. College contributions to the ORP were approximately \$978,000 for the year ended June 30, 2008 and \$829,000 for the year ended June 30, 2007.

10. Grand Rapids Community College Foundation

The Grand Rapids Community College Foundation, a not-for-profit corporation, was formed to solicit, collect, and invest donations made for the promotion of educational activities and capital campaigns at the College.

The Internal Revenue Service has determined that the Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision of income taxes has been recorded.

Grand Rapids Community College

Notes to Financial Statements (continued)

11. Risk Management

The College is exposed to various risks of loss related to property loss, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The College has purchased commercial insurance for property loss, errors and omissions, and medical benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

12. State Building Authority

The State of Michigan has partially funded the construction of the Calkins Science Center through \$15,040,000 of bonds issued by the State Building Authority (SBA).

The State of Michigan has also partially funded the Main Building renovations through \$3,000,000 of bonds issued by the SBA. The remaining \$3,000,000 has been provided by the College through the 1999 Series Bonds.

The SBA bonds are secured by a pledge of rentals to be received from the State of Michigan pursuant to an agreement entered into between the SBA, the State of Michigan, and the College. During the lease term, the SBA will hold title to the buildings, the State of Michigan will make all lease payments to SBA, and the College will be responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer the titles of the buildings to the College. The construction and renovations are being recorded as physical properties as expenditures are being incurred by the SBA, and revenue from the State of Michigan is recorded for the same amount.

Additional Information



ANDREWS HOOPER & PAVLIK P.L.C.
Certified Public Accountants

Report of Independent Auditors on Additional Information

Board of Trustees
Grand Rapids Community College
Grand Rapids, Michigan

We have audited the basic financial statements of Grand Rapids Community College as of and for the years ended June 30, 2008 and 2007. Our audits of the basic financial statements were performed for the purpose of forming an opinion on those statements taken as a whole. The additional information presented in the following section of this report is presented for the purpose of additional analysis and is not a required part of those basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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.

Andrews Hooper & Pavlik P.L.C.

Grand Rapids, Michigan
October 8, 2008

Grand Rapids Community College
Combining Statement of Net Assets

June 30, 2008

	General Fund	Designated Fund	Auxiliary Fund	Expendable Restricted Fund	Student Loan Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 13,097,299	\$ 1,877,880	\$ 5,667,375		\$ 68,926
Accounts receivable:					
Federal grants				\$ 483,070	
State grants and appropriations	3,068,910			1,484,607	
Tuition and other - less allowance of \$714,000	2,564,416	499,949	107,820		
Student loans receivable - less allowance of \$148,000					48,636
Contributions receivable - net					
Prepaid expenses and other current assets	57,571	15,562	16,373		
Due from other funds	928,570				
Total current assets	19,716,766	2,393,391	5,791,568	1,967,677	117,562
Noncurrent assets:					
Contributions receivable - long-term portion - net					
Investments - long-term	4,275,636				
Prepaid bond issuance costs					
Prepaid expenses					
Capital assets - net					
Total noncurrent assets	4,275,636				
Total assets	\$ 23,992,402	\$ 2,393,391	\$ 5,791,568	\$ 1,967,677	\$ 117,562

Plant Fund	Agency Fund	GRCC		Eliminations	Consolidated Totals
		Foundation	Total All Funds		
\$ 9,632,872	\$ 176,959	\$ 2,690,431	\$ 33,211,742		\$ 33,211,742
			483,070		483,070
			4,553,517		4,553,517
		19,426	3,191,611	\$ (407,109)	2,784,502
			48,636		48,636
		1,998,467	1,998,467		1,998,467
35,576	1,557	82,026	208,665		208,665
			928,570	(928,570)	
9,668,448	178,516	4,790,350	44,624,278	(1,335,679)	43,288,599
		3,185,377	3,185,377		3,185,377
		15,072,203	19,347,839		19,347,839
409,360			409,360		409,360
89,769,143		345,724	90,114,867		90,114,867
90,178,503		18,603,304	113,057,443		113,057,443
\$ 99,846,951	\$ 178,516	\$ 23,393,654	\$ 157,681,721	\$ (1,335,679)	\$ 156,346,042

Grand Rapids Community College

Combining Statement of Net Assets (continued)

June 30, 2008

	General Fund	Designated Fund	Auxiliary Fund	Expendable Restricted Fund	Student Loan Fund
Liabilities and net assets					
Current liabilities:					
Accounts payable	\$ 1,244,589	\$ 105,801	\$ 195,513	\$ 492,722	
Accrued salaries and related amounts	6,214,373	104,276	34,491	132,100	
Unearned student fees and other revenue	2,541,284	128,938		524,508	
Deposits held in custody for others					
Interest payable					
Current portion of bonds payable and other Due to other funds				818,347	\$ 110,223
Total current liabilities	10,000,246	339,015	230,004	1,967,677	110,223
Noncurrent liabilities:					
Accrued employee leave	3,331,239				
Bonds payable					
Total noncurrent liabilities	3,331,239				
Total liabilities	13,331,485	339,015	230,004	1,967,677	110,223
Net assets:					
Restricted:					
Expendable - Foundation					
Nonexpendable - Foundation					
Federal student loan programs					2,445
College student loan programs					4,894
Total restricted net assets					7,339
Investment in capital assets, net of related debt					
Unrestricted:					
Designated		2,054,376	5,561,564		
Unallocated	10,660,917				
Total unrestricted net assets	10,660,917	2,054,376	5,561,564		
Total net assets	10,660,917	2,054,376	5,561,564		7,339
Total liabilities and net assets	\$ 23,992,402	\$ 2,393,391	\$ 5,791,568	\$ 1,967,677	\$ 117,562

Plant Funds	Agency Fund	GRCC Foundation	Total All Funds	Eliminations	Consolidated Totals
\$ 151,819		\$ 936,195	\$ 3,126,639	\$ (407,109)	\$ 2,719,530
3,067			6,488,307		6,488,307
			3,194,730		3,194,730
	\$ 178,516		178,516		178,516
372,259			372,259		372,259
3,210,365			3,210,365		3,210,365
			928,570	(928,570)	
3,737,510	178,516	936,195	17,499,386	(1,335,679)	16,163,707
			3,331,239		3,331,239
44,443,246			44,443,246		44,443,246
44,443,246			47,774,485		47,774,485
48,180,756	178,516	936,195	65,273,871	(1,335,679)	63,938,192
		14,385,136	14,385,136		14,385,136
		5,968,153	5,968,153		5,968,153
			2,445		2,445
			4,894		4,894
		20,353,289	20,360,628		20,360,628
42,115,532			42,115,532		42,115,532
9,550,663		2,104,170	19,270,773		19,270,773
			10,660,917		10,660,917
9,550,663		2,104,170	29,931,690		29,931,690
51,666,195		22,457,459	92,407,850		92,407,850
\$ 99,846,951	\$ 178,516	\$ 23,393,654	\$ 157,681,721	\$ (1,335,679)	\$ 156,346,042

Grand Rapids Community College

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

Year ended June 30, 2008

	General Fund	Designated Fund	Auxiliary Fund	Expendable Restricted Fund	Student Loan Fund
Operating revenues:					
Student tuition and fees	\$ 38,695,791	\$ 1,693,803			
Scholarship allowance					
Net student tuition and fees	38,695,791	1,693,803			
Local grants and contracts				\$ 414,337	
State grants				1,678,513	
Federal grants				10,310,415	
Auxiliary activities - sales			\$ 5,552,081		
Seminars, workshops, and other revenue	2,335,173	2,038,410			
Total operating revenues	41,030,964	3,732,213	5,552,081	12,403,265	
Operating expenses:					
Instruction	42,053,044	2,405,057		1,024,340	
Information technology	5,690,499			9,879	
Public service	914,844	374,709		8,951,975	
Instructional support	9,685,186	419,896		118,986	
Student services	6,363,751	635,056	4,353,303	15,188,554	
Institutional administration	9,385,644	708,877		438,707	\$ 3,174
Depreciation expense					
Physical plant operations	10,358,576			30,261	
Total operating expenses	84,451,544	4,543,595	4,353,303	25,762,702	3,174
Operating gain (loss)	(43,420,580)	(811,382)	1,198,778	(13,359,437)	(3,174)
Nonoperating revenues (expenses):					
Property taxes	30,660,393				
Interest income	2,033,285				
Interest expense on bonds					
Current fund expenditures for equipment and capital expenditures					
Investment income - net					
Federal Pell grant program				12,254,757	
State operating appropriations	18,397,802				
Unrealized gain on investments					
Contributions					
Scholarships and grants expense					
Contributions to the College					
Other bond-related expense					
Other revenue (expense)					1,610
Net nonoperating revenues (expenses)	51,091,480			12,254,757	1,610
Income (loss) - before other revenues and expenses	7,670,900	(811,382)	1,198,778	(1,104,680)	(1,564)
Other revenues and expenses:					
Designated fund support	(1,140,969)	1,140,969			
Auxiliary activity fund support	386,264		(386,264)		
Expendable restricted fund support	(1,104,680)			1,104,680	
Maintenance, equipment, and technology support	(5,057,524)				
Total other revenues and expenses	(6,916,909)	1,140,969	(386,264)	1,104,680	
Increase (decrease) in net assets	753,991	329,587	812,514		(1,564)
Net assets - beginning of year	9,906,926	1,724,789	4,749,050		8,903
Net assets - end of year	\$ 10,660,917	\$ 2,054,376	\$ 5,561,564	\$ -	\$ 7,339

Plant Fund	GRCC Foundation	Total All Funds	Eliminations	Consolidated Totals
		\$ 40,389,594		\$ 40,389,594
			\$ (6,718,714)	(6,718,714)
		40,389,594	(6,718,714)	33,670,880
		414,337		414,337
		1,678,513		1,678,513
		10,310,415		10,310,415
		5,552,081	(841,490)	4,710,591
		4,373,583	(194,213)	4,179,370
		62,718,523	(7,754,417)	54,964,106
		45,482,441	(635,799)	44,846,642
		5,700,378	(89,701)	5,610,677
		10,241,528	(71,216)	10,170,312
		10,224,068	(152,071)	10,071,997
		26,540,664	(7,226,601)	19,314,063
	\$ 552,718	11,089,120	(261,716)	10,827,404
\$ 4,569,101	14,813	4,583,914		4,583,914
302,414		10,691,251	(7,758)	10,683,493
4,871,515	567,531	124,553,364	(8,444,862)	116,108,502
(4,871,515)	(567,531)	(61,834,841)	690,445	(61,144,396)
7,891,074		38,551,467		38,551,467
37,572		2,070,857		2,070,857
(2,051,655)		(2,051,655)		(2,051,655)
687,726		687,726	(687,726)	
	711,157	711,157		711,157
		12,254,757		12,254,757
		18,397,802		18,397,802
	(812,562)	(812,562)		(812,562)
1,000,000	4,258,096	5,258,096	(1,169,426)	4,088,670
	(877,985)	(877,985)	61,339	(816,646)
	(1,105,368)	(1,105,368)	1,105,368	
(151,578)		(151,578)		(151,578)
(251,546)	5,000	(244,936)		(244,936)
7,161,593	2,178,338	72,687,778	(690,445)	71,997,333
2,290,078	1,610,807	10,852,937		10,852,937
5,057,524				
5,057,524				
7,347,602	1,610,807	10,852,937		10,852,937
44,318,593	20,846,652	81,554,913		81,554,913
\$ 51,666,195	\$ 22,457,459	\$ 92,407,850	\$ -	\$ 92,407,850

Grand Rapids Community College

Schedule of General Fund Revenues, Expenditures, and Transfers - Budget and Actual

Year ended June 30, 2008

	<u>Actual</u>	<u>Final Authorized Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Student tuition and fees	\$ 38,695,791	\$ 38,332,911	\$ 362,880
Property taxes	30,660,393	30,587,291	73,102
State operating appropriations	18,397,802	18,397,800	2
Interest income	2,033,285	1,600,000	433,285
Seminars, workshops, and other revenue	2,335,173	2,184,000	151,173
Total revenues	92,122,444	91,102,002	1,020,442
Expenditures and transfers:			
Instruction	42,053,044	42,580,285	527,241
Information technology	5,690,499	5,761,844	71,345
Public service	914,844	926,314	11,470
Instructional support	9,685,186	9,806,614	121,428
Student services	6,363,751	6,443,537	79,786
Institutional administration	9,385,644	9,503,317	117,673
Physical plant operations	10,358,576	10,488,447	129,871
Total expenditures	84,451,544	85,510,358	1,058,814
Transfers from (to) general fund:			
Designated fund support	1,140,969	1,140,964	(5)
Auxiliary activity fund support	(386,264)	(386,264)	-
Expendable restricted fund support	1,104,680	1,149,573	44,893
Maintenance, equipment, and technology support	5,057,524	3,439,969	(1,617,555)
Total transfers	6,916,909	5,344,242	(1,572,667)
Total expenditures and transfers	91,368,453	90,854,600	(513,853)
Revenue over expenditures and transfers	\$ 753,991	\$ 247,402	\$ 506,589

Grand Rapids Community College

Schedule of Changes in Designated Fund

Year ended June 30, 2008

	Net Assets at July 1, 2007	Revenue	Expenditures	Transfers In (Out)	Net Assets at June 30, 2008
Actors' Theatre	\$ 253	\$ -	\$ 20,258	\$ 20,004	\$ (1)
Alumni development	34,026	245	8,125	-	26,146
Arts outreach program	16,683	71,259	77,650	2,496	12,788
Training solutions	189,731	841,067	1,045,533	414,996	400,261
Diversity lecture series	26,238	24,791	39,672	15,000	26,357
Ford concessions	14,444	17,620	21,306	-	10,758
Ford equipment	136,987	66,911	57,668	-	146,230
HED programs	90,619	153,994	144,677	-	99,936
Institutional research	17,522	103,460	95,092	(18,996)	6,894
Auto Technologies	13,802	83,048	67,364	-	29,486
Occupational training	197,976	1,682,552	1,973,368	172,581	79,741
Older learners center	(9,480)	65,937	110,967	95,880	41,370
Precollege programs	110,660	-	2,151	17,496	126,005
President's office	11,570	6,269	9,838	-	8,001
Student activities and programs	16,677	79,721	141,355	46,980	2,023
Innovation and New Programs	119,320	-	170,145	99,996	49,171
Academic Foundations	298,467	-	50,786	150,000	397,681
Other designated programs	439,294	535,339	507,640	124,536	591,529
Total	\$ 1,724,789	\$ 3,732,213	\$ 4,543,595	\$ 1,140,969	\$ 2,054,376

Grand Rapids Community College

Schedule of Changes in Auxiliary Activity Fund

Year ended June 30, 2008

	Bookstore	Food Service	Parking	Printing Services	Total
Revenue:					
Sales and fees	\$ 555,241	\$ 1,302,155	\$ 2,090,955	\$ 1,466,339	\$ 5,414,690
Interest income	65,948	-	71,443	-	137,391
Total revenue	621,189	1,302,155	2,162,398	1,466,339	5,552,081
Expenditures:					
Cost of sales	-	931,779	-	668,567	1,600,346
Salaries, wages, and benefits	33,873	255,474	189,383	737,974	1,216,704
Capital outlay	-	5,363	-	-	5,363
Other operating expenses	244,720	-	1,286,170	-	1,530,890
Total expenditures	278,593	1,192,616	1,475,553	1,406,541	4,353,303
Transfers out	115,000	-	271,264	-	386,264
Total expenditures and transfers out	393,593	1,192,616	1,746,817	1,406,541	4,739,567
Excess of revenue over expenditures and transfers out					
	227,596	109,539	415,581	59,798	812,514
Net assets - July 1, 2007	1,996,764	151,090	2,135,016	466,180	4,749,050
Net assets - June 30, 2008	\$ 2,224,360	\$ 260,629	\$ 2,550,597	\$ 525,978	\$ 5,561,564

Grand Rapids Community College

Schedule of Changes in Expendable Restricted Fund

Year ended June 30, 2008

	Net Assets at July 1, 2007	Revenue	Expenditures	Transfers In	Net Assets at June 30, 2008
Specially funded:					
At Risk	\$ -	\$ 118,002	\$ 118,002		\$ -
Bridges to Baccalaureate	-	13,680	13,680		-
Delta Strategy	-	247,948	292,948	\$ 45,000	-
Early Childhood	-	93,668	179,438	85,770	-
Economic Development/ Adult Education	-	854,357	854,357		-
Employment Services	-	1,232,781	1,232,781		-
Higher Education TV	-	12,792	12,792		-
Learning Corners	-	215,070	360,489	145,419	-
Trade Act	-	2,351,121	2,351,121		-
Older Learner	-	55,118	55,118		-
Special Services (Student Support)	-	345,139	426,923	81,784	-
Tech Prep	-	218,275	218,275		-
Upward Bound	-	357,511	357,511		-
Vocational Education	-	961,162	1,652,836	691,674	-
WIRED	-	3,019,483	3,019,483		-
WorkFirst/Dislocated Worker	-	890,337	890,337		-
Miscellaneous - other	-	217,837	217,837		-
Total	-	11,204,281	12,253,928	1,049,647	-
Student financial aid:					
Adult Competitive Grant	-	94,600	94,600		-
Adult Part-Time	-	93,700	93,700		-
Federal Pell Grant Program	-	12,254,757	12,254,757		-
Federal Supplemental Education Opportunity Grant Program	-	307,413	307,413		-
Federal Work Study	-	407,391	407,391		-
Michigan Education	-	75,746	75,746		-
Michigan Work Study	-	220,134	275,167	55,033	-
Grand total	\$ -	\$ 24,658,022	\$ 25,762,702	\$ 1,104,680	\$ -

Grand Rapids Community College

Schedule of Bonded Debt

June 30, 2008

	Series 1999		Series 2003		Series 2006		Series 2008		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 445,000	\$ 45,500	\$ 695,000	\$ 579,758	\$ 800,000	\$ 697,050	\$ 1,225,000	\$ 911,250	\$ 3,165,000	\$ 2,233,558
2010	465,000	23,250	705,000	558,908	855,000	669,050	1,275,000	850,000	3,300,000	2,101,208
2011			745,000	535,290	1,395,000	634,850	1,305,000	786,250	3,445,000	1,956,390
2012			795,000	508,842	1,490,000	579,050	1,305,000	721,000	3,590,000	1,808,892
2013			880,000	479,030	1,560,000	519,450	1,305,000	655,750	3,745,000	1,654,230
2014			965,000	443,830	1,655,000	441,450	1,305,000	590,500	3,925,000	1,475,780
2015			1,000,000	405,230	1,765,000	358,700	1,305,000	525,250	4,070,000	1,289,180
2016			1,035,000	363,230	1,210,000	270,450	1,310,000	460,000	3,555,000	1,093,680
2017			1,050,000	318,725	1,315,000	209,950	1,315,000	394,500	3,680,000	923,175
2018			1,045,000	263,600	1,490,000	144,200	1,315,000	328,750	3,850,000	736,550
2019			1,065,000	208,738	1,640,000	69,700	1,315,000	263,000	4,020,000	541,438
2020			1,085,000	160,814			1,315,000	197,250	2,400,000	358,064
2021			1,105,000	103,850			1,315,000	131,500	2,420,000	235,350
2022			470,000	45,837			1,315,000	65,750	1,785,000	111,587
2023			495,000	23,512					495,000	23,512
Total	\$ 910,000	\$ 68,750	\$ 13,135,000	\$ 4,999,194	\$ 15,175,000	\$ 4,593,900	\$ 18,225,000	\$ 6,880,750	\$ 47,445,000	\$ 16,542,594