

**GOVERNMENT OF GUAM**

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**BASIC FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION AND  
INDEPENDENT AUDITORS' REPORT**

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**YEAR ENDED SEPTEMBER 30, 2009**

# GOVERNMENT OF GUAM

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## INDEPENDENT AUDITORS' REPORT

Honorable Felix P. Camacho  
Governor  
Government of Guam:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam) as of and for the year ended September 30, 2009, which collectively comprise GovGuam's basic financial statements as set forth in Section II of the foregoing table of contents. These financial statements are the responsibility of the management of GovGuam. Our responsibility is to express an opinion on the respective financial statements based on our audit. We did not audit the financial statements of the GovGuam Retirement Fund, which represents 90%, 93% and 68%, respectively, of the assets, net assets/fund balances and revenues of the aggregate remaining fund information, and the Antonio B. Won Pat International Airport Authority, the Port Authority of Guam, the University of Guam, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, which represent 40%, 56% and 25%, respectively, of the assets, net assets and operating revenues of GovGuam's discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the GovGuam Retirement Fund, the Antonio B. Won Pat International Airport Authority, the Port Authority of Guam, the University of Guam, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, is based solely on the reports of the other auditors.

We conducted our audit 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

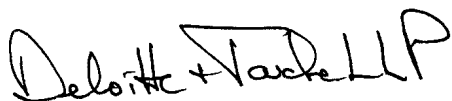
In our opinion, based on our audit and the reports of other auditors, such financial statements, as set forth in Section II of the foregoing table of contents, present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1U to the financial statements, the beginning net assets of the governmental activities and the aggregate discretely presented component units have been restated to reflect the effects of the redesignation of the GovGuam Defined Benefit Pension Plan from a single-employer plan to a cost-sharing multiple-employer plan, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, on pages 3 through 15, as well as the Schedule of Revenues, Expenditures, and Changes in Deficit - Budget and Actual - General Fund and notes thereto, on pages 106 and 107, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the management of GovGuam. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on GovGuam's respective financial statements that collectively comprise GovGuam's basic financial statements. The Other Supplementary Information, as set forth in Section IV of the foregoing table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of GovGuam. This supplementary information is the responsibility of the management of GovGuam. The additional information on pages 109 through 129 and on pages 145 through 207 as well as the 2009 information on pages 208 through 211 has been subjected to the auditing procedures applied by us, and the other auditors, in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The additional information on pages 130 through 144 and on page 212 as well as the 2008 information on pages 208 through 211 has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010, on our consideration of the Government of Guam's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

June 23, 2010

# GOVERNMENT OF GUAM

## Management's Discussion and Analysis Year Ended September 30, 2009

Our discussion and analysis of the Government of Guam ("GovGuam") financial performance provides an overview of GovGuam's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with GovGuam's basic financial statements, which follow this section. Fiscal year 2008 comparative information has been included, where appropriate.

### FINANCIAL HIGHLIGHTS

- For the fiscal year ended September 30, 2009, GovGuam's total net assets decreased by \$140 million (or 826%) from a net assets deficiency of \$17 million in the prior year to a net assets deficiency of \$157 million.
- During fiscal year 2009, GovGuam's expenses for governmental activities were \$1,009 million, including expenses recorded or payments made to autonomous agencies, and were funded in part by \$335.9 million in program revenues and \$533.4 million in taxes and other general revenues. Expenses were up from fiscal year 2008 by \$96.5 million (or 10.6%) whereas revenues were down from fiscal year 2008 by \$11.3 million (or 12.8%). The overall decrease in revenues consisted of an increase in program revenues of \$13.1 million (or 4.1%) offset by a decrease in general revenues of \$24.4 million (or 4.4%). Program revenues increased primarily due to an increase in operating grants and contributions of \$16.7 million (or 6.2%) offset by a decrease in charges for services of \$3.6 million (or 6.6%). General revenues decreased primarily due to a decrease in tax revenues as a result of continued contracting economic conditions.
- For the fiscal year ended September 30, 2009, the General Fund reported general fund appropriations (including transfers out) of \$636.6 million, an increase of \$80.9 million (or 14.6%) from fiscal year 2008 which was \$555.6 million.
- At September 30, 2009, the General Fund reported a total fund deficit of \$265.4 million, which is a decrease of \$150.1 million from the prior year deficit of \$415.5 million. This change in the total fund deficit is primarily attributable to the issuance of deficit financing bonds.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to GovGuam's basic financial statements. GovGuam's basic financial statements comprise three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information in the form of budgetary schedules, which are prepared on the budgetary basis of accounting, and other optional supplementary information, in addition to the basic financial statements themselves, which includes combining statements for governmental funds and component units.

#### Government-Wide Financial Statements

The government-wide statements report information about GovGuam as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report GovGuam's net assets and how they have changed. Net assets - the difference between GovGuam's assets and liabilities - is one way to measure GovGuam's financial health or position.

# GOVERNMENT OF GUAM

Management's Discussion and Analysis, Continued  
Year Ended September 30, 2009

## Government-Wide Financial Statements, Continued

- Over time, increases or decreases in GovGuam's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of GovGuam, additional non-financial factors such as changes in GovGuam's tax base, the condition of GovGuam's roads and infrastructure, and the quality of services need to be considered.

The government-wide financial statements of GovGuam are divided into two categories:

- Primary government - this grouping comprises governmental activities, which includes most of GovGuam's basic services such as education, public safety, health, finance, judiciary, and general administration. Local sourced tax revenues and other federal grants finance most activities of the primary government.
- Discretely presented component units - GovGuam includes numerous other entities in its report. Although legally separate, these "component units" are important because GovGuam is financially accountable for them.

## Fund Financial Statements

The fund financial statements provide more detailed information about GovGuam's most significant funds - not GovGuam as a whole. Funds are accounting devices that GovGuam uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by enabling legislation.
- GovGuam establishes other funds to control and manage money for particular purposes (like Solid Waste Operations Fund) or to show that it is properly using certain grants (like federal grants reported in the Federal Grants Fund).

GovGuam has two kinds of funds:

- Governmental funds - Most of GovGuam's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of GovGuam's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance GovGuam's programs.
- Fiduciary funds - GovGuam is the trustee, or fiduciary, for other assets that because of trust arrangement, can be used only for the trust beneficiaries. GovGuam is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of GovGuam's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of change in fiduciary net assets. We exclude these activities from GovGuam's government-wide financial statements because GovGuam cannot use these assets to finance its operations.

# GOVERNMENT OF GUAM

## Management's Discussion and Analysis, Continued Year Ended September 30, 2009

### A FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. At the end of fiscal year 2009, GovGuam's liabilities exceeded assets by \$157 million. However, all these net assets are either restricted as to the purpose they can be used for or are invested in capital assets. GovGuam uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although GovGuam's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities. The summary of Net Assets (condensed) presented below, with comparable balances for fiscal year 2008, as restated, discloses this relationship:

	GovGuam's Net Assets As of September 30	
	2009	2008 (As Restated)
Current and other assets	\$ 503,699,292	\$ 263,396,580
Capital assets	717,280,512	722,089,901
Total assets	1,220,979,904	985,486,481
Long-term liabilities	861,526,480	414,138,826
Other liabilities	516,406,277	602,625,680
Total liabilities	1,377,932,757	1,016,764,506
Net assets:		
Invested in capital assets, net of related debt	404,336,175	464,517,343
Restricted net assets	141,660,730	135,245,962
Unrestricted net assets	(702,949,758)	(661,715,182)
Total net assets	\$ (156,952,853)	\$ (16,951,877)

At the end of fiscal year 2009, GovGuam's unrestricted net assets showed a deficiency of \$702.9 million, an increase of \$41.2 million (or 6.2%) from the prior year unrestricted net asset deficiency. This deficiency is the result of having long-term commitments that are greater than currently available resources. Specifically, GovGuam did not include in past annual budgets the full amounts needed to finance future liabilities arising from outstanding bonds payable and other loans as well as to pay for closure and post closure costs of the Ordot Dump, and unused employee leave balances. GovGuam will include these amounts in future years' budgets as they become due.

### Restatement

The beginning net assets of the governmental activities has been restated to reflect the effects of the redesignation of the GovGuam Defined Benefit Pension Plan from a single-employer plan to a cost-sharing multiple-employer plan, in conformity with accounting principles generally accepted in the United States of America.

Additional information on this restatement can be found in note 1U to the basic financial statements.



## GOVERNMENT OF GUAM

### Management's Discussion and Analysis, Continued Year Ended September 30, 2009

#### Changes in Net Assets

For the year ended September 30, 2009, the net asset deficiency of the primary government increased by \$140 million (or 826%) from the prior year's net assets deficiency of \$17 million. This result indicates that GovGuam's financial condition, as a whole, deteriorated from the prior year. For the year ended September 30, 2009, net assets of the primary government changed as follows, with comparable amounts for fiscal year 2008:

GovGuam's Changes in Net Assets For the Years Ended September 30		
	2009	2008 (As Restated)
Revenues:		
Program revenues:		
Charges for services	\$ 50,907,161	\$ 54,522,284
Operating grants and contributions	284,980,570	268,227,545
General revenues:		
Taxes	485,776,070	506,957,332
Section 30 Federal income tax collections	38,869,372	40,225,229
Investment earnings	4,700,627	5,773,199
Other	4,086,865	4,880,942
Total revenues	869,320,665	880,586,531
Expenses:		
General government	106,820,032	140,581,860
Protection of life and property	107,940,355	91,384,981
Public health	168,891,420	136,594,502
Community services	37,471,030	35,515,706
Recreation	5,442,598	4,958,601
Individual and collective rights	47,451,862	53,116,764
Transportation	33,559,658	29,880,879
Public education	260,976,641	250,739,687
Environmental protection	9,320,459	11,520,991
Economic development	15,704,840	10,082,933
Interest expense (unallocated)	33,549,226	17,396,681
Payments to autonomous agencies	101,316,158	94,259,967
COLA interest	17,915,324	0
Interest on tax refunds	16,198,724	8,617,847
Capital projects	37,018,418	19,279,013
Other	9,744,896	8,881,445
Total expenses	1,009,321,641	912,811,857
Special items	0	12,223,789
Change in net assets	\$ (140,000,976)	\$ (20,001,537)

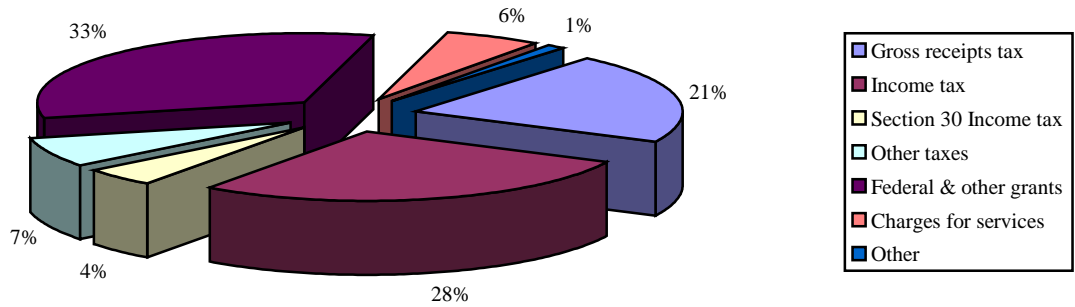
GovGuam's revenues from governmental activities, including local revenues, totaled \$869 million in fiscal year 2009. The cost of governmental activities totaled \$1,009 million, resulting in an overall net decrease in net assets of \$140 million.

# GOVERNMENT OF GUAM

## Management's Discussion and Analysis, Continued Year Ended September 30, 2009

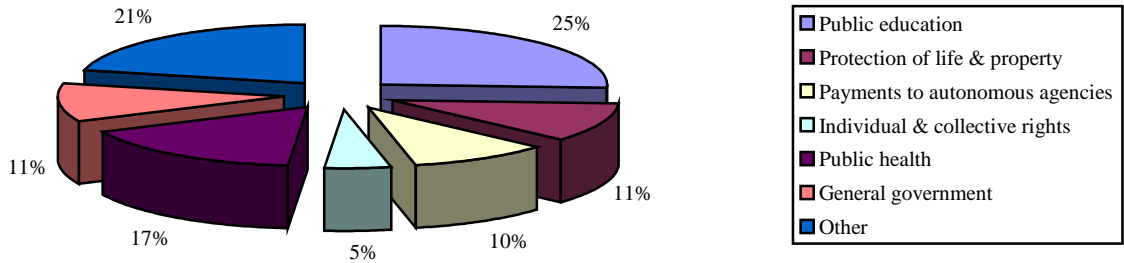
Graphs 1 and 2 below show the major components of revenues and cost of governmental activities.

Graph 1  
GovGuam's Revenue Sources  
For the Year Ended September 30, 2009



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam, which comprises of 56% and 33%, respectively, of the total revenues for fiscal year 2009.

Graph 2  
GovGuam's Cost of Governmental Activities  
For the Year Ended September 30, 2009



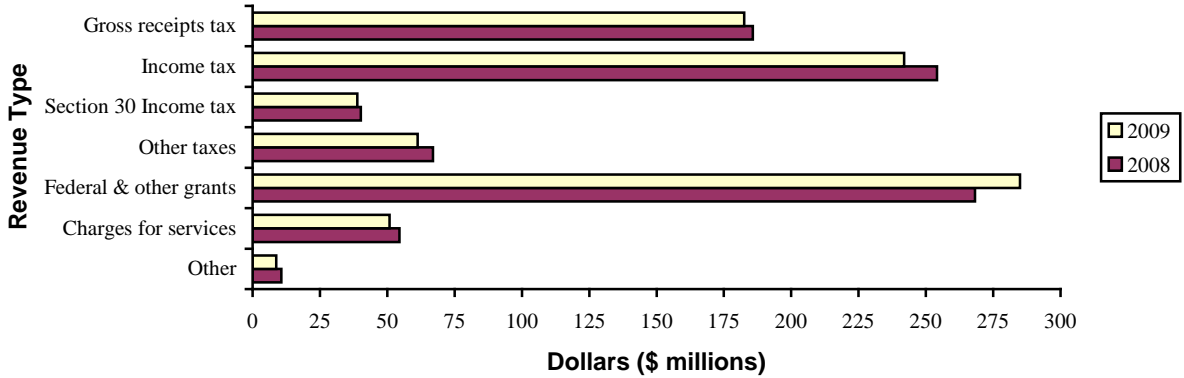
Other expenses that make up a portion of the costs of governmental activities include community services (\$37.5 million), environmental protection (\$9.3 million), economic development expenses (\$15.7 million), unallocated interest expense (\$33.6 million), transportation expenses (\$33.6 million), COLA interest expense (\$17.9 million), recreation (\$5.4 million), capital-related expenses (\$37 million), interest payments on tax refunds (\$16.2 million), and miscellaneous payments (\$9.7 million).

# GOVERNMENT OF GUAM

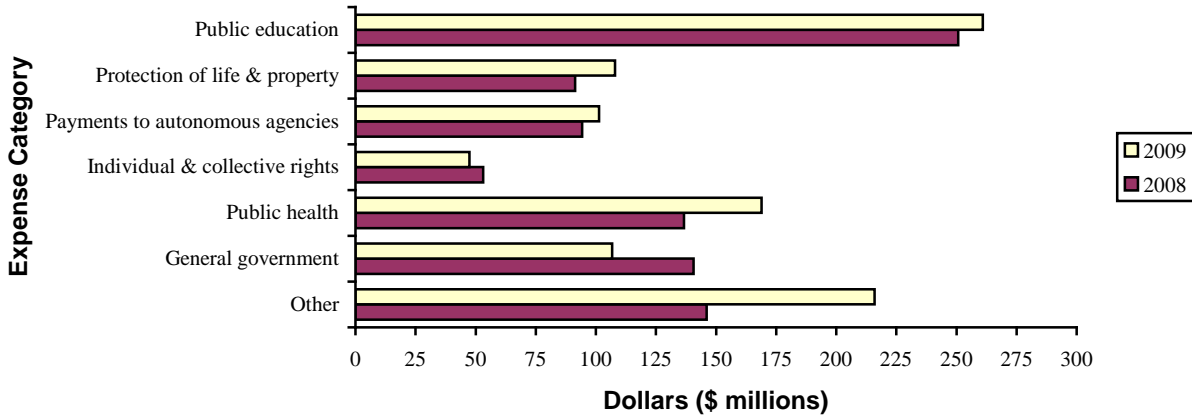
## Management's Discussion and Analysis, Continued Year Ended September 30, 2009

Graphs 3 and 4 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2008 and 2009.

**Graph 3**  
**GovGuam's Revenue Sources**  
**For the Years Ended September 30**



**Graph 4**  
**GovGuam's Cost of Governmental Activities**  
**For the Years Ended September 30**



Other expenses in fiscal year 2009 included community services of \$37.5 million, up from \$35.5 million (or 5.5%) in fiscal year 2008, environmental protection of \$9.3 million, down from \$11.5 million (or 19.1%) in fiscal year 2008, economic development expenses of \$15.7 million, up from \$10.1 million (or 55.8%) in fiscal year 2008, unallocated interest expense of \$33.6 million, up from \$17.4 million (or 92.8%) in fiscal year 2008, transportation expenses of \$33.6 million, up from \$29.9 million (or 12.3%) in fiscal year 2008, COLA interest of \$17.9 million, up from \$0 in fiscal year 2008, recreation expense of \$5.4 million, up from \$5.0 million (or 9.8%) in fiscal year 2008, and capital-related expenses of \$37 million, up from \$19.3 million (or 92%) in fiscal year 2008.

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis, Continued Year Ended September 30, 2009

#### Analysis of Changes in Net Assets

During the current fiscal year, GovGuam's net assets decreased by \$140 million. The key elements of this decrease are a result of higher expenses for protection of life and property, public education, interest costs, and payments to component units.

	2009	2008 (As Restated)
General revenues and special items:		
Taxes	\$ 485,776,070	\$ 506,957,332
Section 30 Federal income tax collections	38,869,372	40,225,229
Investment earnings	4,700,627	5,773,199
Special items	-	12,223,789
Other	4,086,865	4,880,942
Total revenues	533,432,934	570,060,491
Expenses, net of program revenues:		
General government	88,059,117	99,841,592
Protection of life and property	91,981,486	74,243,201
Public health	44,906,782	43,644,844
Community services	15,805,980	16,404,771
Recreation	2,738,878	3,089,768
Individual and collective rights	35,117,583	42,268,187
Transportation	16,432,879	11,895,375
Public education	209,300,372	189,764,337
Environmental protection	(3,055,315)	(992,262)
Economic development	9,045,081	4,057,930
Interest expense (unallocated)	31,521,594	15,369,379
Payments to autonomous agencies	83,846,497	72,587,670
COLA interest	17,915,324	0
Interest on tax refunds	16,198,724	8,617,847
Capital projects	3,874,032	387,944
Other	9,744,896	8,881,445
Total expenses, net	673,433,910	590,062,028
Change in net assets	\$ (140,000,976)	\$ (20,001,537)

Protection of life and property net expenses increased by \$17.7 million (or 23.9%) from the previous fiscal year due to an increase in expenditures for the Department of Corrections' off-island detention program and salary costs within the Guam Fire Department.

Public education net expenses increased by \$19.5 million (or 10.3%) from the previous fiscal year due to an increase in expenditures for the Department of Education's operations associated with the public school system on Guam.

Unallocated interest expense increased by \$16.2 million (or 105%) from the previous fiscal year due to an increase in interest payable associated with the increase in outstanding long-term debt.

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis, Continued Year Ended September 30, 2009

Payments to component units' net expenses increased by \$11.3 million (or 15.5%) from the previous fiscal year due to a one-off appropriation to the Guam Memorial Hospital Authority for the purpose of paying down certain delinquent retirement fund contributions.

COLA interest expense increased by \$17.9 million from the previous fiscal year due to the assessment of interest at 7% per annum on the COLA settlement amount.

#### FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS

As noted earlier, GovGuam uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of fiscal year 2009, GovGuam's governmental funds reported a combined fund balance surplus of \$14.9 million, which represents an increase of \$328.2 million (or 105%) in comparison with the fiscal year 2008 combined fund deficit of \$313.3 million. This is primarily attributable to the decrease in the fund deficit of the general fund of \$150.1 million, a decrease in fund balance of the special revenue funds and debt service funds of \$3.9 million and \$5 million, respectively, and an increase in capital projects funds of \$187 million. Of this total combined fund balance, \$292.4 million is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$115.8 million); 2) to fund debt service-related activities (\$105.7 million); 3) to liquidate continuing appropriation commitments (\$68.2 million); or 4) for a variety of other restricted purposes. The combined unreserved fund deficit of GovGuam's governmental funds is \$277.6 million, a decrease of \$226.3 million (or 45%) from fiscal year 2008. This deficit will be funded through future budgetary surpluses.

The General Fund is the chief operating fund of GovGuam. At the end of the current fiscal year, the unreserved fund deficit of the General Fund was \$396.9 million as compared with the prior year ending unreserved fund deficit of \$526 million, an improvement of \$129.1 million (or 24.5%), while total fund deficit was \$265.4 million compared with a total fund deficit of \$415.5 million at the end of the prior fiscal year, an improvement of \$150.1 million. The decrease in the overall fund deficit of the General Fund was primarily the result of the issuance of deficit financing bonds, which resulted in additional bond proceeds of \$261.4 million, offset by a current year deficit of \$111.3 million. This current year deficit of \$111.3 million included expenditures of \$12.4 million funded by bond proceeds from the 2009 deficit financing bond as well as expenditures of \$6 million funded by bond proceeds received in prior years. Accordingly, the General Fund generated a current year operational deficit, net of the abovementioned bond-related expenditures, of \$92.9 million. This current year operational deficit was the result of the following: (1) \$55.4 million in expenditures incurred for which no appropriations were authorized and approved by the Legislature; (2) a budgetary deficit of \$31.8 million wherein allotments released exceeded actual revenue collections; (3) an operational deficit of \$3.4 million pertaining to GovGuam's Department of Education for which the Executive Branch has no direct control over; and (4) \$2.3 million in expenditures relating to unfunded mandates by the Legislature carried forward from prior year appropriations authorized and approved by the Legislature.

The Federal Grants Assistance Fund has a total fund balance of \$0.2 million, which primarily represents accumulated interest income received not yet expended at year end. Fund balance of the Federal Grants Assistance Fund increased marginally from prior year with total revenues and transfers in of \$263.3 million supporting expenditures and transfers out of the same amount, up from total revenues and transfers in of \$228.5 million (or 15.3%) in fiscal year 2008.

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis, Continued Year Ended September 30, 2009

The Guam Department of Education (GDOE) Federal Grants Fund has a zero total fund balance at the end of the current fiscal year, which decreased from the prior year fund balance of \$1.4 million due to the transfer to the General Fund of residual fund equity. Total revenues and transfers in for the GDOE Federal Grants Fund amounted to \$50.3 million, which funded various education-related federal grant programs. This represented a decrease of \$4.7 million (or 8.6%) from fiscal year 2008 revenues and transfers in. In addition, the GDOE Federal Grants Fund reported capital leases of \$17.3 million pertaining to the completion of three new schools that was offset by a corresponding capital lease expenditure of the same amount.

The Landfill CIP Fund was established in the current fiscal year to account for the proceeds of Section 30 backed bonds issued for the purpose of funding the construction of a new landfill and the closure of Ordot Dump. Net proceeds received amounted to \$196.8 million, of which \$8.7 million in landfill-related expenditures and transfers out were incurred.

#### **General Fund Budgetary Highlights**

During the fiscal year ended September 30, 2009, there was a \$27.7 million increase in appropriations between the original and final amended budget for Executive Branch operations. The increase in appropriations was made possible, in part, due to the following legislative actions authorized by the Guam Legislature:

- Public Law 30-7: the amount of \$10,953,216 from deficit financing bonds to the Guam Memorial Hospital Authority for the payment of delinquent retirement fund contributions;
- Public Law 30-12: the amount of \$5,800,000 from General Fund revenues to the Guam Department of Education for textbooks; and
- Public Law 30-37: the amount of \$8,438,000 from General Fund revenues to the Guam Department of Education for the purchase of collateral equipment and payment of school lease for the interim John F. Kennedy High School.

Actual revenues collected (including operating transfers in and proceeds from issuance of debt) of \$786.7 million were lower than budgeted amounts of \$815 million due primarily to lower than anticipated tax revenue collections partially offset by residual fund equity transfers in from other governmental funds. During the year ended September 30, 2009, actual tax collections amounted to \$427.9 million, which were lower by \$45.4 million (or 9.6%) from the budgeted amount of \$473.3 million.

Budgetary expenditures (including operating transfers out) of \$644.3 million were higher than authorized appropriations of \$601.5 million due primarily to expenditures incurred of \$55.4 million, as discussed earlier, for which no appropriations were authorized and approved by the Legislature. These non-appropriated expenditures include interest of \$17.9 million on the COLA settlement, as mandated by Public Law 29-18; interest on delinquent tax refunds of \$16.2 million; delinquent U.S. Bureau of Prisons billings of \$9.6 million pertaining to Guam detainees incarcerated in U.S. mainland prisons; special payments to the GovGuam Retirement Fund of \$4.6 million, as mandated by Public Law 28-38; and other miscellaneous expenditures of \$6 million relating to merchant service bank fees.

# GOVERNMENT OF GUAM

## Management's Discussion and Analysis, Continued Year Ended September 30, 2009

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2009 amounted to \$1,064 million, net of accumulated depreciation of \$347 million, leaving a net book value of \$717 million. GovGuam's capital assets include land, infrastructure, buildings, machinery and equipment, and various projects under construction. (See table below)

	2009	2008
Non-depreciable:		
Land	\$ 11,454,623	\$ 11,454,623
Construction in progress	1,730,894	6,676,671
	<u>13,185,517</u>	<u>18,131,294</u>
Depreciable:		
Infrastructure	591,746,289	583,311,439
Buildings	403,208,721	377,063,207
Machinery and equipment	56,130,331	52,666,615
	<u>1,051,085,341</u>	<u>1,013,041,261</u>
Accumulated depreciation	<u>(346,990,346)</u>	<u>(309,082,654)</u>
	<u>704,094,995</u>	<u>703,958,607</u>
Total capital assets, net	<u>\$ 717,280,512</u>	<u>\$ 722,089,901</u>

Major capital asset additions for fiscal year 2009 were as follows:

- Completion of the remaining schools acquired by GDOE through a municipal school lease agreement in the aggregate amount of \$19.7 million.
- Additional work carried out under Highway bond funded projects, including GovGuam's island-wide village street restoration and pothole repairs, at a cost of \$4.5 million.
- Acquisition of machinery and equipment by the United States District Court of Guam appointed receiver, totaling \$1.7 million, associated with the operation of the Ordot Dump.

Additional information on GovGuam's capital assets can be found in note 5 to the basic financial statements.

# GOVERNMENT OF GUAM

## Management's Discussion and Analysis, Continued Year Ended September 30, 2009

### Long-Term Debt

The Organic Act authorizes GovGuam to borrow for such purposes as approved by the Guam Legislature. GovGuam has entered into ten separate long-term debt obligations, as indicated below, aggregating to \$767 million at September 30, 2009. This represents a net increase of \$453.8 million (or 145%) from fiscal year 2008.

	GovGuam's Outstanding Debt September 30, 2009 and 2008	
	2009	2008
Limited Obligation (Section 30) Bonds, 2001A	\$ 27,210,000	\$ 35,365,000
Limited Obligation (Section 30) Bonds, 2009A	202,425,000	0
General Obligation Bonds, 2009 Series A	271,070,000	0
General Obligation Bonds, 1993 Series A	37,280,000	37,280,000
General Obligation Bonds, 2007 Series A	151,935,000	151,935,000
Limited Obligation Highway Refunding Bonds, 2001 Series A	16,510,000	21,560,000
Limited Obligation Infrastructure Improvement Bonds, 1997 Series A	36,345,000	41,595,000
Judicial Building Fund	9,514,526	6,669,296
General Fund - \$10 M Note Payable	3,949,267	5,023,537
General Fund - \$13.8 M Note Payable	10,746,507	13,800,000
	<u>\$ 766,985,300</u>	<u>\$ 313,227,833</u>

Major additions to long-term debt for fiscal year 2009 were as follows:

- Issuance of bonds in the amount of \$271 million for the purpose of providing proceeds to fund certain capital improvement projects and other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments; and
- Issuance of bonds in the amount of \$202 million for the purpose of constructing a new landfill, closure of Ordot Dump, prepaying a bank loan and funding capitalized interest.

Additional information on GovGuam's long-term debt can be found in note 6 to the basic financial statements.



## GOVERNMENT OF GUAM

### Management's Discussion and Analysis, Continued Year Ended September 30, 2009

#### **ECONOMIC FACTORS AND NEXT YEAR BUDGET AND RATES**

Guam's overall economic performance remained static throughout fiscal year 2009 with economic growth expected to remain flat with acceleration in growth to occur through the latter part of fiscal year 2010. This growth is, however, contingent upon the commencement of scheduled U.S. Marine relocation construction. Inflationary pressures subsided due to continued downward pressure on world fuel prices resulting in a modest 0.8% increase in Guam's Consumer Price Index. Unemployment in Guam for September 2009 was 9.3%, an increase of 1% from the September 2007 figure of 8.3% and an increase of 1.9% from the September 2006 figure of 7.4%. The total number of people unemployed in September 2009 was 6,510, an increase of 1,200 from the previous survey in September 2007 of 5,310 and an increase of 1,620 from September 2006 of 4,890. While the unemployment rate went up reflecting an increased number of persons unemployed, the number of persons employed over the latest three year period increased from 61,250 to 63,800. Guam's total population covered by the survey, 16 years of age and over, has been steadily growing. It increased from an estimated 106,310 in September 2006 to 110,090 in September 2007 to 114,000 in September 2009.

Over the past few years, there has been consistent annual growth in General Fund revenues with annual revenues increasing cumulatively by 18% from \$409 million in 2004 to \$483 million in 2009. For fiscal year 2010, budgeted General Fund revenues authorized by the Guam Legislature have been set at \$545 million, an increase of 4.3% over fiscal year 2009 estimates. However, due to a delay in the commencement of U.S. Department of Defense (DOD) relocation and other projects, this revenue target may not be achieved. Anticipated budgeted revenues for fiscal year 2010 associated with income taxes and gross receipts taxes amount to \$292.5 million and \$211.4 million, respectively, which is an increase of \$25.2 million (or 9.4%) and \$15.2 million (or 7.8%), respectively, compared with budgeted revenues for fiscal year 2009, and an increase of \$59.7 million (or 25.6%) and \$24.8 million (or 13.6%), respectively, compared with corresponding actual revenues for fiscal year 2009. Actual income taxes and gross receipts taxes collected by the General Fund for the six months ended March 31, 2010 amount to \$116.9 million and \$93.1 million, respectively, which presents a significant potential shortfall in General Fund tax revenues for the full twelve months ended September 30, 2010.

In January 2010, the Office of I Maga'lahaen Guahan submitted the Executive Budget for fiscal year 2011 to the Guam Legislature, and which contained General Fund revenue projections of \$600 million. These projections represent an 8% increase from fiscal year 2010 adopted levels and assume a more conservative approach in regards to military buildup projects and timelines as well as tourist arrivals continuing to remain flat around the one million visitor mark. Construction appropriations made by the U.S. Congress in the Fiscal Year 2010 Defense Authorization Act for Guam is a key component of the projected General Fund revenue growth for fiscal year 2011. Of the \$737.7 million in DOD construction projects appropriated, \$526.2 million is for budgeted projects not directly related to the U.S. Marine relocation. These projects, the largest of which is the Navy Hospital with funding authorized for \$259 million, are expected to proceed.

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis, Continued Year Ended September 30, 2009

Tourism on Guam has been challenged in the past two years due, in part, to the global financial crisis and economic contraction, record high fuel prices necessitating airline fuel surcharges, and the H1N1 virus scare. Visitor arrivals declined 10.7% in fiscal year 2009 with the downward trend being evident for both Japan and total arrivals. This was evident in hotel occupancy taxes collected for fiscal year 2009 of \$19.4 million, which was \$2.7 million (or 12.3%) lower than fiscal year 2008 collections and \$2.1 million (or 9.8%) lower than budgeted amounts. For fiscal year 2010, budgeted hotel occupancy taxes amount to \$20.9 million, which represents a \$1.5 million (or 7.8%) increase over fiscal year 2009 figures and a gradual increase in visitor arrivals over the longer term. Preliminary numbers indicate that Japan arrivals for the period August 2009 through December 2009 have experienced increases in every month. Accordingly, it is expected that continued visitor arrivals will remain above fiscal year 2009 levels with increased Japan to Guam traffic buoyed by a stronger Japanese Yen and reduced fuel surcharges. Similarly, a stronger Korean Won will promote increased travel from South Korea. Increased air service to Guam will expand the capacity for further recovery and expansion in the tourism industry. Continental Airlines opened its Osaka office on October 14, 2009 and restored its daily Osaka to Guam service, effective December 23, 2009, six years after it suspended service in October 2003. In 2009, Korean Air resumed its three times a week flight from Incheon via Osaka. Furthermore, Jin Air, a low-cost airline carrier based in Seoul, begins daily service to Guam on March 28, 2010. Continental Airlines began new twice weekly nonstop service from Guam to Nadi, Fiji on December 18, 2009 and resumed non-stop twice weekly flights from Hong Kong to Guam that operated since 1991, but were temporarily suspended in August 2008. Hong Kong is now participating in the Guam/CNMI Visa Waiver Program, which started November 28, 2009. Eligible holders of a Hong Kong Special Administrative Region Passport or British National Overseas (BNO) passport can travel to Guam or Saipan without a visa. The number of visitors from Hong Kong increased by 26% in December 2009 compared to December last year. More Hong Kong visitors are expected as Hong Kong's economy continues to grow and will increase further with resumption of the direct flights.

Employment has been relatively steady on Guam in recent years, but dipped somewhat in 2009 largely due to weak visitor arrivals and the closure of the Aurora Resort Hotel for renovations. Slight increases are expected by FY 2011 due to recovering arrival numbers. Opening of a new Payless Markets in Mangilao in 2010, Tumon Bay Shopping Center and the Outrigger Bayview tower will create jobs outside the construction industry. Construction will lead the additions to jobs for the years ahead. Additional construction is also expected to induce jobs in other industries to support construction activities and additional goods and services for the increasing number of employees and overall population. Furthermore, American Recovery and Reinvestment Act (ARRA) funding will continue to create additional jobs for capital investments and direct job funding.

With a stable visitor industry, assisted by moderate fuel costs, a rebound in global financial markets, and economic recovery in the U.S. and Japan, the short-term economic outlook for Guam remains positive with major economic activity to be realized as the scheduled U.S. Marine relocation moves closer to fruition.

### CONTACTING GOVGUAM'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Government of Guam's finances for all of Guam's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the Island's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to: Division of Accounts, Attention: Katherine B. Kakigi, Deputy Financial Manager, P.O. Box 884, Hagatña, Guam 96932. Telephone No: (671) 475-1169/1260 Facsimile: (671) 472-8483 Website Address: [www.admin.gov.gu/doa/](http://www.admin.gov.gu/doa/).

# GOVERNMENT OF GUAM

## Statement of Net Assets September 30, 2009

	Primary Government	Component Units
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 63,104,836	\$ 65,001,429
Time certificates of deposit	5,417,058	5,418,413
Investments	8,209,000	4,653,625
Receivables, net	88,367,063	127,806,501
Due from primary government	-	12,082,649
Due from private purpose trusts	2,728,829	-
Due from component units	1,528,147	2,614,315
Inventories	434,731	73,404,225
Other current assets	1,138,431	6,519,063
Restricted assets:		
Cash and cash equivalents	215,650,933	70,010,175
Investments	105,554,342	18,724,835
Total current assets	492,133,370	386,235,230
Noncurrent assets:		
Investments	-	31,643,692
Receivables, net	-	18,287,147
Due from primary government	-	6,286,443
Due from component units	-	2,309,900
Capital assets, net of accumulated depreciation	717,280,512	1,421,546,876
Land held for development	-	19,718,250
Deferred charges	10,565,304	11,954,740
Other noncurrent assets	-	23,285,304
Restricted assets:		
Cash and cash equivalents	-	20,257,442
Time certificates of deposit	1,000,718	-
Investments	-	77,207,377
Total noncurrent assets	728,846,534	1,632,497,171
Total assets	\$ 1,220,979,904	\$ 2,018,732,401

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Net Assets, Continued September 30, 2009

	Primary Government	Component Units
<b>LIABILITIES</b>		
Current liabilities:		
Short-term debt	\$ -	\$ 17,499,999
Current portion of compensated absences payable	13,320,352	5,620,851
Current portion of capital lease obligations	2,295,000	8,028,667
Current portion of long-term obligations	26,753,866	22,653,616
Accounts payable and other current liabilities	73,650,094	69,408,330
Contracts payable	-	11,309,992
Accrued interest payable	16,240,329	15,932,924
Accrued payroll and other	12,651,828	12,057,610
Payable to federal agencies	14,328,476	-
Provision for tax refunds	259,151,468	-
COLA liability	26,932,491	-
Due to pension trust fund	6,305,782	7,221,981
Due to primary government	-	1,528,147
Due to component units	12,082,649	2,614,315
Deferred revenues	29,182,768	12,126,871
Deposits and other liabilities	23,511,174	18,499,529
Total current liabilities	516,406,277	204,502,832
Noncurrent liabilities:		
Compensated absences payable, net of current portion	9,533,454	7,283,867
Capital lease obligations, net of current portion	63,090,000	117,129,040
Long-term obligations, net of current portion	720,709,726	693,158,086
DCRS sick leave liability	15,882,742	7,214,565
Due to component units	6,257,058	1,384,653
Other noncurrent liabilities	46,053,500	23,743,682
Total noncurrent liabilities	861,526,480	849,913,893
Total liabilities	1,377,932,757	1,054,416,725
Commitments and contingencies		
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	404,336,175	679,146,452
Restricted for:		
Expendable:		
Capital projects	6,272,360	16,314,828
Retirement of indebtedness	89,415,528	48,338,062
Other purposes	45,972,842	65,251,876
Nonexpendable:		
Other purposes	-	5,940,999
Unrestricted	(702,949,758)	149,323,459
Total net assets	(156,952,853)	964,315,676
Total liabilities and net assets	\$ 1,220,979,904	\$ 2,018,732,401

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Activities Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
Primary government:						
Governmental Activities:						
General government	\$ 106,820,032	\$ 11,042,529	\$ 7,718,386	\$ -	\$ (88,059,117)	\$ -
Protection of life and property	107,940,355	10,625,200	5,333,669	-	(91,981,486)	-
Public health	168,891,420	1,931,984	122,052,654	-	(44,906,782)	-
Community services	37,471,030	585,753	21,079,297	-	(15,805,980)	-
Recreation	5,442,598	1,358,154	1,345,566	-	(2,738,878)	-
Individual and collective rights	47,451,862	98,672	12,235,607	-	(35,117,583)	-
Transportation	33,559,658	12,045,232	5,081,547	-	(16,432,879)	-
Public education	260,976,641	1,824,811	49,851,458	-	(209,300,372)	-
Environmental protection	9,320,459	8,420,097	3,955,677	-	3,055,315	-
Economic development	15,704,840	175,540	6,484,219	-	(9,045,081)	-
Interest (unallocated)	67,663,274	-	2,027,632	-	(65,635,642)	-
Payments to:						
GovGuam Retirement Fund	1,283,200	-	-	-	(1,283,200)	-
Antonio B. Won Pat International Airport Authority	1,211,963	-	1,211,963	-	-	-
Guam Memorial Hospital Authority	26,950,146	-	4,054,433	-	(22,895,713)	-
Guam Power Authority	7,406,622	-	7,406,622	-	-	-
University of Guam	32,798,557	-	125,867	-	(32,672,690)	-
Guam Visitors Bureau	12,358,831	-	-	-	(12,358,831)	-
Guam Community College	15,961,055	2,100,994	888,266	-	(12,971,795)	-
Other component units	3,345,784	698,195	983,321	-	(1,664,268)	-
Capital	37,018,418	-	33,144,386	-	(3,874,032)	-
Miscellaneous	9,744,896	-	-	-	(9,744,896)	-
<b>Total primary government</b>	<b>\$ 1,009,321,641</b>	<b>\$ 50,907,161</b>	<b>\$ 284,980,570</b>	<b>\$ -</b>	<b>(673,433,910)</b>	<b>-</b>
Component Units:						
Antonio B. Won Pat International Airport Authority	\$ 55,123,711	\$ 40,079,427	\$ 842,931	\$ 35,418,595	-	21,217,242
Guam Memorial Hospital Authority	97,277,371	92,560,551	-	2,107,445	-	(2,609,375)
Guam Power Authority	408,642,457	387,426,703	-	3,620,654	-	(17,595,100)
Guam Waterworks Authority	60,624,855	54,280,770	-	6,805,460	-	461,375
Port Authority of Guam	28,687,502	30,019,886	-	379,268	-	1,711,652
University of Guam	80,888,940	13,887,151	30,754,468	-	-	(36,247,321)
Nonmajor component units	99,467,171	10,188,940	56,475,460	3,129,291	-	(29,673,480)
	<b>\$ 830,712,007</b>	<b>\$ 628,443,428</b>	<b>\$ 88,072,859</b>	<b>\$ 51,460,713</b>	<b>-</b>	<b>(62,735,007)</b>
General revenues:						
Taxes:						
Income					241,877,161	-
Gross receipts					182,583,996	-
Property					20,310,866	-
Hotel occupancy					19,398,833	-
Liquid fuel					9,441,039	-
Tobacco					5,354,854	-
Alcoholic beverages					3,397,788	-
Excise					3,411,533	-
Section 30 Federal income tax collections					38,869,372	-
Investment earnings					4,700,627	2,079,444
Contributions from primary government					-	76,049,990
Other					4,086,865	13,390,092
Total general revenues					<u>533,432,934</u>	<u>91,519,526</u>
Change in net assets					<u>(140,000,976)</u>	<u>28,784,519</u>
Net assets at beginning of year, as previously reported					(209,664,524)	885,431,473
Prior-period adjustment (see Note 1U)					<u>192,712,647</u>	<u>50,099,684</u>
Net assets at beginning of year, as restated					<u>(16,951,877)</u>	<u>935,531,157</u>
Net assets at end of year					<u>\$ (156,952,853)</u>	<u>\$ 964,315,676</u>

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Balance Sheet Governmental Funds September 30, 2009

	General	Special Revenue		Capital Projects	Other Governmental Funds	Total
		Federal Grants Assistance	GDOE Federal Grants	Landfill CIP		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 16,321,035	\$ 7,600,473	\$ 1,894,971	\$ -	\$ 37,288,357	\$ 63,104,836
Time certificates of deposit	5,417,058	-	-	-	-	5,417,058
Investments	900,000	-	-	-	7,309,000	8,209,000
Receivables, net:						
Taxes	26,583,669	-	-	-	4,873,143	31,456,812
Federal agencies	20,173,120	26,848,815	5,171,082	-	732,497	52,925,514
Other	-	345,976	-	-	3,638,761	3,984,737
Due from other funds	37,469,724	-	-	-	40,368,819	77,838,543
Due from private purpose trust funds	-	-	-	-	2,728,829	2,728,829
Due from component units	-	-	-	-	1,528,147	1,528,147
Inventories	-	-	-	-	434,731	434,731
Prepayments	393,874	-	-	-	-	393,874
Deposits and other assets	-	-	-	-	31,223	31,223
Restricted assets:						
Cash and cash equivalents	103,125,980	-	-	90,658,047	21,866,906	215,650,933
Time certificates of deposit	-	-	-	-	1,000,718	1,000,718
Investments	-	-	-	98,010,578	7,543,764	105,554,342
Total assets	\$ 210,384,460	\$ 34,795,264	\$ 7,066,053	\$ 188,668,625	\$ 129,344,895	\$ 570,259,297
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
Accounts payable	\$ 63,495,857	\$ 141,935	\$ 2,677,094	\$ -	\$ 7,335,208	\$ 73,650,094
Accrued payroll and other	10,517,648	415,642	740,069	-	978,469	12,651,828
Due to other funds	37,733,969	19,651,090	1,246,443	-	19,207,041	77,838,543
Due to pension trust funds	6,305,782	-	-	-	-	6,305,782
Due to component units	16,497,205	-	-	-	1,842,502	18,339,707
Payable to federal agencies	-	14,328,476	-	-	-	14,328,476
Deferred revenues	39,290,984	-	2,402,447	-	962,829	42,656,260
Provision for tax refunds	253,959,204	-	-	-	5,192,264	259,151,468
COLA liability	26,932,491	-	-	-	-	26,932,491
Deposits and other liabilities	21,028,691	-	-	-	2,482,483	23,511,174
Total liabilities	475,761,831	34,537,143	7,066,053	-	38,000,796	555,365,823
Fund balances (deficits):						
Reserved:						
Related assets	900,000	-	-	-	1,895,104	2,795,104
Continuing appropriations	37,820,724	-	-	7,778,041	18,482,655	64,081,420
Encumbrances	7,751,692	86,799,557	2,633,071	6,694,364	11,960,291	115,838,975
Debt service	85,090,529	-	-	-	20,565,328	105,655,857
Unreserved (deficits), reported in:						
General fund	(396,940,316)	-	-	-	-	(396,940,316)
Special revenue funds	-	(86,541,436)	(2,633,071)	-	31,689,403	(57,485,104)
Capital projects funds	-	-	-	174,196,220	6,749,355	180,945,575
Debt service funds	-	-	-	-	1,963	1,963
Total fund balances (deficits)	(265,377,371)	258,121	-	188,668,625	91,344,099	14,893,474
Total liabilities and fund balances	\$ 210,384,460	\$ 34,795,264	\$ 7,066,053	\$ 188,668,625	\$ 129,344,895	\$ 570,259,297

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets September 30, 2009

Total fund balance - governmental funds	\$	14,893,474
Amounts reported for governmental activities in the statement of net assets are different because:		
Prepayment of capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		713,334
Borrowing costs associated with capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		1,887,758
Maintenance costs associated with capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		2,690,071
Bonds issued by GovGuam have associated costs that are paid from current available resources in the funds. However, these costs are deferred on the statement of net assets		5,987,475
Certain revenues are earned but not available and therefore are deferred in the governmental funds:		
Adjustment of deferred revenue		13,473,492
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	11,454,623
Construction in progress		1,730,894
Depreciable capital assets and infrastructure		1,051,085,341
Accumulated depreciation		<u>(346,990,346)</u>
Capital assets, net of accumulated depreciation		717,280,512
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities include:		
Bonds payable		(747,463,592)
Capital lease obligations		(65,385,000)
Accrued interest payable		(16,240,329)
Compensated absences payable		(22,853,806)
DCRS sick leave liability		(15,882,742)
Landfill closure and postclosure costs		<u>(46,053,500)</u>
Long-term liabilities		<u>(913,878,969)</u>
Net assets of governmental activities	\$	<u><u>(156,952,853)</u></u>

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) Governmental Funds Year Ended September 30, 2009

	General	Special Revenue		Capital Projects	Other Governmental Funds	Total
		Federal Grants Assistance	GDOE Federal Grants	Landfill CIP		
<b>Revenues:</b>						
Taxes	\$ 427,872,690	\$ -	\$ -	\$ -	\$ 57,903,380	\$ 485,776,070
Federal contributions	-	232,633,212	42,775,339	-	3,016,342	278,424,893
Licenses, fees and permits	4,470,091	-	-	-	41,499,434	45,969,525
Section 30:						
Federal income tax collections	38,869,372	-	-	-	-	38,869,372
Immigration and passport fees	1,612,140	-	-	-	1,239,256	2,851,396
Use of money and property	871,525	-	-	573,151	3,255,951	4,700,627
Indirect cost reimbursement	4,551,926	-	-	-	-	4,551,926
Contributions from component units	2,027,632	-	-	-	-	2,027,632
Guam Public School System	1,175,560	-	-	-	-	1,175,560
Other	1,699,247	-	-	-	2,387,618	4,086,865
<b>Total revenues</b>	<b>483,150,183</b>	<b>232,633,212</b>	<b>42,775,339</b>	<b>573,151</b>	<b>109,301,981</b>	<b>868,433,866</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	40,895,439	7,744,200	-	2,583,664	36,588,095	87,811,398
Protection of life and property	86,859,431	7,062,883	-	-	13,333,544	107,255,858
Public health	14,017,664	143,846,533	-	-	11,040,526	168,904,723
Community services	4,837,599	21,689,252	-	-	10,936,733	37,463,584
Recreation	3,382,846	1,345,566	-	-	636,872	5,365,284
Individual and collective rights	12,219,611	10,781,653	-	-	26,175,973	49,177,237
Transportation	-	5,081,547	-	-	10,611,617	15,693,164
Public education	207,148,495	-	43,070,404	-	-	250,218,899
Environmental protection	-	3,955,677	-	-	5,436,524	9,392,201
Economic development	3,445,863	6,484,219	-	-	172,098	10,102,180
Payments to:						
GovGuam Retirement Fund	1,283,200	-	-	-	-	1,283,200
Antonio B. Won Pat International Airport Authority	-	1,211,963	-	-	-	1,211,963
Chamorro Land Trust Commission	-	-	-	-	641,183	641,183
Guam Community College	13,922,708	888,266	-	-	1,150,081	15,961,055
Guam Educational Telecommunications Corporation	596,280	-	-	-	-	596,280
Guam Memorial Hospital Authority	10,564,012	4,054,433	-	-	12,331,701	26,950,146
Guam Preservation Trust	-	-	-	-	1,125,000	1,125,000
Guam Power Authority	-	7,406,622	-	-	-	7,406,622
Guam Visitors Bureau	-	-	-	-	12,358,831	12,358,831
Guam Waterworks Authority	-	773,508	-	-	-	773,508
Port Authority of Guam	-	209,813	-	-	-	209,813
University of Guam	32,172,690	125,867	-	-	500,000	32,798,557
Miscellaneous appropriations	20,452,184	-	-	-	183,597	20,635,781
Interest and other charges	46,609,389	-	-	-	-	46,609,389
Capital projects	-	33,143,824	17,254,250	5,272,166	4,761,039	60,431,279
Debt service	26,103,484	-	7,100,000	-	13,996,904	47,200,388
<b>Total expenditures</b>	<b>524,510,895</b>	<b>255,805,826</b>	<b>67,424,654</b>	<b>7,855,830</b>	<b>161,980,318</b>	<b>1,017,577,523</b>
Deficiency of revenues under expenditures	(41,360,712)	(23,172,614)	(24,649,315)	(7,282,679)	(52,678,337)	(149,143,657)
<b>Other financing sources (uses):</b>						
Proceeds from bonds issued	271,070,000	-	-	202,425,000	-	473,495,000
Proceeds from issuance of long-term debt	-	-	-	-	2,845,230	2,845,230
Capital leases	-	-	17,254,250	-	-	17,254,250
Discount on bonds issued	(9,622,491)	-	-	(5,643,004)	-	(15,265,495)
Transfers in from other funds	42,100,429	30,712,390	7,489,708	-	93,467,879	173,770,406
Transfers out to other funds	(112,049,662)	(7,489,708)	(1,456,752)	(830,692)	(52,922,478)	(174,749,292)
<b>Total other financing sources (uses), net</b>	<b>191,498,276</b>	<b>23,222,682</b>	<b>23,287,206</b>	<b>195,951,304</b>	<b>43,390,631</b>	<b>477,350,099</b>
Net change in fund balances (deficits)	150,137,564	50,068	(1,362,109)	188,668,625	(9,287,706)	328,206,442
Fund balances (deficits) at beginning of year	(415,514,935)	208,053	1,362,109	-	100,631,805	(313,312,968)
Fund balances (deficits) at end of year	\$ (265,377,371)	\$ 258,121	\$ -	\$ 188,668,625	\$ 91,344,099	\$ 14,893,474

See accompanying notes to basic financial statements.



# GOVERNMENT OF GUAM

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) to the Statement of Activities September 30, 2009

Total net change in fund balances (deficits) - governmental funds		\$	328,206,442
Amounts reported for governmental activities in the statement of activities are different because:			
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds			
Adjustment of deferred revenues			886,799
Bond issue and other deferred costs reflected as expenditures in governmental funds and reported in the statement of net assets, net of amortization			292,469
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. For the current year these amounts consist of:			
Capital outlay	\$	33,098,303	
Depreciation expense		<u>(37,907,692)</u>	
			(4,809,389)
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. For the current year, these amounts consist of:			
Long-term debt proceeds		(461,074,735)	
Capital leases		(17,254,250)	
Repayment of bonds		22,582,763	
Repayment of capital leases		3,451,500	
Amortization of bond premium		503,544	
Amortization of deferred amount on refunding		<u>(187,975)</u>	
			(451,979,153)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. For the current year, these activities consist of:			
Change in accrued interest payable		(9,519,325)	
Change in compensated absences payable		(1,143,910)	
Change in DCRS sick leave liability		<u>(1,934,909)</u>	
			(12,598,144)
Change in net assets of governmental activities	\$		<u><u>(140,000,976)</u></u>

See accompanying notes to basic financial statements.

**GOVERNMENT OF GUAM**

Statement of Fiduciary Net Assets  
Fiduciary Funds  
September 30, 2009

	Pension Trust	Private Purpose Trust	Agency Fund
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,983,073	\$ 7,607,421	\$ -
Time certificates of deposit	-	2,383,771	-
Investments at fair value:			
Common stocks	557,712,039	-	-
U.S. Government securities	196,463,854	-	-
Corporate bonds and notes	210,626,549	-	-
Money market funds	22,526,943	-	-
Mutual funds	359,112,042	-	-
DC plan forfeitures	5,048,457	-	-
Total investments	1,351,489,884	-	-
Accounts receivable:			
Employer contributions	10,899,792	-	-
Member contributions	5,135,624	-	-
Interest and penalties on contributions	232,941	-	-
Accrued investment income	4,426,240	-	-
Due from brokers for unsettled trades	6,045,882	-	-
Service credits	2,285,674	-	-
Notes receivable - ERIP	5,947,312	-	-
Receivable - ERIP employer's share	269,915	-	-
Supplemental/COLA benefits	72,993,528	-	-
Supplemental/Insurance benefits advanced	4,311,138	-	-
Other	3,497,527	-	-
Total receivables	116,045,573	-	-
Deposits and other assets	-	-	13,621,520
Capital assets	964,374	-	-
Total assets	1,474,482,904	9,991,192	\$ 13,621,520
<u>LIABILITIES</u>			
Deferred revenue	8,965,445	-	\$ -
Accounts payable and accrued expenses	3,627,108	-	-
Accrued payroll and other	274,244	-	-
Due to other funds	-	2,728,829	-
Deposits and other liabilities	-	7,305,363	13,621,520
Due to brokers for unsettled trades	4,666,581	-	-
Total liabilities	17,533,378	10,034,192	\$ 13,621,520
<u>NET ASSETS</u>			
Held in trust for pension benefits	1,456,949,526	-	
Held in trust for other purposes	-	(43,000)	
Total net assets	\$ 1,456,949,526	\$ (43,000)	

See accompanying notes to basic financial statements.

**GOVERNMENT OF GUAM**

Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
Year Ended September 30, 2009

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer contributions	\$ 101,585,655	\$ -
Member contributions	30,618,797	-
Use of money and property	-	663,892
Transfers in from other funds	-	978,886
Total contributions and revenues	132,204,452	1,642,778
Net investment income:		
Net appreciation in fair value of investments	40,672,310	-
Interest	44,065,317	-
Dividends	10,381,191	-
Other	3,670,634	-
Total investment income	98,789,452	-
Less: investment expenses	2,933,886	-
Net investment income	95,855,566	-
Other:		
Recovery of bad debts - GMHA	4,095,893	-
Total additions	232,155,911	1,642,778
Deductions:		
Benefits	171,508,119	-
Refunds	12,732,488	-
Administrative and general expense	4,579,453	-
Individual and collective rights	-	1,717,072
Total deductions	188,820,060	1,717,072
Change in net assets	43,335,851	(74,294)
Net assets at beginning of year	1,413,613,675	31,294
Net assets at end of year	\$ 1,456,949,526	\$ (43,000)

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Net Assets Component Units September 30, 2009

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 3,396,362	\$ 784,004	\$ 16,749,500	\$ 918,246	\$ 10,914,337	\$ 4,300,595	\$ 27,938,385	\$ 65,001,429
Time certificates of deposit	-	-	-	-	-	5,118,413	300,000	5,418,413
Investments	-	-	-	-	-	-	4,653,625	4,653,625
Receivables, net	10,528,565	39,860,256	37,486,943	10,856,353	4,811,726	9,401,112	14,861,546	127,806,501
Due from primary government	-	2,621,511	2,068,570	-	-	3,607,621	3,784,947	12,082,649
Due from component units	-	-	2,614,315	-	-	-	-	2,614,315
Inventories	64,644	3,951,428	66,058,757	2,085,446	143,147	697,029	403,774	73,404,225
Prepayments	-	112,478	668,664	-	-	-	177,994	959,136
Deposits and other assets	-	-	5,267,028	-	-	292,899	-	5,559,927
Restricted assets:								
Cash and cash equivalents	-	-	50,479,890	5,555,634	-	-	13,974,651	70,010,175
Investments	-	-	-	-	-	6,209,190	12,515,645	18,724,835
<b>Total current assets</b>	<b>13,989,571</b>	<b>47,329,677</b>	<b>181,393,667</b>	<b>19,415,679</b>	<b>15,869,210</b>	<b>29,626,859</b>	<b>78,610,567</b>	<b>386,235,230</b>
Noncurrent assets:								
Investments	24,205,868	-	-	-	-	5,800,824	1,637,000	31,643,692
Receivables, net	-	-	-	-	-	-	18,287,147	18,287,147
Due from primary government	-	-	6,286,443	-	-	-	-	6,286,443
Due from component units	-	-	2,309,900	-	-	-	-	2,309,900
Capital assets, net of accumulated depreciation	406,146,241	39,214,276	511,106,970	279,320,424	52,651,764	70,197,395	62,909,806	1,421,546,876
Land held for development	-	-	-	-	-	-	19,718,250	19,718,250
Deferred bond issuance costs	7,107,208	-	4,121,672	-	-	-	725,860	11,954,740
Other assets	15,003,688	274,531	4,413,705	2,729,147	-	-	864,233	23,285,304
Restricted assets:								
Cash and cash equivalents	-	-	-	15,303,553	-	4,953,889	-	20,257,442
Investments	32,203,768	-	27,488,268	9,628,279	-	7,887,062	-	77,207,377
<b>Total noncurrent assets</b>	<b>484,666,773</b>	<b>39,488,807</b>	<b>555,726,958</b>	<b>306,981,403</b>	<b>52,651,764</b>	<b>88,839,170</b>	<b>104,142,296</b>	<b>1,632,497,171</b>
<b>Total assets</b>	<b>\$ 498,656,344</b>	<b>\$ 86,818,484</b>	<b>\$ 737,120,625</b>	<b>\$ 326,397,082</b>	<b>\$ 68,520,974</b>	<b>\$ 118,466,029</b>	<b>\$ 182,752,863</b>	<b>\$ 2,018,732,401</b>

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Net Assets, Continued Component Units September 30, 2009

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
<b><u>LIABILITIES AND NET ASSETS</u></b>								
Current liabilities:								
Short-term debt	\$ -	\$ -	\$ 17,499,999	\$ -	\$ -	\$ -	\$ -	\$ 17,499,999
Current portion of long-term debt	8,235,000	-	7,373,601	3,608,344	-	171,717	3,264,954	22,653,616
Current obligations under capital leases	-	-	8,028,667	-	-	-	-	8,028,667
Accounts payable	2,228,458	9,231,440	35,296,837	9,012,857	4,293,604	5,270,696	4,074,438	69,408,330
Contracts payable	8,540,865	-	-	2,769,127	-	-	-	11,309,992
Accrued interest payable	4,448,309	-	10,866,041	-	-	-	618,574	15,932,924
Accrued payroll and other	1,308,565	2,834,569	4,389,422	1,146,957	2,218,541	-	159,556	12,057,610
Due to pension trust funds	-	7,221,981	-	-	-	-	-	7,221,981
Due to primary government	1,528,147	-	-	-	-	-	-	1,528,147
Due to component units	-	-	-	2,614,315	-	-	-	2,614,315
Deferred revenue	1,389,679	-	-	624,389	213,671	5,979,021	3,920,111	12,126,871
Compensated absences	277,121	1,515,407	1,385,384	407,945	774,191	920,750	340,053	5,620,851
Deposits and other liabilities	-	1,795,602	8,822,271	2,577,402	404,215	241,286	4,658,753	18,499,529
<b>Total current liabilities</b>	<b>27,956,144</b>	<b>22,598,999</b>	<b>93,662,222</b>	<b>22,761,336</b>	<b>7,904,222</b>	<b>12,583,470</b>	<b>17,036,439</b>	<b>204,502,832</b>
Noncurrent liabilities:								
Compensated absences	772,015	2,396,317	1,384,415	699,251	288,203	799,007	944,659	7,283,867
Capital lease obligations	-	-	117,129,040	-	-	-	-	117,129,040
Noncurrent portion of long-term debt	173,773,999	-	362,746,640	102,574,722	-	12,758,406	41,304,319	693,158,086
Due to component units	-	-	-	1,384,653	-	-	-	1,384,653
Other noncurrent liabilities	-	-	12,264,370	168,303	-	121,459	11,189,550	23,743,682
DCRS sick leave liability	-	2,080,096	1,559,545	621,013	710,253	1,373,388	870,270	7,214,565
<b>Total noncurrent liabilities</b>	<b>174,546,014</b>	<b>4,476,413</b>	<b>495,084,010</b>	<b>105,447,942</b>	<b>998,456</b>	<b>15,052,260</b>	<b>54,308,798</b>	<b>849,913,893</b>
<b>Total liabilities</b>	<b>202,502,158</b>	<b>27,075,412</b>	<b>588,746,232</b>	<b>128,209,278</b>	<b>8,902,678</b>	<b>27,635,730</b>	<b>71,345,237</b>	<b>1,054,416,725</b>
Net Assets:								
Invested in capital assets, net of related debt	246,248,138	39,214,276	16,331,203	204,555,089	52,651,764	57,267,272	62,878,710	679,146,452
Restricted:								
Expendable:								
Capital projects	-	-	16,314,828	-	-	-	-	16,314,828
Retirement of indebtedness	12,689,197	-	31,189,894	4,458,971	-	-	-	48,338,062
Other purposes	14,739,001	-	5,562,118	689,103	-	13,144,982	31,116,672	65,251,876
Nonexpendable:								
Unrestricted (deficit)	22,477,850	20,528,796	78,976,350	(11,515,359)	6,966,532	14,736,603	17,152,687	149,323,459
<b>Total net assets</b>	<b>296,154,186</b>	<b>59,743,072</b>	<b>148,374,393</b>	<b>198,187,804</b>	<b>59,618,296</b>	<b>90,830,299</b>	<b>111,407,626</b>	<b>964,315,676</b>
<b>Total liabilities and net assets</b>	<b>\$ 498,656,344</b>	<b>\$ 86,818,484</b>	<b>\$ 737,120,625</b>	<b>\$ 326,397,082</b>	<b>\$ 68,520,974</b>	<b>\$ 118,466,029</b>	<b>\$ 182,752,863</b>	<b>\$ 2,018,732,401</b>

See accompanying notes to basic financial statements.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenses, and Changes in Net Assets Component Units Year Ended September 30, 2009

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Non-major Component Units	Total
Operating revenues:								
Charges for services	\$ 40,079,427	\$ 92,560,551	\$ 387,426,703	\$ 54,280,770	\$ 30,019,886	\$ 13,887,151	\$ 10,188,940	\$ 628,443,428
Grants and contracts	842,931	-	-	-	-	30,754,468	56,475,460	88,072,859
Other	1,651,198	979,130	1,520,926	971,502	86,472	3,713,977	4,466,887	13,390,092
Total operating revenues	<u>42,573,556</u>	<u>93,539,681</u>	<u>388,947,629</u>	<u>55,252,272</u>	<u>30,106,358</u>	<u>48,355,596</u>	<u>71,131,287</u>	<u>729,906,379</u>
Operating expenses:								
Cost of services	29,512,031	91,926,539	312,566,738	41,408,169	18,850,949	66,010,592	71,632,526	631,907,544
Depreciation and amortization	21,797,415	4,426,926	27,596,710	10,952,902	2,742,616	2,600,567	4,707,577	74,824,713
General and administrative	-	3,001,911	24,755,149	5,267,571	6,546,353	8,783,924	19,939,237	68,294,145
Total operating expenses	<u>51,309,446</u>	<u>99,355,376</u>	<u>364,918,597</u>	<u>57,628,642</u>	<u>28,139,918</u>	<u>77,395,083</u>	<u>96,279,340</u>	<u>775,026,402</u>
Operating income (loss)	<u>(8,735,890)</u>	<u>(5,815,695)</u>	<u>24,029,032</u>	<u>(2,376,370)</u>	<u>1,966,440</u>	<u>(29,039,487)</u>	<u>(25,148,053)</u>	<u>(45,120,023)</u>
Nonoperating revenues (expenses):								
Contributions from the primary government	30,095	12,488,856	-	-	-	32,951,753	30,579,286	76,049,990
Contributions to the primary government	-	-	-	-	-	(2,027,490)	-	(2,027,490)
Investment income	1,468,089	-	2,063,111	238,699	220,030	(2,590,904)	680,419	2,079,444
Interest expense	(8,339,935)	(755,180)	(39,953,779)	(6,018,059)	-	(607,500)	(2,629,294)	(58,303,747)
Other income (expenses), net	4,525,670	2,833,185	(3,770,081)	3,021,846	(547,584)	(858,867)	(558,537)	4,645,632
Total nonoperating revenues (expenses), net	<u>(2,316,081)</u>	<u>14,566,861</u>	<u>(41,660,749)</u>	<u>(2,757,514)</u>	<u>(327,554)</u>	<u>26,866,992</u>	<u>28,071,874</u>	<u>22,443,829</u>
Net income (loss) before capital contributions	<u>(11,051,971)</u>	<u>8,751,166</u>	<u>(17,631,717)</u>	<u>(5,133,884)</u>	<u>1,638,886</u>	<u>(2,172,495)</u>	<u>2,923,821</u>	<u>(22,676,194)</u>
Capital contributions	<u>35,418,595</u>	<u>2,107,445</u>	<u>3,620,654</u>	<u>6,805,460</u>	<u>379,268</u>	<u>-</u>	<u>3,129,291</u>	<u>51,460,713</u>
Change in net assets	<u>24,366,624</u>	<u>10,858,611</u>	<u>(14,011,063)</u>	<u>1,671,576</u>	<u>2,018,154</u>	<u>(2,172,495)</u>	<u>6,053,112</u>	<u>28,784,519</u>
Total net assets at beginning of year, as previously reported	266,490,184	29,796,263	151,664,624	189,439,840	50,655,531	93,002,794	104,382,237	885,431,473
Prior-period adjustment (see Note 1U)	5,297,378	19,088,198	10,720,832	7,076,388	6,944,611	-	972,277	50,099,684
Total net assets at beginning of year, as restated	<u>271,787,562</u>	<u>48,884,461</u>	<u>162,385,456</u>	<u>196,516,228</u>	<u>57,600,142</u>	<u>93,002,794</u>	<u>105,354,514</u>	<u>935,531,157</u>
Total net assets at end of year	<u>\$ 296,154,186</u>	<u>\$ 59,743,072</u>	<u>\$ 148,374,393</u>	<u>\$ 198,187,804</u>	<u>\$ 59,618,296</u>	<u>\$ 90,830,299</u>	<u>\$ 111,407,626</u>	<u>\$ 964,315,676</u>

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Government of Guam (GovGuam) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant GovGuam accounting policies are described below:

### A. Reporting Entity

Guam is an unincorporated territory of the United States of America with policy relations between Guam and the United States under the jurisdiction of the Office of Insular Affairs, U.S. Department of the Interior. In 1950, the U.S. Congress provided Guam with an Organic Act that organized GovGuam as a constitutional government comprised of locally elected executive and legislative branches and an appointed judicial branch. In addition, Guam has an elected representative to the U.S. Congress who possesses the same powers and privileges as representatives from the various States, with the exception of voting on the House floor. The Executive Branch consists of a popularly elected Governor and Lieutenant Governor, each serving a four-year term, with executive department heads appointed by the Governor with the consent of the Guam legislature. The Legislative Branch is a unicameral parliament consisting of 15 members elected for a term of two years. The Judicial Branch is comprised of the Supreme Court of Guam and a Territorial Superior Court with judges appointed for eight-year terms by the Governor. Under the Organic Act, GovGuam is required to submit to the U.S. Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within 120 days after the close of the fiscal year; however, GovGuam has not complied with this requirement.

For financial reporting purposes, GovGuam has included all funds, organizations, agencies, boards, commissions and institutions, including the Guam Department of Education (GDOE), formerly known as the Guam Public School System, which is a line agency of GovGuam within GovGuam's Department of Education and is included within the General Fund. GovGuam has also considered all potential component units for which it is financially accountable as well as other entities for which the nature and significance of their relationship with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. Blended component units are entities that are legally separate from GovGuam, but are so related to GovGuam that they are, in substance, the same as GovGuam or entities providing services entirely or almost entirely to GovGuam. The net assets and results of operations of the following legally separate entities are presented as part of GovGuam's operations:

#### 1. Blended Component Units

- (a) The GovGuam Retirement Fund (GGRF) has been blended into GovGuam's financial statements. The governing body consists of a seven-member Board of Trustees. Two members are elected by active Fund members; two members are elected by GGRF members among the roster of retirees; and three members are appointed by the Governor of Guam. GGRF was enacted to provide retirement amenities and other benefits to GovGuam employees, who upon entry to service are eligible for membership. GGRF is reported as if it were part of the primary government because of the fiduciary responsibility that GovGuam retains relative to the operations of GGRF. The operations of GGRF are reported as a Fiduciary Fund Type - Pension Trust Fund.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### A. Reporting Entity, Continued

#### 1. Blended Component Units, Continued

(b) Private purpose trust funds are comprised of trust funds administered by the Superior Court and Public Defender.

#### 2. Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from GovGuam, but are financially accountable to GovGuam, or whose relationships with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. The component units' column of the basic financial statements includes the financial data of the following entities:

#### Major Component Units:

- (a) Antonio B. Won Pat International Airport Authority (AWPIAA), formerly known as the Guam International Airport Authority, was created by Public Law 13-57 (as amended) as an autonomous instrumentality of GovGuam to own and operate the facilities of the Guam International Air Terminal. It is charged with the acquisition, construction, operation and maintenance of airports and related facilities for civil aviation on Guam. AWPIAA supports its operations through landing fees and charges for use of its facilities and through rentals under concessionaire agreements and is governed by a seven-member Board of Directors, all of whom are appointed by the Governor of Guam.
- (b) Guam Memorial Hospital Authority (GMHA) was created by Public Law 14-29 as an autonomous instrumentality of GovGuam to administer and operate the Guam Memorial Hospital. GMHA is governed by a seven-member Board of Trustees, all of whom are appointed by the Governor of Guam.
- (c) Guam Power Authority (GPA) was created by the GPA Act of 1968 and is responsible for the supervision of construction, maintenance of operations and regulations of all electrical utility services within GovGuam. It operates the power system for GovGuam and has created an Island-wide Power System Agreement with the United States Navy. GPA derives revenues from sales of electricity and is governed by the five-member Consolidated Commission on Utilities (CCU), all of whom are elected for two or four year terms.
- (d) Guam Waterworks Authority (GWA), formerly the Public Utility Agency of Guam (PUAG), was created by Public Law 23-119 and is responsible for supervising the construction, maintenance operations and regulations of all water and sewerage services within GovGuam. GWA derives its operating revenues from water and wastewater fees charged to residential, commercial and government customers, based on consumption, and is governed by the CCU.



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### A. Reporting Entity, Continued

#### 2. Discretely Presented Component Units, Continued

Major Component Units, Continued:

- (e) Port Authority of Guam (PAG) was created by Public Law 13-87 as an autonomous instrumentality of GovGuam to own and operate the facilities of the Commercial Port of Guam. PAG is governed by a five-member Board of Directors, all of whom are appointed by the Governor of Guam.
- (f) The University of Guam (UOG) was created by Public Law 13-194 and is responsible for operating Guam's institution of higher education. UOG is governed by a nine-member Board of Regents, all of whom are appointed by the Governor of Guam.

Nonmajor Component Units:

Nonmajor component units are the Chamorro Land Trust Commission, the Guam Community College, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, the Guam Economic Development Authority, the Guam Visitors Bureau, the Guam Preservation Trust, and the Guam Educational Telecommunications Corporation (PBS GUAM).

GovGuam's component units, departments, and funds that are separately audited issue their own basic financial statements, each of which has a September 30 year-end. These statements may be obtained by directly contacting the various entities' administrative offices or at the web site of the Office of Public Accountability - [www.guamopa.com](http://www.guamopa.com).

Antonio B. Won Pat International Airport Authority P.O. Box 8770 Tamuning, GU 96931	Guam Memorial Hospital Authority 850 Governor Carlos G. Camacho Rd. Tamuning, GU 96913
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Guam Power Authority P.O. Box 2977 Hagatna, GU 96932	Guam Waterworks Authority P.O. Box 3010 Hagatna, GU 96932
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Port Authority of Guam 1026 Cabras Hwy, Ste. 201 Piti, GU 96925	University of Guam University Station University Drive Mangilao, GU 96923
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Guam Community College P.O. Box 23069, GMF Barrigada, GU 96921	Guam Housing and Urban Renewal Authority 117 Bien Venida Avenue Sinajana, GU 96926
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Guam Housing Corporation P.O. Box 3457 Hagatna, GU 96932	Chamorro Land Trust Commission P.O. Box 2950 Hagatna, GU 96932
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# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### A. Reporting Entity, Continued

#### 2. Discretely Presented Component Units, Continued

Guam Economic Development Authority  
Suite 511, ITC Bldg.  
590 S. Marine Drive  
Tamuning, GU 96913

Guam Preservation Trust  
Suite 211, 194 Hernan Cortes Avenue  
Hagatna, GU 96932

Guam Visitors Bureau  
401 Pale San Vitores Road  
Tamuning, GU 96913

Guam Educational Telecommunications  
Corporation  
P.O. Box 21449, GMF  
Barrigada, GU 96921

In addition to the aforementioned University of Guam (UOG) and Guam Community College (GCC) component units, the accompanying component units' column of the basic financial statements includes the University of Guam Endowment Foundation, Inc. and the Guam Community College Foundation, Inc., which are legally separate, tax-exempt, separately audited, component units of UOG and GCC, respectively. Inclusion of these component units is in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment of GASB Statement No. 14.

GASB Statement No. 39 provides additional guidance for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government and to clarify reporting requirements for those organizations. The foundations' resources can only be used by or are for the benefit of UOG and GCC to which they serve. They are presented within the respective financial statements of UOG and GCC because of their nature and significance to these entities. Complete financial statements of the foundations may be obtained at their respective offices. The foundations are not considered major component units of GovGuam under the definitions put forth under GASB Statement 34, but are blended within UOG and GCC.

#### 3. Related Organizations

The Public Utilities Commission (PUC) is a related organization under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39. PUC consists of seven members, all of whom are appointed by the Governor of Guam. GovGuam's accountability does not extend beyond the appointments. Accordingly, PUC is classified as another stand-alone governmental unit, not a component unit of GovGuam, and therefore is not part of these financial statements.

#### 4. Omitted Governmental Funds

The Guam Board of Accountancy Fund was established under Public Law 27-58 to administer and enforce the licensing and practicing of Certified Public Accountants on Guam and is considered to be a nonmajor governmental fund. The omission of this fund is not considered material to either the nonmajor governmental funds or the governmental activities reporting units.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### B. Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements except for other charges between the primary government and the discretely presented component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Primary government activities are defined as either governmental or business-type activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. As such, business-type activities account for operations similarly to a for-profit business. GovGuam did not report any business-type activities during the year ended September 30, 2009. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Discretely presented component unit activities are presented with their business-type focus.

The Statement of Net Assets presents all of the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.
- Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.
- Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated (for example, internally restricted), to indicate that management does not consider them to be available for general operations.

The government-wide Statement of Net Assets reports \$141,660,730 of restricted net assets, of which \$45,972,842 is restricted by enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are, instead, reported as general revenue and offset or supplant the net operating deficit or surplus from governmental operations.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### C. Fund Financial Statements

The fund financial statements present a balance sheet and a statement of revenues, expenditures, and changes in fund balances for its major and aggregated non-major funds. Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements pursuant to GASB reporting standards, with nonmajor governmental funds being combined into a single column.

GovGuam reports its financial position and results of operations in funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Transactions between funds within a fund type, if any, have not been eliminated.

### D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the fiduciary fund and component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements account for the general governmental activities of GovGuam and are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual and are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, GovGuam considers most revenues other than federal grants and assistance awards to be available if they are collected within 90 days of the end of the current fiscal period. Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenue when available and entitlement occurs which is generally within 12 months of the end of the current fiscal period.

Significant revenues susceptible to accrual include income and gross revenue taxes, federal grants, federal reimbursements and other reimbursements for use of materials and services are recognized in the year for which they are received or subject to accrual, grants expended or services provided. Miscellaneous revenues from other financing sources are recognized when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded in the period in which the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due. Compensated absences, claims and judgments, termination benefits and similar activities are recognized to the extent that they are normally expected to be liquidated with expendable available financial resources.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### D. Measurement Focus and Basis of Accounting, Continued

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is divided into two billings: the first billing is due February 20; the second billing is due April 20. The billings are considered past due 60 days after the respective tax payment dates, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenue is derived from taxation, investment income and other fees that are not allocated to specific programs.

Discretely presented component units distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a component unit's principal ongoing operations. All other revenues are reported as nonoperating. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

GovGuam reports the following fund types:

#### 1. Governmental Fund Types

General Fund, a governmental fund, is the primary operating fund of GovGuam. It is used to account for all governmental transactions, except those required to be accounted for in another fund.

Special Revenue Funds account for specific revenue sources that have been aggregated according to enabling legislation to support specific governmental activities.

Capital Projects Funds account for the acquisition or construction of major GovGuam capital facilities financed primarily from bonds and federal reimbursements.

Debt Service Funds account for the accumulation of resources, principally transfers from other funds, for the payment of long-term debt principal and interest.

#### 2. Fiduciary Fund Types

Pension Trust Funds report resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension plans.

Private Purpose Funds are used to account for resources held in trust under which principal and income benefit certain individuals.

Agency Funds account for assets GovGuam holds on behalf of others. Agency funds are custodial in nature and do not involve measurement of operations.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### D. Measurement Focus and Basis of Accounting, Continued

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses for either fund category or the governmental and enterprise combined) for the determination of major funds. GovGuam has elected to add an additional major fund that has specific public interest, namely the GDOE Federal Grants Assistance Fund. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements.

GovGuam reports the following major funds:

Federal Grants Assistance Fund, a Governmental Fund Type - Special Revenue Fund. This fund accounts for all activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance general governmental operations.

GDOE Federal Grants Fund, a Governmental Fund Type - Special Revenue Fund. This fund accounts for all activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance public education.

Landfill CIP Fund, a Governmental Fund Type - Capital Projects Fund. This fund accounts for bond proceeds issued by GovGuam for the purpose of financing facilities of the Solid Waste Management System of Guam.

As allowed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, GovGuam's discretely presented component units follow all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

### E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments in U.S. Treasury obligations with a maturity date within three months of the date acquired by GovGuam. Deposits maintained in time certificates of deposit with original maturity dates greater than three months are separately classified on the statement of net assets/balance sheet.

### F. Investments

Investments and related investment earnings are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale and are primarily determined based on quoted market values.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### G. Receivables

In general, tax revenue is recognized on the government-wide financial statements when assessed or levied and on the governmental financial statements to the extent that it is both measurable and available. Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to GovGuam for its expenditures on federally funded reimbursement and grant programs are reported as “receivables from federal agencies” in the governmental funds balance sheet.

Receivables of the primary government and the discretely presented component units are primarily due from businesses and individuals residing on the island of Guam. The allowance for uncollectible accounts primarily represents estimated uncollectible amounts that are determined based upon past collection experience and aging of the accounts.

### H. Inventories

Inventories of the primary government and the discretely presented component units are generally valued at the lower of cost (FIFO) or market.

### I. Interfund Receivables/Payables

During the course of its operations, GovGuam records transactions between individual funds for goods provided or services rendered. Receivables and payables resulting from transactions between funds are classified as "due from other funds" or "due to other funds" on the governmental fund balance sheet. Receivables and payables resulting from transactions between component units and the primary government are classified as “due to/from primary government” or “due to/from component units” on the governmental fund balance sheet and the statement of net assets. Interfund receivables and payables have been eliminated from the statement of net assets.

### J. Capital Assets

Capital assets, including property, plant, equipment and infrastructure (e.g. roads, bridges, ramps and other similar items), are reported in the governmental activity column of the government-wide financial statements. Such assets, whether purchased or constructed, are recorded at historical cost or estimated historical cost. Construction in progress includes all associated cumulative costs of a constructed capital asset. Construction in progress is relieved at the point at which an asset is placed in service for its intended use. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are capitalized when the cost of the individual items exceeds \$50,000. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### J. Capital Assets, Continued

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. During the year ended September 30, 2009, interest expense in the amount of \$1,316,000 was included as part of the cost of capital assets under construction associated with the municipal school lease agreement.

Capital assets of the primary government are depreciated using the straight-line method with a full year's depreciation charged in the year of acquisition and disposal, regardless of date.

Capital assets of the discretely presented component units are capitalized upon purchase and depreciated on a straight-line basis over the estimated useful lives of the assets.

### K. Deferred Revenues

In the government-wide financial statements, deferred revenue is recognized when cash, receivables or other assets are recorded prior to being earned. In the governmental fund financial statements, deferred revenue represents monies received or revenues accrued which have not been earned or do not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting. The deferred revenue in the governmental fund types primarily relates to Section 30 federal income tax collections remitted to the trustee in accordance with the bond indentures associated with the 2001 and 2009 Series A bond issues, and federal funds received in advance of eligible expenditures. On September 29, 2009, GovGuam received Section 30 federal income tax collections from the United States Government in the amount of \$39,028,136, which pertains to revenues of the following fiscal year.

### L. Provision for Tax Refunds

During the calendar year, GovGuam collects individual and corporate income taxes through withholdings and payments from taxpayers. At September 30, GovGuam estimates the amount owed to taxpayers for overpayments during the first nine months of the calendar year. These estimated amounts and the actual tax refunds claimed for prior years but not paid at year-end are recorded as tax refunds payable and as a reduction of tax revenue. The provision for tax refunds is evaluated on a regular basis by management and is based upon management's periodic review of tax returns in light of historical experience and the nature and volume of tax returns submitted. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Accordingly, changes to the provision for tax refunds are accounted for on a prospective basis.

### M. Long-term Debt

The liabilities reported in the government-wide financial statements include GovGuam general obligation bonds, long-term notes and capital leases, and long-term liabilities including vacation, sick leave, long-term liabilities to other governmental entities, net pension obligation, and closure and post-closure costs associated with the Ordot Dump. Long-term obligations financed by component units are recorded as liabilities in the discretely presented component unit's column.



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### N. Dedicated Revenues and Pledges

GovGuam has pledged a portion of future General Fund Section 30 revenues to repay the following debt: (i) \$76,895,000 in limited obligation bonds issued in December 2001; (ii) a \$10,000,000 note payable to a bank executed in September 2002; (iii) a \$13,800,000 note payable to a bank executed in July 2008; and (iv) \$202,425,000 in limited obligation bonds issued in June 2009. This debt is payable solely from Section 30 revenues payable to GovGuam by the United States Government pursuant to Section 30 of the Organic Act, Title 48, U.S. Code, Section 41421(h). Total principal and interest remaining on this debt is approximately \$244,330,774 payable through November 2039. For the year ended September 30, 2009, principal and interest paid and total Section 30 revenues were \$15,181,476 and \$38,869,372, respectively.

GovGuam has also pledged a portion of future hotel occupancy tax revenues, liquid fuel tax revenues and vehicle registration/license fees, and certain judicial fees, fines and building rental receipts to repay the following debt: (i) \$41,595,000 in limited obligation infrastructure improvement bonds issued in December 1997; (ii) \$21,560,000 in limited obligation highway refunding bonds issued in April 2001; and (iii) a \$11,000,000 note payable to a bank executed in September 2006. This debt is payable solely from these certain tax revenues, vehicle registration/license fees, judicial fees, fines and building rental receipts generated by GovGuam. Total principal and interest remaining on the limited obligation infrastructure improvement bonds is approximately \$44,723,470 payable through November 2017. For the year ended September 30, 2009, principal and interest paid and total hotel occupancy tax revenues were \$7,221,751 and \$19,398,833, respectively. Total principal and interest remaining on the limited obligation highway refunding bonds is approximately \$18,077,425 payable through May 2012. For the year ended September 30, 2009, principal and interest paid, total liquid fuel tax revenues and total vehicle registration/license fees were \$6,030,400, \$9,441,039 and \$8,515,769, respectively. Total principal and interest remaining on the note payable is approximately \$9,514,526 payable through September 2018. For the year ended September 30, 2009, principal and interest paid and total judicial fees, fines and building rental receipt revenues were \$744,753 and \$2,883,445, respectively.

Finally, GovGuam has entered into a municipal school lease agreement whereby GovGuam has pledged a portion of future Compact Impact grant revenues to finance annual lease payments under this agreement. This lease obligation is payable solely from Compact Impact grant revenues payable to GovGuam by the United States Government pursuant to the Compact of Free Association Act, U.S. Public Law 108-188. Total payments remaining on this municipal school lease agreement are approximately \$112,700,000 payable through December 2025. For the year ended September 30, 2009, lease payments made and total Compact Impact grant revenues received were \$7,100,000 and \$7,100,000, respectively.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### O. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums, discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Bonds payable are reported net of bond premiums and discounts. Bond issue costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the period the bond proceeds are received. The face amount of the debt issued is reported as other financing sources. Premiums received and discount deducted on debt issuance are reported as other financing sources and other financing uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as expenditures.

### P. Fund Equity/Net Assets

GovGuam reports net assets as restricted when restrictions are externally imposed by citizens and/or public interest groups or legally segregated for a specific future use by enabling legislation in accordance with GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. Otherwise, these balances are considered unrestricted.

Net Assets have been restricted as follows:

“Restricted for capital projects” - identifies amounts of unspent proceeds of bond issuances that can only be used for capital projects.

“Restricted for retirement of indebtedness” - identifies amounts held by fiscal agents to fund future debt service obligations as required under bond indentures. Because removal of monies from these restrictions will constitute a technical default to bondholders, the amounts are restricted.

“Restricted for other purposes” - identifies amounts held for various externally imposed restrictions either by creditors, grantors or laws and regulations of other governments. It also includes various restrictions put forth by the GovGuam enabling statutes. Included in this restriction are reserves for prior appropriations continued.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

### Q. Estimates

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the provision for tax refunds.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### R. Compensated Absences

Compensated absences are recorded as a long-term liability in the statement of net assets. Amounts to be paid during the next fiscal year are reported as current liabilities. For the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and fund liabilities. Vacation pay is convertible to pay upon termination of employment.

In accordance with Public Law 27-5 and Public Law 28-68, employee vacation rates are credited at either 104, 156 or 208 hours per year, depending upon their length of service.

1. One-half day (4 hours) for each full bi-weekly pay period in the case of employees with less than five (5) years of service
2. Three-fourths day (6) hours for each full bi-weekly pay period in the case of employees with more than five (5) years of service but less than fifteen (15) years of service.
3. One (1) day (8 hours) for each full bi-weekly pay period in the case of employees with more than fifteen (15) years of service.

The statutes further amended the maximum accumulation of such vacation credits from 480 to 320 hours. Public Law 27-106 amended subsection (c) of 4 Guam Code Annotated § 4109. Employees who have accumulated annual leave in excess of 320 hours as of February 28, 2003, may carry over their excess and shall use the excess amount of leave prior to retirement or termination from service. Any unused leave over the excess shall be lost.

Public Law 26-86 allows members of the Defined Contribution Retirement System to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GovGuam has accrued an estimated liability of \$15,882,742 at September 30, 2009 for potential future sick leave payments as a result of this law. However, this amount is an estimate and actual payout may be materially different than estimated.

### S. Total Columns

Total columns are presented primarily to facilitate financial analysis. The Management's Discussion and Analysis includes certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with GovGuam's financial statements for the year ended September 30, 2008 from which summarized information was derived.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### T. New Accounting Standards

During fiscal year 2009, GovGuam implemented the following pronouncements:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which provides guidance and consistency under which a governmental entity would be required to report a liability related to pollution remediation.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which improves financial reporting by contributing to the GASB's efforts to codify all GAAP for state and local governments so that they derive from a single source.
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments, and addresses three issues from the AICPA's literature - related party transactions, going concern considerations, and subsequent events.

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

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which addresses whether and when intangible assets should be considered capital assets for financial reporting purposes. The provisions of this statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which is intended to improve how state and local governments report information about derivative instruments - financial arrangements used by governments to manage specific risks or make investments - in their financial statements. The provisions of this statement are effective for periods beginning after June 15, 2009. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (1) Summary of Significant Accounting Policies, Continued

### T. New Accounting Standards, Continued

In December 2008, GASB issued Technical Bulletin No. 2008-1, *Determining the Annual Required Contribution Adjustment for Postemployment Benefits*, which clarifies the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for calculating the annual required contribution (ARC) adjustment. The provisions of this statement are effective for periods beginning after December 15, 2008. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The provisions of this statement are effective for periods beginning after June 15, 2010. Management has not evaluated the effect that the implementation of this statement will have on the financial statements of GovGuam.

### U. Restatement

Subsequent to the issuance of GovGuam's 2008 financial statements, GovGuam's Department of Administration issued a determination concerning the redesignation of GovGuam's Defined Benefit Pension Plan (DB Plan) as a cost-sharing multiple-employer plan. Prior to this determination, the DB Plan was designated as a single-employer plan, requiring the governmental activities and the aggregate discretely presented component units of GovGuam to measure and disclose an amount for annual pension cost. Annual pension cost amounted to the annual required contributions (ARC) to the plan with the difference between the ARC and actual required contributions recognized as a net pension obligation. The redesignation of the DB Plan as a cost-sharing multiple-employer plan resulted in the reversal of the previously reported unfunded pension liability of the governmental activities and the aggregate discretely presented component units, totaling \$192,712,647 and \$50,099,684, respectively.

## (2) Deposits and Investments

GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, disclosure is required of investments that have fair values that are highly sensitive to changes in interest rates. GASB Statement No. 40 also requires disclosure of formal policies related to deposit and investment risks.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (2) Deposits and Investments, Continued

The deposit and investment policies of GovGuam are governed by 5 GCA 21, *Investments and Deposits*, in conjunction with applicable bond indentures. The Director of Administration is responsible for the safekeeping of all monies paid into the Treasury of Guam. The Director of Administration invests any monies of GovGuam that are deemed not necessary for immediate use. Legally authorized investments include securities issued or guaranteed by the U.S. Treasury or agencies of the United States government; demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any eligible institution; corporate debt obligations, including commercial paper; certain money market funds; state and local government securities, including municipal bonds; and repurchase and investment agreements. With the exception of investments in U.S. government securities, which are explicitly or implicitly guaranteed by the United States government, all other investments must be rated Aa1/P-1 by Moody's.

### A. Deposits

GASB Statement No. 3 previously required government entities to present deposit risks in terms of whether the deposits fell into the following categories:

- Category 1 Deposits that are federally insured or collateralized with securities held by GovGuam or its agent in GovGuam's name;
- Category 2 Deposits that are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in GovGuam's name; or
- Category 3 Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent but not in GovGuam's name and non-collateralized deposits.

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 but retained disclosures for deposits falling under category 3. Category 3 deposits are those deposits that have exposure to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, GovGuam's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, collateralized with securities held by the pledging financial institution, or held by the pledging financial institution but not in the depositor-government's name. GovGuam does not have a deposit policy for custodial credit risk.

As of September 30, 2009, the carrying amount of the primary government's total cash and cash equivalents and time certificates of deposit was \$285,173,545 and the corresponding bank balances were \$304,854,466. Of the bank balances, \$156,512,682 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. The remaining amount of \$148,341,784 represents short-term investments held and administered by GovGuam's trustees in accordance with various trust agreements and bond indentures. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam's name by GovGuam's custodial financial institutions at September 30, 2009. As of September 30, 2009, bank deposits in the amount of \$3,275,961 were FDIC insured. GovGuam does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (2) Deposits and Investments, Continued

### A. Deposits, Continued

As of September 30, 2009, cash and cash equivalents and time certificates of deposit in the amount of \$100,504,107 are restricted for capital projects. Additionally, cash and cash equivalents in the amount of \$98,112,093 are restricted for future debt service requirements with the remaining restricted cash and cash equivalents of \$18,035,451 representing unexpended bond proceeds.

As of September 30, 2009, the carrying amount of the fiduciary fund's total cash and cash equivalents and time certificates of deposit was \$15,974,265 and the corresponding bank balances were \$16,719,482, which are maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2009, bank deposits in the amount of \$1,095,402 were FDIC insured. GovGuam does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

### B. Investments

GASB Statement No. 3 previously required government entities to present investment risks in terms of whether the investments fell into the following categories:

- |            |   |
|------------|---|
| Category 1 | Investments that are insured or registered, or securities held by GovGuam or its agent in GovGuam's name;   |
| Category 2 | Investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in GovGuam's name; or   |
| Category 3 | Investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in GovGuam's name. |

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for investments falling into categories 1 and 2, and provided for disclosure requirements addressing other common risks of investments such as credit risk, interest rate risk, concentration of credit risk, and foreign currency risk. GASB Statement No. 40 did retain and expand the element of custodial credit risk in GASB Statement No. 3.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for GovGuam.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(2) Deposits and Investments, Continued

B. Investments, Continued

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, GovGuam will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. GovGuam's investments are held and administered by trustees in accordance with various bond indentures for the purpose of funding various health-related projects under a tobacco settlement agreement and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam's name by GovGuam's custodial financial institutions at September 30, 2009.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt instruments. GovGuam does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of September 30, 2009, GovGuam's investments recorded at fair value are classified as follows:

Fixed income	\$ 14,852,764
Mutual funds	<u>98,010,578</u>
	<u>\$ 112,863,342</u>

As of September 30, 2009, investments in mutual funds are restricted for capital projects.

As of September 30, 2009, GovGuam's investments in debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Fair Value
			1 to 5	6 to 10	Greater Than 10	
U.S. Government agencies:						
Federal Home Loan Mortgage Corporation	Aaa/P-1	\$ 4,400,000	\$ -	\$ -	\$ -	\$ 4,400,000
Municipal bonds:						
Gwinnett County (Georgia) Development Authority	Aaa/P-1	-	-	-	7,309,000	7,309,000
Commercial paper	Aaa/P-1	1,396,639	-	-	-	1,396,639
Commercial paper	A1/P-1	<u>1,747,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,747,125</u>
		<u>\$ 7,543,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,309,000</u>	<u>\$ 14,852,764</u>

As of September 30, 2009, investments in debt securities in the amount of \$7,543,764 are restricted for future debt service requirements.

Additionally, as of September 30, 2009, the General Fund holds 15% of the shares of the Pacific Islands Development Bank in the amount of \$900,000. As the fair market value of this investment is not readily available, such has been recorded at cost.



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (2) Deposits and Investments, Continued

### B. Investments, Continued

Investments of the Government of Guam Retirement Fund (GGRF) include U.S. Federal Government and agency obligations, foreign government obligations, real estate, commercial mortgages, corporate debt, mutual funds and equity instruments. Investments are reported at fair value. Security transactions and any resulting gains or losses are accounted for on a trade date basis.

Investments other than real estate, commercial mortgages and other loans, and municipal revenue bonds are reported at market values determined by the custodial agents. The agent's determination of market values includes, among other things, using pricing services or prices quoted by independent brokers at current exchange rates.

Commercial mortgages and other loans and municipal revenue bonds have been valued on an amortized cost basis, which approximates market or fair value. No allowance for loan loss has been provided as all loans and bonds are considered by management to be fully collectible. Short-term investments are reported at cost, which approximates market value.

For investments where no readily ascertainable market value exists, management, in consultation with their investment advisor, have determined the fair values for the individual investments based on anticipated maturity dates and current interest rates commensurate with the investment's degree of risk.

Northern Trust Company holds the investments as custodian in GGRF's name. In addition, GGRF has selected investment managers who are given authority to purchase and sell securities in accordance with the following guidelines:

- a. Cash and Cash Equivalents - Cash equivalent reserves must consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposit, time deposits, and repurchase agreements are also acceptable investment vehicles. All other securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above. No single issue shall have a maturity of greater than two years, and the cash portfolio shall have a maturity of less than one year. Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the custodian.
- b. Investment managers may invest in U.S. and non-U.S. common stocks, American Depositary Receipts (ADRs), convertible bonds, preferred stocks, fixed-income securities, mutual funds and short-term securities. All fixed-income securities held in the portfolio must have a Moody's, Standard & Poor's and/or a Fitch's credit quality rating of no less than "BBB". U.S. Treasury and U.S. government agencies are qualified for inclusion in the portfolio. No more than twenty percent (20%) of the market value of the portfolio may be rated less than single "A" quality, unless the manager has specific written authorization. Eighty percent (80%) of the fixed-income portfolio must be in bonds of credit quality of no less than "A". Total portfolio quality (capitalization weighted) must maintain an "A" minimum rating. In case such bonds or other evidence of indebtedness are not so rated by two nationally recognized and published rating services, the net earnings available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year and during either of the last two years have been, after depreciation and taxes, not less than:

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (2) Deposits and Investments, Continued

### B. Investments, Continued

- i. Two times its average annual fixed charges over the same period, in the case of any public utility company;
- ii. One and one-half times its average annual fixed charges over the same period, in the case of any financial company; or,
- iii. Three times its average annual fixed charges over the same period, in the case of any other company.

With the written petition and subsequent written approval of the Trustees, opportunistic investment bonds issued by national governments other than the United States or foreign corporations may comprise up to six percent (6%) of each fixed-income manager's portfolio. In no case shall these investments exceed three and one-half percent (3.5%) of the total GGRF investments. All non-U.S. securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above.

- c. No investment management organization shall have more than twenty-five percent (25%) of the GGRF's assets under its direction.
- d. No individual security of any issuer, other than that of the United States government or GovGuam, shall constitute more than five percent (5%), at cost, of the total GGRF or of any investment manager's portfolio.
- e. Holdings of any issuer must constitute no more than five percent (5%) of the outstanding securities of such issuer.
- f. Investments in a registered mutual fund managed by the investment manager are subject to prior approval of the Board of Trustees.
- g. The following securities and transactions are not authorized: letter stock and other unregistered securities; non-negotiable securities; commodities or other commodity contracts; and short sales origin transactions. Options and futures are restricted, except by petition to the Trustees for approval.

Investments of GGRF as of September 30, 2009 are classified as follows:

Common stocks	\$ 557,712,039
Fixed income	407,090,403
Money market funds	22,526,943
Mutual funds	<u>364,160,499</u>
	\$ <u>1,351,489,884</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(2) Deposits and Investments, Continued

B. Investments, Continued

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer is the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that GGRF manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of September 30, 2009, GGRF's investments in debt securities were as follows:

	<u>Investment Maturities (In Years)</u>				
	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>Greater Than 10</u>	<u>Fair Value</u>
U.S. Treasury notes	\$ -	\$ 2,252,720	\$ 13,815,338	\$ 2,145,271	\$ 18,213,329
U.S. government agencies	-	42,280,378	17,192,309	109,247,456	168,720,143
Corporate notes and bonds	<u>5,816,398</u>	<u>49,865,642</u>	<u>90,289,827</u>	<u>74,188,064</u>	<u>220,159,931</u>
	<u>\$ 5,816,398</u>	<u>\$ 94,398,740</u>	<u>\$ 121,297,474</u>	<u>\$ 185,580,791</u>	<u>\$ 407,093,403</u>

GGRF's investments are typically made in corporate equities, U.S. Treasury obligations, and commercial paper. These types of investments are not more sensitive to interest rate fluctuations than as already indicated above. Investments that are highly sensitive to interest rate fluctuations include Federal agency securities with coupon multipliers that are reset frequently, mortgage-backed securities, and Federal agency securities with interest rates that vary inversely to a benchmark set quarterly.

GGRF has invested in mortgage backed securities, which are more sensitive to fluctuations in interest rates than already indicated in the information provided above. Such securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. At September 30, 2009, GGRF held mortgage-backed securities valued at approximately \$118,000,000.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(2) Deposits and Investments, Continued

B. Investments, Continued

Presented below is the minimum rating required by (where applicable) the Guam Code Annotated and GGRF's investment policy, and the actual rating as of September 30, 2009:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Amount</u>	<u>Rating as of Year End</u>
U.S. Treasury notes	N/A	\$ 64,186,232	Exempt from disclosure
Federal agency securities	N/A	132,277,622	Exempt from disclosure
Money market funds	A-2	22,526,943	AAAm
Corporate medium term notes and U.S. municipal obligations	BBB	17,932,461	Aaa
		38,522,941	Aa1-Aa3
		85,664,596	A1-A3
		28,874,301	Baa1-Baa3
		<u>39,632,250</u>	Not rated
		<u>\$ 429,617,346</u>	

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. At September 30, 2009, the Fund did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total GGRF investments.

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. At September 30, 2009, GGRF held approximately \$1,845,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$978,000 was issued by German companies, \$553,000 by British companies, and \$314,000 by Dutch companies.

At September 30, 2009, GGRF held investments (generally U.S. dollar denominated ADRs) in corporate stocks issued by companies organized in various foreign countries. These ADRs are indirectly affected by fluctuations in currency exchange rates. The market value of these investments at September 30, 2009 was approximately \$114,000,000. Of this total, approximately \$50,000,000 relates to companies whose functional currency is the Euro, \$23,000,000 relates to companies whose functional currency is the Japanese yen, \$11,000,000 relates to companies whose functional currency is the Swiss Franc, \$7,000,000 relates to companies whose functional currency is the Australian dollar, and the remaining \$23,000,000 relates to companies representing nine separate functional currencies.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(2) Deposits and Investments, Continued

B. Investments, Continued

The Guam Code Annotated and GGRF's investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits and investments. The Guam Code Annotated requires that a financial institution secure deposits made by GovGuam agencies by pledging securities in: "(a) Treasury notes or bonds of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and in interest, (b) any evidence of indebtedness of the Government of Guam, (c) Investment certificates of the Federal Home Loan Bank, or (d) such other securities as may be ... approved by the Director of Administration and the Governor of Guam." The fair market value of the pledged securities must be at least ten percent (10%) in excess of the amount of monies deposited with the bank.

Further, to address custodial risk, the Guam Code Annotated requires the custodian to have been in the business of rendering trust custody services for ten or more years, to be organized under the laws of the United States or a state or territory thereof, to have capital and surplus in excess of Ten Million Dollars (\$10,000,000), and to be a member of the Federal Reserve System whose deposits are insured by the Federal Deposit Insurance Corporation. Regardless of the above, any locally chartered bank may act as custodian for GGRF.

(3) Receivables

Receivables as of September 30, 2009, for the primary government's individual major governmental funds, nonmajor governmental funds in the aggregate, and fiduciary funds, including allowances for uncollectible accounts, are as follows:

	General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Nonmajor Governmental Funds	Fiduciary Funds	Total
Receivables:							
Taxes	\$ 26,583,669	\$ -	\$ -	\$ -	\$ 4,873,143	\$ -	\$ 31,456,812
Federal grants	20,173,120	26,848,815	5,171,082	-	732,497	-	52,925,514
Contributions	-	-	-	-	-	16,268,357	16,268,357
Notes	-	-	-	-	-	6,217,227	6,217,227
Interest	-	-	-	-	-	4,426,240	4,426,240
COLA benefits	-	-	-	-	-	72,993,528	72,993,528
Other	<u>6,677,690</u>	<u>345,976</u>	<u>-</u>	<u>-</u>	<u>13,521,682</u>	<u>16,140,221</u>	<u>36,685,569</u>
	53,434,479	27,194,791	5,171,082	-	19,127,322	116,045,573	220,973,247
Allowance for uncollectible accounts	<u>(6,677,690)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,882,921)</u>	<u>-</u>	<u>(16,560,611)</u>
Net receivables	<u>\$ 46,756,789</u>	<u>\$ 27,194,791</u>	<u>\$ 5,171,082</u>	<u>\$ -</u>	<u>\$ 9,244,401</u>	<u>\$ 116,045,573</u>	<u>\$ 204,412,636</u>

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

### (3) Receivables, Continued

Contributions receivable recorded by the fiduciary funds represent amounts owed to the GovGuam Retirement Fund (GGRF) for employer and member contributions from various GovGuam agencies for various pay periods during the fiscal years ended September 30, 1988 through 2006. As of September 30, 2009, employer contributions receivable totaled \$10,899,792; member contributions receivable totaled \$5,135,624; and interest and penalties receivable totaled \$232,941. A significant portion of the employer and member contributions receivable represent Defined Benefit Plan contributions from the Guam Department of Education (GDOE), formerly the Guam Public School System, a line agency of the primary government, and the Guam Memorial Hospital Authority (GMHA). As of September 30, 2009, receivables from GDOE and GMHA totaled \$7,334,916 and \$5,420,688, respectively.

Interest and penalties continue to accrue on these receivables based on the provisions set forth in Section 8137(c) of 4 GCA 8, *Retirement of Public Employees*, which states that GGRF will impose interest at a rate equivalent to the average rate of return on its investments from the previous fiscal year and a 1% penalty for delinquent payments.

Public Law 28-38, as amended by Public Law 29-19, requires GovGuam's General Fund to remit interest only payments monthly to GGRF for the aforementioned receivables from GDOE and GMHA. The law indicates that monthly payments, totaling \$192,955 and \$190,501, respectively, for GDOE and GMHA, will continue until the outstanding balances for these agencies are fully paid from a general obligation bond or other means. However, if the obligations are not paid within ten years, payments for GDOE and GMHA will resume per 4 GCA Section 8137. During the fiscal year ended September 30, 2009, GGRF received payments totaling \$2,315,460 and \$2,286,012 for GDOE and GMHA, respectively.

Public Law 24-327, as amended, became effective December 30, 1998 relative to GovGuam's Early Retirement Incentive Program (ERIP). This law allowed GGRF members with at least twenty years of creditable service to retire and to purchase up to five years of creditable service. Those electing to participate in the ERIP must pay the members' share of the required contribution, plus interest, based on their salary at the time they made the election; the time period in which the member was required to make the election being December 30, 1998 to January 7, 2000. Payments can be made in full or can be financed through deductions from annuities over a period not to exceed fifteen years.

Approximately 800 members elected to participate in the ERIP and signed promissory notes totaling nearly \$15,000,000. At September 30, 2009, the amount owed under these notes was \$5,947,312. There is a corresponding deferred revenue account to offset these notes receivable, since contribution income is recognized on a cash basis as amounts are collected from retirees. GovGuam's share of these contributions has been recognized in the amount of \$269,915 at September 30, 2009. This receivable has also been offset by deferred revenue in the same amount.

Public Law 25-72, passed in September 1999, required the payment of supplemental annuity and cost of living allowance benefits to retirees, and specified that these payments were vested, limited-duration benefits to be provided by GGRF. Such benefits were to be actuarially funded over a twenty-year amortization period through an increase in contributions. GGRF initially recorded these benefit payments as a receivable in the amount of \$137,200,000 and has reduced this receivable by a portion of employer contributions received. The percentage used for the year ended September 30, 2009 was 1.2016% of covered payroll. As of September 30, 2009, the receivable recorded by GGRF amounted to \$72,993,528.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(4) Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds in the combined balance sheet at September 30, 2009, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Federal Grants Assistance	\$ 19,651,090
General	GDOE Federal Grants	1,246,443
Nonmajor governmental funds	General	37,733,969
General	Nonmajor governmental funds	16,572,191
Nonmajor governmental funds	Nonmajor governmental funds	<u>2,634,850</u>
		<u>\$ 77,838,543</u>

These balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made, and are scheduled to be collected in the subsequent year.

Balances reflected as due to component units of the primary government at September 30, 2009, are summarized as follows:

General Fund:		
Guam Memorial Hospital Authority		\$ 2,621,511
Guam Power Authority		8,325,628
University of Guam		3,107,621
Nonmajor component units		<u>2,442,445</u>
		<u>16,497,205</u>
Nonmajor governmental funds:		
University of Guam		500,000
Nonmajor component units		<u>1,342,502</u>
		<u>1,842,502</u>
		<u>\$ 18,339,707</u>

Balances reflected as due from component units of the primary government in the statement of net assets/balance sheet at September 30, 2009, are summarized as follows:

Nonmajor governmental funds:		
Antonio B. Won Pat International Airport Authority		\$ <u>1,528,147</u>

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2009

(5) Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2009, are as follows:

	Estimated Useful Lives	Balance October 1, 2008	Additions	Retirements	Balance September 30, 2009
Governmental activities:					
Nondepreciable capital assets:					
Land		\$ 11,454,623	\$ -	\$ -	\$ 11,454,623
Construction in progress		<u>6,676,671</u>	<u>633,968</u>	<u>(5,579,745)</u>	<u>1,730,894</u>
		<u>18,131,294</u>	<u>633,968</u>	<u>(5,579,745)</u>	<u>13,185,517</u>
Depreciable capital assets:					
Buildings	40 - 60 yrs	377,063,207	26,283,014	(137,500)	403,208,721
Machinery, equipment and furniture	5 - 20 yrs	52,666,615	3,463,716	-	56,130,331
Infrastructure	25 yrs	<u>583,311,439</u>	<u>8,434,850</u>	<u>-</u>	<u>591,746,289</u>
		<u>1,013,041,261</u>	<u>38,181,580</u>	<u>(137,500)</u>	<u>1,051,085,341</u>
Less accumulated depreciation:					
Buildings		(108,654,557)	(11,283,365)	2,750	(119,935,172)
Machinery, equipment and furniture		(43,437,658)	(3,357,616)	-	(46,795,274)
Infrastructure		<u>(156,990,439)</u>	<u>(23,269,461)</u>	<u>-</u>	<u>(180,259,900)</u>
		<u>(309,082,654)</u>	<u>(37,910,442)</u>	<u>2,750</u>	<u>(346,990,346)</u>
Depreciable capital assets, net		<u>703,958,607</u>	<u>271,138</u>	<u>(134,750)</u>	<u>704,094,995</u>
		<u>\$ 722,089,901</u>	<u>\$ 905,106</u>	<u>\$ (5,714,495)</u>	<u>\$ 717,280,512</u>

Depreciation expense was charged to functions/programs of the primary government's governmental activities as follows:

General government	\$ 1,958,867
Protection of life and property	684,497
Public health	90,686
Community services	7,446
Recreation	77,314
Individual and collective rights	732,015
Transportation	17,866,494
Public education	10,372,938
Environmental protection	517,525
Economic development	<u>5,602,660</u>
	<u>\$ 37,910,442</u>



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (6) Long-Term Obligations

As of September 30, 2009, the primary government had the following long-term debt outstanding:

### General Obligation Bonds:

General Obligation Bonds, 1993 Series A (original issue of \$175,000,000, dated September 15, 1993), varying interest rates at 5.375% - 5.4% per annum, payable semiannually on May 5 and November 5, partially refunded in 2008 with principal fund payments due in varying annual installments commencing with an initial payment of \$2,910,000 on November 5, 2009 and increasing to a final payment of \$4,670,000 on November 5, 2018. The bonds were issued for the purpose of implementing certain capital projects comprised principally of new or renovated educational facilities and related equipment and are backed solely by a pledge of full faith and credit of GovGuam.

\$ 37,280,000

General Obligation Bonds, 2007 Series A (original issue of \$151,935,000, dated November 1, 2007), varying interest rates at 5% - 5.25% per annum, payable semiannually on May 5 and November 5, principal fund payments due in varying annual installments commencing with a payment of \$4,920,000 on November 5, 2019 and increasing to a final payment of \$12,155,000 on November 1, 2037. The bonds were issued for the purpose of advance refunding a portion of the 1993 General Obligation Bonds and to provide additional proceeds to fund certain capital improvement projects and other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments and are backed solely by a pledge of full faith and credit of GovGuam.

151,935,000

Less net unamortized discount on refunded bonds

(5,263,296)

146,671,704

General Obligation Bonds, 2009 Series A (original issue of \$271,070,000, dated June 18, 2009), varying interest rates at 5.75% - 7% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying semiannual installments commencing with a payment of \$3,220,000 on November 15, 2010 and increasing to a final payment of \$20,125,000 on November 15, 2039. The bonds were issued for the purpose of providing proceeds to fund certain capital improvement projects and other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments and are backed solely by a pledge of full faith and credit of GovGuam.

271,070,000

Less net unamortized discount on bonds

(9,622,491)

261,447,509

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (6) Long-Term Obligations, Continued

### Limited Obligation Bonds:

Limited Obligation Infrastructure Improvement Bonds, 1997 Series A (original issue of \$76,275,000, dated December 1, 1997), varying interest rates at 4.8% - 5.25% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying annual installments commencing with an initial payment of \$900,000 on November 1, 1999 and increasing to a final payment of \$4,625,000 on November 1, 2017. The bonds were issued for the purpose of advance refunding 1989 Infrastructure Improvement Bonds and prepaying a bank loan, and are backed by the full faith and credit of GovGuam payable solely from and collateralized by a pledge of hotel occupancy tax revenues. 36,345,000

Limited Obligation Highway Refunding Bonds, 2001 Series A (original issue of \$51,705,000, dated April 1, 2001), varying interest rates at 4.25% - 5.25% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying annual installments commencing with a payment of \$3,830,000 on May 1, 2002 and increasing to a final payment of \$5,765,000 on May 1, 2012. The bonds were issued for the purpose of refunding 1992 Highway Bonds and paying expenses incurred in relation to the issuance of the 2001 Section 30 Bonds, and are backed by the full faith and credit of GovGuam payable solely from and collateralized by a pledge of liquid fuel taxes, vehicle registration and licensing fees revenues. 16,510,000

Limited Obligation (Section 30) Bonds, 2001 Series A (original issue of \$76,895,000, dated December 1, 2001), varying interest rates at 4% - 5.5% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of \$6,220,000 on December 1, 2002 and increasing to a final payment of \$9,565,000 on December 1, 2011. The bonds were issued for the purpose of refunding 1989 Water System Revenue Bonds, prepaying two bank loans, funding capital improvements to the water system, funding capitalized interest, and purchasing a surety bond for the debt service reserve account, and are backed by the full faith and credit of GovGuam payable solely from and collateralized by a pledge of Section 30 federal income tax collections. 27,210,000

Add net unamortized premium on bonds 1,007,083

28,217,083

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (6) Long-Term Obligations, Continued

### Limited Obligation Bonds, Continued:

Limited Obligation (Section 30) Bonds, 2009 Series A (original issue of \$202,425,000, dated June 18, 2009), varying interest rates at 5% - 5.75% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of \$4,590,000 on June 30, 2013 and increasing to a final payment of \$15,235,000 on June 30, 2035. The bonds were issued for the purpose of constructing a new landfill, closure of Ordot Dump, prepaying a bank loan and funding capitalized interest, and are backed by the full faith and credit of GovGuam payable solely from and collateralized by a pledge of Section 30 federal income tax collections.

202,425,000

Less net unamortized discount on bonds

(5,643,004)

196,781,996

### Loans Payable:

Note payable to a local bank in the amount of \$10,000,000, dated September 20, 2002, interest rate is based on the bank's index rate and varies from 4.75% - 8% per annum, principal and interest payable commencing October 1, 2003 in annual installments of \$1,281,818, fully due October 1, 2012. This loan was used to fund public assistance programs and for the payment of the GovGuam Department of Education's monthly allotment backlog. The note is collateralized by a subordinate pledge and assignment of Section 30 federal income tax collections.

3,949,267

Note payable to a local bank in the amount of \$11,000,000, dated September 15, 2006, interest at 6.49% per annum, payable quarterly commencing December 1, 2006, with principal and interest payable commencing December 1, 2009 in quarterly installments of \$248,251, fully due on September 1, 2018. This loan was used to fund the construction a Judicial Building and a Forensic Science Laboratory. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues.

9,514,526

Note payable to a local bank in the amount of \$13,800,000, dated July 17, 2008, interest at 7% per annum, payable monthly commencing August 1, 2008, with principal and interest payable commencing November 1, 2008 in monthly installments of \$350,184, fully due on July 1, 2012. This loan was used to retire certain delinquent utility billings owed to the Guam Power Authority. The note is collateralized by a subordinate pledge and assignment of Section 30 federal income tax collections.

10,746,507

\$ 747,463,592

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(6) Long-Term Obligations, Continued

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 26,753,866	\$ 42,248,624	\$ 69,002,490
2011	29,475,969	42,986,135	72,462,104
2012	30,824,291	42,055,400	72,879,691
2013	15,637,382	39,927,544	55,564,926
2014	16,470,531	39,077,385	55,547,916
2015 – 2019	96,648,261	180,890,303	277,538,564
2020 – 2024	94,615,000	153,697,845	248,312,845
2025 – 2029	125,560,000	122,108,888	247,668,888
2030 – 2034	168,010,000	78,773,728	246,783,728
2035 – 2039	142,865,000	27,590,043	170,455,043
2040	20,125,000	704,375	20,829,375
	<u>\$ 766,985,300</u>	<u>\$ 770,060,270</u>	<u>\$ 1,537,045,570</u>

On November 1, 2007, GovGuam issued \$151,935,000 in General Obligation Bonds, 2007 Series A, to advance refund \$73,695,000 of outstanding 1993 Series A bonds. Of the net proceeds of \$146,295,794 (after payment of \$2,020,476 in underwriting fees, insurance, and other issuance costs), \$73,664,587 were placed in escrow, of which \$66,819,577 were used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the 1993 Series A general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements of GovGuam. This advance refunding was undertaken to extend the maturity date of outstanding debt and to provide additional proceeds to fund certain capital improvement projects, Cost of Living Allowance payments, tax refund payments, and other court mandated payments and resulted in an economic loss of \$2,564,997.

On June 18, 2009, GovGuam issued \$271,070,000 in General Obligation Bonds, 2009 Series A, with varying interest rates of 5.75% - 7% for the purpose of financing certain General Fund liabilities and other past due expenditures of GovGuam. In addition, GovGuam simultaneously issued \$202,425,000 in Limited Obligation Bonds, 2009 Series A, with varying interest rates of 5.0% - 5.75% for the purpose of financing facilities of the Solid Waste Management System of Guam.

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

### (6) Long-Term Obligations, Continued

As of September 30, 2009, \$105,655,857 has been accumulated within the General Fund and other governmental funds to service the General Obligation and Limited Obligation Bonds. There are a number of limitations and restrictions placed on the bonds as specified below:

General Obligation Bonds - 1993 Series A, 2007 Series A, 2009 Series A:

On or before the fifth day of each calendar month, GovGuam shall deposit into the Bond Fund held by the Trustee an amount equal to the amount necessary to increase the amount in the Bond Fund to the aggregate amount for all outstanding Bonds of all unpaid interest, principal and Mandatory Sinking Account Payments which shall be required to have been transferred to the Bond Fund under the following transfer requirement rules: (i) the amount of interest payable on each Bond on a current uncompounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Interest Accrual Period for such Bond ending on such Interest Payment Date; (ii) the amount of interest payable on each Bond on a deferred compounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; (iii) the amount of the principal of each Bond shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; and (iv) the amount of each Mandatory Sinking Account Payment for Bonds shall be transferred in equal monthly amounts over the Principal Payment Period for such Bonds ending on the date such Mandatory Sinking Account Payment is due.

Public Law 22-19 has authorized the creation of the Territorial Education Facilities Fund that requires that all real property tax revenues received shall be deposited into this fund. While such deposits are not pledged, these shall be used to pay the principal and interest on bonds issued for Capital Improvement Projects provided for under the General Obligation Bonds 1993 Series A indenture.

Limited Obligation Infrastructure Improvement Bonds, 1997 Series A:

The 1997 Series A bonds are limited obligations of GovGuam payable entirely from a first lien and pledge of revenues. Revenues are defined in the bond indenture as all amounts received from the imposition of hotel occupancy taxes. GovGuam has pledged to maintain these revenues at a level sufficient to equal the sum of 1.25 times the aggregate debt service becoming due within the next fiscal year; plus amounts required to be deposited pursuant to the tax certificate for the bonds and amounts required to meet the bond reserve fund requirement.

In accordance with the bond indenture, the depositary has created a trust account known as the "Construction Fund." Amounts deposited therein are to be used to (1) implement capital improvement projects prescribed in Public Law 29-137, adopted on January 2, 1997, (2) pay the cost of bond issuance and letter of credit fees, and (3) pay the principal and interest on the bonds should other sources be insufficient. The "Construction Fund" account is accounted for within the Limited Obligation Infrastructure Improvement Bonds Capital Projects Fund.

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

### (6) Long-Term Obligations, Continued

#### Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, Continued:

All pledged revenues are to be deposited into a special account entitled the "Revenue Fund." In addition, all interest and other profit derived from investments, except those in the "Construction Fund," are to be transferred monthly to the "Revenue Fund." Transactions of the "Revenue Fund" account are accounted for in the Tourist Attraction Fund. On the twentieth day of each month following the month the revenues are deposited, the depository is to deposit into the following funds (all of which are accounted for in the Limited Obligation Infrastructure Improvement Bonds Debt Service Fund) the specified amounts in the following order of priority:

- Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the next succeeding calendar month upon all bonds then outstanding, plus (2) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal date, would aggregate to the amount of principal then becoming due and payable on the outstanding serial bonds on such principal payment date, plus (3) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal date, would aggregate to the amount of the mandatory sinking fund payments required to be paid for the outstanding term bonds on such principal payment date.
- Rebate Fund - an amount, if any, needed to be deposited therein pursuant to the rebate certificate with respect to the 1997 Series A Bond.
- Bond Reserve Fund - an amount, if any, needed to equal to the lesser of (1) the maximum annual debt service, (2) 10% of the proceeds received from the sale of the bonds and (3) 125% of average annual debt service on the bonds or an amount as may be specified by supplemental indentures providing for the issuance of a series of bonds. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling due by their terms, and (3) the aggregate amount of all mandatory sinking payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund.
- Bond Expense Fund - an amount equal to the amount of bond expenses estimated by the trustee to be due and payable during the next succeeding calendar month.

#### Limited Obligation Highway Refunding Bonds, 2001 Series A:

The 2001 Series A bonds are limited obligations of GovGuam payable entirely from a first lien and pledge of revenues. Revenues are defined in the bond indenture as all amounts received from the imposition of vehicle registration fees, license fees and certain penalties, and from taxes on the sale of gasoline, aviation and diesel fuels. GovGuam has pledged to maintain these revenues at a level sufficient to equal annual budgeted highway maintenance and operating expenses plus 1.2 times the aggregate debt service becoming due within the next fiscal year.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (6) Long-Term Obligations, Continued

### Limited Obligation Highway Refunding Bonds, 2001 Series A, Continued:

In accordance with the bond indenture, the depository has created a trust account to be known as the "Construction Fund". Amounts deposited therein are to be used to (1) implement highway capital improvement projects based on Public Law 21-110 signed by the Governor on June 1, 1992, (2) pay the costs of bond issuance, and (3) pay the principal and interest on the bonds should other sources be insufficient. The "Construction Fund" account is accounted for within the Limited Obligation Highway Improvement Bonds Capital Projects Fund.

All pledged revenues are to be deposited into a special account entitled the "Revenue Fund". In addition, all interest and other profit derived from investments, except those in the "Construction Fund," are to be transferred monthly to the "Revenue Fund". Transactions of the "Revenue Fund" account are accounted for in the Territorial Highway Fund. On the fifth day of each month following the month the revenues are deposited, the depository/trustee is to deposit into the following funds the specified amounts in the following order of priority:

- Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the next succeeding calendar month upon all then outstanding bonds, plus (2) an amount which, if paid in equal monthly installments in each month prior to the next May 1, would aggregate to the amount of principal then becoming due and payable on the outstanding serial bonds on such May 1, plus (3) an amount which, if paid in equal monthly installments in each month prior to the next May 1, would aggregate to the amount of the mandatory sinking fund payments required to be paid for outstanding term bonds on such May 1. Amounts in the Bond Fund are to be used to pay bond interest and the principal of the serial and term bonds. Funds in this account are accounted for within the Limited Obligation Highway Improvement Bonds Debt Service Fund.
- Maintenance and Operation Fund - the amount of maintenance and operation expenses budgeted by GovGuam to be paid during the next succeeding calendar month. Amounts in the Maintenance and Operation Fund are to be used for the purpose of paying GovGuam highway maintenance and operation costs. This account is a component of the Territorial Highway Fund.
- Maintenance and Operation Reserve Fund - an amount to increase the balance therein equal to 1.5% of the original aggregate principal amount of bonds of each series having bonds outstanding. Amounts in the Maintenance and Operation Reserve Fund are to be used to pay GovGuam highway maintenance and operation expenses should amounts in the Maintenance and Operation Fund be insufficient. Accounting for this Fund is performed within the Territorial Highway Fund.
- Bond Reserve Fund - an amount, if any, needed to equal the maximum annual debt service. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling due by their terms, and (3) the aggregate amount of all mandatory sinking fund payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund. Funds in this account are accounted for within the Limited Obligation Highway Improvement Bonds Debt Service Fund.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (6) Long-Term Obligations, Continued

Limited Obligation Highway Refunding Bonds, 2001 Series A, Continued:

- Surplus Fund - the amount remaining in the revenue fund after all of the foregoing deposits. Amounts in the Surplus Fund are to be used for the purpose of paying other costs and expenses budgeted by GovGuam. Transactions to and from the Surplus Fund are accounted for in the Territorial Highway Fund.

Limited Obligation (Section 30) Bonds, 2001 Series A:

The 2001 Series A bonds are limited obligations of GovGuam payable entirely from a first lien and pledge of Section 30 revenues. Section 30 revenues are amounts received by or on behalf of GovGuam or the Trustee from the United States as proceeds of custom duties, federal income taxes and any other taxes derived from Guam.

As defined by the terms of the bond indenture, these revenues include the following: (1) all amounts received by GovGuam as proceeds of Federal income taxes derived from Guam ("Section 30" monies); (2) customs duties collected by GovGuam derived from Guam; (3) the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in Guam and transported to the United States, its Territories or possessions, or consumed in Guam; and (4) the proceeds of any other taxes which may be levied by Congress on the inhabitants of Guam. "Revenue" further includes all interest, profits or other income derived from investments in any fund or account created pursuant to the bond indenture.

In accordance with the bond indenture, the depository has created the following trust accounts to be known as the "Bond Expense Fund", "Bond Fund" and "Reserve Fund". Amounts deposited therein are to be used to (1) implement water systems and wastewater systems capital improvement projects based on Public Law 26-58 signed by the Governor on November 20, 2001, (2) pay the costs of bond issuance, and (3) pay the principal and interest on the bonds should other sources be insufficient. The "Bond Expense Fund", "Bond Fund" and "Reserve Fund" accounts are accounted for within the General Fund.

All pledged revenues are to be deposited into a special account entitled the "Section 30 Revenue Fund". Upon receipt of the annual payment of Section 30 revenues from the United States of America (customarily expected to be on or about October 1 of each year), and on the business day preceding each interest payment date, the depository/trustee shall transfer from the "Section 30 Revenues Fund" for deposit into the following funds the specified amounts in the following order of priority:

- Bond Fund - an amount necessary to (1) pay interest on the bonds as it becomes due and payable, (2) pay principal of bonds when due and payable and (3) purchase or redeem or pay maturity term bonds as provided in the indenture. Funds in this account are accounted for within the General Fund.
- Reserve Fund - an amount, if any, needed to equal the maximum annual debt service. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling due by their terms, and (3) the aggregate amount of all mandatory sinking fund payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund. Funds in this account are accounted for within the General Fund.



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (6) Long-Term Obligations, Continued

Limited Obligation (Section 30) Bonds, 2001 Series A, Continued:

- Construction Fund - an amount of the proceeds are to be used to pay GovGuam water system and wastewater system capital projects. Funds in this account are accounted for within the General Fund.
- Bond Expense Fund - an amount, if any, needed to pay fees and expenditures for (1) water system and wastewater system capital projects, (2) any bond insurance policy. Funds in this account are accounted for within the General Fund.
- Surplus Fund - this is the balance that remains in the "Section 30 Revenue Fund" after all of the foregoing deposits. Amounts in the "Section 30 Revenue Fund" are to be used for the purpose of paying other costs and expenses budgeted by GovGuam. Funds in this account are accounted for within the General Fund.

Limited Obligation (Section 30) Bonds, 2009 Series A:

The 2009 Series A bonds are limited obligations of GovGuam payable entirely from a pledge of Section 30 revenues and to be secured by a first lien upon final maturity of the 2001 Series A Bonds. In accordance with a subordination agreement, dated June 18, 2009, between GovGuam and a local bank, the local bank agreed to subordinate the pledges of Section 30 revenues securing the \$10,000,000 and \$13,800,000 notes payable to a pledge of Section 30 revenues to be provided as security solely for the 2009 Series A bonds until these notes payable are both fully and completely repaid and discharged.

In accordance with the bond indenture, the depository has created the following trust accounts to be known as the "Bond Expense Fund", "Bond Fund" and "Reserve Fund". Amounts deposited therein are to be used to (1) pay costs associated with acquiring, constructing, improving and equipping a new municipal solid waste disposal facility in the Layon area near the Village of Inarajan (the "New Landfill") and with acquiring and constructing the closure of the Ordot Dump, (2) prepay a \$20.1 million loan incurred on January 2, 2009 to fund certain costs of the New Landfill; (3) make a deposit to the Bond Reserve Fund; (4) capitalize a portion of the interest on the 2009 Series A Bonds to and including June 1, 2012; and (5) pay the cost of bond issuance. The "Bond Expense Fund", "Bond Fund" and "Reserve Fund" accounts are accounted for within the General Fund.

Management of GovGuam believes that it is in compliance with all significant limitations and restrictions of the bond indentures as of September 30, 2009.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2009

### (7) Changes in Long-Term Liabilities

Other long-term liabilities will be liquidated in the future from governmental funds. During the year ended September 30, 2009, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net assets:

	Balance October 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance September <u>30, 2009</u>	Due Within <u>One Year</u>
Bonds payable:					
General obligation bonds	\$ 189,215,000	\$ 271,070,000	\$ -	\$ 460,285,000	\$ 2,910,000
Limited obligation bonds	<u>98,520,000</u>	<u>202,425,000</u>	<u>(18,455,000)</u>	<u>282,490,000</u>	<u>18,810,000</u>
	287,735,000	473,495,000	(18,455,000)	742,775,000	21,720,000
Unamortized premium on bonds issued	1,510,627	-	(503,544)	1,007,083	-
Unamortized discount on bonds issued	-	(15,265,495)	-	(15,265,495)	-
Unamortized discount on Refunding	<u>(5,451,271)</u>	<u>-</u>	<u>187,975</u>	<u>(5,263,296)</u>	<u>-</u>
	283,794,356	(15,265,495)	(315,569)	723,253,292	21,720,000
Loans payable	<u>25,492,833</u>	<u>2,845,230</u>	<u>(4,127,763)</u>	<u>24,210,300</u>	<u>5,033,866</u>
	<u>309,287,189</u>	<u>461,074,735</u>	<u>(22,898,332)</u>	<u>747,463,592</u>	<u>26,753,866</u>
Other liabilities:					
Compensated absences	21,709,896	13,585,748	(12,441,838)	22,853,806	13,320,352
Capital lease obligations	51,582,250	17,254,250	(3,451,500)	65,385,000	2,295,000
DCRS sick leave liability	13,947,833	1,934,909	-	15,882,742	-
Due to component units	25,157,973	-	(6,818,266)	18,339,707	12,082,649
Landfill closure	<u>46,053,500</u>	<u>-</u>	<u>-</u>	<u>46,053,500</u>	<u>-</u>
	<u>158,451,452</u>	<u>32,774,907</u>	<u>(22,711,604)</u>	<u>168,514,755</u>	<u>27,698,001</u>
	<u>\$ 467,738,641</u>	<u>\$ 493,849,642</u>	<u>\$ (45,609,936)</u>	<u>\$ 915,978,347</u>	<u>\$ 54,451,867</u>

### (8) Provision for Tax Refunds

As of September 30, 2009, GovGuam recorded a provision for unpaid tax refunds in the amount of \$259,151,468, which includes \$24,952,208 in unpaid Earned Income Tax Credit (EITC) refunds and \$11,719,293 relating to interest payable to taxpayers for unpaid prior year tax refunds.

In June 2004, GovGuam agreed to pay \$60,000,000 over nine years in settlement of unpaid EITC refunds from 1996. The settlement plan allowed for non-interest bearing tax credit refunds amounting to \$20,000,000 over the next year, of which \$3,000,000 shall be paid into the EITC Fund within thirty days from the approval of the settlement agreement, and approximately \$1,500,000 per month for eleven months following the first installment. The remaining balance is to be paid at approximately \$5,000,000 over the next eight years, beginning June 30, 2007. During the year ended September 30, 2006, GovGuam reached a new settlement agreement replacing the June 2004 agreement whereby GovGuam agreed to pay up to \$90,000,000. According to the agreement, GovGuam will be required, subject to final determination by the U.S. District Court, to set aside up to \$15,000,000 each into the following six categories:

- Tax years 1995, 1996, 1999, 2000
- Tax year 1998
- Tax year 2001
- Tax year 2002
- Tax year 2003
- Tax year 2004

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (8) Provision for Tax Refunds, Continued

On April 10, 2008, the U.S. District Court approved the settlement agreement reducing the EITC tax liability from \$90,000,000 to \$72,845,303.

During the year ended September 30, 2009, the following changes occurred in the provision for tax refund liability relating to EITC refunds:

EITC liability at October 1, 2008	\$ 49,543,340
Payments made during the year	<u>(24,591,132)</u>
EITC liability at September 30, 2009	\$ <u>24,952,208</u>

## (9) Cost of Living Adjustment (COLA) Liability

In August 1988, Public Law 19-19, as codified in 4 G.C.A. § 8137.1, required GovGuam to pay an annual lump sum COLA to retirees and survivors on the first retirement payday after July 1 of each year. In October 1993, a GovGuam retiree filed a class action suit on behalf of 4,877 retirees and survivors, alleging that they were being denied the COLA benefits prescribed by 4 G.C.A. § 8137.1. The "COLA class" consisted of all GovGuam retirees and survivors that were entitled to retirement benefits during COLA years 1990 through 1994 (payout years July 1991 through July 1995). The Petitioner alleged that GovGuam did not implement 4 G.C.A. § 8137.1. The Governor and the GovGuam Retirement Fund subsequently submitted to the Court their respective calculations of the COLA owed under seal. In October 2006, the Superior Court of Guam, pursuant to 4 G.C.A. § 8137.1, ordered the GovGuam Retirement Fund to revise its initial August 2006 COLA calculation of \$96 million, which resulted in the award of \$123,580,231 to the COLA class.

During the year ended September 30, 2009, the following changes occurred in the COLA liability:

COLA liability at October 1, 2008	\$ 96,327,556
Assessment of interest	13,244,174
Payments made during the year	<u>(82,639,239)</u>
COLA liability at September 30, 2009	\$ <u>26,932,491</u>

As of September 30, 2009, the COLA liability of \$26,932,491 is comprised of \$25,361,634 in outstanding awards payable and \$1,570,857 in accrued interest payable. Total payments made of \$82,639,239 during the year ended September 30, 2009, is comprised of \$70,771,882 in awards and \$11,867,357 in interest.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(10) Fund Equity

The unreserved fund balances for the governmental funds represent the amount available for budgeting future operations. The reserves for related assets for the primary government's individual major governmental funds and nonmajor governmental funds in the aggregate as of September 30, 2009, are as follows:

	<u>General</u>	Federal Grants <u>Assistance</u>	GDOE Federal <u>Grants</u>	Landfill <u>CIP</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Investments	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ 900,000
Receivables:						
Other	-	-	-	-	459,655	459,655
Inventories	-	-	-	-	434,731	434,731
Restricted assets:						
Time certificates of deposit	-	-	-	-	1,000,718	1,000,718
	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,895,104</u>	<u>\$ 2,795,104</u>

(11) Interfund/Intrafund Transactions

Operating transfers in/out for each major governmental fund and nonmajor governmental funds in the aggregate, for the year ended September 30, 2009, are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Federal Grants Assistance Fund	\$ 30,359,251	\$ -
GDOE Federal Grants Fund	-	1,456,752
Landfill CIP Fund	-	830,692
Nonmajor governmental funds	<u>81,690,411</u>	<u>39,812,985</u>
	<u>112,049,662</u>	<u>42,100,429</u>
Federal Grants Assistance Fund:		
General Fund	-	30,359,251
GDOE Federal Grants Fund	7,489,708	-
Nonmajor governmental funds	<u>-</u>	<u>353,139</u>
	<u>7,489,708</u>	<u>30,712,390</u>
GDOE Federal Grants Fund:		
General Fund	1,456,752	-
Federal Grants Assistance Fund	<u>-</u>	<u>7,489,708</u>
	<u>1,456,752</u>	<u>7,489,708</u>
Landfill CIP Fund:		
General Fund	<u>830,692</u>	<u>-</u>

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(11) Interfund/Intrafund Transactions, Continued

	<u>Transfers Out</u>	<u>Transfers In</u>
Nonmajor Governmental Funds:		
General Fund	39,812,985	81,690,411
Federal Grants Assistance Fund	353,139	-
Nonmajor governmental funds	11,777,468	11,777,468
Fiduciary funds	<u>978,886</u>	<u>-</u>
	<u>52,922,478</u>	<u>93,467,879</u>
 Fiduciary Funds:		
Nonmajor governmental funds	<u>-</u>	<u>978,886</u>
	<u>\$ 174,749,292</u>	<u>\$ 174,749,292</u>

Transfers are used to 1) move revenues from the fund that enabling legislation or budget requires to collect them to the fund that enabling legislation or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) record reductions in interfund loans for amounts that are not expected to be repaid.

During the year ended September 30, 2009, GovGuam made a one-time transfer in the amount of \$8,601,943 from the General Fund to the nonmajor governmental funds representing the transfer of unexpended Tobacco settlement bond proceeds to the Health and Human Services Fund. Furthermore, GovGuam made a one-time transfer in the amount of \$10,851,210 from the nonmajor governmental funds to the General Fund representing the transfer of residual fund equity.

(12) Retirement Plans

Defined Benefit Plan

Plan Description:

GovGuam participates in the GovGuam Defined Benefit (DB) Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the GovGuam Retirement Fund (GGRF). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Guam Legislature. Article 1 of 4 GCA 8, Section 8105, requires that all employees of GovGuam, regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of a public corporation of GovGuam, have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS). Hence, the DB Plan became a closed group.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(12) Retirement Plans, Continued

Defined Benefit Plan, Continued

Plan Description, Continued:

The DB Plan was originally designated as a single-employer plan but was redesignated by GovGuam's Department of Administration as a cost-sharing multiple-employer plan, effective October 1, 2008. The redesignation was based on the determination as outlined under GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, wherein all risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the separate employers. A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website – [www.ggrf.com](http://www.ggrf.com).

As more fully discussed in Note 1U, the redesignation from a single-employer plan to a cost-sharing multiple-employer plan resulted in a restatement relating to the accrued unfunded liability.

Funding Policy:

As a result of actuarial valuations performed as of September 30, 2007, 2006, and 2005, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2009, 2008 and 2007, respectively, have been determined by the Guam Legislature as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Normal costs (% of DB Plan payroll)	17.36%	17.94%	18.21%
Employee contributions (DB Plan employees)	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>7.86%</u>	<u>8.44%</u>	<u>8.71%</u>
Employer portion of normal costs (% of total payroll)	3.70%	3.99%	4.26%
Unfunded liability cost (% of total payroll)	<u>19.68%</u>	<u>20.75%</u>	<u>20.66%</u>
Government contribution as a % of total payroll	<u>23.38%</u>	<u>24.74%</u>	<u>24.92%</u>
Statutory contribution rates as a % of DB Plan payroll:			
Employer	<u>25.20%</u>	<u>24.07%</u>	<u>22.94%</u>
Employee	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>

GovGuam's contributions to the DB Plan for the years ending September 30, 2009, 2008 and 2007 were \$43,401,895, \$44,427,513 and \$44,696,552, respectively, equal to the required contributions for each year.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (12) Retirement Plans, Continued

### Defined Contribution Retirement System (DCRS)

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

Statutory employer contributions into the DCRS plan for the year ended September 30, 2009 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 5% of the member's regular pay is deposited into the member's individual investment account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

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

GovGuam's contributions to the DCRS plan for the years ended September 30, 2009, 2008 and 2007 were \$25,791,438, \$24,419,938 and \$20,520,451, respectively, equal to the required contributions for each year.

### Other Post Employment Benefits

GovGuam, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a cost-sharing multiple-employer defined benefit plan to provide certain postretirement healthcare benefits to retirees who are members of the GovGuam Retirement Fund. Under the Plan, known as the GovGuam Group Health Insurance Program, GovGuam provides medical, dental, and life insurance coverage. The retiree medical and dental plans are fully-insured products provided through insurance companies. GovGuam shares in the cost of these plans, with GovGuam's contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, GovGuam contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, GovGuam provides retirees with \$10,000 of life insurance coverage through an insurance company. Retirees do not share in the cost of this coverage.

Because the Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

For the years ended September 30, 2009, 2008 and 2007, GovGuam's contributions to this Plan amounted to \$20,398,115, \$19,769,458 and \$7,257,679, respectively, equal to the required contributions for each year.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (13) Commitments and Contingencies

### A. Ordot Dump

On February 11, 2004, the U.S. Environmental Protection Agency and the U.S. Department of Justice filed a Consent Decree in the United States District Court of Guam. The consent decree included deadlines for the opening of a new landfill and implementing an Ordot Dump closure plan. Within a period of forty-five months, GovGuam was required to complete an environmental impact statement analyzing at least three potential new landfill locations; complete design, permitting, and construction for the selected landfill location; begin operations at the new landfill; and properly and permanently close the Ordot Dump. In the event that GovGuam failed to meet any of the stipulated deadlines under the consent decree, GovGuam would be liable for civil penalties. Although closure and post closure care costs will be paid only near or after the date that Ordot Dump stops accepting waste, GovGuam's governmental activities reports a portion of these closure and post closure care costs as an expense in each period based on landfill capacity used as of each balance sheet date. The \$46,053,500 reported as landfill closure and post closure care liability at September 30, 2009 within the accompanying financial statements, represents the cumulative amount reported based on 100 percent capacity. This amount is based on what it would cost to perform all closure and post closure care in 2009. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

On March 17, 2008, the United States District Court of Guam issued a Court Order that placed the Solid Waste Division of the Department of Public Works (DPW) in Guam in Receivership. After receiving and reviewing qualifications information on firms presented by GovGuam and the U.S. Environmental Protection Agency, and conducting interviews and reference checks, the District Court Judge selected and appointed a receiver. The Receiver was given full power and authority to enforce the terms of the Consent Decree, including closure of the Ordot Dump and opening of a new landfill, and assume all of the responsibilities for the operations of DPW's Solid Waste Division.

On February 13, 2009, the United States District Court of Guam issued a Court Order associated with the DPW Solid Waste Division Receivership requiring GovGuam to make weekly payments of approximately \$993,700 beginning on March 1, 2009 to provide for costs of the new landfill. On April 14, 2009, the Court issued an Order suspending such payments provided that GovGuam obtains funding to support Consent Decree projects no later than June 30, 2009. On June 4, 2009, GovGuam issued \$202,425,000 in Limited Obligation Revenue Bonds for the purpose of financing facilities of the Solid Waste Management System of Guam.

### B. Permanent Injunction

On June 8, 2004, the United States District Court of Guam issued a Permanent Injunction, which was subsequently amended on June 30, 2005, requiring GovGuam's Department of Mental Health and Substance Abuse and Department of Integrated Services for Individuals with Disabilities to provide treatment and develop programs to mentally ill patients residing on Guam. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction. However, no provision for any amount has been recorded in the accompanying basic financial statements, as it is not possible to reasonably estimate these fines and penalties.



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (13) Commitments and Contingencies, Continued

### C. Federal Grants

GovGuam has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Questioned costs for the 2009 and prior year audits aggregated to a material amount. If the questioned costs were ultimately disallowed, the General Fund would be liable for the return of such funds. However, no liability, which may arise from the ultimate outcome of this matter, has been provided for in the accompanying basic financial statements. Audits of federal program funds are also performed by various federal agencies. If audits result in cost disallowances, the general fund may be liable. However, management does not believe that resolution of this matter will result in a material liability. Therefore, no liability for any amount, which may ultimately arise from these matters, has been recorded in the accompanying basic financial statements.

Fines and penalties may also be imposed by various federal agencies for violations of certain regulations. However, no provision for any amount has been recorded in the accompanying basic financial statements, as it is not possible to reasonably estimate these fines and penalties.

### D. Municipal School Lease Agreement

On October 19, 2006, GovGuam issued on behalf of the Guam Department of Education (GDOE), formerly the Guam Public School System, \$50,880,000 in 2006 Series A Certificates of Participation (COPS) and \$14,015,000 in 2006 Series B COPS to finance the design, construction, insurance and maintenance of four new schools (the "Leased Schools") on Guam. The proceeds of the COPS were remitted to a trustee, who then remitted the amounts to a developer as construction progressed.

On November 12, 2008, GovGuam issued on behalf of GDOE \$7,520,000 in 2008 Series A COPS to finance the off-site infrastructure improvements, equipment and athletic field lighting (the "Leased Facilities") for the use of the Leased Schools.

The holders of the COPS are the current owners of the Leased Schools. Accordingly, GovGuam's rental payments for the use of the Leased Schools and Facilities are paid to a trustee, who then remits those amounts to the holders of the COPS, with annual rental payments to be funded by a pledge of U.S. Compact Impact grant revenues through December 1, 2022 with the remaining payments subject to future appropriations by the Guam Legislature. Payments commenced on December 1, 2006 in the amount of \$6,100,000 and continue through December 1, 2025 (with incremental increases on December 1, 2008 through December 1, 2018), with varying interest rates at 4.5% - 5.875%. Title to the Leased Schools and Facilities will transfer to GovGuam upon the payment of all required rents.

The assets acquired through capital leases are as follows:

Asset:	
Buildings	\$ 88,529,866
Less accumulated depreciation	<u>(3,576,745)</u>
	\$ <u>84,953,121</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (13) Commitments and Contingencies, Continued

### D. Municipal School Lease Agreement, Continued

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, were as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ 6,175,833
2011	6,184,167
2012	6,185,000
2013	6,186,667
2014	6,184,167
2015 - 2019	29,914,167
2020 - 2024	25,660,833
2025 - 2027	<u>10,305,833</u>
Total minimum lease payments	96,796,667
Less amount representing interest	<u>(31,411,667)</u>
Present value of net minimum lease payments	65,385,000
Less current portion	<u>2,295,000</u>
Noncurrent portion	\$ <u><u>63,090,000</u></u>

### E. Sick Leave

It is the policy of GovGuam to record the cost of sick leave when leave is actually taken and a liability is actually incurred. Generally, sick leave is paid only when an employee is absent due to illness, injury or related-family death. For this reason, no sick leave liability is recorded at September 30, 2009. The estimated accumulated amount of unused sick leave at September 30, 2009, is \$59,465,844, of which \$15,882,742 may be convertible by the GovGuam Retirement Fund Defined Contribution Retirement System (DCRS) employees upon retirement.

### F. Litigation

GovGuam is party to several legal proceedings arising from governmental operations; however, the Attorney General of Guam is unable to assess the likelihood of potential liabilities related to claims outstanding as of September 30, 2009. Hence, it is not possible to predict a reasonable estimation of these claims to be paid through the claims process, as set forth in footnote 13G below and, therefore, no provision for any liability that may result has been made in the accompanying financial statements.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (13) Commitments and Contingencies, Continued

### G. Self-Insurance

GovGuam does not purchase insurance covering potential risks; it is substantially self-insured against claims for negligence and catastrophic losses. In the event that losses arise from such claims or disasters, the General Fund would be required to pay the majority of these losses. An annual appropriation is made to the Government Claims Fund and then valid claims are paid out against the appropriated amount. During the year ended September 30, 2009, claims in the amount of \$114,176 were made from the Government Claims Fund. GovGuam has not experienced material prior year losses as a result of this policy. Virtually all discretely presented component units have some form of commercial insurance to insure against risk of loss such as property, liability and typhoon.

### H. Deposits with Treasurer

Insurance companies doing business on Guam are required under sections 43102 and 43202 of the Government Code of Guam, to deposit with the Commissioner of Insurance an amount equal to the minimum amount of paid-in-capital required under Article III of Title 39 of the Government Code. The deposit requirement is met with any good and sufficient bond as set by the Commissioner. Bonds currently take various forms and range from a surety bond to bank certificates of deposit. Deposits are likewise required of foreign banks and foreign exchanges. At September 30, 2009, \$15,383,134 was held by GovGuam in bonds as security against possible claims.

### I. Medicare

GovGuam did not withhold or remit funds to the U.S. Social Security System for the health insurance component. GovGuam has since reevaluated this position and has commenced withholding such amount from its employees beginning in October 1998. If GovGuam is found to be liable for prior year nonpayment an indeterminate liability could result. Therefore, no liability for any amount, which may ultimately arise from this matter, has been recorded in the accompanying financial statements.

### J. Other Commitments

GovGuam and its discretely presented component units have commitments under contracts at September 30, 2009. Specifically, GovGuam has entered into various construction contracts as follows:

Island wide Village Street Restoration (Design-Build)	\$ 17,823,299
Island wide Pothole Repairs - Southern Region	1,743,910
Island wide Pothole Repairs - Northern Region	<u>3,605,291</u>
	\$ <u>23,172,500</u>

Capital-related expenditures of \$1,230,928 were incurred under these contracts during the year ended September 30, 2009. At September 30, 2009, outstanding commitments under these contracts amounted to \$1,584,508.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (13) Commitments and Contingencies, Continued

### K. General Fund Financial Position

GovGuam's General Fund has previously sustained recurring operating deficits and has an unreserved fund deficit of \$396,940,316 at September 30, 2009. Management has prepared a deficit reduction plan as part of the fiscal year 2010 budget submission to the Guam Legislature. Commencing fiscal year 2010, the Guam Legislature shall not appropriate more than 98% of projected General Fund revenues together with an Executive Branch initiative to cap spending at 95% of approved levels. It is expected that these measures will result in an annual reduction in the deficit of approximately \$12 million.

Management acknowledges that while the General Fund's unreserved fund deficit decreased by \$129,079,190 largely as a result of the issuance of the 2009 Deficit Bond financing, GovGuam did not achieve an operational reduction of the General Fund deficit in fiscal year 2009. This was due to a combination of revenue collections coming in at 9% below estimates due to a challenged global economy and a number of unanticipated expenditures such as mandated COLA interest payments and interest on tax refunds, among others. It is management's intention to either increase the reserves for other unanticipated contingencies or to include in future budget transmittals funding for recurring but unfunded mandates so as to achieve, at a minimum, the aforementioned target of an annual reduction in the unreserved fund deficit of \$12 million.

## (14) Subsequent Events

On March 2, 2010, the United States District Court of Guam issued a Court Order appointing a Federal Management Team in order to achieve compliance with the amended Permanent Injunction (see Note 13 B).

On June 15, 2010, the Guam Waterworks Authority entered into a loan agreement with a bank in the amount of \$30,000,000 for the purpose of funding various infrastructure projects.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures

### A. Restricted Cash and Cash Equivalents and Time Certificates of Deposit

#### Guam Power Authority (GPA):

The bond indenture agreements for GPA's 1993 and 1999 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. At September 30, 2009, restricted cash and cash equivalents held by the trustees, in trust for GPA, in these funds and accounts are as follows:

Construction Funds	\$ 16,314,828
Interest and Principal Funds	17,345,795
Bond Funds	2,232,491
Working Capital Funds	<u>14,586,776</u>
	<u>\$ 50,479,890</u>

#### Guam Waterworks Authority (GWA):

Public Law 19-47 authorized GWA to establish a water and sewer development charge schedule, which assesses a charge on each user who connects for the first time from any property onto the island's water or wastewater system, or to each builder if the density of development connected to the system is increased. These funds shall be expended only for expanding, upgrading or repairing water and wastewater systems on Guam. At September 30, 2009, restricted cash and cash equivalents held for this purpose amounted to \$172,018.

Furthermore, GWA maintained restricted cash and cash equivalents for bond indenture related accounts. At September 30, 2009, these consisted of the following:

Operation and Maintenance Fund	\$ 6,431
PUC Surcharge Fund	56,761
Navy Surcharge Fund	43,804
Meter Reserve Fund	338,388
Sewer Hook-up Revolving Fund	71,701
Revenue Fund	4,866,470
Capital Projects and Improvement Fund	<u>172,079</u>
	<u>5,555,634</u>
Operations, Maintenance, Renewal and Replacement Fund	567,052
Construction Fund	<u>14,736,501</u>
	<u>15,303,553</u>
	<u>\$ 20,859,187</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### A. Restricted Cash and Cash Equivalents and Time Certificates of Deposit, Continued

#### University of Guam (UOG):

At September 30, 2009, UOG maintained restricted cash and cash equivalents for debt service related accounts in the amount of \$2,978,168. In addition, pursuant to Public Law 25-187, UOG is the recipient of tobacco settlement bond proceeds issued by the Guam Economic Development Authority. Public Law 25-187 requires the establishment of a separate account to be administered by UOG to be expended exclusively for enhancement of learning resources and technology. At September 30, 2009, restricted cash and cash equivalents held for this purpose amounted to \$1,975,721.

#### Guam Community College (GCC):

Pursuant to Public Law 25-187, GCC is the recipient of tobacco settlement bond proceeds issued by the Guam Economic Development and Commerce Authority. Public Law 25-187 requires the establishment of a separate account to be administered by GCC to be expended exclusively for enhancement of learning resources and technology. At September 30, 2009, restricted cash and cash equivalents held for this purpose amounted to \$292,216.

#### Guam Housing and Urban Renewal Authority (GHURA):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2009, cash and cash equivalents and time certificates of deposits held by GHURA in these funds and accounts are as follows:

Low Income Housing Fund	\$ 182,327
Housing Assistance Payments Fund	3,036,864
Guam Elderly Housing Project Fund	409,602
Other	<u>1,259,550</u>
	\$ <u>4,888,343</u>

#### Guam Housing Corporation (GHC):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2009, cash and cash equivalents held by GHC in these funds and accounts are as follows:

Revolving Loan Fund	\$ 1,287,756
Community Affordable Housing Action Trust	728,957
Trust fund and borrower's deposit	798,305
Building renovation contract	193,958
Tenant security deposits	<u>64,714</u>
	\$ <u>3,073,690</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### A. Restricted Cash and Cash Equivalents and Time Certificates of Deposit, Continued

Guam Housing Corporation (GHC), Continued:

Furthermore, GHC self-insures for all risks relating to Lada Gardens and Guma As-Atdas. A separate cash account was established to fund any damages that may arise in the future. At September 30, 2009, restricted cash set aside to fund these damages amounted to \$1,291,117.

Guam Economic Development Authority (GEDA):

The bond indenture for GEDA requires the establishment of special debt service funds and accounts to be held and administered by GEDA's trustees for the accounting of the monies. At September 30, 2009, restricted short-term money market fund investments held for this purpose amounted to \$3,728,400.

Guam Visitors Bureau (GVB):

Cash and cash equivalent balances are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2009, cash and cash equivalents held by GVB in these funds and accounts are as follows:

Tourist Attraction Fund Projects	\$ <u>422,358</u>
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Guam Educational Telecommunications Corporation (GETC):

Cash and cash equivalent balances are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2009, cash and cash equivalents held by GETC for this purpose amounted to \$278,527.

### B. Deposits and Investments

GASB Statement No. 3 previously required government entities to present investment risks in terms of whether the investments fell into the following categories:

- Category 1 Investments that are insured or registered, or securities held by the component units' or their agent in the component units' name;
- Category 2 Investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the component units' name; or
- Category 3 Investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the component units' name.

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for investments falling into categories 1 and 2, and provided for disclosure requirements addressing other common risks of investments such as credit risk, interest rate risk, concentration of credit risk, and foreign currency risk. GASB Statement No. 40 did retain and expand the element of custodial credit risk in GASB Statement No. 3.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### B. Deposits and Investments, Continued

Antonio B. Won Pat International Airport Authority (AWPIAA):

AWPIAA maintains cash deposits in banks, which at times may exceed federal depository insurance limits. At September 30, 2009, \$250,000 of bank deposits was covered by federal depository insurance, with the remainder being uninsured and uncollateralized.

The bond indentures for AWPIAA require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the monies. At September 30, 2009, investments held by the trustees, in trust for AWPIAA, in these funds and accounts are as follows:

#### Unrestricted:

Federal Grants Fund	\$ 9,328,557
Operations and Maintenance Reserve Fund	7,524,172
Operations and Maintenance Fund	228,143
General Revenue Fund	1,083,705
Self-Insurance Fund	6,036,039
Capital Improvement Fund	<u>5,252</u>
	<u>24,205,868</u>

#### Restricted:

Cash with trustees	4,724
Bond Reserve Funds	18,509,079
Debt Service Funds	12,689,197
Renewal and Replacement Fund	<u>1,000,768</u>
	<u>32,203,768</u>
	<u>\$ 56,409,636</u>

Investments held by AWPIAA consist of money market funds, U.S. Treasury and agency obligations, and corporate notes. The carrying value of investments is as follows:

Cash with trustees	\$ 4,724
Money market funds	30,626,367
Fixed income securities	25,707,661
Other	<u>70,884</u>
	<u>\$ 56,409,636</u>



# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2009

### (15) Discretely Presented Component Unit Disclosures, Continued

#### B. Deposits and Investments, Continued

Antonio B. Won Pat International Airport Authority (AWPIAA), Continued:

As of September 30, 2009, AWPIAA's investments in debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years)				Total
		Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. treasury obligations	Aaa	\$ 200,000	\$ 764,638	\$ -	\$ -	\$ 964,638
U.S. government agencies:						
Federal Home Loan Bank	Aaa	150,301	352,096	-	-	502,397
Federal Home Loan Mortgage Corporation	Aaa	149,925	1,103,947	-	-	1,253,872
Federal National Mortgage Association	Aaa	249,975	2,394,712	27,633	-	2,672,320
Other guaranteed by FDIC	Aaa	-	402,712	-	-	402,712
Corporate notes:						
CDC Funding Corporation	Aa	-	-	-	18,045,950	18,045,950
Other	Aaa	-	54,265	-	-	54,265
Other	Aa	65,788	461,057	-	-	526,845
Other	A	-	880,069	-	-	880,069
Other	Baa	-	421,335	-	-	421,335
Money market funds	Aaa	<u>30,609,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,609,625</u>
		<u>\$31,425,614</u>	<u>\$ 6,834,831</u>	<u>\$ 27,633</u>	<u>\$18,045,950</u>	56,334,028
Cash with trustees						4,724
Accrued interest						<u>70,884</u>
						<u>\$56,409,636</u>

At September 30, 2009, AWPIAA's investments are held and administered by trustees in accordance with bond indentures for the purpose of funding various capital projects and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in AWPIAA's name by AWPIAA's custodial financial institutions at September 30, 2009.

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2009, the carrying amount of GMHA's total cash and cash equivalents was \$784,004 and the corresponding bank balances were \$984,580, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2009, bank deposits in the amount of \$250,000 were FDIC insured. GMHA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Power Authority (GPA):

As of September 30, 2009, the carrying amount of GPA's total cash and cash equivalents and time certificates of deposit was \$67,229,390 and the corresponding bank balances were \$67,310,332. Of the bank balance amount, \$4,135,581 is maintained in financial institutions subject to FDIC insurance. The remaining amount represents short-term investments held and administered by GPA's trustees and cash on hand. Based on negotiated trust and custody agreements, all of these investments were held by GPA's trustees in GPA's name in accordance with various trust agreements and bond indentures. As of September 30, 2009, bank deposits in the amount of \$2,171,052 were FDIC insured. GPA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

The bond indentures for GPA require the establishment of special funds and accounts to be held and administered by GPA's trustees for the accounting of the monies. At September 30, 2009, investments held by the trustees, in trust for GPA, in these funds and accounts are as follows:

Restricted:

Bond Reserve Funds \$ 27,488,268

As of September 30, 2009, GPA's investments in debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Total
			1 to 5	6 to 10	Greater Than 10	
U.S. treasury obligations	Aaa	\$ 13,746,268	\$ -	\$ -	\$ -	\$ 13,746,268
Commercial paper: HSBC Finance Corporation	A3	<u>13,742,000</u>	-	-	-	<u>13,742,000</u>
		<u>\$ 27,488,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,488,268</u>

Guam Waterworks Authority (GWA):

As of September 30, 2009, the carrying amount of GWA's total cash and cash equivalents was \$21,777,433, of which \$369,802 is maintained in financial institutions subject to FDIC insurance. The remaining amount represents short-term investments held and administered by GWA's trustees and cash on hand. Based on negotiated trust and custody agreements, all of these investments were held by GWA's trustees in GWA's name in accordance with various trust agreements and bond indentures. GWA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Waterworks Authority (GWA), Continued:

The bond indentures for GWA require the establishment of special funds and accounts to be held and administered by GWA's trustees for the accounting of the monies. At September 30, 2009, investments held by the trustees, in trust for GWA, in these funds and accounts are as follows:

Restricted:

Bond Reserve Funds	\$ 7,707,794
Debt Service Funds	<u>1,920,485</u>
	<u>\$ 9,628,279</u>

As of September 30, 2009, GWA's investments in debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Total
			1 to 5	6 to 10	Greater Than 10	
U.S. treasury obligations	Aaa	<u>\$ 9,628,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,628,279</u>

Port Authority of Guam (PAG):

As of September 30, 2009, the carrying amount of PAG's total cash and cash equivalents was \$10,914,337, all of which were maintained in financial institutions subject to FDIC insurance. As of September 30, 2009, bank deposits in the amount of \$1,000,000 were FDIC insured. PAG does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

University of Guam (UOG):

As of September 30, 2009, the carrying amount of UOG's total cash and cash equivalents and time certificates of deposit was \$14,231,564 (excluding the legally separate tax-exempt foundation) and the corresponding bank balance was \$14,884,220. Of the bank balance amount, \$12,624,535 is maintained in financial institutions subject to FDIC insurance, or collateralized by securities held by a trustee in the name of the financial institution. UOG does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

Investments held by UOG consist of money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments is as follows:

Unrestricted:		
Money market funds	\$	287,772
Fixed income securities		1,677,988
Domestic equities		<u>3,835,064</u>
		<u>5,800,824</u>
Restricted for endowments:		
Money market funds		222,650
Fixed income securities		8,350,926
Domestic equities		<u>5,522,676</u>
		<u>14,096,252</u>
	\$	<u>19,897,076</u>

The above includes contributions of the Endowment Foundation that have been classified as restricted herein.

As of September 30, 2009, UOG's investments in debt securities were as follows:

	Investment Maturities (In Years)				Total
	Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. treasury notes	\$ 61,950	\$ -	\$ -	\$ -	\$ 61,950
U.S. government agencies:					
Federal Home Loan Mortgage Corporation	-	-	9,269	459,230	468,499
Federal National Mortgage Association	-	388,565	86,431	368,174	843,170
Mortgage and asset-backed securities	-	-	79,313	188,108	267,421
Corporate notes and bonds	-	471,457	1,854,999	43,281	2,369,737
	<u>\$ 61,950</u>	<u>\$ 860,022</u>	<u>\$ 2,030,012</u>	<u>\$ 1,058,793</u>	<u>\$ 4,010,777</u>

UOG's exposure to credit risk at September 30, 2009, was as follows:

<u>Moody's Rating</u>	<u>Total</u>	<u>Domestic</u>	<u>International</u>
AAA	\$ 1,641,040	\$ 1,641,040	\$ -
AA	497,351	497,351	-
A	1,339,138	1,339,138	-
BAA	494,288	465,538	28,750
Unrated	<u>38,960</u>	<u>38,960</u>	<u>-</u>
Total credit risk debt securities	<u>\$ 4,010,777</u>	<u>\$ 3,982,027</u>	<u>\$ 28,750</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

Investments held by the University of Guam Endowment Foundation, Inc., a legally separate tax-exempt foundation of UOG, consist of money market funds, U.S. Treasury and agency obligations, and common stock.

The carrying value of investments held by the Foundation is as follows:

Restricted for endowments:	
Money market funds	\$ 732,676
U.S. Government notes and bonds	2,087,162
Domestic equities	<u>3,389,352</u>
	\$ <u>6,209,190</u>

Guam Community College (GCC):

As of September 30, 2009, the carrying amount of GCC's cash and cash equivalents was \$1,015,992 (excluding the legally separate tax-exempt foundation) and the corresponding bank balance was \$2,150,938. Of the bank balance amount, \$1,543,560 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2009, bank deposits in the amount of \$500,000 were FDIC insured. GCC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Pursuant to Public Law 25-187, GCC is the recipient of tobacco settlement bond proceeds issued by the Guam Economic Development and Commerce Authority. Public Law 25-187 requires the establishment of a separate account to be administered by GCC to be expended exclusively for enhancement of learning resources and technology. At September 30, 2009, GCC had one fixed income corporate note in the amount of \$1,637,000, which matures on May 15, 2041, and is rated Baa by Moody's Investor Services.

Investments held by the Guam Community College Endowment Foundation, Inc., a legally separate tax-exempt foundation of GCC, consist of money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments is as follows:

Restricted for endowments:	
Money market funds	\$ 518,388
U.S. Government notes and bonds	1,330,766
Common stocks	<u>5,007,781</u>
	\$ <u>6,856,935</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### B. Deposits and Investments, Continued

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2009, the carrying amount of GHURA's total cash and cash equivalents was \$14,708,368 and the corresponding bank balances were \$14,705,968, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2009, bank deposits in the amount of \$250,000 were FDIC insured. GHURA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Guam Preservation Trust (GPT):

As of September 30, 2009, the carrying amount of GPT's total cash and cash equivalents and time certificates of deposit was \$1,800,386, of which \$565,803 is maintained in a financial institution subject to FDIC insurance. As of September 30, 2009, bank deposits in the amount of \$565,803 were FDIC insured with the remaining amounts subject to collateralization. Accordingly, these deposits are exposed to custodial credit risk.

Investments of GPT as of September 30, 2009 are classified as follows:

Common stock	\$ <u>422,500</u>
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Guam Housing Corporation (GHC):

As of September 30, 2009, the carrying amount of GHC's total cash and cash equivalents was \$15,597,257, of which \$11,111,390 is maintained in financial institutions subject to FDIC insurance. The remaining amount represents short-term investments held and administered by GHC's trustees and cash on hand. Based on negotiated trust and custody agreements, all of these investments were held by GHC's trustees in GHC's name in accordance with various trust agreements and bond indentures. As of September 30, 2009, bank deposits in the approximate amount of \$250,000 were FDIC insured. GHC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

The bond indenture for GHC requires the establishment of special funds and accounts to be held and administered by GHC's trustees for the accounting of the monies. At September 30, 2009, investments held by the trustees, in trust for GHC, in these funds and accounts are as follows:

Restricted:	
Foreclosure Protection Fund	\$ 500,000
Capitalized Interest Fund	257
Revenue Fund	<u>5,158,453</u>
	\$ <u>5,658,710</u>

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Housing Corporation (GHC), Continued:

Investments of GHC as of September 30, 2009, are classified as follows:

Restricted:

Fixed income \$ 5,658,710

As of September 30, 2009, GHC's investments in debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Total
			1 to 5	6 to 10	Greater Than 10	
U.S. treasury obligations	Aaa	\$ 2,063,520	\$ -	\$ -	\$ -	\$ 2,063,520
U.S. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	-	-	-	3,595,190	3,595,190
		<u>\$ 2,063,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,595,190</u>	<u>\$ 5,658,710</u>

Chamorro Land Trust Commission (CLTC):

As of September 30, 2009, the carrying amount of CLTC's total cash and cash equivalents was \$507,767, which approximated bank balances that were maintained in financial institutions subject to FDIC insurance. As of September 30, 2009, bank deposits in the amount of \$250,000 were FDIC insured. CLTC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Guam Economic Development Authority (GEDA):

At September 30, 2009, the carrying amount of GEDA's cash and cash equivalents was \$3,780,821 and the corresponding bank balance was \$3,850,110. Of the bank balance amount, \$121,710 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$3,728,400 represents short-term investments held and administered by GEDA's trustees in accordance with a tobacco settlement agreement. Based on a negotiated trust and custody contract, these investments were held in GEDA's name by GEDA's custodial financial institution at September 30, 2009. As of September 30, 2009, bank deposits in the amount of \$121,710 were FDIC insured. GEDA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Economic Development Authority (GEDA), Continued:

As of September 30, 2009, GEDA's investments are as follows:

Unrestricted:

Mutual funds	\$ 1,623,782
U.S. Government obligations	<u>2,171,813</u>
	<u>\$ 3,795,595</u>

As of September 30, 2009, GEDA's investments in debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Total
			1 to 5	6 to 10	Greater Than 10	
U.S. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	\$ 1,449,918	\$ -	\$ -	\$ -	\$ 1,449,918
Federal National Mortgage Association	Aaa	<u>721,895</u>	-	-	-	<u>721,895</u>
		<u>\$ 2,171,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,171,813</u>

Guam Visitors Bureau (GVB):

At September 30, 2009, the carrying amount of GVB's cash and cash equivalents was \$4,318,762 and the corresponding bank balance was \$5,012,959. Of the bank balance amount, \$4,994,861 is maintained in financial institutions subject to FDIC insurance. As of September 30, 2009, bank deposits in the amount of \$529,078 were FDIC insured. GVB does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Guam Educational Telecommunications Corporation (GETC):

At September 30, 2009, the carrying amount of GETC's cash and cash equivalents was \$718,053 and the corresponding bank balance was \$721,747, which is maintained in financial institutions subject to FDIC insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. As of September 30, 2009, bank deposits in the amount of \$198,953 were FDIC insured and bank deposits in the amount of \$522,794 were NCUA insured. GETC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC or NCUA insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.



# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2009

### (15) Discretely Presented Component Unit Disclosures, Continued

#### C. Receivables

Receivables as of September 30, 2009, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
Receivables:								
Trade	\$ 5,204,461	\$ 173,482,632	\$ 37,458,157	\$ 25,253,314	\$ 5,933,587	\$ 10,809,828	\$ 5,051,125	\$ 263,193,104
Federal grants	4,148,672	-	-	1,013,719	-	2,386,354	4,183,450	11,732,195
Loans	257,639	-	-	-	-	11,701,370	25,462,487	37,421,496
Interest	-	-	558,554	-	-	-	139,393	697,947
Other	<u>1,200,869</u>	<u>584,057</u>	<u>3,046,538</u>	<u>62,322</u>	<u>-</u>	<u>2,718,920</u>	<u>8,979,900</u>	<u>16,592,606</u>
	10,811,641	174,066,689	41,063,249	26,329,355	5,933,587	27,616,472	43,816,355	329,637,348
Allowance for uncollectible accounts	<u>(283,076)</u>	<u>(134,206,433)</u>	<u>(3,576,306)</u>	<u>(15,473,002)</u>	<u>(1,121,861)</u>	<u>(18,215,360)</u>	<u>(10,667,662)</u>	<u>(183,543,700)</u>
Net receivables	<u>\$ 10,528,565</u>	<u>\$ 39,860,256</u>	<u>\$ 37,486,943</u>	<u>\$ 10,856,353</u>	<u>\$ 4,811,726</u>	<u>\$ 9,401,112</u>	<u>\$ 33,148,693</u>	<u>\$ 146,093,648</u>

#### University of Guam (UOG):

The Guam Legislature appropriates funds for the student loan program available to residents of Guam who attend institutions of higher education. UOG is responsible for awarding loans and monitoring compliance with respect to repayment. Due to the uncertainty of collection and due to recipient ability to repay the loans through work credits, student loan receivables are fully reserved for in the year granted, and payments are reflected as recoveries in the year received. As of September 30, 2009, loan receivables are reserved in the amount of \$11,701,370.

#### Nonmajor Component Units:

##### Guam Housing and Urban Renewal Authority (GHURA):

Loans receivable from first time homebuyers under GHURA's Down Payment and Closing Cost Assistance Program, due in varying monthly installments, interest free, with maturities to 2026, collateralized by second mortgages on real estate. \$ 1,009,632

##### Guam Housing Corporation (GHC):

Loans receivable from first time homebuyers under GHC's Low Cost Housing Assistance Program, due in varying monthly installments, interest free, with maturities to 2024, collateralized by first mortgages on real estate. 22,763,833

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

C. Receivables, Continued

Guam Housing Corporation (GHC), Continued:

Loans receivable from first time homebuyers under the Community Affordable Housing Action Trust, Hazard Mitigation, Down Payment and Closing Assistance, and the Sagan Linayan Project programs, due in varying monthly installments, interest free.

1,689,022

\$ 25,462,487

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government at September 30, 2009, are summarized as follows:

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
Due from Primary Government:								
General Fund	\$ _____	\$ <u>2,621,511</u>	\$ <u>8,355,013</u>	\$ _____	\$ _____	\$ <u>3,607,621</u>	\$ <u>3,784,947</u>	\$ <u>18,369,092</u>
Due to Primary Government:								
Nonmajor governmental funds	\$ <u>1,528,147</u>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>1,528,147</u>

Antonio B. Won Pat International Airport Authority (AWPIAA):

On May 30, 2008, AWPIAA entered into a memorandum of agreement with the Guam Police Department, a line agency of the primary government, in the amount of \$880,050 for past due rental space payments. As of September 30, 2009, the amount due from the primary government under this arrangement amounted to \$220,000.

In accordance with the agreement, the Guam Police Department will continue to occupy the leased property from October 1, 2008 through September 30, 2011 for a monthly rental of \$19,350.

Guam Power Authority (GPA):

GPA has entered into payment agreements with the primary government. Details of these payment agreements are as follows:

Receivable from the Guam Department of Education, a line agency of the primary government, due in 109 monthly installments, inclusive of interest at 4.47% per annum (\$500,000 per month for the first three months, then \$100,000 per month escalating at intervals to \$200,000 per month), beginning July 20, 2004, with the final installment payment due in July 2013, uncollateralized.

\$ 8,355,013

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

D. Due from/due to Primary Government, Continued

Future repayments under this payment agreement are scheduled as follows:

<u>Year Ending</u> <u>September 30,</u>		
2010		\$ 2,068,570
2011		2,162,953
2012		2,261,642
2013		<u>1,861,848</u>
		<u>\$ 8,355,013</u>

E. Due from/due to Component Units

Receivables and payables reflected as due to/due from component units at September 30, 2009, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
Guam Power Authority:		
Guam Waterworks Authority	\$ 3,998,968	\$ -
Guam Waterworks Authority:		
Guam Power Authority	-	<u>3,998,968</u>
	<u>\$ 3,998,968</u>	<u>\$ 3,998,968</u>

Guam Power Authority has entered into a payment agreement with Guam Waterworks Authority. Details of this payment agreement are as follows:

Receivable from Guam Waterworks Authority, due in monthly installments from an 11.5% water rate surcharge, interest at 4.3% per annum, uncollateralized. \$ 3,998,968

Future repayments under this payment agreement are estimated as follows:

<u>Year Ending</u> <u>September 30,</u>		
2010		\$ 2,614,315
2011		<u>1,384,653</u>
		<u>\$ 3,998,968</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

F. Payable to Federal Agencies

Under the Housing Choice Voucher Program funded by the U.S. Department of Housing Urban Development (HUD), Guam Housing and Urban Rural Authority (GHURA) was cited for applying incorrect payment standards. As a result, HUD issued a final determination resulting in total overpayments of \$1,255,432. On December 31, 2007, GHURA received official notification of a repayment agreement, which required GHURA to make an initial payment of \$1,000,000, with the balance to be repaid in monthly installments of \$14,190. As of September 30, 2009, the remaining balance under this agreement was paid in full.

G. Short-Term Debt

As of September 30, 2009, the discretely presented component units had the following short-term debt outstanding:

Guam Power Authority (GPA):

In March 2009, GPA converted its \$20,000,000 note payable to a three year loan with annual principal payments of \$5,000,000 per year at an interest rate at the bank's prime rate plus 2% with a floor of 6.5%. Unpaid principal is due upon maturity. The loan is secured by a pledge of revenues subordinate to the revenue pledge under the 1993 and 1999 Bond Series indentures, and a pledge of \$5,000,000 required to be deposited in a collateral account with the bank.

On April 24, 2009, GPA received a Notice of Event of Default related to the Amended and Restated \$20,000,000 Credit Agreement with the bank. The default was triggered by the downgrade in the credit rating of GPA's bond insurer. This default situation entitled the bank to charge GPA a 15% default interest rate on the outstanding balance of the loan. On April 29, 2009, GPA entered into a Temporary Rate Modification Agreement with the bank wherein the bank will earn interest at the greater of the bank's prime rate plus 5% (no lower than 6.5%), or 8.25% at September 30, 2009. The bank reserves the right to revert back to the default interest rate without notice. GPA has placed an additional \$3,000,000 unsecured deposit with the bank in excess of the \$5,000,000 deposit which serves as security for the Credit Agreement.

As a result of the default, the balance of the long-term debt is presented as a current liability in the accompanying financial statements as the bank reserves the right to call upon the unpaid balance.

Short term debt activity of the discretely presented component units for the year ended September 30, 2009, was as follows:

	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009
Note payable:				
Guam Power Authority	\$ 20,000,000	\$ 20,000,000	\$ (22,500,001)	\$ 17,499,999

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

H. Long-Term Debt

As of September 30, 2009, the discretely presented component units had the following long-term debt outstanding:

Antonio B. Won Pat International Airport Authority (AWPIAA):

General Revenue Bonds, Series 2003 (original issue of \$216,250,000, dated December 1, 2003), varying interest rates at 1.45% - 5.375% per annum, payable semiannually on October 1 and April 1, principal fund payments due in varying annual installments, commencing on October 1, 2004 of \$5,600,000 and increasing to a final payment of \$17,175,000 on October 1, 2023.	\$ 180,960,000
Add net unamortized premium on bonds	5,388,138
Less deferred difference on refunding of 1993 bonds	<u>(4,339,139)</u>
	<u>\$ 182,008,999</u>

The 2003 General Revenue Bonds, including interest, are payable solely from and are secured by a pledge of revenues under the indenture. The bonds are collateralized by a lien upon and pledge of revenues to be received by AWPIAA, the trustees and the depository. Neither the payment of the principal of the bonds, nor any interest thereon, is a debt, liability or obligation of GovGuam.

The bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service.

The aforementioned bond indentures also require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the bond proceeds.

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 8,235,000	\$ 8,720,000	\$ 16,955,000
2011	8,625,000	8,333,000	16,958,000
2012	9,095,000	7,901,000	16,996,000
2013	9,590,000	7,482,000	17,072,000
2014	10,030,000	7,076,000	17,106,000
2015 – 2019	58,470,000	27,639,000	86,109,000
2020 – 2024	76,915,000	10,440,000	87,355,000
	<u>\$ 180,960,000</u>	<u>\$ 77,591,000</u>	<u>\$ 258,551,000</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### H. Long-Term Debt, Continued

Guam Power Authority (GPA):

General Revenue Bonds, Series 1999 (original issue of \$349,178,601, dated May 1, 1999 and June 3, 1999), varying interest rates at 3.90% - 5.25% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$2,950,000 on October 1, 2000, and increasing to a final payment of \$26,110,000 on October 1, 2034. The bonds have been issued to finance new projects as specified in the bond indenture and to retire certain outstanding bonds and the commercial paper issued for the purpose of financing certain commercial paper projects. \$ 317,883,601

General Revenue Bonds, Series 1993 (original issue of \$100,000,000, dated October 1, 1993), varying interest rates at 3.90% - 5.25% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$1,725,000 on October 1, 1996, and increasing to a final payment of \$6,535,000 on October 1, 2023. The bonds have been issued to finance acquisitions of additional generating capacity, to construct additional transmission facilities, and to upgrade and refurbish existing equipment. 70,175,000

388,058,601

Less discount on bonds (4,597,790)  
Less deferred loss on defeasance (13,340,570)

\$ 370,120,241

All gross revenues of GPA have been pledged to repay the 1993 and 1999 series bond principal and interest. Discounts associated with 1993 and 1999 bond series are being amortized using the effective interest method over the lives of the bonds. On September 28, 2000, GPA entered into a Bond Reserve Fund Forward Delivery Agreement (the agreement) with the U.S. Bank Trust National Association and Bank of America. In connection with the agreement, GPA received cash totaling \$13,500,000 in October 2000 representing the present value amount of interest income on certain bond proceeds invested by GPA.

Based on the terms of the agreement, gross proceeds totaled \$17,521,029 while GPA incurred termination fees and closing costs totaling \$3,530,000 and \$1,250,529, respectively. The \$13,500,000 in net proceeds received included \$759,500 of interest income earned as of the closing date of the agreement. The gross proceeds, termination fees and closing costs will be deferred and amortized on a straight line basis over the average remaining life of the 1993 and 1999 bonds.

The bond indentures require the establishment of special funds and accounts to be held and administered by GPA's trustees for the accounting of the bond proceeds.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

H. Long-Term Debt, Continued

Guam Power Authority (GPA), Continued:

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,373,601	\$ 19,687,813	\$ 27,061,414
2011	7,795,000	19,278,575	27,073,575
2012	8,205,000	18,847,813	27,052,813
2013	8,635,000	18,394,475	27,029,475
2014	9,090,000	17,917,250	27,007,250
2015 – 2019	53,070,000	81,601,825	134,671,825
2020 – 2024	68,130,000	65,798,000	133,928,000
2025 – 2029	87,355,000	45,603,550	132,958,550
2030 – 2034	112,295,000	19,244,925	131,539,925
2035	<u>26,110,000</u>	<u>-</u>	<u>26,110,000</u>
	<u>\$ 388,058,601</u>	<u>\$ 306,374,226</u>	<u>\$ 694,432,827</u>

Guam Waterworks Authority (GWA):

Water and Wastewater System Revenue Bonds, Series 2005 (original issue of \$101,175,000, dated November 1, 2005), varying interest rates at 5% - 5.875% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$1,865,000 on July 1, 2008, and increasing to a final payment of \$6,810,000 on July 1, 2035. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems, refinancing certain outstanding obligations, and financing new water meters.

\$ 97,350,000

Note payable to the U.S. Navy, with interest at 1.25% per annum, payable in monthly installments of \$45,833, including interest, through March 2009, \$132,545 through March 2011, and \$264,853 through June 2012, collateralized by real property of GWA.

5,689,122

103,039,122

Add net unamortized premium on bonds

3,143,944

\$ 106,183,066

All gross revenues of GWA have been pledged to repay the 2005 series bond principal and interest. A premium associated with the 2005 bond series is being amortized using the effective interest method over the lives of the bonds.

Based on the terms of the agreement, gross proceeds totaled \$104,779,522, including a bond premium of \$3,604,522 while GWA incurred closing costs totaling \$3,128,108. The gross proceeds and closing costs will be deferred and amortized on a straight line basis over the average remaining life of the 2005 bonds.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### H. Long-Term Debt, Continued

Guam Waterworks Authority (GWA), Continued:

The bond indentures require the establishment of special funds and accounts to be held and administered by GWA's trustees for the accounting of the bond proceeds.

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,608,344	\$ 5,686,049	\$ 9,294,393
2011	4,529,966	5,560,716	10,090,682
2012	4,116,809	5,417,200	9,534,009
2013	2,410,253	5,294,544	7,704,797
2014	2,533,750	5,170,919	7,704,669
2015 – 2019	12,653,750	23,756,970	36,410,720
2020 – 2024	16,427,500	19,611,594	36,039,094
2025 – 2029	21,938,750	14,095,669	36,034,419
2030 – 2034	29,198,750	6,842,392	36,041,142
2035	<u>5,621,250</u>	<u>300,066</u>	<u>5,921,316</u>
	<u>\$ 103,039,122</u>	<u>\$ 91,736,119</u>	<u>\$ 194,775,241</u>

University of Guam (UOG):

Rural development loan payable to the U.S. Department of Agriculture, dated June 12, 2003, in the amount of \$13,500,000, interest at 4.5% per annum, principal and interest payable commencing on July 12, 2006 in monthly installments of \$62,505, and collateralized by real property. Loan proceeds were used to finance the construction of the Business and Public Administration Building.

\$ 12,930,123



**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

H. Long-Term Debt, Continued

University of Guam (UOG), Continued:

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 171,717	\$ 578,343	\$ 750,060
2011	179,606	570,454	750,060
2012	187,857	562,203	750,060
2013	196,487	553,573	750,060
2014	205,514	544,546	750,060
2015 – 2019	1,178,167	2,572,133	3,750,300
2020 – 2024	1,474,825	2,275,475	3,750,300
2025 – 2029	1,846,180	1,904,120	3,750,300
2030 – 2034	2,311,040	1,439,260	3,750,300
2035 – 2039	2,892,951	857,349	3,750,300
2040 – 2043	2,285,779	177,351	2,463,130
	<u>\$ 12,930,123</u>	<u>\$ 12,034,807</u>	<u>\$ 24,964,930</u>

Guam Community College (GCC):

Due to U.S. Department of Education, with interest at 5.5% per annum, payable in semi-annual installments of \$342,620, including interest, through December 2010. \$ 962,528

Due to U.S. Department of Agriculture, with interest at 4.375% per annum, payable in monthly installments of \$2,755, including interest, through April 2024, collateralized by certain revenues and fixed assets of GCC. 317,966

\$ 1,280,494

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 668,708	\$ 49,592	\$ 718,300
2011	333,768	17,235	351,003
2012	21,322	11,738	33,060
2013	22,273	10,787	33,060
2014	23,268	9,792	33,060
2015 – 2019	132,876	32,424	165,300
2020 – 2023	78,279	4,357	82,636
	<u>\$ 1,280,494</u>	<u>\$ 135,925</u>	<u>\$ 1,416,419</u>

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

H. Long-Term Debt, Continued

Guam Housing and Urban Renewal Authority:

Due to Farmers' Home Administration, with interest at 6% per annum, payable in equal monthly installments of \$10,540, including interest, through April 2030, collateralized by restricted cash balances. \$ 1,442,123

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 41,000	\$ 85,480	\$ 126,480
2011	44,000	82,480	126,480
2012	46,000	80,480	126,480
2013	49,000	77,480	126,480
2014	52,000	74,480	126,480
2015 – 2019	312,000	320,400	632,400
2020 – 2024	421,000	211,400	632,400
2025 – 2029	<u>477,123</u>	<u>155,277</u>	<u>632,400</u>
	<u>\$ 1,442,123</u>	<u>\$ 1,087,477</u>	<u>\$ 2,529,600</u>

Guam Housing Corporation (GHC):

Mortgage-Backed Revenue Bonds, Series 1998, (original issue of \$50,000,000, dated April 15, 1998), varying interest rates at 4.45% - 5.75% per annum, payable semiannually on March 1 and September 1, principal fund payments due in varying semiannual installments commencing with a payment of \$25,000 on March 1, 2002, and increasing to a final payment of \$194,201 on September 1, 2031. \$ 5,105,000

Note payable to Federal Home Loan Bank of Seattle, interest rate at 6.49% per annum, interest payable monthly, principal due in 2014, collateralized by proceeds received from mortgage loans made by GHC. As of September 30, 2009, GHC has pledged as security for this loan approximately \$10,844,854 of related outstanding mortgage loans. 5,296,866

\$ 10,401,866

The bonds are limited obligations of GHC payable from the revenues and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GHC, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bonds do not constitute indebtedness or a loan of credit of GovGuam or the United States of America, within the meaning of the Organic Act of Guam or statutory provisions. Neither the faith and credit nor the taxing power of GovGuam is pledged to the payment of the principal of, or interest on the bonds. GHC has no taxing authority. The bonds are not debts, liabilities or obligations of GovGuam, and GovGuam is not liable for the payment should GHC default on the loan.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### H. Long-Term Debt, Continued

Guam Housing Corporation (GHC), Continued:

The bonds maturing in September 2031 are not subject to optional redemption prior to maturity. The bonds maturing after September 2009 but before September 2021 are subject to redemption on any date on or after September 2009, at the option of GHC, in whole, or in part from such maturities as are determined by GHC, from any source of available monies, at the redemption prices set forth in the Indenture. The bonds maturing in September 2018, in September 2021, and in September 2031 are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the date fixed for redemption, from sinking fund installments which are required to be made in amounts sufficient to redeem on dates set forth in the Indenture.

GHC had expended bond proceeds and originated loans totaling \$6,249,012 as of September 30, 2009, for which the Trustee had fully disbursed such moneys from the Program Fund for the acquisition of Mortgage-Backed Securities.

The bond indenture contains certain restrictive covenants, including restrictions on the use of bond funds. Management of GHC is of the opinion that GHC was in compliance with all significant covenants as of September 30, 2009.

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,070,246	\$ 594,292	\$ 1,664,538
2011	1,138,450	524,673	1,663,124
2012	1,215,881	451,008	1,666,889
2013	1,292,820	371,255	1,664,075
2014	1,271,673	286,767	1,558,440
2015 – 2019	916,413	1,116,133	2,032,546
2020 – 2024	1,201,655	847,651	2,049,306
2025 – 2029	1,543,078	470,542	2,013,620
2030 – 2031	751,650	54,706	806,356
	<u>\$ 10,401,866</u>	<u>\$ 4,717,027</u>	<u>\$ 15,118,893</u>

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2009

(15) Discretely Presented Component Unit Disclosures, Continued

H. Long-Term Debt, Continued

Guam Economic Development Authority (GEDA):

Tobacco Settlement Asset-Backed Bonds, 2007 Series A, (original issue of \$33,575,000, dated December 1, 2007), varying interest rates at 5.25% - 5.625% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of \$1,025,000 on June 1, 2008 and increasing to a final payment of \$3,840,000 on June 1, 2026. These bonds are payable solely from and secured by certain revenues. The bonds have been issued for deposit to trust and endowment funds. \$ 31,230,000

Tobacco Settlement Asset-Backed Capital Appreciation Bonds, 2007 Series B (original issue of \$3,407,077, dated December 1, 2007), interest not paid currently, compounded annually on December 1 based on an imputed interest rate of 7.25% to become part of the accreted value until the maturity date or earlier redemptions. The bonds bear an original maturity value of \$115,455,000 with final maturity date of June 1, 2057. The projected turbo redemption date, however, is June 1, 2034 with a total projected principal amount of \$16,773,618. Under the Turbo Redemption assumption, principal fund payments are due in varying annual installments commencing with a payment of \$917,533 on June 1, 2008 and increasing to a final payment of \$1,191,488 on June 1, 2034. The Series B bonds are also secured by certain revenues with the Series A bonds; however, they are subordinate to the Series 2007A Bonds. 16,773,618

	48,003,618
Less discount on Series B capital appreciation turbo term bonds	(12,922,617)
Less discount on issuance	(1,576,881)
Less deferred difference on defeasance of 2001 bonds	<u>(2,059,330)</u>
	<u>\$ 29,959,790</u>

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,485,000	\$ 1,681,725	\$ 3,166,725
2011	1,600,000	1,603,566	3,203,566
2012	1,720,000	1,519,435	3,239,435
2013	1,850,000	1,429,004	3,279,004
2014	1,980,000	1,331,879	3,311,879
2015 – 2019	9,135,000	5,031,520	14,166,520
2020 – 2024	7,435,000	2,908,969	10,343,969
2025 – 2029	13,070,508	561,302	13,631,810
2030 – 2034	9,728,110	-	9,728,110
	<u>\$ 48,003,618</u>	<u>\$ 16,067,400</u>	<u>\$ 64,071,018</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### H. Long-Term Debt, Continued

Guam Economic Development Authority (GEDA), Continued:

On December 13, 2007, GEDA issued \$36,982,077 (original principal) in Series 2007 Tobacco Settlement Asset-Backed Bonds. Net proceeds were \$35,478,149 (\$34,359,109 of original principal after issuance discount, underwriter discount and other issuance costs, plus an additional \$794,040 from the Series 2001 funds plus \$325,000 received in connection with the termination of Series 2001 Reserve Fund Agreement). Of this amount, \$8,345,278 was transferred into a custodial account for the benefit of GovGuam. The remaining \$27,132,871 was deposited in an irrevocable trust with an escrow agent to provide for the future service of the Series 2001 bonds through May 15, 2016. Except to the extent of any excess which is to be released upon termination (when all transfers and payments required are satisfied), GEDA has no interest in the funds or investments held in the escrow fund and as a result, the Series 2001 bonds indenture was satisfied and discharged. Additionally, the transaction meets the requirement of an in-substance defeasance and as a result, the Series 2001 bonds and the related funds held by the escrow agent have been removed from the accompanying financial statements.

Additionally, the defeasance resulted in a loss of \$2,628,344, representing the difference between the reacquisition price and the carrying amount of the Series 2001 bonds. The loss has been deferred and amortized over the remaining life the Series 2001 bonds and is reflected as a reduction of the bond liability.

The defeasance of the bonds resulted in an increase of GEDA's aggregate debt service payment by approximately \$36 million over the life of the new Series 2007 bonds and an economic loss (difference between the present value of the old and new debt service payments, plus the \$8,345,278 received) of approximately \$455,000.

The difference between the original principal amount of \$3,407,077 and the projected turbo redemption projected value of \$16,773,618 represents discount that is amortizing into interest expense using the straight-line method through the weighted average life of the Series 2007 bonds.

The Series 2007 bonds are subject to mandatory redemption, in whole or in part, prior to their stated maturity dates from amounts on deposit in the Turbo Redemption Account on each Distribution Date (December 1). Due to a number of factors, including actual shipment of cigarettes in the United States and the actual level of payments received by the settling states under the Master Settlement Agreement, the amount available to pay the principal or accredited value of and interest on the Series 2007 bonds may fluctuate from year to year.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2009

### (15) Discretely Presented Component Unit Disclosures, Continued

#### I. Changes in Long-Term Liabilities

During the year ended September 30, 2009, the following changes occurred in liabilities reported as part of the discretely presented component units' long-term liabilities in the statement of net assets:

	Balance October 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, 2009	Due Within <u>One Year</u>
Bonds and notes payable:					
Antonio B. Won Pat International					
Airport Authority	\$ 188,295,000	\$ -	\$ (7,335,000)	\$ 180,960,000	\$ 8,235,000
Guam Power Authority	395,138,601	-	(7,080,000)	388,058,601	7,373,601
Guam Waterworks Authority	105,949,101	-	(2,909,979)	103,039,122	3,608,344
University of Guam	13,119,885	-	(189,762)	12,930,123	171,717
Guam Community College	1,917,033	-	(636,539)	1,280,494	668,708
Guam Housing and Urban Renewal Authority	1,483,089	-	(40,966)	1,442,123	41,000
Guam Housing Corporation	11,397,868	-	(996,002)	10,401,866	1,070,246
Guam Economic Development Authority	49,323,618	-	(1,320,000)	48,003,618	1,485,000
	<u>766,624,195</u>	<u>-</u>	<u>(20,508,248)</u>	<u>746,115,947</u>	<u>22,653,616</u>
Deferred amounts:					
Unamortized premiums	9,327,995	-	(795,913)	8,532,082	-
Unamortized discounts	(19,789,695)	-	692,407	(19,097,288)	-
Unamortized difference on bond Defeasance	(21,473,689)	-	1,734,650	(19,739,039)	-
	<u>734,688,806</u>	<u>-</u>	<u>(18,877,104)</u>	<u>715,811,702</u>	<u>22,653,616</u>
Other:					
Compensated absences	11,437,988	6,298,232	(4,831,502)	12,904,718	5,620,851
Capital lease obligations	132,271,059	-	(7,113,352)	125,157,707	8,028,667
Due to component units	5,209,285	-	(1,210,317)	3,998,968	2,614,315
DCRS sick leave	6,075,828	1,138,737	-	7,214,565	-
Other noncurrent liabilities	31,492,443	-	(7,748,761)	23,743,682	-
	<u>186,486,603</u>	<u>7,436,969</u>	<u>(20,903,932)</u>	<u>173,019,640</u>	<u>16,263,833</u>
	<u>\$ 921,175,409</u>	<u>\$ 7,436,969</u>	<u>\$ (39,781,036)</u>	<u>\$ 888,831,342</u>	<u>\$ 38,917,449</u>

#### J. Capital Lease Financing

##### Guam Power Authority (GPA):

In September 1996, GPA entered into agreements to purchase electricity produced by generating plants constructed or refurbished and operated by three companies. The agreements have twenty year terms. At the end of the agreements, ownership of the plants and the plant improvements reverts to GPA. Under each of the agreements, GPA pays capacity and operation and maintenance costs.

GPA has determined that the agreements to purchase electricity were in fact capital leases to acquire the plants and that the capacity payments made under the agreements were lease payments.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### J. Capital Lease Financing, Continued

Guam Power Authority (GPA), Continued:

The leases have effective interest rates ranging from 8.6% to 14.2%. Future capacity payments under these agreements are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2010	\$ 23,084,304
2011	23,084,304
2012	23,084,304
2013	23,084,304
2014	23,084,304
2015 - 2019	<u>94,221,073</u>
	209,642,593
Less amounts representing interest	<u>(84,484,886)</u>
	<u>\$ 125,157,707</u>

### K. Commitments and Contingencies

#### Letters of Credit

Guam Power Authority has a \$20,000,000 uncollateralized revolving documentary letter of credit for purchases of fuel.

#### Performance Management Contracts (PMCs)

On January 1, 2003 and 2005, Guam Power Authority (GPA) entered into five year PMCs with two companies for the operation and maintenance of certain power generators. On December 31, 2008, GPA extended one of the PMCs through December 31, 2009.

The future minimum annual management fee payments for commitments under these contracts are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ <u>346,095</u>

On December 5, 2006, Guam Waterworks Authority entered into a three year PMC with a company for the operation and maintenance of its Wastewater Treatment Plants, Collection System, and Lift Stations, which were extended to mature on December 31, 2012.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### K. Commitments and Contingencies, Continued

#### Performance Management Contracts (PMCs), Continued

The future minimum annual management fee payments for commitments under these contracts are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ 1,047,912
2011	1,077,254
2012	1,107,417
2013	<u>278,752</u>
	\$ <u>3,511,335</u>

#### Leases

In November 2002, the DFS Group L.P. (DFS) was selected as the primary concessionaire and was awarded a ten year concession agreement by Antonio B. Won Pat International Airport Authority (AWPIAA) commencing on January 1, 2003 and terminating on December 31, 2012. On March 17, 2006, AWPIAA entered into a concession agreement for additional space for a five year term. The concession agreements provide for a minimum annual guarantee rent as well as percentage rent on gross revenues exceeding certain levels.

The future minimum lease receipts for the aforementioned concession agreements are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ 4,750,000
2011	4,615,000
2012	4,500,000
2013	<u>1,375,000</u>
	\$ <u>15,240,000</u>

AWPIAA has lease agreements with scheduled air carriers, various other concessionaires and airport users. The agreements provide the lessees with the use of AWPIAA's system facilities, equipment and services. The signatory airline operating agreement and terminal building lease are in effect from October 1, 2006 through September 30, 2011. The two ground lease agreements will expire in August 2023. The lease agreements with six rent-a-car companies will expire in June 2011.



# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### K. Commitments and Contingencies, Continued

#### Leases, Continued

The future minimum rental receipts for the aforementioned noncancellable operating leases (excluding the DFS lease) are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ 6,381,000
2011	5,787,000
2012	2,261,000
2013	899,000
2014	553,000
Thereafter	<u>3,293,000</u>
	<u>\$ 19,174,000</u>

On December 31, 2002, Guam Power Authority (GPA) entered into a lease agreement for its office building for an initial term of two years with a monthly rental of \$25,000. On January 1, 2008, GPA renewed the lease agreement for an additional term of two years with a monthly rental of \$45,000, expiring on December 31, 2009.

GPA also leases fuel storage tanks for a monthly fee of \$100,000 beginning September 1998, increasing to \$107,500 in March 2003. The initial term of the lease is for a period of 10 years with an option to renew for an additional 5-year period, expiring on September 2013, at an increased monthly lease fee of \$115,650. On February 8, 2008, GPA renewed the agreement for an additional five year term from March 1, 2008 through February 28, 2013.

The future minimum lease payments for the aforementioned leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ 1,716,756
2011	1,565,637
2012	1,447,261
2013	<u>698,105</u>
	<u>\$ 5,427,759</u>

On February 2003, Guam Housing Corporation (GHC) entered into a Memorandum of Understanding (MOU) with Guam Economic Development Authority (GEDA) to provide support services to GHC. Such services were for network and computer administration for a fee of \$21,696 per annum. GHC also sub-leases office space from GEDA under its operating lease which expires February 28, 2011.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

## (15) Discretely Presented Component Unit Disclosures, Continued

### K. Commitments and Contingencies, Continued

#### Leases, Continued

The future minimum annual lease payments for this rental commitment under this operating lease are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2010	\$ 72,198
2011	<u>30,082</u>
	\$ <u><u>102,280</u></u>

#### Derivatives

Guam Power Authority (GPA) is exposed to market price fluctuations on its purchases of fuel oil. GPA uses derivatives such as commodity swaps to protect itself from increases in market prices. GPA has an outstanding commodity swap for fiscal year 2010 fuel requirements based on a notional amount of 69,783 metric tons of low sulfur and high sulfur fuel oil. Payment is based on current spot prices at the settlement date. At September 30, 2009, the commodity swaps had a negative fair value of approximately \$337,000. At September 30, 2009, there are two counterparties, rated as AA and A-1 by S&P.

At September 30, 2009, a counterparty required GPA to deposit into an escrow account a cash deposit amounting to \$500,000 to cover future margin calls on outstanding hedge contracts.

At September 30, 2009, GPA was not exposed to credit risk because the swaps had negative fair values. However, should implied forward prices increase and the fair value of the swaps become positive, GPA would be exposed to credit risk on the swaps on the amount of their fair value.

#### Environmental Monitoring

In September 2000, the United States Navy (the Navy) transferred 1,417 acres of property to the Antonio B. Won Pat International Airport Authority (AWPIAA) and GovGuam at no cost. In November 2000, the Navy paid AWPIAA \$10,000,000. In exchange for the payment, AWPIAA and GovGuam agreed to complete certain environmental monitoring work on the property even if the cost of the environmental monitoring work exceeds the \$10,000,000 remitted by the Navy. AWPIAA management has been made aware that in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, a decision document or record of decision requires execution by AWPIAA, the Navy and the Guam Environmental Protection Agency with the concurrence of the U.S. EPA. The decision document would codify the responsibilities of each party for the environmental response actions.

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2009

### (15) Discretely Presented Component Unit Disclosures, Continued

#### K. Commitments and Contingencies, Continued

##### Environmental Monitoring, Continued

Although the primary remediation action is natural attenuation, AWPIAA has substantially completed a water system project as part of the military airport program, which concurrently satisfies, in part, certain response actions contemplated under the Environmental Services Cooperative Agreement. AWPIAA will continue the voluntary monitoring until such time the decision document is executed and AWPIAA's remediation responsibilities are specified. The long-term obligation to operate and maintain the facilities built under the remedial construction as well as the required sampling will be handled through a water system commercial agreement. As of September 30, 2009, AWPIAA estimated, based upon a weighted average probability of future cash flows, that its pollution remediation obligations amounted to \$209,717.

##### Construction Contracts

Antonio B. Won Pat International Airport Authority has commitments of \$31,909,346 under several construction contracts as of September 30, 2009 and \$13,999,183 under other various contracts as of September 30, 2009.

Guam Waterworks Authority has commitments of \$7,884,003 under several capital projects as of September 30, 2009.

Guam Community College has commitments of \$5,230,453 under several capital projects as of September 30, 2009.

##### Loans

Guam Housing Corporation has commitments of \$2,098,440 in loan commitments as of September 30, 2009.

##### Land Held for Development

Public Law 20-225 authorized the transfer of land under the Lada Estates Project from GovGuam to the Guam Housing Corporation (GHC) for the development of affordable housing units for sale to first-time homeowners. In addition to the initial cost of \$392,385, subsequent capitalized development costs were incurred of \$15,721,953, which included \$10,555,000 for improvement for off-site and on-site infrastructure incurred by a contractor. Subsequent economic conditions prevented the completion of the project and, as a result, GHC halted further development. The contractor has subsequently sued GHC and GovGuam for the amount of development costs incurred. GHC is awaiting ultimate adjudication by the Court to determine the validity of the claim, including accrued interest of \$7,117,176. A liability has been recorded by GHC in the amount of \$10,555,000 associated with the development costs; however, no liability has been recorded for accrued interest. GHC and GovGuam are disputing the liability, including the accrued interest, and believe that the contractor's claim may not be payable pursuant to the terms of the contract and under Guam law. Accordingly, it is not possible to determine the ultimate outcome of this matter and hence no provision for any liability that may result from the accrued interest claim by the contractor has been made in the accompanying financial statements.

**GOVERNMENT OF GUAM**

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**YEAR ENDED SEPTEMBER 30, 2009**

# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual General Fund Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note 1)	Final Budget - Positive (Negative)
Revenues:				
Taxes:				
Income	\$ 267,274,315	\$ 267,274,315	\$ 232,828,945	\$ (34,445,370)
Gross receipts	196,131,262	196,131,262	182,583,996	(13,547,266)
Income - COLA	-	8,438,000	9,048,216	610,216
Excise	1,468,543	1,468,543	3,411,533	1,942,990
Section 30:				
Federal income tax collections	42,000,000	42,000,000	38,869,372	(3,130,628)
Immigration fees	1,797,609	1,797,609	1,612,140	(185,469)
Indirect cost reimbursement	4,553,613	4,553,613	4,551,926	(1,687)
Guam Public School System	-	-	1,175,560	1,175,560
Contributions from component units	2,027,377	2,027,377	2,027,632	255
Other	7,496,455	7,496,455	7,040,863	(455,592)
<b>Total revenues</b>	<b>522,749,174</b>	<b>531,187,174</b>	<b>483,150,183</b>	<b>(48,036,991)</b>
Expenditures by Department:				
Executive Branch:				
Office of I Maga'lahaen Guahan	7,746,254	7,811,552	7,206,438	605,114
Office of I Segundu Na Maga'lahaen Guahan	1,379,268	1,379,268	1,317,174	62,094
Bureau of Budget and Management Research	1,400,292	1,400,292	1,395,391	4,901
Civil Service Commission	675,247	675,247	672,340	2,907
Department of Administration	17,174,402	17,174,402	16,960,182	214,220
Guam Election Commission	952,413	952,413	844,312	108,101
Department of Revenue and Taxation	9,831,056	10,160,728	8,606,540	1,554,188
Bureau of Statistics and Plans	1,077,408	1,077,408	1,042,839	34,569
Department of Public Works	13,962,046	13,962,046	13,765,438	196,608
Office of the Attorney General	6,630,418	6,630,418	6,475,418	155,000
Guam Police Department	23,614,327	23,614,327	23,243,586	370,741
Department of Corrections	17,250,818	17,250,818	26,945,359	(9,694,541)
Department of Agriculture	2,474,226	2,424,226	2,423,709	50,517
Department of Public Health and Social Services	8,545,479	8,545,479	6,288,983	2,256,496
Department of Education	193,334,918	207,192,134	206,369,328	822,806
Department of Youth Affairs	4,009,759	4,009,759	4,007,575	2,184
Department of Mental Health and Substance Abuse	12,384,962	12,384,962	10,554,566	1,830,396
Department of Labor	1,236,134	1,236,134	1,236,512	(378)
Department of Parks and Recreation	3,395,172	3,395,172	3,394,174	998
Department of Integrated Services for Individuals with Disabilities	867,422	867,422	858,179	9,243
Mayors' Council of Guam	9,664,997	9,664,997	9,084,482	580,515
Department of Land Management	81,274	81,274	81,274	-
Chief Medical Examiner	396,144	396,144	395,600	544
Department of Chamorro Affairs	924,257	924,257	924,516	(259)
Department of Military Affairs	117,321	269,404	118,740	150,664
Guam Fire Department	26,208,084	26,208,084	26,196,564	11,520
Payments to Component Units	51,946,622	62,487,772	57,259,322	5,228,450
GovGuam Retirement Fund appropriations	1,283,200	1,283,200	1,283,200	-
Miscellaneous appropriations	19,051,174	19,051,174	20,597,973	(1,546,799)
Interest and other charges	-	1,906,137	46,609,389	(44,703,252)
Debt service	27,611,810	28,442,502	26,103,484	2,339,018
<b>Total expenditures</b>	<b>465,226,904</b>	<b>492,909,152</b>	<b>532,262,587</b>	<b>(39,353,435)</b>
Excess (deficiency) of revenues over (under) expenditures	57,522,270	38,278,022	(49,112,404)	(87,390,426)
Other financing sources (uses):				
Proceeds from bonds issued	-	271,070,000	271,070,000	-
Discount on bonds issued	-	(9,622,491)	(9,622,491)	-
Transfers in from other funds	21,573,431	22,404,123	42,100,429	19,696,306
Transfers out to other funds	(108,635,754)	(108,635,754)	(112,049,662)	(3,413,908)
<b>Total other financing sources (uses), net</b>	<b>(87,062,323)</b>	<b>175,215,878</b>	<b>191,498,276</b>	<b>16,282,398</b>
Other changes to unreserved fund deficit:				
Increase in continuing appropriations	-	-	(10,762,065)	(10,762,065)
Increase in reserve for debt service	-	-	(15,971,378)	(15,971,378)
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes	13,426,761	13,426,761	13,426,761	-
	13,426,761	13,426,761	(13,306,682)	(26,733,443)
<b>Net change in unreserved fund deficit</b>	<b>(16,113,292)</b>	<b>226,920,661</b>	<b>129,079,190</b>	<b>(97,841,471)</b>
Unreserved fund deficit at beginning of year	(526,019,506)	(526,019,506)	(526,019,506)	-
<b>Unreserved fund deficit at end of year</b>	<b>\$(542,132,798)</b>	<b>\$(299,098,845)</b>	<b>\$(396,940,316)</b>	<b>\$(97,841,471)</b>

See accompanying notes to required supplementary information - budgetary reporting.

## GOVERNMENT OF GUAM

### Notes to Required Supplementary Information – Budgetary Reporting September 30, 2009

#### (1) Budgetary Process

Legislation requires the Governor to present a proposed budget to the Legislature at the beginning of each annual session. The Legislature enacts the budget through passage of specific departmental appropriations. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget becomes the Territorial financial plan for the ensuing fiscal year. Supplemental appropriations for specific purposes are made throughout the year.

Budgetary control is maintained within the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effective with certain executive and legislative branch approval. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the Legislature as representing continuing appropriations.

The Budget Act for fiscal year 2009, Public Law No. 29-113, was approved for the Executive branch and the Legislative branch. Budgets for Special Revenue Funds are generally not submitted. Accordingly, a budget to actual presentation for Special Revenue Funds is not required or presented. Project length financial plans are adopted for capital projects funds.

GovGuam's annual budget has been prepared on a basis that differs from governmental GAAP. Actual amounts in the accompanying budgetary comparison statements are presented on a budgetary basis, which includes outstanding encumbrances as a budgetary expenditure.

#### (2) Reconciliation - GAAP and Budgetary Bases of Accounting

Encumbrance accounting is employed in governmental funds. For budgetary purposes, the encumbrances (i.e., purchase orders, contracts) are considered expenditures when incurred. For GAAP reporting purposes, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year.

Accounting principles used in developing data on a budgetary basis differ from those used in preparing the financial statements in conformity with GAAP. Amounts included on the Statement of Revenues, Expenditures, and Changes in Deficit - Budget and Actual - General Fund (which are presented on a non-GAAP budgetary basis) are reconciled to unreserved deficit of the Governmental Fund Balance Sheet within the other changes in unreserved deficit section of that statement. Furthermore, the net change in fund deficit to the net change in unreserved fund deficit for the General Fund is as follows:

Net change in fund deficit	\$ <u>150,137,564</u>
(Increase) decrease in fund balance reservations:	
Encumbrances	5,675,069
Continuing appropriations	(10,762,065)
Debt service	<u>(15,971,378)</u>
	<u>(21,058,374)</u>
Net change in unreserved fund deficit	\$ <u>129,079,190</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

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**OTHER SUPPLEMENTARY  
INFORMATION**

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**YEAR ENDED SEPTEMBER 30, 2009**

**GOVERNMENT OF GUAM**

All Governmental Funds  
Combining Schedule of Expenditures By Object  
Year Ended September 30, 2009

	<u>Special Revenue</u>					<u>Total</u>
	<u>General</u>	<u>Federal Grants Assistance</u>	<u>GPSS Federal Grants</u>	<u>Landfill CIP</u>	<u>Other Governmental Funds</u>	
Expenditures by Object:						
Salaries and wages:						
Regular	\$ 209,819,224	\$ 24,376,082	\$ 21,500,812	\$ -	\$ 52,415,358	\$ 308,111,476
Overtime	5,273,393	286,515	47,905	-	511,848	6,119,661
Fringe benefits	64,203,838	7,384,487	6,142,448	-	8,601,906	86,332,679
Travel	636,533	2,183,863	602,518	-	496,120	3,919,034
Contractual services	26,721,712	64,903,086	10,481,041	5,501,760	16,229,756	123,837,355
Building rent	4,053,425	1,593,622	-	-	2,974,387	8,621,434
Supplies	12,659,841	1,519,287	3,553,170	639,450	2,614,515	20,986,263
Equipment	5,398,143	1,051,895	614,008	-	478,699	7,542,745
Utilities - power and water	20,492,361	1,398,656	-	-	4,505,251	26,396,268
Communications	2,372,272	373,268	3,218	-	481,789	3,230,547
Capital outlays	2,038,957	6,053,664	82,800	124,656	5,083,202	13,383,279
Capital lease	-	-	17,254,250	-	-	17,254,250
Grants and subsidies	58,538,890	101,325,026	-	-	28,106,796	187,970,712
Supplemental annuity benefits	6,670,000	-	-	-	11,924,030	18,594,030
Retiree healthcare benefits	20,398,115	-	-	-	-	20,398,115
Principal retirement	12,297,839	-	3,451,500	-	10,300,000	26,049,339
Interest and fiscal charges	58,674,634	-	3,648,500	-	3,696,904	66,020,038
Bond issuance costs	1,906,137	-	-	1,589,964	-	3,496,101
Miscellaneous	12,355,581	43,356,375	42,484	-	13,559,757	69,314,197
	<u>\$ 524,510,895</u>	<u>\$ 255,805,826</u>	<u>\$ 67,424,654</u>	<u>\$ 7,855,830</u>	<u>\$ 161,980,318</u>	<u>\$ 1,017,577,523</u>

See Accompanying Independent Auditors' Report.



# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund Year Ended September 30, 2009 (With comparatives for the year ended September 30, 2008)

	2009	2008
Revenues:		
Taxes:		
Income	\$ 232,828,945	\$ 253,921,715
Gross receipts	182,583,996	185,795,875
Income - COLA	9,048,216	216,052
Excise	3,411,533	3,109,304
Licenses, fees and permits	4,470,091	5,593,716
Use of money and property	871,525	2,472,737
Section 30:		
Federal income tax collections	38,869,372	40,225,229
Immigration fees	1,612,140	1,636,441
Indirect cost reimbursement	4,551,926	3,467,780
Guam Public School System	1,175,560	2,831,209
Contributions from component units	2,027,632	10,372,580
Other	1,699,247	3,547,691
Total revenues	483,150,183	513,190,329
Expenditures by Department:		
General Government:		
Office of I Maga'lahaen Guahan:		
Office of the Governor	4,878,830	4,024,704
Ancestral Land Trust Commission	211,326	227,480
Government House	644,788	600,488
Bureau of Information Technology	153,217	57,131
Medical Referral Offices	714,660	696,903
Bureau of Women's Affairs	16,753	64,196
Office of Civil Defense	-	11,379
Office of Veteran's Affairs	237,629	274,207
	6,857,203	5,956,488
Office of I Segundu Na Maga'lahaen Guahan:		
Office of the Lieutenant Governor	1,082,726	1,005,016
Guam State Clearinghouse	231,243	288,333
	1,313,969	1,293,349
Bureau of Budget and Management Research:		
Office of the Director	319,510	294,800
Internal Audit Division	1,052,680	951,510
	1,372,190	1,246,310
Civil Service Commission:		
Office of the Director	222,376	204,140
Board of Commissioners	64,647	57,500
Legal Office	149,600	152,584
Personnel Management	235,045	333,679
	671,668	747,903

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Statement of Revenues, Expenditures by Department, and  
Changes in Deficit - General Fund, Continued  
Year Ended September 30, 2009  
(With comparatives for the year ended September 30, 2008)

	2009	2008
Expenditures by Department, continued:		
General Government, continued		
Department of Administration:		
Office of the Director	3,073,970	3,562,715
Office of the Director - COLA	6,670,000	7,636,090
Office of the Director - Child Support	658,178	-
Personnel Management	1,753,016	1,638,662
Financial Management	633,807	632,612
Data Processing	563,840	548,021
General Services Agency	802,001	796,790
Division of Accounts	2,386,350	2,284,467
	16,541,162	17,099,357
Department of Land Management:		
Land Planning Division	48,304	41,501
Land Records Division	13,296	17,947
Geographic Information System Division	19,674	25,142
	81,274	84,590
Department of Public Works:		
Office of the Director	2,496,308	2,585,950
Office of the Director - Consent Decree	786,366	3,679,400
Office of the Director - Streetlights	1,518,869	1,127,650
Transportation Maintenance Division	768,481	747,330
	5,570,024	8,140,330
Department of Revenue and Taxation:		
Office of the Director	2,473,539	3,081,664
Office of the Director - Computer System Upgrade	4,200	1,256,753
Office of the Director - Stimulus Tax Rebates	172,679	711,794
Tax Enforcement Division	1,929,150	1,919,264
Real Property Tax Division	455,578	421,156
Taxpayer Services Division	1,782,351	1,660,726
Regulatory Division	1,011,169	798,480
Motor Vehicle Division	659,283	578,886
	8,487,949	10,428,723
Total General Government	40,895,439	44,997,050

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund, Continued Year Ended September 30, 2009 (With comparatives for the year ended September 30, 2008)

	2009	2008
Expenditures by Department, continued:		
Protection of Life and Property		
Department of Corrections:		
Office of the Director	4,181,926	4,386,014
Adult Correctional Facility	9,432,087	8,354,667
Rosario Detention Center	2,277,261	2,369,632
Off-island Detention	9,638,304	17,194
Casework and Counseling Service Division	359,160	345,150
Forensic Division	385,014	352,026
Parole Service Division	523,932	517,974
	26,797,684	16,342,657
Department of Youth Affairs:		
Office of the Director	112,024	114,061
Division of Youth Development	619,373	618,704
Division of Youth Corrections	2,466,764	2,021,319
Division of Vocational Rehabilitation and Support Services	780,486	834,690
	3,978,647	3,588,774
Guam Fire Department:		
Office of the Fire Chief	355,772	319,593
Office of the Fire Chief - Promotions	-	1,421,529
Administrative and Logistical Support	1,335,164	1,545,758
Emergency Medical Service/Rescue Operations Bureau	8,478,041	6,864,110
Fire Suppression Bureau	15,952,738	13,816,647
	26,121,715	23,967,637
Guam Police Department:		
Office of the Chief	6,052,048	5,293,950
Office of the Chief - Overtime	1,055,251	2,003,195
Office of the Chief - Rent	232,200	880,050
Office of the Chief - Fuel	321,548	530,655
Criminal Investigation Division	2,313,961	1,455,539
Neighborhood Patrol Division	9,018,306	8,707,155
Support Division	1,962,174	1,628,927
Forensic Science Division	1,040,598	992,861
Highway Patrol Division	1,163,981	828,467
	23,160,067	22,320,799
Office of the Attorney-General:		
Attorney-General's Office	6,425,118	6,353,742
Chief Medical Examiner:		
Medical Examiner's Office	376,200	383,652
Total Protection of Life and Property	86,859,431	72,957,261

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Statement of Revenues, Expenditures by Department, and  
Changes in Deficit - General Fund, Continued  
Year Ended September 30, 2009  
(With comparatives for the year ended September 30, 2008)

	2009	2008
Expenditures by Department, continued:		
Public Health:		
Department of Mental Health and Substance Abuse:		
Office of the Director	2,504,249	2,087,283
Office of the Director - Permanent Injunction	1,969,159	205,618
Clinical Services Division	940,189	864,871
Youth Drug and Alcohol Program	205,426	-
Child and Adolescent Services Division	986,890	762,362
Service Contracts	1,620,951	-
Nursing Services Division	2,186,528	2,099,493
	10,413,392	6,019,627
Department of Public Health and Social Services:		
Office of the Director	1,846,606	1,553,188
Chief Public Health Office	36,275	77,346
Community Health Services	298,328	243,233
Communicable Disease Control	38,873	61,254
Professional Social Services	139,522	161,327
Primary Care Services	62,414	44,541
Catastrophic Illness Assistance Program	-	100,000
PHPRO Testing	-	92,176
Division of Environmental Health	67,377	554,842
Financial Management Services	190,528	177,903
Supply Section	106,068	103,810
Management Support Services	134,609	114,322
Facilities and Maintenance	348,493	353,802
Systems Group	335,179	351,378
	3,604,272	3,989,122
Total Public Health	14,017,664	10,008,749
Community Services:		
Department of Public Health and Social Services:		
Medically Indigent Program	101,147	417,325
Foster Care	1,725,039	1,651,129
Division of Senior Citizens	219,151	162,142
Adult Protective Services	472,801	387,892
	2,518,138	2,618,488
Department of Integrated Services for Individuals with Disabilities:		
Service Contracts	216,717	1,676,218
Office of the Director	596,633	721,221
Basic Support 110	42,371	51,024
	855,721	2,448,463

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund, Continued Year Ended September 30, 2009 (With comparatives for the year ended September 30, 2008)

	2009	2008
Expenditures by Department, continued:		
Community Services, Continued:		
Guam Public Library System:		
Office of the Director	1,102,859	962,715
Hagatna-Dededo Library	210,293	225,188
Barrigada Library	51,365	46,937
Agat Library	25,305	23,597
Yona Library	24,882	23,451
Merizo Library	49,036	44,449
	1,463,740	1,326,337
Other:		
Guam Territorial Band	-	23,750
Total Community Services	4,837,599	6,417,038
Recreation:		
Department of Parks and Recreation:		
Office of the Director	445,501	477,362
Mermorial Services	115,076	114,010
Community Programs	329,334	339,222
Pool and Beach Programs	414,505	380,169
Paseo Stadium	165,608	166,894
Parks Administration and Planning	113,699	111,701
Historic Preservation Division	132,127	149,580
Parks Maintenance	1,520,745	1,430,694
Territorial Park Protection	146,251	155,542
Total Recreation	3,382,846	3,325,174
Individual and Collective Rights:		
Office of I Maga'lahaen Guahan:		
Commission on Decolonization	177,227	175,963
Department of Chamorro Affairs:		
Office of the Director	468,104	467,715
Language and Culture Division	49,623	48,358
Research Publication and Training	19,905	-
Guam Museum	386,691	372,624
	924,323	888,697

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund, Continued Year Ended September 30, 2009 (With comparatives for the year ended September 30, 2008)

	2009	2008
Expenditures by Department, continued:		
Department of Labor:		
Office of the Director	572,098	497,403
Occupational Safety and Health Agency	8,999	-
Wage and Hour Division	204,174	198,480
Bureau of Labor Statistics	215,987	294,513
Fair Employment Practice Office	174	14,813
Worker's Compensation Commission	121,587	119,172
Fiscal and Support Office	86,032	122,849
	1,209,051	1,247,230
Department of Military Affairs:		
Office of the Adjutant General	118,740	109,716
Other:		
Guam Election Commission	789,481	629,988
Mayor's Council of Guam	9,000,789	9,432,093
	9,790,270	10,062,081
Total Individual and Collective Rights	12,219,611	12,483,687
Public Education:		
Guam Commission for Educator Certification	144,480	15,421
Department of Education:		
Guam Public School System	200,340,413	186,160,966
Department of Public Works:		
Bus Operations	6,663,602	6,924,470
Total Public Education	207,148,495	193,100,857
Economic Development:		
Bureau of Statistics and Plans:		
Administration	312,015	330,582
Chief Economist's Office	6,993	5,503
Planning Information	240,090	237,208
Socio-Economic Planning	132,094	129,885
Business and Economic Statistics Division	350,661	335,134
	1,041,853	1,038,312
Department of Agriculture:		
Office of the Director	1,063,710	1,136,756
Aquatic and Wildlife Resources Division	123,093	120,292
Coconut Rhinoceros Beetle Eradication	-	99,250
Animal and Plant Industry Division	856,964	900,135
Animal Health Section	360,243	317,112
	2,404,010	2,573,545
Total Economic Development	3,445,863	3,611,857

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund, Continued Year Ended September 30, 2009 (With comparatives for the year ended September 30, 2008)

	2009	2008
Expenditures by Department, continued:		
Payments to Component Units:		
Government of Guam Retirement Fund:		
Medicare Reimbursement	684,000	684,000
Governor and Lieutenant Governor Pension Contributions	145,000	145,000
Judge and Justice Retirement Annuities	454,200	500,712
	1,283,200	1,329,712
Guam Community College	13,922,708	13,615,957
Guam Educational Telecommunications Corporation	596,280	593,124
Guam Memorial Hospital Authority	10,564,012	-
University of Guam	32,172,690	31,799,749
Total Payments to Component Units	58,538,890	47,338,542
Miscellaneous Appropriations:		
Small Business Financing Assistance (PIDB)	-	100,000
Retiree Healthcare Premiums	20,398,115	19,769,458
Hagatna Restoration and Redevelopment	54,069	56,553
Total Miscellaneous Appropriations	20,452,184	19,926,011
Interest and other charges:		
Interest on tax refunds	16,198,724	8,617,847
Public Law 28-38 Special Retirement payments	4,601,475	4,601,475
Credit card charge fees and other bank fees	5,769,704	3,999,927
COLA interest	17,915,324	-
Bond issuance costs	1,906,137	2,020,476
Other	218,025	86,126
Total Interest and other charges	46,609,389	19,325,851
Debt service:		
Principal retirement	12,297,839	7,745,000
Interest and fiscal charges	13,805,645	12,936,534
Total Debt Service	26,103,484	20,681,534
Total expenditures	524,510,895	454,173,611
Excess (deficiency) of revenues over (under) expenditures	(41,360,712)	59,016,718
Other financing sources (uses):		
Proceeds from bonds issued	271,070,000	-
Proceeds from refunded bonds issued	-	151,935,000
Proceeds from issuance of long-term debt	-	13,800,000
Discount on bonds issued	(9,622,491)	-
Discount on refunded bonds issued	-	(5,639,246)
Payment to refunded bond escrow agent	-	(73,664,587)
	261,447,509	86,431,167

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Statement of Revenues, Expenditures by Department, and  
 Changes in Deficit - General Fund, Continued  
 Year Ended September 30, 2009  
 (With comparatives for the year ended September 30, 2008)

	<u>2009</u>	<u>2008</u>
Other financing sources (uses), continued:		
Transfers in from other funds:		
GSA Inventory Revolving Fund	-	1,424,786
Guam Telephone Authority Privatization Proceeds Fund	-	9,000,000
Accessible Parking Fund	411,767	-
Agana Fractional Lots Program Fund	229,020	-
Banking and Insurance Enforcement Fund	29,545	-
CAHA, OET and CEF Fund	266	-
Carrier Off-duty Services Revolving Fund	133,766	-
Consumer Protection Fund	135	-
Contractors' License Board Fund	1,248,483	-
Controlled Substance Diversion Fund	31,110	-
Criminal Injuries Compensation Fund	382,034	-
Dededo Buffer Strip Revolving Fund	120,352	-
DPW Building and Design Fund	2,643,219	-
Enhanced 911 Emergency Reporting System Fund	325,718	-
Environmental Health Fund	413,884	-
General Services Agency Fund	232	-
GFD Capital Revolving Fund	15,277	-
Government House Revolving Fund	60	-
Guam Housing Corporation Revolving Fund	88,777	-
Guam Plant Inspection and Permit Fund	10,884	-
Health Professional Licensure	180,382	-
Individuals With Disabilities Disaster Recovery Fund	100,000	-
Land Survey Revolving Fund	3,747,398	-
Livestock Fund	4,385	-
Off-Island Sports Travel Fund	20,560	-
Plant Nursery Revolving Fund	7,792	-
Public Recreation Services Fund	25,223	-
Rabies Prevention Fund	20,978	-
Safe Homes, Safe Streets Fund	1,191	-
Solid Waste Management Plan Fund	119,954	-
Street Light Fund	99,424	-
Tax Collection Fund	47,523	-
Unreserved Fund Balance Fund	157,567	-
Wildlife Conservation Fund	76,955	-

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund, Continued Year Ended September 30, 2009 (With comparatives for the year ended September 30, 2008)

	2009	2008
Other financing sources (uses), continued:		
Transfers in from other funds, continued:		
Healthy Futures Fund	642,504	833,662
Interim Transition Coordinating Committee Fund	-	2,708,689
Public Library System Fund	718,000	941,609
GDOE Federal Grants Fund	1,456,752	-
Territorial Education Facilities Fund	27,665,692	12,848,744
Typhoon Chataan and Halong Fund	92,928	1,391,530
Landfill CIP Fund	830,692	-
	42,100,429	29,149,020
Transfers out to other funds:		
Better Public Service Fund	519,557	537,104
Community Development Fund	169,850	-
Customs, Agriculture and Quarantine Inspection Services Fund	2,257,142	783,195
DOC Inmates Revolving Fund	527,110	-
Federal Grants Assistance Fund	30,359,251	27,277,241
GMHA Pharmaceuticals Fund	11,989,207	11,072,393
Government Claims Fund	94,176	95,000
Guam Legislature Fund	7,703,567	7,520,420
Health and Human Services Fund	8,601,943	-
MIP Payment Revolving Fund	10,578,894	8,962,034
Office of the Public Auditor	1,018,822	1,037,780
Off-island Treatment Fund	1,298,276	1,659,689
Public Defender Service Corporation Fund	2,750,753	2,920,866
Streetlight Fund	-	316,629
Supplemental Annuity Benefits Fund	11,924,030	10,757,085
Territorial Highway Fund	-	3,070,392
Unified Courts of Guam Operations Fund	22,257,084	24,589,003
Worker's Compensation Fund	-	842,075
	112,049,662	101,440,906
Total other financing sources (uses), net	191,498,276	14,139,281
Special items:		
Adjustment of medical bill accrual	-	13,223,789
Net change in fund deficit	150,137,564	86,379,788
Deficit at the beginning of the year	(415,514,935)	(501,894,723)
Deficit at the end of the year	\$ (265,377,371)	\$ (415,514,935)

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Income	\$ 267,274,315	\$ 267,274,315	\$ 232,828,945	\$ (34,445,370)
Gross receipts	196,131,262	196,131,262	182,583,996	(13,547,266)
Income - COLA	-	8,438,000	9,048,216	610,216
Excise	1,468,543	1,468,543	3,411,533	1,942,990
<b>Section 30:</b>				
Federal income tax collections	42,000,000	42,000,000	38,869,372	(3,130,628)
Immigration fees	1,797,609	1,797,609	1,612,140	(185,469)
Indirect cost reimbursement	4,553,613	4,553,613	4,551,926	(1,687)
Guam Public School System	-	-	1,175,560	1,175,560
Contributions from component units	2,027,377	2,027,377	2,027,632	255
Other	7,496,455	7,496,455	7,040,863	(455,592)
Total revenues	522,749,174	531,187,174	483,150,183	(48,036,991)
<b>Expenditures by Department:</b>				
<b>Executive Branch:</b>				
<b>Office of I Maga'lahaen Guahan:</b>				
Office of the Governor	5,334,138	5,334,138	4,972,793	361,345
Commission on Decolonization	177,227	177,227	177,227	-
Ancestral Land Trust Commission	213,345	213,345	213,297	48
Government House	848,662	848,662	676,014	172,648
Bureau of Information Technology	157,038	157,038	153,217	3,821
Medical Referral Offices	739,345	739,345	714,660	24,685
Bureau of Women's Affairs	16,630	16,630	16,753	(123)
Office of Civil Defense	-	65,298	36,120	29,178
Office of Veteran's Affairs	259,869	259,869	246,357	13,512
	7,746,254	7,811,552	7,206,438	605,114
<b>Office of I Segundu Na Maga'lahaen Guahan:</b>				
Office of the Lieutenant Governor	1,141,620	1,141,620	1,085,930	55,690
Guam State Clearinghouse	237,648	237,648	231,244	6,404
	1,379,268	1,379,268	1,317,174	62,094
<b>Bureau of Budget and Management Research:</b>				
Office of the Director	347,611	347,611	342,711	4,900
Internal Audit Division	1,052,681	1,052,681	1,052,680	1
	1,400,292	1,400,292	1,395,391	4,901
<b>Civil Service Commission:</b>				
Office of the Director	223,428	223,428	223,048	380
Board of Commissioners	64,647	64,647	64,647	-
Legal Office	149,600	149,600	149,600	-
Personnel Management	237,572	237,572	235,045	2,527
	675,247	675,247	672,340	2,907

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Administration:				
Office of the Director	3,706,154	3,706,154	3,491,936	214,218
Office of the Director - COLA	6,670,000	6,670,000	6,670,000	-
Office of the Director - Child Support	659,232	659,232	659,232	-
Personnel Management	1,753,016	1,753,016	1,753,016	-
Financial Management	633,807	633,807	633,807	-
Data Processing	563,840	563,840	563,840	-
General Services Agency	802,001	802,001	802,001	-
Division of Accounts	2,386,352	2,386,352	2,386,350	2
	<u>17,174,402</u>	<u>17,174,402</u>	<u>16,960,182</u>	<u>214,220</u>
Guam Election Commission	952,413	952,413	844,312	108,101
Department of Revenue and Taxation:				
Office of the Director	2,901,090	2,901,090	2,592,130	308,960
Office of the Director - Computer System Upgrade	4,247	4,247	4,200	47
Office of the Director - Stimulus Tax Rebate	88,205	417,877	172,679	245,198
Office of the Director - Real Property Assessment Bon	1,000,000	1,000,000	-	1,000,000
Tax Enforcement Division	1,929,151	1,929,151	1,929,150	1
Real Property Tax Division	455,579	455,579	455,578	1
Taxpayer Services Division	1,782,330	1,782,330	1,782,351	(21)
Regulatory Division	1,011,170	1,011,170	1,011,169	1
Motor Vehicle Division	659,284	659,284	659,283	1
	<u>9,831,056</u>	<u>10,160,728</u>	<u>8,606,540</u>	<u>1,554,188</u>
Bureau of Statistics and Plans:				
Administration	312,052	312,052	312,051	1
Chief Economist's Office	42,510	42,510	7,943	34,567
Planning Information	240,090	240,090	240,090	-
Socio-Economic Planning	132,094	132,094	132,094	-
Business and Economic Statistics Division	350,662	350,662	350,661	1
	<u>1,077,408</u>	<u>1,077,408</u>	<u>1,042,839</u>	<u>34,569</u>
Department of Public Works:				
Office of the Director	2,319,928	2,319,928	2,502,152	(182,224)
Office of the Director - Consent Decree	1,997,718	1,997,718	1,697,718	300,000
Office of the Director - Streetlights	2,072,350	2,072,350	2,072,350	-
Public Cemeteries	141,264	141,264	58,982	82,282
Transportation Maintenance Division	750,641	750,641	769,034	(18,393)
Bus Operations Division	6,680,145	6,680,145	6,665,202	14,943
	<u>13,962,046</u>	<u>13,962,046</u>	<u>13,765,438</u>	<u>196,608</u>
Office of the Attorney-General:				
Attorney-General's Office	6,630,418	6,630,418	6,475,418	155,000

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Guam Police Department:				
Office of the Chief	6,153,533	6,153,533	6,130,013	23,520
Office of the Chief - Overtime	1,054,756	1,054,756	1,055,251	(495)
Office of the Chief - Crime Lab	340,946	340,946	-	340,946
Office of the Chief - Rent	232,200	232,200	232,200	-
Office of the Chief - Fuel	321,548	321,548	321,548	-
Criminal Investigation Division	2,313,961	2,313,961	2,313,961	-
Neighborhood Patrol Division	9,016,175	9,016,175	9,018,306	(2,131)
Support Division	1,974,762	1,974,762	1,967,728	7,034
Forensic Science Division	1,042,465	1,042,465	1,040,598	1,867
Highway Patrol Division	1,163,981	1,163,981	1,163,981	-
	<u>23,614,327</u>	<u>23,614,327</u>	<u>23,243,586</u>	<u>370,741</u>
Department of Corrections:				
Office of the Director	4,387,976	4,387,976	4,329,601	58,375
Adult Correctional Facility	9,321,581	9,321,581	9,432,087	(110,506)
Rosario Detention Center	2,271,912	2,271,912	2,277,261	(5,349)
Off-island Detention	1,711	1,711	9,638,304	(9,636,593)
Casework and Counseling Service Division	358,757	358,757	359,160	(403)
Forensic Division	385,014	385,014	385,014	-
Parole Service Division	523,867	523,867	523,932	(65)
	<u>17,250,818</u>	<u>17,250,818</u>	<u>26,945,359</u>	<u>(9,694,541)</u>
Department of Agriculture:				
Office of the Director	1,133,495	1,133,495	1,083,409	50,086
Aquatic and Wildlife Resources Division	123,094	123,094	123,093	1
Animal and Plant Industry Division	856,928	856,928	856,964	(36)
Animal Health Section	360,709	360,709	360,243	466
	<u>2,474,226</u>	<u>2,474,226</u>	<u>2,423,709</u>	<u>50,517</u>
Department of Public Health and Social Services:				
Office of the Director	3,636,872	3,636,872	1,886,246	1,750,626
Chief Public Health Office	62,111	62,111	52,964	9,147
Community Health Services	312,981	312,981	309,310	3,671
Communicable Disease Control	57,663	57,663	55,248	2,415
Professional Social Services	145,241	145,241	144,322	919
Primary Care Services	67,317	67,317	66,874	443
Medically Indigent Program	107,447	107,447	102,369	5,078
Foster Care	1,725,636	1,725,636	1,725,325	311
Division of Senior Citizens	226,314	226,314	222,392	3,922
Adult Protective Services	503,655	503,655	495,787	7,868
Division of Environmental Health	458,528	458,528	72,045	386,483
Financial Management Services	190,529	190,529	190,528	1
Supply Section	109,790	109,790	106,068	3,722

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Statement of Revenues, Expenditures by Department, and  
Changes in Deficit - Budget and Actual - General Fund, Continued  
Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Public Health and Social Services, continued:				
Management Support Services	134,490	134,490	134,609	(119)
Facilities and Maintenance	366,015	366,015	348,493	17,522
Systems Group	440,890	440,890	376,403	64,487
	<u>8,545,479</u>	<u>8,545,479</u>	<u>6,288,983</u>	<u>2,256,496</u>
Department of Education:				
Guam Public School System	191,753,771	205,610,987	204,802,386	808,601
Guam Public Library System:				
Office of the Director	1,139,704	1,139,704	1,126,368	13,336
Hagatna-Dededo Library	290,855	290,855	289,986	869
Barrigada Library	51,365	51,365	51,365	-
Agat Library	25,305	25,305	25,305	-
Yona Library	24,882	24,882	24,882	-
Merizo Library	49,036	49,036	49,036	-
	<u>193,334,918</u>	<u>207,192,134</u>	<u>206,369,328</u>	<u>822,806</u>
Department of Youth Affairs:				
Office of the Director	112,026	112,026	112,024	2
Division of Youth Development	619,373	619,373	619,373	-
Division of Youth Corrections	2,466,765	2,466,765	2,466,764	1
Division of Vocational Rehabilitation and Support Services	811,595	811,595	809,414	2,181
	<u>4,009,759</u>	<u>4,009,759</u>	<u>4,007,575</u>	<u>2,184</u>
Department of Mental Health and Substance Abuse:				
Office of the Director	2,553,294	2,553,294	2,547,372	5,922
Office of the Director - Permanent Injunction	3,794,382	3,794,382	2,050,162	1,744,220
Clinical Services Division	940,190	940,190	940,189	1
Youth Drug and Alcohol Program	216,582	216,582	216,582	-
Child and Adolescent Services Division	986,891	986,891	986,890	1
Service Contract	1,620,951	1,620,951	1,620,951	-
Nursing Services Division	2,272,672	2,272,672	2,192,420	80,252
	<u>12,384,962</u>	<u>12,384,962</u>	<u>10,554,566</u>	<u>1,830,396</u>
Department of Labor:				
Office of the Director	599,993	599,993	599,559	434
Occupational Safety and Health Agency	8,999	8,999	8,999	-
Wage and Hour Division	203,880	203,880	204,174	(294)
Bureau of Labor Statistics	215,988	215,988	215,987	1
Fair Employment Practice Office	174	174	174	-
Worker's Compensation Commission	121,587	121,587	121,587	-
Fiscal and Support Office	85,513	85,513	86,032	(519)
	<u>1,236,134</u>	<u>1,236,134</u>	<u>1,236,512</u>	<u>(378)</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Parks and Recreation:				
Office of the Director	456,185	456,185	454,120	2,065
Memorial Services	114,847	114,847	115,076	(229)
Community Programs	329,334	329,334	329,334	-
Pool and Beach Programs	414,020	414,020	414,505	(485)
Paseo Stadium	165,459	165,459	165,608	(149)
Parks Administration and Planning	113,699	113,699	113,699	-
Historic Preservation Division	132,127	132,127	132,127	-
Parks Maintenance	1,523,533	1,523,533	1,523,454	79
Territorial Park Protection	145,968	145,968	146,251	(283)
	<u>3,395,172</u>	<u>3,395,172</u>	<u>3,394,174</u>	<u>998</u>
Department of Integrated Services for Individuals with Disabilities:				
Service Contracts	220,728	220,728	216,717	4,011
Office of the Director	604,322	604,322	599,091	5,231
Basic Support 110	42,372	42,372	42,371	1
	<u>867,422</u>	<u>867,422</u>	<u>858,179</u>	<u>9,243</u>
Mayor's Council of Guam:				
Mayors' Council Consolidated Accounts	9,664,997	9,664,997	9,084,482	580,515
Department of Land Management:				
Land Planning Division	48,304	48,304	48,304	-
Land Records Division	13,296	13,296	13,296	-
Geographic Information System Division	19,674	19,674	19,674	-
	<u>81,274</u>	<u>81,274</u>	<u>81,274</u>	<u>-</u>
Chief Medical Examiner:				
Medical Examiner's Office	396,144	396,144	395,600	544
Department of Chamorro Affairs:				
Office of the Director	468,036	468,036	468,297	(261)
Language and Culture Division	49,623	49,623	49,623	-
Research Publication and Training	19,905	19,905	19,905	-
Guam Museum	386,693	386,693	386,691	2
	<u>924,257</u>	<u>924,257</u>	<u>924,516</u>	<u>(259)</u>
Department of Military Affairs:				
Office of the Adjutant General	117,321	117,321	118,740	(1,419)
Office of Civil Defense	-	152,083	-	152,083
	<u>117,321</u>	<u>269,404</u>	<u>118,740</u>	<u>150,664</u>

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Guam Fire Department:				
Office of the Fire Chief	355,377	355,377	359,329	(3,952)
Administrative and Logistical Support	1,447,733	1,447,733	1,406,456	41,277
Emergency Medical Service/Rescue Operations Bureau	8,471,135	8,471,135	8,478,041	(6,906)
Fire Suppression Bureau	15,933,839	15,933,839	15,952,738	(18,899)
	<u>26,208,084</u>	<u>26,208,084</u>	<u>26,196,564</u>	<u>11,520</u>
Payments to Component Units:				
Guam Educational Telecommunications Corporation	599,912	599,912	599,912	-
Guam Memorial Hospital Authority	4,640,000	15,181,150	10,564,012	4,617,138
University of Guam	32,350,697	32,350,697	32,172,690	178,007
Guam Community College	14,356,013	14,356,013	13,922,708	433,305
	<u>51,946,622</u>	<u>62,487,772</u>	<u>57,259,322</u>	<u>5,228,450</u>
Government of Guam Retirement Fund Appropriations:				
Medicare Reimbursement	684,000	684,000	684,000	-
Governor and Lieutenant Governor Pension Contributions	145,000	145,000	145,000	-
Judge and Justice Retirement Annuities	454,200	454,200	454,200	-
	<u>1,283,200</u>	<u>1,283,200</u>	<u>1,283,200</u>	<u>-</u>
Total Executive Branch	<u>418,563,920</u>	<u>443,509,339</u>	<u>438,951,741</u>	<u>4,557,598</u>
Miscellaneous Appropriations:				
Retiree Healthcare Premiums	18,736,678	18,736,678	20,398,115	(1,661,437)
Guam Commission for Educator Certification	145,789	145,789	145,789	-
Guam Legal Services Corporation	19,521	19,521	-	19,521
Hagatna Restoration and Redevelopment	149,186	149,186	54,069	95,117
Total Miscellaneous Appropriations	<u>19,051,174</u>	<u>19,051,174</u>	<u>20,597,973</u>	<u>(1,546,799)</u>
Interest and other charges:				
Interest on tax refunds	-	-	16,198,724	(16,198,724)
Public Law 28-38 Special Retirement payments	-	-	4,601,475	(4,601,475)
Credit card charge fees and other bank fees	-	-	5,769,704	(5,769,704)
COLA interest	-	-	17,915,324	(17,915,324)
Bond issuance costs	-	1,906,137	1,906,137	-
Other	-	-	218,025	(218,025)
Total Interest and other charges	<u>-</u>	<u>1,906,137</u>	<u>46,609,389</u>	<u>(44,703,252)</u>
Debt Service:				
Principal retirement	12,505,387	12,505,387	12,297,839	207,548
Interest and fiscal charges	15,106,423	15,937,115	13,805,645	2,131,470
	<u>27,611,810</u>	<u>28,442,502</u>	<u>26,103,484</u>	<u>2,339,018</u>
Total expenditures	<u>465,226,904</u>	<u>492,909,152</u>	<u>532,262,587</u>	<u>(39,353,435)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57,522,270</u>	<u>38,278,022</u>	<u>(49,112,404)</u>	<u>(87,390,426)</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Other financing sources (uses):				
Proceeds from bonds issued	-	271,070,000	271,070,000	-
Discount on bonds issued	-	(9,622,491)	(9,622,491)	-
	-	261,447,509	261,447,509	-
Transfers in from other funds:				
Accessible Parking Fund	-	-	411,767	411,767
Agana Fractional Lots Program Fund	-	-	229,020	229,020
Banking and Insurance Enforcement Fund	-	-	29,545	29,545
CAHA, OET and CEF Fund	-	-	266	266
Carrier Off-duty Services Revolving Fund	-	-	133,766	133,766
Consumer Protection Fund	-	-	135	135
Contractors' License Board Fund	-	-	1,248,483	1,248,483
Controlled Substance Diversion Fund	-	-	31,110	31,110
Criminal Injuries Compensation Fund	-	-	382,034	382,034
Dededo Buffer Strip Revolving Fund	-	-	120,352	120,352
DPW Building and Design Fund	-	-	2,643,219	2,643,219
Enhanced 911 Emergency Reporting System Fund	-	-	325,718	325,718
Environmental Health Fund	-	-	413,884	413,884
General Services Agency Fund	-	-	232	232
GFD Capital Revolving Fund	-	-	15,277	15,277
Government House Revolving Fund	-	-	60	60
Guam Housing Corporation Revolving Fund	-	-	88,777	88,777
Guam Plant Inspection and Permit Fund	-	-	10,884	10,884
Health Professional Licensure	-	-	180,382	180,382
Individuals With Disabilities Disaster Recovery Fund	-	-	100,000	100,000
Land Survey Revolving Fund	-	-	3,747,398	3,747,398
Livestock Fund	-	-	4,385	4,385
Off-Island Sports Travel Fund	-	-	20,560	20,560
Plant Nursery Revolving Fund	-	-	7,792	7,792
Public Recreation Services Fund	-	-	25,223	25,223
Rabies Prevention Fund	-	-	20,978	20,978
Safe Homes, Safe Streets Fund	-	-	1,191	1,191
Solid Waste Management Plan Fund	-	-	119,954	119,954
Street Light Fund	-	-	99,424	99,424
Tax Collection Fund	-	-	47,523	47,523
Typhoon Chataan and Halong Fund	-	-	92,928	92,928
Unreserved Fund Balance Fund	-	-	157,567	157,567
Wildlife Conservation Fund	-	-	76,955	76,955
Healthy Futures Fund	698,335	698,335	642,504	(55,831)
Public Library System Fund	718,000	718,000	718,000	-
GDOE Federal Grants Fund	-	-	1,456,752	1,456,752
Territorial Education Facilities Fund	20,157,096	20,157,096	27,665,692	7,508,596
Landfill CIP Fund	-	830,692	830,692	-
	21,573,431	22,404,123	42,100,429	19,696,306

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Statement of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Other financing sources (uses), continued:				
Transfers out to other funds:				
Better Public Service Fund	519,557	519,557	519,557	-
Community Development Fund	329,668	329,668	169,850	159,818
Customs, Agriculture and Quarantine Inspection Services Fund	-	-	2,257,142	(2,257,142)
DOC Inmates Revolving Fund	-	-	527,110	(527,110)
Federal Grants Assistance Fund	35,264,933	35,264,933	30,359,251	4,905,682
GMHA Pharmaceuticals Fund	12,140,525	12,140,525	11,989,207	151,318
Government Claims Fund	94,176	94,176	94,176	-
Guam Legislature Fund	7,703,567	7,703,567	7,703,567	-
Health and Human Services Fund	-	-	8,601,943	(8,601,943)
MIP Payment Revolving Fund	11,433,639	11,433,639	10,578,894	854,745
Office of the Public Auditor	1,271,782	1,271,782	1,018,822	252,960
Off-island Treatment Fund	1,362,697	1,362,697	1,298,276	64,421
Public Defender Service Corporation Fund	2,750,753	2,750,753	2,750,753	-
Public Library System Fund	800,000	800,000	-	800,000
Supplemental Annuity Benefits Fund	11,908,780	11,908,780	11,924,030	(15,250)
Unified Courts of Guam Fund	22,257,084	22,257,084	22,257,084	-
Worker's Compensation Fund	798,593	798,593	-	798,593
	<u>108,635,754</u>	<u>108,635,754</u>	<u>112,049,662</u>	<u>(3,413,908)</u>
Total other financing sources (uses), net	<u>(87,062,323)</u>	<u>175,215,878</u>	<u>191,498,276</u>	<u>23,110,214</u>
Other changes to unreserved fund deficit:				
Increase in continuing appropriations	-	-	(10,762,065)	(10,762,065)
Increase in reserve for debt service	-	-	(15,971,378)	(15,971,378)
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	13,426,761	13,426,761	13,426,761	-
	<u>13,426,761</u>	<u>13,426,761</u>	<u>(13,306,682)</u>	<u>(26,733,443)</u>
Net change in unreserved fund deficit	(16,113,292)	226,920,661	129,079,190	(97,841,471)
Unreserved fund deficit beginning of the year	(526,019,506)	(526,019,506)	(526,019,506)	-
Unreserved fund deficit end of the year	<u>\$ (542,132,798)</u>	<u>\$ (299,098,845)</u>	<u>(396,940,316)</u>	<u>\$ (97,841,471)</u>

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Nonmajor Governmental Funds Combining Balance Sheet September 30, 2009

<u>ASSETS</u>	Other <u>Special Revenue</u>	Other <u>Capital Project</u>	Other <u>Debt Service</u>	<u>Total</u>
Cash and cash equivalents	\$ 33,095,614	\$ 4,190,780	\$ 1,963	\$ 37,288,357
Investments	7,309,000	-	-	7,309,000
Receivables, net:				
Taxes	4,873,143	-	-	4,873,143
Federal agencies	732,497	-	-	732,497
Other	3,145,899	492,862	-	3,638,761
Due from other funds	38,617,049	1,751,770	-	40,368,819
Due from private purpose trust funds	2,728,829	-	-	2,728,829
Due from component units	1,528,147	-	-	1,528,147
Inventories	434,731	-	-	434,731
Deposits and other assets	31,223	-	-	31,223
Restricted assets:				
Cash and cash equivalents	-	8,845,342	13,021,564	21,866,906
Time certificates of deposit	-	1,000,718	-	1,000,718
Investments	-	-	7,543,764	7,543,764
Total assets	<u>\$ 92,496,132</u>	<u>\$ 16,281,472</u>	<u>\$ 20,567,291</u>	<u>\$ 129,344,895</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 7,279,923	\$ 55,285	\$ -	\$ 7,335,208
Accrued payroll and other	978,469	-	-	978,469
Due to other funds	16,572,191	2,634,850	-	19,207,041
Due to component units	1,842,502	-	-	1,842,502
Deferred revenue	962,829	-	-	962,829
Provision for tax refunds	5,192,264	-	-	5,192,264
Deposits and other liabilities	2,482,483	-	-	2,482,483
Total liabilities	<u>35,310,661</u>	<u>2,690,135</u>	<u>-</u>	<u>38,000,796</u>
Fund balances:				
Reserved:				
Related assets	894,386	1,000,718	-	1,895,104
Continuing appropriations	14,548,080	3,934,575	-	18,482,655
Encumbrances	10,053,602	1,906,689	-	11,960,291
Debt service	-	-	20,565,328	20,565,328
Unreserved:				
Special revenue funds	31,689,403	-	-	31,689,403
Capital projects funds	-	6,749,355	-	6,749,355
Debt service funds	-	-	1,963	1,963
Total fund balances	<u>57,185,471</u>	<u>13,591,337</u>	<u>20,567,291</u>	<u>91,344,099</u>
Total liabilities and fund balances	<u>\$ 92,496,132</u>	<u>\$ 16,281,472</u>	<u>\$ 20,567,291</u>	<u>\$ 129,344,895</u>

See Accompanying Independent Auditors' Report

# GOVERNMENT OF GUAM

## Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances Year Ended September 30, 2009

	Other Special Revenue	Other Capital Project	Other Debt Service	Total
<b>Revenues:</b>				
Taxes:				
Property	\$ 20,310,866	\$ -	\$ -	\$ 20,310,866
Hotel	19,398,833	-	-	19,398,833
Liquid fuel	9,441,039	-	-	9,441,039
Tobacco	5,354,854	-	-	5,354,854
Alcoholic beverages	3,397,788	-	-	3,397,788
Licenses, fees and permits	41,499,434	-	-	41,499,434
Passport fees	1,239,256	-	-	1,239,256
Use of money and property	295,418	2,925,192	35,341	3,255,951
Federal contributions	3,016,342	-	-	3,016,342
Other	2,387,618	-	-	2,387,618
<b>Total revenues</b>	<b>106,341,448</b>	<b>2,925,192</b>	<b>35,341</b>	<b>109,301,981</b>
<b>Expenditures by Function:</b>				
Current:				
General government	36,576,894	11,201	-	36,588,095
Protection of life and property	13,333,544	-	-	13,333,544
Public health	11,040,526	-	-	11,040,526
Community services	10,936,733	-	-	10,936,733
Recreation	636,872	-	-	636,872
Individual and collective rights	24,160,473	2,015,500	-	26,175,973
Transportation	10,611,617	-	-	10,611,617
Environmental protection	5,436,524	-	-	5,436,524
Economic development	172,098	-	-	172,098
Payments to:				
Guam Community College	1,150,081	-	-	1,150,081
Guam Memorial Hospital Authority	12,331,701	-	-	12,331,701
Guam Preservation Trust	1,125,000	-	-	1,125,000
Chamorro Land Trust Commission	641,183	-	-	641,183
Guam Visitors Bureau	12,358,831	-	-	12,358,831
University of Guam	500,000	-	-	500,000
Miscellaneous appropriations	183,597	-	-	183,597
Capital projects	-	4,761,039	-	4,761,039
Debt service	-	744,753	13,252,151	13,996,904
<b>Total expenditures</b>	<b>141,195,674</b>	<b>7,532,493</b>	<b>13,252,151</b>	<b>161,980,318</b>
Deficiency of revenues under expenditures	(34,854,226)	(4,607,301)	(13,216,810)	(52,678,337)
Other financing sources (uses):				
Proceeds from issuance of long-term debt	-	2,845,230	-	2,845,230
Transfers in from other funds	85,194,704	81,769	8,191,406	93,467,879
Transfers out to other funds	(52,922,478)	-	-	(52,922,478)
<b>Total other financing sources (uses), net</b>	<b>32,272,226</b>	<b>2,926,999</b>	<b>8,191,406</b>	<b>43,390,631</b>
<b>Net change in fund balances</b>	<b>(2,582,000)</b>	<b>(1,680,302)</b>	<b>(5,025,404)</b>	<b>(9,287,706)</b>
Fund balances at beginning of year	59,767,471	15,271,639	25,592,695	100,631,805
<b>Fund balances at end of year</b>	<b>\$ 57,185,471</b>	<b>\$ 13,591,337</b>	<b>\$ 20,567,291</b>	<b>\$ 91,344,099</b>

See Accompanying Independent Auditors' Report

# GOVERNMENT OF GUAM

## Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances Year Ended September 30, 2009

	Other Special Revenue	Other Capital Project	Other Debt Service	Total
<b>Revenues:</b>				
Taxes:				
Property	\$ 20,310,866	\$ -	\$ -	\$ 20,310,866
Hotel	19,398,833	-	-	19,398,833
Liquid fuel	9,441,039	-	-	9,441,039
Tobacco	5,354,854	-	-	5,354,854
Alcoholic beverages	3,397,788	-	-	3,397,788
Licenses, fees and permits	41,499,434	-	-	41,499,434
Passport fees	1,239,256	-	-	1,239,256
Use of money and property	295,418	2,925,192	35,341	3,255,951
Federal contributions	3,016,342	-	-	3,016,342
Other	2,387,618	-	-	2,387,618
<b>Total revenues</b>	<b>106,341,448</b>	<b>2,925,192</b>	<b>35,341</b>	<b>109,301,981</b>
<b>Expenditures by Object:</b>				
Salaries and wages - regular	52,415,358	-	-	52,415,358
Salaries and wages - overtime	511,848	-	-	511,848
Salaries and wages - fringe benefits	8,601,906	-	-	8,601,906
Travel	496,120	-	-	496,120
Contractual services	14,083,500	2,146,256	-	16,229,756
Building rent	2,974,387	-	-	2,974,387
Supplies	2,614,515	-	-	2,614,515
Equipment	478,699	-	-	478,699
Utilities - power and water	4,505,251	-	-	4,505,251
Communications	481,789	-	-	481,789
Capital outlays	452,919	4,630,283	-	5,083,202
Grants and subsidies	28,106,796	-	-	28,106,796
Supplemental annuity benefits	11,924,030	-	-	11,924,030
Principal retirement	-	-	10,300,000	10,300,000
Interest and fiscal charges	-	744,753	2,952,151	3,696,904
Other	13,548,556	11,201	-	13,559,757
<b>Total expenditures</b>	<b>141,195,674</b>	<b>7,532,493</b>	<b>13,252,151</b>	<b>161,980,318</b>
Deficiency of revenues under expenditures	(34,854,226)	(4,607,301)	(13,216,810)	(52,678,337)
<b>Other financing sources (uses):</b>				
Proceeds from issuance of long-term debt	-	2,845,230	-	2,845,230
Transfers in from other funds	85,194,704	81,769	8,191,406	93,467,879
Transfers out to other funds	(52,922,478)	-	-	(52,922,478)
<b>Total other financing sources (uses), net</b>	<b>32,272,226</b>	<b>2,926,999</b>	<b>8,191,406</b>	<b>43,390,631</b>
<b>Net change in fund balances</b>	<b>(2,582,000)</b>	<b>(1,680,302)</b>	<b>(5,025,404)</b>	<b>(9,287,706)</b>
Fund balances at beginning of year	59,767,471	15,271,639	25,592,695	100,631,805
<b>Fund balances at end of year</b>	<b>\$ 57,185,471</b>	<b>\$ 13,591,337</b>	<b>\$ 20,567,291</b>	<b>\$ 91,344,099</b>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds September 30, 2009

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. A brief discussion of GovGuam's nonmajor governmental funds - special revenue funds as of September 30, 2009, follows.

Accessible Parking Fund - The fund was created by Public Law 18-28 to ensure that disabled persons are given equal access to government offices and services. Revenues are generated from fines collected from those parked illegally in handicapped parking spaces. Expenditures are authorized for maintenance of disabled parking areas.

Agana Fractional Lots Program Fund - The Agana Fractional Lots Program Fund was initially established to account for transactions relevant to the Agana Fractional Lot Program dating back to the 1960s. Such transactions may involve the condemnation and seizure of lands from property owners by GovGuam and the compensation of those seized lands to the property owners.

Air Pollution Control Fund - This fund was created by Public Law 24-40 to provide a coordinated Territory-wide program of air pollution prevention, abatement, and control. Revenues are derived primarily from permit application fees and annual emission fees.

Autonomous Agency Infrastructure Collections Fund - This fund, created by Public Law 24-14, was created to ensure the health and public safety of the people of Guam and public works. The revenues are derived from the operating surpluses generated by autonomous agencies.

Banking and Insurance Enforcement Fund - This fund was created by Public Law 27-88 to account for enforcement activities within the purview of the Office of Commissioner of Banking and Insurance, and the Banking and Insurance Board.

Better Public Service Fund - This fund was created by Public Law 29-002 to account for 10% of all fees and license revenues received by the Department of Revenue and Taxation for the purpose of improving and modernizing systems used to provide Department services, including on-line filing of taxes on-line renewal of licenses and permits, upgrades of computer hardware and software to improve record retrieval by members of the public, and the training of Department staff in technical skills and customer service.

Board of Accountancy Fund - This fund was created for the purpose of regulating aspects of the practice of public accountancy. The Guam Code Annotated Title 22, Subsection 35104(d) states, "all monies collected by the Board ... shall be deposited with the Treasurer of Guam to the credit of the Board." Sources of revenues are from the issuance of certificates and permit fees collected from public accountants and firms practicing public accountancy. Monies shall be expended for administering the Public Accountancy Act of 1990.

CAHA, OET and CEF Fund - This fund was created by Public Law 22-060 to provide travel assistance to eligible organizations, schools and individuals participating in performing arts and humanities competitions.

Carrier Off-Duty Services Revolving Fund - This fund was created by Public Law 25-138. Charges from this fund are from services performed by Customs and Quarantine Officers, in the performance of their duties on any day of the week upon special request by the Director of Customs and Quarantine outside of normal working hours.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Census 2010 Fund - This fund was created by Public Law 30-58, which authorizes the temporary recruitment and employment of personnel, consistent with the U.S. Census Bureau guidelines, and to conduct necessary activities related to the Guam Decennial 2010 Census.

Chamorro Commercial Loan Fund - Established in 1993 by Public Law 21-148, the Chamorro Commercial Loan Fund is created through the authority of the Chamorro Land Trust Commission. Loans are to be made available to Chamorro Land Trust lessees or by organizations formed and controlled by lessees for the development of theaters, garages, service stations, markets, stores and other mercantile establishments.

Chamorro Land Trust Operations Fund - This fund was created by Public Law 28-68 to account for the proceeds from all land use permits, monetary contributions and fees for the benefit of the Chamorro Land Trust Commission.

Community Health Centers Fund - This fund was created to provide for the Southern Community Health Center. Revenues are derived from fees charged to health service recipients utilizing the Center. Revenues are applied to expenditures applicable to the operation of the Center.

Consumer Protection Fund - The Consumer Protection Fund was created by Public Law 21-18 to account for civil penalties collected under the Deceptive Trade - Practices Consumer Protection Act.

Contractors' License Board Fund - This fund was created to protect the public by licensing the contractors of Guam. Revenues are derived from both license fees and local appropriations.

Controlled Substance Diversion Fund - This fund was created by Public Law 24-149 for use by the Department of Public Health for programs to monitor controlled substances, to identify and detect its diversion, equipment, supplies and contracts necessary to monitor controlled substances, and training of employees tasked with administering the Act. Revenues for this fund are provided for by fees assessed in relation to the registration and control of the manufacture, distribution and dispensing of controlled substances in Guam.

Criminal Injuries Fund - The Criminal Injuries Fund was enacted under Public Law 20-155. The fund was created for the purpose of compensating victims injured through criminal mischief. Public Law 20-155 created the Criminal Injuries Commission which was created to determine, on a case by case basis, who is worthy of compensation. Sources of funding are prosecuted criminals (offenders) and Government appropriations. Per Public Law 20-155, compensation must be made within 18 months of date of injury. In addition, no claim will be awarded in excess of \$10,000.

Customs, Agriculture, and Quarantine Inspection Services Fund - This fund was created by Public Law 23-45 and amended by Public Law 23-96 Section 73145 of the Government Code of Guam. The law requires that each aircraft landing at the Guam International Airport Terminal (GIAT) shall be levied a customs, agriculture, and quarantine inspection service charge reasonably related to the cost incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining and operating the service charge facilities, and shall be allocated among air carriers in such a manner reasonably related to the relative demand for such services attributable to each carrier. All expenditures of the Fund shall be made exclusively by appropriation of the Guam Legislature. The Fund shall not be commingled with the General Fund and shall be kept in a separate bank account.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Dededo Buffer Strip Revolving Fund - This fund was created as a result of the re-enactment of Section 68901(1) of Title 21 of the Guam Code Annotated as amended by Public Law 24-59. This authorizes the Department of Land Management to enter into commercial leases, not exceeding ten (10) years, for the use of the Dededo and Yigo Municipal Planning Councils (two-thirds to Dededo and one-third to Yigo) for the upkeep and maintenance of sports and recreational facilities.

DLM Building Construction Fund - This fund was created by Public Law 29-46 to account for all monies received from FEMA for the construction of the Department of Land Management building.

DOC Inmates Revolving Fund - The fund was created by Executive Order 94-17 and is administered by the Department of Corrections. Revenues are generated from funds collected for housing U.S. prisoners and detainees, meals charged to DOC employees, and sale of wet garbage to private persons. Expenditures are for purchases of clothing, food, equipment, medical supplies and medicines for prisoners and detainees.

D.O.D. Contract Fund - This fund was created by the Department of Administration to account for funds from the United States Department of Defense to the Department of Education (D.O.E.) specifically to provide for fixed tuition payment per eligible D.O.D. student enrolled in the Guam D.O.E. system and for the recruitment of qualified teachers. This fund is not subject to the provisions of OMB Circular A-133.

DPW Building and Design Fund - This fund was created by Public Law 20-221 to be used for review and building inspection operational expenditures. Any fees collected from plan review and building inspection shall be deposited to the special fund.

Drivers' Education Fund - This fund was created by Public Law 22-20 to be expended on personnel, travel, purchase of vehicles, insurance, fuel and maintenance, textbooks and materials, driving simulators, a consultant and for teachers' stipends.

Enhanced 911 Emergency Reporting System Fund - This fund was created by Public Law 25-55. The fund is created to provide a source of funding for cost associated with the "911" Emergency Reporting System by charging a monthly surcharge known as the "911 Surcharge" paid by Local Exchange Telephone and Commercial Mobil Radio Service subscribers. All money and interest earned by this fund will be used by the Guam Fire Department solely for enhanced "911" equipment and systems.

Environmental Health Fund - This fund was created by Public Law 25-120 to account for all fees and penalties collected pursuant to laws enforced by the Division of Environmental Health of the Department of Public Health and Social Services.

Exxon Fuel Overcharge Fund - This fund was created based on a federal court decision against the Exxon Corporation. Guam was allocated some three million dollars as its share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest bearing account. This fund is administered by the Guam Energy Office.

Financial Management Revolving Fund - This fund was created by Executive Order No. 2002-12 for costs associated with the handling and accounting for monies and deposits to be charged for treasury services related to the Financial Management Division.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

General Services Agency (GSA) Fund - GSA is maintained within the Department of Administration as the centralized procurement and warehousing for departments and agencies of GovGuam. Additionally, GSA oversees the delegation of procurement authority of approximately eleven departments and agencies.

GSA Inventory Revolving Fund - This fund was created for the purchase and replenishment of items to be carried in the supplies inventory maintained in the warehouse operated by GSA.

GFD Capital Revolving Fund - This fund was created by Public Law 22-52 to establish a capital outlay revolving fund within the Guam Fire Department to purchase essential emergency rescue and firefighting vehicles and emergency and life support equipment.

Government Claims Fund - This fund was created by Public Law 17-029 in order to pay for claims against any line agency of GovGuam. The sources of revenue are obtained from legislative appropriations. The Attorney General administers this fund and designates which claims shall be paid.

Government House Revolving Fund - This fund was created by Executive Order 87-008. Its purpose is to account for the fees charged and related expenditures made for the use of the Government House for public functions held.

Guam Environmental Trust Fund - This fund was created through Public Law 21-10. The fund is administered by the Guam Environmental Protection Agency and was created to clean up hazardous materials and to restore and repair damage to the environment. Revenues are generated through collection of a 2% assessment fee on all commercial and industrial liability insurance premiums which will be collected by the Department of Revenue and Taxation.

Guam Housing Corporation Revolving Fund - This fund was created by Public Law 20-210 to provide a low interest government loan to the Guam Housing Corporation (GHC) in order for the GHC to extend low interest mortgage loans to low and moderate income families and individuals. The loans shall be used for the purpose of construction of a home under the GHC lending programs. All payments of principal and interest received by GHC as payment of the loan shall be deposited in the Fund.

Guam Memorial Hospital Authority Pharmaceuticals Fund - This fund was created by Public Law 28-68 for the purpose of accounting for 5.61% of all gross receipts taxes collected in Guam for appropriation by *I Liheslaturan Guahan* to fund all pharmaceutical, drug and medicine requirements for Guam Memorial Hospital.

Guam Plant Inspection and Permit Fund - This fund was created by Public Law 27-29 for the administration, operation, maintenance and improvement of the Plant Inspection Station of the Department of Agriculture.

Guam Preservation Trust Fund - This fund was created by Public Law 20-151 as a non-profit public corporation, for the purpose of the preservation of the island's many historical and cultural locations. Revenues are derived from building permit fees assessed to contractors before the issuance of any type of building permit. Expenditures are limited to costs involved in the acquisition of threatened Guam properties for the preservation of their historical value, and to support other activities directly related to increasing the public appreciation of the benefit from historical places.

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Guam Telephone Authority Privatization Proceeds Fund – This fund was created by Public Law 26-70 to account for the proceeds realized from the sale of the Guam Telephone Authority.

Health and Human Services Fund - This fund was created by Public Law 24-174 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement for settlements received from the tobacco industry.

Healthy Futures Fund – This fund was created by Public Law 27-05 to account for 50% of proceeds received on alcoholic beverages excise taxes and all tobacco-related taxes to be expended for health and education programs relating to tobacco and alcohol prevention, cessation, treatment and control, and to improving overall health and well-being.

Health Professional Licensure Fund - This fund was created by Public Law 21-33 to defray the cost of obtaining standardized examination materials and services for the healing arts and cosmetology licensure and the cost of proctoring examination at the testing site.

Health and Security Trust Fund - This fund was created by Public Law 24-174 to account for 50% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be expended for the operations and capital expenditures of the Guam Memorial Hospital Authority.

Housing Revolving Fund - This fund is maintained to account for the leasing of Government of Guam housing units to both private individuals and public organizations. Funding of this program is provided by both rental fees and Government contributions.

Human Resource Services Revolving Fund – This fund was created by Executive Order No. 2002-01 for administrative costs and supplies and equipment costs associated within the areas of classification and pay, recruitment, records, employee benefits, test development, employee management relations, training and development, as well as the Drug-Free Workplace Program of the Human Resources Division.

Income Tax Refund Reserve Fund - This fund was created by Public Law 22-140 for the purpose of receiving General Fund revenues reserved for income tax refund payments. This fund is not subject to any transfer authority of the Governor of Guam.

Income Tax Efficiency Payment Fund – This fund was created by Public Law 26-74 for the purpose of improving the efficiency of tax refund payments by hiring temporary income tax return processors, training of Department of Revenue and Taxation employees, and the purchase of computer and other equipment to quickly process income tax returns.

Indirect Cost Fund - This fund was created by Public Law 29-113 to account for appropriations for the following purposes: (a) training such as Continuing Professional Education Credits, CPE; (b) negotiating and administering GovGuam's indirect cost rate; (c) purchasing of supplies and equipment associated with negotiating and administering GovGuam's indirect cost rate; and (d) automated budget development and maintenance.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Individuals with Disabilities Disaster Recovery Fund – This fund was created by Public Law 24-172 to mitigate damages and losses of medical equipment, medical supplies and medications to individuals with disabilities and other patients under the care of a licensed physician. Funding is provided primarily through General Fund appropriations.

Land Survey Revolving Fund - This fund was created in order to administer the surveying, mapping, and registration of all government-owned properties. Revenues are derived from certain documentary fees and proceeds from leases of government land. Funds are expended after allotments authorizing their expenditure are created by the Bureau of Budget and Management Research.

Legislature Operations Fund - The Guam Legislature was created by the Organic Act of Guam, as amended. It is a unicameral body of 15 members elected bi-annually. It meets in two regular year-round sessions. Funding is provided through General Fund appropriations.

Livestock Fund - This fund was created by Public Law 25-186 to administer the transfer/sale of livestock.

Manpower Development Fund - This fund was created by Public Law 18-48 to enhance manpower training programs. The fund receives revenues from registration fees of non-immigrant workers.

Medically Indigent Program Payment Revolving Fund – This fund was created by Public Law 25-164 to be used for the payment of any authorized Medically Indigent Program obligation, regardless of when the obligation was incurred.

Mental Health and Substance Abuse Fund – This fund was created by Public Law 26-68 to account for all proceeds received by the Youth Tobacco Education and Prevention Fund to be expended for youth compliance monitoring and tobacco and drug prevention and education programs.

Off-Island Sports Travel Fund – This fund was created for the purpose of providing grants for transportation expenses for off-island travel by civilian sports organizations and individuals who engage in athletic competition and ROTC Drill Teams.

Off-Island Treatment Fund - This fund was created by Public Law 20-220 to be administered by the Director of Administration. Monies from the fund shall be expended upon order of the Superior Court of Guam to send a person under the jurisdiction of the court off-island for residential care arising from a physical, mental or emotional handicap or a severe emotional disturbance. Monies shall be expended for diagnosis, evaluation and treatment fees, medical and incidental expenses, room and board and transportation costs.

Parks and Recreation Revolving Fund - This fund was created by Public Law 16-44 for the development, improvement and maintenance of the Guam Territorial Park System. Expenditures are authorized and made by appropriations from the Legislature.

Plant Nursery Revolving Fund - This fund was created by Executive Order 75-39 on September 3, 1975. Legislative authority for the fund is found under Section 6112(a) of the Government Code of Guam. The fund is created for the purchase and sale of seedlings and comes under the cognizance and jurisdiction of the Director of Agriculture. Original funding was provided by the General Fund under Public Law 13-27 and 13-37.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Peace Officer Standards and Training Fund - This fund was created by Public Law 24-145 to account for funds received by the Peace Officer Standards and Training Commission in the administration, operation, training costs of peace officers, management surveys, research, management assistance, and other operating expenses.

Pesticide Management Fund - This fund was created by Public Law 29-46 to account for fees collected by the Guam Environmental Protection Agency to be used for the purchase of equipment, payment of personnel costs, public outreach, training, contracts, and disposal of confiscated pesticides and devices associated with the Pesticide Enforcement program.

Plant Nursery Revolving Fund - This fund was created by Public Law 26-140 to account for fees collected under the Department of Agriculture's Fee Schedule for plant nursery services and activities.

Plant Protection and Quarantine Revolving Fund - This fund was created to account for all fees collected under the Department of Agriculture's fee schedule for agricultural quarantine activities.

Police Services Fund - This fund was created by Public Law 24-23 for the purpose of funding the general operational needs of the Guam Police Department. Revenues are derived mainly from miscellaneous services and fees provided by the department.

Printing Revolving Fund - This fund is maintained to collect all monies received as payment for publications and publication services provided by the compiler of laws and to pay all costs associated with the printing and publishing of local laws. Funding was provided by local appropriation, however; when activities begin, funding will also be provided from publication charges.

Professional Engineers', Architects' and Surveyors' Fund - This fund was created to receive fees from licenses and license renewals and to use those funds to administer and enforce the laws relating to professional engineers, architects and land surveyors.

Office of Public Accountability Fund - The Office of Public Accountability was created by Public Law 21-122 as an instrumentality of GovGuam, independent of the executive, legislative and judicial branches.

Public Defender Service Corporation Fund - This fund was created by Public Law 13-51 to provide effective legal aid and assistance to those persons on Guam who are unable to afford counsel.

Public Library System - This fund accounts for the operations of all libraries in the Library System on Guam in accordance with the rules and regulations promulgated by the Library Board.

Public Recreation Services Fund - This fund was created by Public Law 27-106 to account for the maintenance, upgrade and upkeep of all parks and recreational facilities within the jurisdiction of the Department of Parks and Recreation, and the creation and continuance of existing community related programs and activities for the benefit of the island.

Public Transit Fund - This fund was created by Public Law 26-76 under the authority of the Department of Administration to operate Guam's mass transit system.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Rabies Prevention Fund – This fund was created by Public Law 24-216 to maintain, enhance and secure the prevention of rabies on Guam. Revenues are derived from issuance of entry permits for any dog or cat imported into Guam.

Recycling Revolving Fund – This fund was created by Public Law 28-171 to account for recycling fees levied upon the registered owner of a motor vehicle to assist in the recycling and disposal of motor vehicles and other recyclable materials.

Safe Homes, Safe Streets Fund – This fund was created by Public Law 27-05 to account for 50% of alcoholic beverage excise taxes received and to be expended on public safety and social programs that enforce alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-related violence and abuse, and/or support community-based drug and substance abuse prevention programs.

Safe Streets Fund - This fund was created by Public Law 22-41 within the Superior Court of Guam, which shall be maintained separate and apart from the other funds of the Superior Court. All fines collected for any of the acts made unlawful in §§18102, 18109, 18111, 18120, and 18121 of Title 16, Guam Code Annotated, as amended from time to time, and for which punishment is prescribed in §§18104, 18105, 18106, 18107, 18109, 18110, 18111, 18119, 18120 and 18121 of Title 16, Guam Code Annotated, as amended from time to time, shall be deposited in the Safe Streets Fund. So much of the Fund as is required is appropriated to the Department of Corrections to be used to compensate staff and provide supplies or facilities to house incarcerated persons convicted of misdemeanors and persons convicted of acts made unlawful in Article 1, Chapter 18 of Title 16, Guam Code Annotated. The Director of Corrections may expend not more than Eight Thousand Dollars (\$8,000) per month from the fund for the purpose outlined in Subsection (c) of this Section, which the Administrative Director of the Courts shall pay over to the Director of Corrections on a regular basis. Any funds in excess of the monthly payment to the Director of Corrections and all funds accumulated shall be disbursed in accordance with Subsection (c) of §9211 of Title 7, Guam Code Annotated.

Solid Waste Management Plan – This fund was created by Public Law 25-175 to be administered by the Guam Environmental Protection Agency to deal with solid waste management.

Solid Waste Operations Fund – This fund was created by Public Law 24-272 to provide a financing source for GovGuam's costs and expenses directly related to the closure and post-closure of the solid waste landfill.

Special Assets Forfeiture Fund – This fund was created by Public Law 26-120 to account for property that is forfeited under any local law enforced or administered by the Guam Police Department.

State Agency for Surplus Property Fund – This fund was created for the disposal of salvage and surplus personal property from GovGuam agencies and departments.

Street Light Fund - This fund was created by Public Law 27-38 to pay for the installation and operation of public street lights.

Stripperwell Overcharge Fund - This fund was created based on a federal court decision against Stripperwell. As with the Exxon Overcharge Fund, Guam was allocated a share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest bearing account. This fund is administered by the Guam Energy Office.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Supplemental Annuity Benefits Fund - This fund was created by Public Law 27-29 for the purpose of accounting for the payment of retiree supplemental annuity benefits by the Department of Administration.

Tax Collection Fund - This fund was created by Public Law 27-05. Fifty percent (50%) of the fund is earmarked for the purposes of employing tax technicians, revenue agents, revenue officers, and for other related expenses in order to increase collection of taxes and for the salaries of employees serving as Passport Acceptance Agents. The remaining fifty percent (50%) is to be deposited in the Public School Library Resources Fund.

Territorial Educational Facilities Fund (TEF) - TEF was created by Public Law 22-19 (as amended by Public Law 23-14) to account for all real property tax revenues received by or on behalf of GovGuam. These revenues are used for the debt service payments of the General Obligation Bonds, 1993 Series A and 1995 Series A.

Territorial Highway Fund - This fund was created for the purpose of obtaining proper maintenance and construction of highways and for the implementation of Highway Safety plans, programs and projects. Revenues are derived from Federal grants, certain liquid fuels taxes, vehicle registration fees and local appropriations.

Tourist Attraction Fund - This fund was created to finance the improvement of the physical facilities of Guam's parks and recreation areas. Financing is provided by the imposition of an 11 percent tax on lodging provided to transients.

Typhoon Chata'an and Halong Fund - This fund was created by Public Law 26-116 to account for appropriations made by the Legislature to cover the emergency recovery needs of Guam resulting from Typhoons Chata'an and Halong.

Unified Courts of Guam Fund - The fund was created as an independent judicial branch of GovGuam to account for the operations of the Supreme Court of Guam and the Superior Court of Guam. Funding is provided primarily through Government of Guam General Fund appropriations.

UOG Capital Improvements Fund - This fund was created by Public Law 26-48 to account for the design, construction and collateral equipment of the College of Business and Public Administration, and for the replacement of the roof of the Fine Arts Building.

Unreserved Fund Balance Fund - This fund was created by Public Law 28-68 to account for the transfer of funds equal to the amounts in the unreserved fund balances of the Corrections Revolving Fund, the Dededo Buffer Strip Revolving Fund, the DPW Building and Design Fee Account Fund, the Enhanced 911 Emergency Reporting System Fund, the Guam Plant Inspection and Permit Fund, the Healthy Futures Fund, the Housing Revolving Fund, the Police Services Fund, and Parks & Recreation Services Fund at September 30, 2004.

Village Streets Fund - This fund was created by Public Law 23-128. This Fund shall be used exclusively for the purpose of payment to vendors for village road planning, design, construction, reconstruction, improvement, repair and maintenance services, the acquisition of rights of way, or to service debt payments of revenue bonds which may be issued to fund the construction, repair and maintenance of secondary and tertiary roads.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2009

Water Protection Fund - This fund was created by Public Law 22-47 to provide funding for the administration and implementation and enforcement of the Water Pollution Control Act and regulations promulgated from said Act, for educational programs and grants for research and development, advertisement promotions, and inspections of facilities to prevent or minimize erosion that contributes to pollution of the waters.

Water Research and Development Fund – This fund was created by Public Law 22-47 to conduct water resource research which will contribute to the effective planning and management of Guam’s underground and surface water, and to the development of programs which promote the best use of these resources.

Wildlife Conservation Fund - This fund was created to preserve, manage, enhance and protect the Government's wildlife resources and their environment. Revenues are derived principally from the sale of hunting, fishing and harvesting licenses, fees and permits.

Workmen's Compensation Fund - This fund was authorized to be created by Public Law 1-88. Section 37042 of the Government Code of Guam requires a fund sufficient to secure compensation payments under Title XXXIII of the Government Code in respect to employees of GovGuam, its agencies and instrumentalities, including any public corporation. Funds are disbursed upon the order of the Workers Compensation Commission, of which the Director of Labor is the Commissioner.

Youth Tobacco Education and Prevention Fund – This fund was created by Public Law 25-187 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be utilized by the Department of Mental Health and Substance Abuse, for youth compliance monitoring and tobacco and drug prevention and education programs.

See Accompanying Independent Auditors’ Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Capital Project Funds September 30, 2009

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. A brief discussion of GovGuam's nonmajor governmental funds - capital projects funds as of September 30, 2009, follows:

Limited Obligation Highway Improvement Bonds Fund – This fund is used to account for the construction of highway improvement projects from Limited Obligation Highway Improvement bond proceeds.

Limited Obligation Infrastructure Improvement Bonds Fund – This fund is used to account for the construction of capital improvement projects from Limited Obligation Infrastructure Improvement bond proceeds.

Water System Revenue Bond Fund – This fund is used to account for the repayment of certain debt, including the 1989 Water System Revenue Bonds, the debt of the Guam Memorial Hospital Authority, the voluntary service debt and for expanding and improving the existing water system of GovGuam operated by the Public Utility Agency of Guam, now the Guam Waterworks Authority.

PUAG Capital Projects Fund– This fund is used to account for expanding and improving the existing water system of GovGuam operated by the Public Utility Agency of Guam, now the Guam Waterworks Authority.

General Obligation Bond Series A 1993 Fund – This fund is used to account for the construction of new or renovated educational facilities from General Obligation Bond Series A 1993 bond proceeds.

Judicial Building Fund – This fund is used to account for the construction of miscellaneous capital improvements of the Superior Court of Guam and to redeem loan principal and to pay loan interest as such becomes due.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Debt Service Funds September 30, 2009

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment. A brief discussion of GovGuam's nonmajor governmental funds - debt service funds as of September 30, 2009, follows:

Limited Obligation Highway Improvement Bonds Fund – This fund is used to account for funds required by the Limited Obligation Highway Improvement bond indenture to redeem bond principal and to pay bond interest as such becomes due.

Limited Obligation Infrastructure Improvement Bonds Fund – This fund is used to account for funds required by the Limited Obligation Infrastructure Improvement bond indenture to redeem bond principal and to pay bond interest as such becomes due.

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Nonmajor Component Units September 30, 2009

Component units are legally separate organizations for which the elected officials of GovGuam are financially accountable. Nonmajor component units are defined as those component units whose activities are not significant or material to that of the primary government or to all component units as a whole. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi - business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds. The generally accepted accounting principles here are generally those applicable to similar businesses in the private sector: the measurement focus is on determination of the change in net assets, financial position and cash flows. A brief discussion of GovGuam's nonmajor component units as of September 30, 2009, follows:

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

Guam Housing and Urban Renewal Authority (GHURA) - GHURA was created by Government Code, Vol. II, Title XIV, Chapter X, 13902. GHURA's purpose is to promote the health, safety and welfare of the people of Guam by eliminating slum and blight conditions, by the orderly redevelopment and renewal of communities, by proper planning of community development and by provision of safe, decent and sanitary dwellings for low-income families, through all available Federal and local governmental programs. The Board of Commissioners of GHURA is appointed by the Governor of Guam with the advice and consent of the Guam Legislature. Revenues are derived from Federal financial assistance and rentals or charges for dwelling accommodations.

Guam Housing Corporation (GHC) - GHC was organized under the authority of Public Law 8-80 to promote the general welfare of GovGuam by encouraging investment in and development of low-cost housing. GHC provides for its operating needs by charging points on its low cost loans. Interest rates are determined by its Board of Directors.

Guam Economic Development Authority (GEDA) - GEDA was created to assist in the implementation of an integrated program for the economic development of Guam. Enabling legislation set forth several specific purposes for the establishment of GEDA to include:

- a) Aiding private enterprise without competing with it;
- b) Expansion of the money supply to finance housing facilities; and
- c) Providing the means necessary for acquisition of hospital facilities.

To accomplish the stated purposes, GEDA is authorized to conduct research, invest in, provide loans, operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain GovGuam land; purchase mortgages; and recommend to the Governor of Guam businesses qualifying for tax rebates and abatements. GEDA utilizes various Trust Funds to accomplish its stated purposes.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

Nonmajor Component Units, Continued  
September 30, 2009

Chamorro Land Trust Commission (CLTC) - CLTC was organized under the authority of Public Law 12-226 to protect and ensure trust lands are efficiently and effectively awarded to native Chamorro through residential, agricultural, and commercial leases. CLTC's objectives are to act in the interest of beneficiaries, maintain and uphold fiduciary responsibilities for the beneficiaries, and to exercise due diligence in the management of Chamorro homelands. CLTC currently has a trust land inventory of 12,731 acres or 51,520,529 square meters.

Guam Preservation Trust (GPT) - This fund was created by Public Law 20-151 to establish a program for historic preservation at all levels government and to promote the use and conservation of such preservations for education, inspiration, pleasure and enrichment of the residents of the territory.

Guam Visitors Bureau (GVB) - GVB is a public corporation created for the purpose of promoting the visitor industry in Guam. Funding is provided from transfers of appropriations from the Tourist Attraction Fund and interest income.

Guam Educational Telecommunications Corporation (GETC) - GETC, also known as KGTF-TV, was created as a public corporation by Public Law 12-194, as approved on January 2, 1975. The law sets forth the purpose of the Corporation to present educational television to the people of Guam and involve the people of Guam in its activities to the maximum extent possible. Funding is primarily derived from appropriations from the General Fund, community service grants and contributions from the public.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

Fiduciary Funds  
September 30, 2009

Fiduciary funds are used to account for assets held by GovGuam in a fiduciary capacity. A brief description of each fund follows.

### Pension Trust Fund

Government of Guam Retirement Fund - Public Law 1-88 and Public Law 9-251 (Section 4201 of the Government Code of Guam) created the Retirement Fund to provide retirement annuities and other benefits to employees of the Government who became aged or incapacitated or to dependents or survivors of these employees. The Retirement Fund is administered by a Board of Trustees who bears responsibility for the direction and operation of the affairs and business of the retirement system.

### Private Purpose Trust Funds

Superior Court Trust Funds - The Superior Court is responsible for maintaining five trust funds which were primarily created through judicial decree. These Trusts are:

- Land Condemnation Fund - an escrow account for governmental land acquisitions.
- Guardianship Fund - to account for the financial affairs of individuals for whom the Court has been petitioned to act as a guardian.
- Trust Fund - to account for judgments compelling individuals to award payments arising from various civil and criminal cases.
- Traffic Court - to account for deposits made by accused traffic offenders who are contesting charges against them.
- Jury Fund - to account for funds awarded and to be awarded to citizens who serve on juries. Funding is derived from local appropriations.

Supreme Court Trust Fund - This fund was created to hold the assets in conjunction with an embezzlement judgment brought against a local attorney and to pay valid claims in accordance with any rulings.

### Agency Fund

Agency funds are normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2009**

AS/400 Fund Number	236	309	265	262	611	628	266	305	282
	Accessible Parking	Agana Fractional Lots Program	Air Pollution Control	Autonomous Agency Infrastructure Collections	Banking and Insurance Enforcement	Better Public Service	Board of Accountancy	CAHA, OET and CEF	Carrier Off-duty Services Revolving
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	90,169	-	-	-	-	-	-	-
Due from other funds	85,027	-	510,560	460	-	594,603	14,781	-	52,732
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 85,027</u>	<u>\$ 90,169</u>	<u>\$ 510,560</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 594,603</u>	<u>\$ 14,781</u>	<u>\$ -</u>	<u>\$ 52,732</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
<b><u>(DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	40,348
Due to other funds	-	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,348</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	90,169	-	-	-	-	-	-	-
Continuing appropriations	321,423	-	-	-	-	909	-	-	-
Encumbrances	31,880	-	11,752	-	-	213,792	261,348	-	-
Unreserved (deficit)	(268,276)	-	498,808	460	-	379,902	(246,567)	-	12,384
Total fund balances (deficit)	<u>85,027</u>	<u>90,169</u>	<u>510,560</u>	<u>460</u>	<u>-</u>	<u>594,603</u>	<u>14,781</u>	<u>-</u>	<u>12,384</u>
Total liabilities and fund balances (deficit)	<u>\$ 85,027</u>	<u>\$ 90,169</u>	<u>\$ 510,560</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 594,603</u>	<u>\$ 14,781</u>	<u>\$ -</u>	<u>\$ 52,732</u>

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2009**

AS/400 Fund Number	633	411	624	319	105	250	213	272	325
	Census 2010	Chamorro Commercial Loan	Chamorro Land Trust Operations	Community Development	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	-	26,233	305,166	100	1,778,439	-	89,050	94,824	151,849
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 850,000</u>	<u>\$ 26,233</u>	<u>\$ 305,166</u>	<u>\$ 100</u>	<u>\$ 1,778,439</u>	<u>\$ -</u>	<u>\$ 89,050</u>	<u>\$ 94,824</u>	<u>\$ 151,849</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
<b><u>(DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169
Accrued payroll and other	-	-	7,564	-	14,850	-	4,766	-	-
Due to other funds	9,907	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	850,000	-	-	-	-	-	-	-	141,544
Total liabilities	<u>859,907</u>	<u>-</u>	<u>7,564</u>	<u>-</u>	<u>14,850</u>	<u>-</u>	<u>4,766</u>	<u>-</u>	<u>141,713</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	-
Continuing appropriations	-	-	-	151,170	2,977,888	-	68,761	93,259	10,136
Encumbrances	194,337	-	56,047	8,649	359,397	-	14,723	1,565	-
Unreserved (deficit)	(204,244)	26,233	241,555	(159,719)	(1,573,696)	-	800	-	-
Total fund balances (deficit)	<u>(9,907)</u>	<u>26,233</u>	<u>297,602</u>	<u>100</u>	<u>1,763,589</u>	<u>-</u>	<u>84,284</u>	<u>94,824</u>	<u>10,136</u>
Total liabilities and fund balances (deficit)	<u>\$ 850,000</u>	<u>\$ 26,233</u>	<u>\$ 305,166</u>	<u>\$ 100</u>	<u>\$ 1,778,439</u>	<u>\$ -</u>	<u>\$ 89,050</u>	<u>\$ 94,824</u>	<u>\$ 151,849</u>

(continued)

**GOVERNMENT OF GUAM**  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2009

AS/400 Fund Number	209 Customs, Agriculture and Quarantine Inspection Services	267 Dededo Buffer Strip Revolving	630 DLM Building Construction	214 DOC Inmates Revolving	106 D.O.D. Contract	235 DPW Building and Design	246 Drivers' Education	281 Enhanced 911 Emergency Reporting System	600 Environmental Health
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ 319,668	\$ -	\$ 884,602	\$ -	\$ 1,912	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	43,574	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	400,672	-	475,482	1,703,243	289,293
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	1,528,147	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,891,389</u>	<u>\$ -</u>	<u>\$ 884,602</u>	<u>\$ -</u>	<u>\$ 402,584</u>	<u>\$ -</u>	<u>\$ 475,482</u>	<u>\$ 1,703,243</u>	<u>\$ 289,293</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
<b><u>(DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	78,261	-	-	-	-	-	-	7,567	4,010
Due to other funds	1,813,128	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	403,354	-	-	-	-
Total liabilities	<u>1,891,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,354</u>	<u>-</u>	<u>-</u>	<u>7,567</u>	<u>4,010</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	-
Continuing appropriations	642,349	-	593,792	2,637	-	-	-	1,071,947	479,530
Encumbrances	29,858	-	98,683	2,040	-	-	-	70,737	59,134
Unreserved (deficit)	<u>(672,207)</u>	<u>-</u>	<u>192,127</u>	<u>(4,677)</u>	<u>(770)</u>	<u>-</u>	<u>475,482</u>	<u>552,992</u>	<u>(253,381)</u>
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>884,602</u>	<u>-</u>	<u>(770)</u>	<u>-</u>	<u>475,482</u>	<u>1,695,676</u>	<u>285,283</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,891,389</u>	<u>\$ -</u>	<u>\$ 884,602</u>	<u>\$ -</u>	<u>\$ 402,584</u>	<u>\$ -</u>	<u>\$ 475,482</u>	<u>\$ 1,703,243</u>	<u>\$ 289,293</u>

(continued)

**GOVERNMENT OF GUAM**  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2009

AS/400 Fund Number	104	299	229	404	231	239	237	245	234
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	GFD Capital Revolving	Government Claims	Government House Revolving	Guam Environmental Trust	Guam Housing Corporation Revolving
<b>ASSETS</b>									
Cash and cash equivalents	\$ 236,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	28,738	19,661	-	-	-	-	-	-	-
Due from other funds	101,693	62,703	2,130	-	63,231	104,655	10,305	535,001	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	297,129	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 366,588</u>	<u>\$ 82,364</u>	<u>\$ 2,130</u>	<u>\$ 297,129</u>	<u>\$ 63,231</u>	<u>\$ 104,655</u>	<u>\$ 10,305</u>	<u>\$ 535,001</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>(DEFICIT)</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	72,349	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	297,129	-	-	-	-	-
Continuing appropriations	-	79,162	1,420	-	-	-	10,305	1,314	-
Encumbrances	3,000	7,542	710	1,179,269	17,333	-	-	61,728	-
Unreserved (deficit)	<u>363,588</u>	<u>(4,340)</u>	<u>-</u>	<u>(1,251,618)</u>	<u>45,898</u>	<u>104,655</u>	<u>-</u>	<u>471,959</u>	<u>-</u>
Total fund balances (deficit)	<u>366,588</u>	<u>82,364</u>	<u>2,130</u>	<u>224,780</u>	<u>63,231</u>	<u>104,655</u>	<u>10,305</u>	<u>535,001</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 366,588</u>	<u>\$ 82,364</u>	<u>\$ 2,130</u>	<u>\$ 297,129</u>	<u>\$ 63,231</u>	<u>\$ 104,655</u>	<u>\$ 10,305</u>	<u>\$ 535,001</u>	<u>\$ -</u>

(continued)

**GOVERNMENT OF GUAM**  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2009

AS/400 Fund Number	617 Guam Memorial Hospital Authority Pharmaceuticals	608 Guam Plant Inspection and Permit	326 Guam Preservation Trust	616 Guam Telephone Authority Privatization Proceeds	270 Health and Human Services	602 Healthy Futures	241 Health Professional Licensure	311 Health and Security Trust	201 Housing Revolving
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,397	\$ -	\$ 669,884	\$ 105,898	\$ 8,595,102	\$ 24,967	\$ -	\$ 343,735	\$ -
Investments	-	-	-	-	999,000	-	-	5,228,000	-
Receivables, net:									
Taxes	-	-	-	-	-	1,121,895	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	901,802	-	-	-	-	304,988
Due from other funds	-	175,373	497,608	649,871	295,541	1,711,112	281,927	-	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,397</u>	<u>\$ 175,373</u>	<u>\$ 1,167,492</u>	<u>\$ 1,657,571</u>	<u>\$ 9,889,643</u>	<u>\$ 2,857,974</u>	<u>\$ 281,927</u>	<u>\$ 5,571,735</u>	<u>\$ 304,988</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>(DEFICIT)</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	64,097	317	-	-
Due to other funds	1,397	-	-	-	-	-	-	100,000	1,140
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	489,170	-	-	-	8,894
Total liabilities	<u>1,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,170</u>	<u>64,097</u>	<u>317</u>	<u>100,000</u>	<u>10,034</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	304,988
Continuing appropriations	-	-	604,500	-	124,215	1,057,223	295,107	-	-
Encumbrances	-	3,847	-	-	5,547,415	228,470	28,667	-	-
Unreserved (deficit)	-	171,526	562,992	1,657,571	3,728,843	1,508,184	(42,164)	5,471,735	(10,034)
Total fund balances (deficit)	<u>-</u>	<u>175,373</u>	<u>1,167,492</u>	<u>1,657,571</u>	<u>9,400,473</u>	<u>2,793,877</u>	<u>281,610</u>	<u>5,471,735</u>	<u>294,954</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,397</u>	<u>\$ 175,373</u>	<u>\$ 1,167,492</u>	<u>\$ 1,657,571</u>	<u>\$ 9,889,643</u>	<u>\$ 2,857,974</u>	<u>\$ 281,927</u>	<u>\$ 5,571,735</u>	<u>\$ 304,988</u>

(continued)



**GOVERNMENT OF GUAM**  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2009

AS/400 Fund Number	298	303	321	632	216	222		287	232
	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Indirect Cost	Individuals With Disabilities Disaster Recovery	Land Survey Revolving	Legislature Operations	Livestock	Manpower Development
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ -	\$ 1,486,587	\$ 8,580,155	\$ 1,391,051	\$ -	\$ -	\$ 1,068,559	\$ -	\$ 1,558,429
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	3,705	-	-
Due from other funds	27,324	4,222,470	-	552,684	-	293,669	666,667	-	550,770
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 27,324</u>	<u>\$ 5,709,057</u>	<u>\$ 8,580,155</u>	<u>\$ 1,943,735</u>	<u>\$ -</u>	<u>\$ 293,669</u>	<u>\$ 1,738,931</u>	<u>\$ -</u>	<u>\$ 2,109,199</u>
<b><u>LIABILITIES AND FUND BALANCES (DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,567	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	27,174	71,594	-	2,998
Due to other funds	-	-	8,352,839	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	5,192,264	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	568,708
Total liabilities	<u>-</u>	<u>5,192,264</u>	<u>8,352,839</u>	<u>-</u>	<u>-</u>	<u>27,174</u>	<u>123,161</u>	<u>-</u>	<u>571,706</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	-
Continuing appropriations	23,078	-	-	247,207	-	-	-	-	196,834
Encumbrances	1,555	-	-	-	-	86,033	-	-	35,728
Unreserved (deficit)	2,691	516,793	227,316	1,696,528	-	180,462	1,615,770	-	1,304,931
Total fund balances (deficit)	<u>27,324</u>	<u>516,793</u>	<u>227,316</u>	<u>1,943,735</u>	<u>-</u>	<u>266,495</u>	<u>1,615,770</u>	<u>-</u>	<u>1,537,493</u>
Total liabilities and fund balances (deficit)	<u>\$ 27,324</u>	<u>\$ 5,709,057</u>	<u>\$ 8,580,155</u>	<u>\$ 1,943,735</u>	<u>\$ -</u>	<u>\$ 293,669</u>	<u>\$ 1,738,931</u>	<u>\$ -</u>	<u>\$ 2,109,199</u>

(continued)

**GOVERNMENT OF GUAM**  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2009

AS/400 Fund Number	293 Medically Indigent Program Payment Revolving	294 Mental Health and Substance Abuse	278 Off-Island Sports Travel	329 Off-Island Treatment	212/225 Parks and Recreation Revolving	107 Peace Officer Standards and Training	629 Pesticide Management	211 Plant Nursery Revolving	504 Plant Protection and Quarantine Revolving
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	6,234,778	200,969	-	32,680	-	10	1,800	38,811	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6,234,778</u>	<u>\$ 200,969</u>	<u>\$ -</u>	<u>\$ 32,680</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 1,800</u>	<u>\$ 38,811</u>	<u>\$ -</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
<b><u>(DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ 6,234,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	515	-	-	-	-	-
Due to other funds	-	-	-	-	4,808	-	-	-	3,548
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	13,213	-	-	-	-	-
Total liabilities	<u>6,234,778</u>	<u>-</u>	<u>-</u>	<u>13,728</u>	<u>4,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,548</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	-
Continuing appropriations	961,300	20,934	-	-	305	-	-	38,811	6,468
Encumbrances	-	-	-	327	48	-	-	-	2,005
Unreserved (deficit)	<u>(961,300)</u>	<u>180,035</u>	<u>-</u>	<u>18,625</u>	<u>(5,161)</u>	<u>10</u>	<u>1,800</u>	<u>-</u>	<u>(12,021)</u>
Total fund balances (deficit)	<u>-</u>	<u>200,969</u>	<u>-</u>	<u>18,952</u>	<u>(4,808)</u>	<u>10</u>	<u>1,800</u>	<u>38,811</u>	<u>(3,548)</u>
Total liabilities and fund balances (deficit)	<u>\$ 6,234,778</u>	<u>\$ 200,969</u>	<u>\$ -</u>	<u>\$ 32,680</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 1,800</u>	<u>\$ 38,811</u>	<u>\$ -</u>

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2009

AS/400 Fund Number	263	221	215			604	620	317	285
	Police Services	Printing Revolving	Professional Engineers', Architects' and Surveyors'	Office of Public Accountability	Public Defender Service Corporation	Public Library System	Public Recreation Services	Public Transit	Rabies Prevention
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 403,902	\$ 926,961	\$ 61,037	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	2,724	17,287	-	-	-	-
Due from other funds	-	11,682	-	-	110,149	714,763	13,407	248,373	125,092
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 11,682	\$ -	\$ 406,626	\$ 1,054,397	\$ 775,800	\$ 13,407	\$ 248,373	\$ 125,092
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 17,191	\$ 8,569	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	1,264	-	164,093	-	-	35,541	-
Due to other funds	58,848	-	19,414	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	7,600	-	-	-	-
Total liabilities	58,848	-	20,678	17,191	180,262	-	-	35,541	-
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	-
Continuing appropriations	-	-	-	-	-	666,895	-	209,126	122,798
Encumbrances	33,574	-	1,691	-	13,480	-	8,714	3,513	2,294
Unreserved (deficit)	(92,422)	11,682	(22,369)	389,435	860,655	108,905	4,693	193	-
Total fund balances (deficit)	(58,848)	11,682	(20,678)	389,435	874,135	775,800	13,407	212,832	125,092
Total liabilities and fund balances (deficit)	\$ -	\$ 11,682	\$ -	\$ 406,626	\$ 1,054,397	\$ 775,800	\$ 13,407	\$ 248,373	\$ 125,092

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2009**

AS/400 Fund Number	619	601	217	284	416	605	314	202	103
	Recycling Revolving	Safe Homes, Safe Streets	Safe Streets	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	State Agency for Surplus Property	Street Light	StripperWell Overcharge
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 545,316	\$ 301,877	\$ 26	\$ -	\$ 21,730
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,645,886	-	19,515	-	44,983
Due from other funds	2,961,029	-	299,238	491	-	476,231	78,321	151,773	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	137,602	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 2,961,029</u>	<u>\$ -</u>	<u>\$ 299,238</u>	<u>\$ 491</u>	<u>\$ 2,191,202</u>	<u>\$ 778,108</u>	<u>\$ 235,464</u>	<u>\$ 151,773</u>	<u>\$ 66,713</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
<b><u>(DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	635	-	-	-	38,397	-	-	-	-
Due to other funds	-	-	-	-	1,372,572	-	-	-	613
Due to component units	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	962,829	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	<u>635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,373,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	157,117	-	44,983
Continuing appropriations	639,770	-	18	491	-	168,969	51,699	8,207	-
Encumbrances	-	-	18,669	-	714,463	4,990	20,562	143,566	11,583
Unreserved (deficit)	<u>2,320,624</u>	<u>-</u>	<u>280,551</u>	<u>-</u>	<u>(897,059)</u>	<u>604,149</u>	<u>6,086</u>	<u>-</u>	<u>9,534</u>
Total fund balances (deficit)	<u>2,960,394</u>	<u>-</u>	<u>299,238</u>	<u>491</u>	<u>(182,596)</u>	<u>778,108</u>	<u>235,464</u>	<u>151,773</u>	<u>66,100</u>
Total liabilities and fund balances (deficit)	<u>\$ 2,961,029</u>	<u>\$ -</u>	<u>\$ 299,238</u>	<u>\$ 491</u>	<u>\$ 2,191,202</u>	<u>\$ 778,108</u>	<u>\$ 235,464</u>	<u>\$ 151,773</u>	<u>\$ 66,713</u>

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2009**

AS/400 Fund Number	607	603	205	208	206	501	297	621	
	Supplemental Annuity Benefits	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Typhoon Chataan & Halong	Unified Courts of Guam	University of Guam Capital Improvements	Unreserved Fund Balance
<b><u>ASSETS</u></b>									
Cash and cash equivalents	\$ -	\$ -	\$ 419,790	\$ 3,677,257	\$ 57,593	\$ -	\$ 264,782	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables, net:									
Taxes	-	-	1,466,263	833,474	1,451,511	-	-	-	-
Federal agencies	-	-	-	-	-	-	732,497	-	-
Other	-	-	-	-	-	-	22,867	-	-
Due from other funds	-	44,264	-	-	1,979,109	11,429	5,284,373	500,000	207,353
Due from private purpose trust funds	-	-	-	-	-	-	2,728,829	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	31,223	-	-
Total assets	<u>\$ -</u>	<u>\$ 44,264</u>	<u>\$ 1,886,053</u>	<u>\$ 4,510,731</u>	<u>\$ 3,488,213</u>	<u>\$ 11,429</u>	<u>\$ 9,064,571</u>	<u>\$ 500,000</u>	<u>\$ 207,353</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
<b><u>(DEFICIT)</u></b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 967,649	\$ -	\$ -
Accrued payroll and other	-	5,999	-	96,898	-	-	311,458	-	-
Due to other funds	-	-	1,886,053	2,765,165	-	-	-	-	-
Due to component units	-	-	-	-	1,342,502	-	-	500,000	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>5,999</u>	<u>1,886,053</u>	<u>2,862,063</u>	<u>1,342,502</u>	<u>-</u>	<u>1,279,107</u>	<u>500,000</u>	<u>-</u>
Fund balances (deficit):									
Reserved for:									
Related assets	-	-	-	-	-	-	-	-	-
Continuing appropriations	-	74,792	-	890,094	141,996	144,185	-	-	177,461
Encumbrances	-	5,215	-	304,423	19,929	-	-	-	-
Unreserved (deficit)	-	(41,742)	-	454,151	1,983,786	(132,756)	7,785,464	-	29,892
Total fund balances (deficit)	<u>-</u>	<u>38,265</u>	<u>-</u>	<u>1,648,668</u>	<u>2,145,711</u>	<u>11,429</u>	<u>7,785,464</u>	<u>-</u>	<u>207,353</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ 44,264</u>	<u>\$ 1,886,053</u>	<u>\$ 4,510,731</u>	<u>\$ 3,488,213</u>	<u>\$ 11,429</u>	<u>\$ 9,064,571</u>	<u>\$ 500,000</u>	<u>\$ 207,353</u>

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2009

AS/400 Fund Number	247	283	300	203	310	276	Total
	Village Streets	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 742	\$ -	\$ -	\$ -	\$ -	\$ 296,498	\$ 33,095,614
Investments	-	-	-	-	-	1,082,000	7,309,000
Receivables, net:							
Taxes	-	-	-	-	-	-	4,873,143
Federal agencies	-	-	-	-	-	-	732,497
Other	-	-	-	-	-	-	3,145,899
Due from other funds	770,957	314,532	313,377	98,286	16,524	-	38,617,049
Due from private purpose trust funds	-	-	-	-	-	-	2,728,829
Due from component units	-	-	-	-	-	-	1,528,147
Inventories	-	-	-	-	-	-	434,731
Deposits and other assets	-	-	-	-	-	-	31,223
Total assets	<u>\$ 771,699</u>	<u>\$ 314,532</u>	<u>\$ 313,377</u>	<u>\$ 98,286</u>	<u>\$ 16,524</u>	<u>\$ 1,378,498</u>	<u>\$ 92,496,132</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b><u>(DEFICIT)</u></b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,279,923
Accrued payroll and other	123	-	-	-	-	-	978,469
Due to other funds	-	-	-	-	-	110,410	16,572,191
Due to component units	-	-	-	-	-	-	1,842,502
Deferred revenue	-	-	-	-	-	-	962,829
Provision for tax refunds	-	-	-	-	-	-	5,192,264
Deposits and other liabilities	-	-	-	-	-	-	2,482,483
Total liabilities	<u>123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,410</u>	<u>35,310,661</u>
Fund balances (deficit):							
Reserved for:							
Related assets	-	-	-	-	-	-	894,386
Continuing appropriations	1,078,413	-	-	68,793	22,389	-	14,548,080
Encumbrances	81,732	7,013	9,754	29,493	1,325	-	10,053,602
Unreserved (deficit)	<u>(388,569)</u>	<u>307,519</u>	<u>303,623</u>	<u>-</u>	<u>(7,190)</u>	<u>1,268,088</u>	<u>31,689,403</u>
Total fund balances (deficit)	<u>771,576</u>	<u>314,532</u>	<u>313,377</u>	<u>98,286</u>	<u>16,524</u>	<u>1,268,088</u>	<u>57,185,471</u>
Total liabilities and fund balances (deficit)	<u>\$ 771,699</u>	<u>\$ 314,532</u>	<u>\$ 313,377</u>	<u>\$ 98,286</u>	<u>\$ 16,524</u>	<u>\$ 1,378,498</u>	<u>\$ 92,496,132</u>

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	236	309	265	262	611	628	266	305	282
	Accessible Parking	Agana Fractional Lots Program	Air Pollution Control	Autonomous Agency Infrastructure Collections	Banking and Insurance Enforcement	Better Public Service	Board of Accountancy	CAHA, OET and CEF	Carrier Off-duty Services Revolving
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	181,480	-	194,656	-	-	-	275	-	598,023
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>181,480</b>	<b>-</b>	<b>194,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275</b>	<b>-</b>	<b>598,023</b>
<b>Expenditures by Function:</b>									
<b>Current:</b>									
General government	-	-	-	-	-	1,333,736	-	-	-
Protection of life and property	8,904	-	-	-	-	-	-	-	561,825
Public health	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	279,547	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,904</b>	<b>-</b>	<b>279,547</b>	<b>-</b>	<b>-</b>	<b>1,333,736</b>	<b>-</b>	<b>-</b>	<b>561,825</b>
Excess (deficiency) of revenues over (under) expenditures	172,576	-	(84,891)	-	-	(1,333,736)	275	-	36,198
<b>Other financing sources (uses):</b>									
Transfers in from other funds	-	-	-	-	-	1,402,122	-	-	-
Transfers out to other funds	(411,767)	(229,020)	-	-	(29,545)	-	-	(266)	(133,766)
<b>Total other financing sources (uses), net</b>	<b>(411,767)</b>	<b>(229,020)</b>	<b>-</b>	<b>-</b>	<b>(29,545)</b>	<b>1,402,122</b>	<b>-</b>	<b>(266)</b>	<b>(133,766)</b>
<b>Net change in fund balances (deficits)</b>	<b>(239,191)</b>	<b>(229,020)</b>	<b>(84,891)</b>	<b>-</b>	<b>(29,545)</b>	<b>68,386</b>	<b>275</b>	<b>(266)</b>	<b>(97,568)</b>
Fund balances (deficits) at beginning of year	324,218	319,189	595,451	460	29,545	526,217	14,506	266	109,952
Fund balances (deficits) at end of year	\$ 85,027	\$ 90,169	\$ 510,560	\$ 460	\$ -	\$ 594,603	\$ 14,781	\$ -	\$ 12,384

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	633	411	624	319	105	250	213	272	325
	Census 2010	Chamorro Commercial Loan	Chamorro Land Trust Operations	Community Development	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	-	698,195	99	1,049,431	-	827,902	27,980	56,102
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	1,136,951	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>698,195</b>	<b>99</b>	<b>2,186,382</b>	<b>-</b>	<b>827,902</b>	<b>27,980</b>	<b>56,102</b>
<b>Expenditures by Function:</b>									
<b>Current:</b>									
General government	-	-	-	-	-	-	568,521	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	1,818,390	-	-	19,398	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	169,849	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	9,907	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	641,183	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,907</b>	<b>-</b>	<b>641,183</b>	<b>169,849</b>	<b>1,818,390</b>	<b>-</b>	<b>568,521</b>	<b>19,398</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(9,907)	-	57,012	(169,750)	367,992	-	259,381	8,582	56,102
<b>Other financing sources (uses):</b>									
Transfers in from other funds	-	-	-	169,850	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	(135)	(1,248,483)	(31,110)	(382,034)
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169,850</b>	<b>-</b>	<b>(135)</b>	<b>(1,248,483)</b>	<b>(31,110)</b>	<b>(382,034)</b>
<b>Net change in fund balances (deficits)</b>	<b>(9,907)</b>	<b>-</b>	<b>57,012</b>	<b>100</b>	<b>367,992</b>	<b>(135)</b>	<b>(989,102)</b>	<b>(22,528)</b>	<b>(325,932)</b>
Fund balances (deficits) at beginning of year	-	26,233	240,590	-	1,395,597	135	1,073,386	117,352	336,068
Fund balances (deficits) at end of year	\$ (9,907)	\$ 26,233	\$ 297,602	\$ 100	\$ 1,763,589	\$ -	\$ 84,284	\$ 94,824	\$ 10,136

(continued)



GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	209 Customs, Agriculture and Quarantine Inspection Services	267 Dededo Buffer Strip Revolving	630 DLM Building Construction	214 DOC Inmates Revolving	106 D.O.D. Contract	235 DPW Building and Design	246 Drivers' Education	281 Enhanced 911 Emergency Reporting System	600 Environmental Health
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	6,929,656	62,440	-	1,093,828	-	523,313	85,834	1,653,469	671,990
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	2,905	-	23,648	-	27	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,932,561</b>	<b>62,440</b>	<b>23,648</b>	<b>1,093,828</b>	<b>27</b>	<b>523,313</b>	<b>85,834</b>	<b>1,653,469</b>	<b>671,990</b>
<b>Expenditures by Function:</b>									
<b>Current:</b>									
General government	-	-	874,482	-	-	-	-	-	-
Protection of life and property	9,189,703	-	-	1,430,973	-	-	-	1,051,707	-
Public health	-	-	-	-	-	-	-	-	1,123,483
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,189,703</b>	<b>-</b>	<b>874,482</b>	<b>1,430,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,051,707</b>	<b>1,123,483</b>
Excess (deficiency) of revenues over (under) expenditures	(2,257,142)	62,440	(850,834)	(337,145)	27	523,313	85,834	601,762	(451,493)
<b>Other financing sources (uses):</b>									
Transfers in from other funds	2,257,142	-	-	527,110	-	-	-	-	-
Transfers out to other funds	-	(120,352)	-	-	-	(2,643,219)	-	(325,718)	(413,884)
<b>Total other financing sources (uses), net</b>	<b>2,257,142</b>	<b>(120,352)</b>	<b>-</b>	<b>527,110</b>	<b>-</b>	<b>(2,643,219)</b>	<b>-</b>	<b>(325,718)</b>	<b>(413,884)</b>
<b>Net change in fund balances (deficits)</b>	<b>-</b>	<b>(57,912)</b>	<b>(850,834)</b>	<b>189,965</b>	<b>27</b>	<b>(2,119,906)</b>	<b>85,834</b>	<b>276,044</b>	<b>(865,377)</b>
Fund balances (deficits) at beginning of year	-	57,912	1,735,436	(189,965)	(797)	2,119,906	389,648	1,419,632	1,150,660
<b>Fund balances (deficits) at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 884,602</b>	<b>\$ -</b>	<b>\$ (770)</b>	<b>\$ -</b>	<b>\$ 475,482</b>	<b>\$ 1,695,676</b>	<b>\$ 285,283</b>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	104	299	229	404	231	239	237	245	234
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	GFD Capital Revolving	Government Claims	Government House Revolving	Guam Environmental Trust	Guam Housing Corporation Revolving
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	82,019	12	224,780	63,686	-	-	297,065	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	55	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>55</b>	<b>82,019</b>	<b>12</b>	<b>224,780</b>	<b>63,686</b>	<b>-</b>	<b>-</b>	<b>297,065</b>	<b>-</b>
<b>Expenditures by Function:</b>									
<b>Current:</b>									
General government	1,184	82,280	130	-	-	114,176	-	-	-
Protection of life and property	-	-	-	-	4,902	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	129	-	-	-	-	-	-	207,878	-
Economic development	-	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,313</b>	<b>82,280</b>	<b>130</b>	<b>-</b>	<b>4,902</b>	<b>114,176</b>	<b>-</b>	<b>207,878</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(1,258)	(261)	(118)	224,780	58,784	(114,176)	-	89,187	-
<b>Other financing sources (uses):</b>									
Transfers in from other funds	-	-	-	-	-	94,176	-	-	-
Transfers out to other funds	-	-	(232)	-	(15,277)	-	(60)	(29,706)	(88,777)
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>-</b>	<b>(232)</b>	<b>-</b>	<b>(15,277)</b>	<b>94,176</b>	<b>(60)</b>	<b>(29,706)</b>	<b>(88,777)</b>
<b>Net change in fund balances (deficits)</b>	<b>(1,258)</b>	<b>(261)</b>	<b>(350)</b>	<b>224,780</b>	<b>43,507</b>	<b>(20,000)</b>	<b>(60)</b>	<b>59,481</b>	<b>(88,777)</b>
Fund balances (deficits) at beginning of year	367,846	82,625	2,480	-	19,724	124,655	10,365	475,520	88,777
Fund balances (deficits) at end of year	\$ 366,588	\$ 82,364	\$ 2,130	\$ 224,780	\$ 63,231	\$ 104,655	\$ 10,305	\$ 535,001	\$ -

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	617 Guam Memorial Hospital Authority Pharmaceuticals	608 Guam Plant Inspection and Permit	326 Guam Preservation Trust	616 Guam Telephone Authority Privatization Proceeds	270 Health and Human Services	602 Healthy Futures	241 Health Professional Licensure	311 Health and Security Trust	201 Housing Revolving
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	5,354,854	-	-	-
Alcoholic beverages	-	-	-	-	-	3,397,711	-	-	-
Sales, licenses, fees and permits	-	80,020	1,163,227	-	5,911	-	173,898	-	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	211	-	7,767	7,186	31,052	1,283	-	53,892	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>211</b>	<b>80,020</b>	<b>1,170,994</b>	<b>7,186</b>	<b>36,963</b>	<b>8,753,848</b>	<b>173,898</b>	<b>53,892</b>	<b>-</b>
<b>Expenditures by Function:</b>									
<b>Current:</b>									
General government	-	-	-	-	-	-	-	119,000	-
Protection of life and property	-	-	-	-	-	248,212	-	-	-
Public health	-	-	-	-	1,027,013	6,976,826	75,416	-	-
Community services	-	-	-	-	-	510,499	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	20,763	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	-	40,484	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	11,991,607	-	-	-	-	-	-	340,094	-
Payments to Guam Preservation Trust	-	-	1,125,000	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>11,991,607</b>	<b>40,484</b>	<b>1,125,000</b>	<b>-</b>	<b>1,027,013</b>	<b>7,756,300</b>	<b>75,416</b>	<b>459,094</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(11,991,396)	39,536	45,994	7,186	(990,050)	997,548	98,482	(405,202)	-
<b>Other financing sources (uses):</b>									
Transfers in from other funds	11,989,207	-	-	-	8,601,943	-	-	-	-
Transfers out to other funds	-	(10,884)	-	-	(591)	(995,643)	(180,382)	-	-
<b>Total other financing sources (uses), net</b>	<b>11,989,207</b>	<b>(10,884)</b>	<b>-</b>	<b>-</b>	<b>8,601,352</b>	<b>(995,643)</b>	<b>(180,382)</b>	<b>-</b>	<b>-</b>
Net change in fund balances (deficits)	(2,189)	28,652	45,994	7,186	7,611,302	1,905	(81,900)	(405,202)	-
Fund balances (deficits) at beginning of year	2,189	146,721	1,121,498	1,650,385	1,789,171	2,791,972	363,510	5,876,937	294,954
Fund balances (deficits) at end of year	\$ -	\$ 175,373	\$ 1,167,492	\$ 1,657,571	\$ 9,400,473	\$ 2,793,877	\$ 281,610	\$ 5,471,735	\$ 294,954

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	298	303	321	632	216	222	287	232	
	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Indirect Cost	Individuals With Disabilities Disaster Recovery	Land Survey Revolving	Legislature Operations	Livestock	Manpower Development
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	28,081	-	-	-	-	2,223,258	-	-	2,100,994
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	23,576	78,654	1,962	-	-	2,244	-	15,584
Federal contributions	-	-	-	-	-	-	-	-	-
Other	400	434,850	-	1,944,567	-	-	242,233	-	(900)
Total revenues	<u>28,481</u>	<u>458,426</u>	<u>78,654</u>	<u>1,946,529</u>	<u>-</u>	<u>2,223,258</u>	<u>244,477</u>	<u>-</u>	<u>2,115,678</u>
Expenditures by Function:									
Current:									
General government	21,393	-	-	2,794	-	2,659,036	7,705,910	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	375,529
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	1,137,878
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
Total expenditures	<u>21,393</u>	<u>-</u>	<u>-</u>	<u>2,794</u>	<u>-</u>	<u>2,659,036</u>	<u>7,705,910</u>	<u>-</u>	<u>1,513,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,088</u>	<u>458,426</u>	<u>78,654</u>	<u>1,943,735</u>	<u>-</u>	<u>(435,778)</u>	<u>(7,461,433)</u>	<u>-</u>	<u>602,271</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	-	-	-	7,703,567	-	-
Transfers out to other funds	-	-	-	-	(100,000)	(3,747,398)	-	(4,385)	-
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(3,747,398)</u>	<u>7,703,567</u>	<u>(4,385)</u>	<u>-</u>
Net change in fund balances (deficits)	<u>7,088</u>	<u>458,426</u>	<u>78,654</u>	<u>1,943,735</u>	<u>(100,000)</u>	<u>(4,183,176)</u>	<u>242,134</u>	<u>(4,385)</u>	<u>602,271</u>
Fund balances (deficits) at beginning of year	20,236	58,367	148,662	-	100,000	4,449,671	1,373,636	4,385	935,222
Fund balances (deficits) at end of year	<u>\$ 27,324</u>	<u>\$ 516,793</u>	<u>\$ 227,316</u>	<u>\$ 1,943,735</u>	<u>\$ -</u>	<u>\$ 266,495</u>	<u>\$ 1,615,770</u>	<u>\$ -</u>	<u>\$ 1,537,493</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	293 Medically Indigent Program Payment Revolving	294 Mental Health and Substance Abuse	278 Off-Island Sports Travel	329 Off-Island Treatment	212/225 Parks and Recreation Revolving	107 Peace Officer Standards and Training	629 Pesticide Management	211 Plant Nursery Revolving	504 Plant Protection and Quarantine Revolving
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	-	-	-	-	-	1,725	22,205	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,725</b>	<b>22,205</b>	<b>-</b>
<b>Expenditures by Function:</b>									
<b>Current:</b>									
General government	-	-	-	1,420,123	-	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	1,776
Public health	-	-	-	-	-	-	-	-	-
Community services	10,426,234	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	6,459	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	152,660	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>10,578,894</b>	<b>-</b>	<b>-</b>	<b>1,420,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,459</b>	<b>1,776</b>
Excess (deficiency) of revenues over (under) expenditures	(10,578,894)	-	-	(1,420,123)	-	-	1,725	15,746	(1,776)
<b>Other financing sources (uses):</b>									
Transfers in from other funds	10,578,894	-	-	1,298,276	-	-	-	-	-
Transfers out to other funds	-	-	(20,560)	-	-	-	-	(7,792)	-
<b>Total other financing sources (uses), net</b>	<b>10,578,894</b>	<b>-</b>	<b>(20,560)</b>	<b>1,298,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,792)</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>-</b>	<b>-</b>	<b>(20,560)</b>	<b>(121,847)</b>	<b>-</b>	<b>-</b>	<b>1,725</b>	<b>7,954</b>	<b>(1,776)</b>
Fund balances (deficits) at beginning of year	-	200,969	20,560	140,799	(4,808)	10	75	30,857	(1,772)
Fund balances (deficits) at end of year	\$ -	\$ 200,969	\$ -	\$ 18,952	\$ (4,808)	\$ 10	\$ 1,800	\$ 38,811	\$ (3,548)

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	263	221	215			604	620	317	285
	Police Services	Printing Revolving	Professional Engineers', Architects' and Surveyors'	Office of Public Accountability	Public Defender Service Corporation	Public Library System	Public Recreation Services	Public Transit	Rabies Prevention
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	463,747	-	160,593	-	-	-	194,927	179,857	44,441
Passport fees	-	-	-	-	-	615,566	-	-	-
Use of money and property	-	-	-	7,634	-	4,667	-	-	-
Federal contributions	-	-	-	32,402	48,001	-	-	-	-
Other	-	-	-	-	300	-	-	-	85
Total revenues	<u>463,747</u>	<u>-</u>	<u>160,593</u>	<u>40,036</u>	<u>48,301</u>	<u>620,233</u>	<u>194,927</u>	<u>179,857</u>	<u>44,526</u>
Expenditures by Function:									
Current:									
General government	-	-	214,349	985,045	3,677,411	-	-	971,838	-
Protection of life and property	604,535	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	201,865	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	38,970
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
Total expenditures	<u>604,535</u>	<u>-</u>	<u>214,349</u>	<u>985,045</u>	<u>3,677,411</u>	<u>-</u>	<u>201,865</u>	<u>971,838</u>	<u>38,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,788)</u>	<u>-</u>	<u>(53,756)</u>	<u>(945,009)</u>	<u>(3,629,110)</u>	<u>620,233</u>	<u>(6,938)</u>	<u>(791,981)</u>	<u>5,556</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	1,018,822	3,403,874	-	-	613,122	-
Transfers out to other funds	-	-	-	-	-	(718,000)	(25,223)	-	(20,978)
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018,822</u>	<u>3,403,874</u>	<u>(718,000)</u>	<u>(25,223)</u>	<u>613,122</u>	<u>(20,978)</u>
Net change in fund balances (deficits)	<u>(140,788)</u>	<u>-</u>	<u>(53,756)</u>	<u>73,813</u>	<u>(225,236)</u>	<u>(97,767)</u>	<u>(32,161)</u>	<u>(178,859)</u>	<u>(15,422)</u>
Fund balances (deficits) at beginning of year	81,940	11,682	33,078	315,622	1,099,371	873,567	45,568	391,691	140,514
Fund balances (deficits) at end of year	<u>\$ (58,848)</u>	<u>\$ 11,682</u>	<u>\$ (20,678)</u>	<u>\$ 389,435</u>	<u>\$ 874,135</u>	<u>\$ 775,800</u>	<u>\$ 13,407</u>	<u>\$ 212,832</u>	<u>\$ 125,092</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	619	601	217	284	416	605	314	202	103
	Recycling Revolving	Safe Homes, Safe Streets	Safe Streets	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	State Agency for Surplus Property	Street Light	StripperWell Overcharge
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	77	-	-	-	-	-	-	-
Sales, licenses, fees and permits	2,335,783	-	80,000	10,233	4,442,376	103,232	11,808	3,529,463	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	6,183	3,314	-	-	6
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(240,622)	-	6,705	-	-
Total revenues	<u>2,335,783</u>	<u>77</u>	<u>80,000</u>	<u>10,233</u>	<u>4,207,937</u>	<u>106,546</u>	<u>18,513</u>	<u>3,529,463</u>	<u>6</u>
Expenditures by Function:									
Current:									
General government	-	-	-	-	-	-	56,632	-	750
Protection of life and property	-	-	79,438	-	-	83,726	-	-	-
Public health	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	3,278,266	-
Environmental protection	339,778	-	-	2,113	4,476,907	-	-	-	7,084
Economic development	-	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	-	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	-	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
Total expenditures	<u>339,778</u>	<u>-</u>	<u>79,438</u>	<u>2,113</u>	<u>4,476,907</u>	<u>83,726</u>	<u>56,632</u>	<u>3,278,266</u>	<u>7,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,996,005</u>	<u>77</u>	<u>562</u>	<u>8,120</u>	<u>(268,970)</u>	<u>22,820</u>	<u>(38,119)</u>	<u>251,197</u>	<u>(7,828)</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	(1,191)	-	(119,954)	-	-	-	(99,424)	-
Total other financing sources (uses), net	<u>-</u>	<u>(1,191)</u>	<u>-</u>	<u>(119,954)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,424)</u>	<u>-</u>
Net change in fund balances (deficits)	<u>1,996,005</u>	<u>(1,114)</u>	<u>562</u>	<u>(111,834)</u>	<u>(268,970)</u>	<u>22,820</u>	<u>(38,119)</u>	<u>151,773</u>	<u>(7,828)</u>
Fund balances (deficits) at beginning of year	964,389	1,114	298,676	112,325	86,374	755,288	273,583	-	73,928
Fund balances (deficits) at end of year	<u>\$ 2,960,394</u>	<u>\$ -</u>	<u>\$ 299,238</u>	<u>\$ 491</u>	<u>\$ (182,596)</u>	<u>\$ 778,108</u>	<u>\$ 235,464</u>	<u>\$ 151,773</u>	<u>\$ 66,100</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	607	603	205	208	206	501		297	621
	Supplemental Annuity Benefits	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Typhoon Chataan & Halong	Unified Courts of Guam	University of Guam Capital Improvements	Unreserved Fund Balance
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ 20,310,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	19,398,833	-	-	-	-
Liquid fuel	-	-	-	9,441,039	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	-	-	8,515,769	-	-	-	-	-
Passport fees	-	623,690	-	-	-	-	-	-	-
Use of money and property	-	-	4,597	5,872	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	1,798,988	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	623,690	20,315,463	17,962,680	19,398,833	-	1,798,988	-	-
Expenditures by Function:									
Current:									
General government	11,924,030	733,900	51,743	3,034,727	18,000	4,954	-	-	-
Protection of life and property	-	-	-	66,614	-	-	-	-	1,229
Public health	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	429,254	5,753	-	-	-
Individual and collective rights	-	-	-	-	-	94	21,917,344	-	-
Transportation	-	-	-	7,333,351	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Payments to Guam Community College	-	-	-	-	12,203	-	-	-	-
Payments to Guam Memorial Hospital	-	-	-	-	-	-	-	-	-
Payments to Guam Preservation Trust	-	-	-	-	-	-	-	-	-
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-
Payments to Guam Visitors Bureau	-	-	-	-	12,358,831	-	-	-	-
Payments to University of Guam	-	-	-	-	-	-	-	500,000	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-
Total expenditures	11,924,030	733,900	51,743	10,434,692	12,818,288	10,801	21,917,344	500,000	1,229
Excess (deficiency) of revenues over (under) expenditures	(11,924,030)	(110,210)	20,263,720	7,527,988	6,580,545	(10,801)	(20,118,356)	(500,000)	(1,229)
Other financing sources (uses):									
Transfers in from other funds	11,924,030	-	-	-	-	-	22,257,084	500,000	-
Transfers out to other funds	-	(47,523)	(27,665,692)	(6,460,070)	(4,633,875)	(92,928)	(1,632,007)	-	(157,567)
Total other financing sources (uses), net	11,924,030	(47,523)	(27,665,692)	(6,460,070)	(4,633,875)	(92,928)	20,625,077	500,000	(157,567)
Net change in fund balances (deficits)	-	(157,733)	(7,401,972)	1,067,918	1,946,670	(103,729)	506,721	-	(158,796)
Fund balances (deficits) at beginning of year	-	195,998	7,401,972	580,750	199,041	115,158	7,278,743	-	366,149
Fund balances (deficits) at end of year	\$ -	\$ 38,265	\$ -	\$ 1,648,668	\$ 2,145,711	\$ 11,429	\$ 7,785,464	\$ -	\$ 207,353

(continued)



GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	247	283	300	203	310	276	Total
	Village Streets	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
<b>Revenues:</b>							
<b>Taxes:</b>							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20,310,866
Hotel	-	-	-	-	-	-	19,398,833
Liquid fuel	-	-	-	-	-	-	9,441,039
Tobacco	-	-	-	-	-	-	5,354,854
Alcoholic beverages	-	-	-	-	-	-	3,397,788
Sales, licenses, fees and permits	-	78,626	98,529	28,874	98,573	1,049	41,499,434
Passport fees	-	-	-	-	-	-	1,239,256
Use of money and property	3	-	-	-	-	13,096	295,418
Federal contributions	-	-	-	-	-	-	3,016,342
Other	-	-	-	-	-	-	2,387,618
<b>Total revenues</b>	<b>3</b>	<b>78,626</b>	<b>98,529</b>	<b>28,874</b>	<b>98,573</b>	<b>14,145</b>	<b>106,341,448</b>
<b>Expenditures by Function:</b>							
<b>Current:</b>							
General government	750	-	-	-	-	-	36,576,894
Protection of life and property	-	-	-	-	-	-	13,333,544
Public health	-	-	-	-	-	-	11,040,526
Community services	-	-	-	-	-	-	10,936,733
Recreation	-	-	-	-	-	-	636,872
Individual and collective rights	854,734	-	-	-	822,160	-	24,160,473
Transportation	-	-	-	-	-	-	10,611,617
Environmental protection	-	66,551	56,537	-	-	-	5,436,524
Economic development	-	-	-	76,278	-	-	172,098
Payments to Guam Community College	-	-	-	-	-	-	1,150,081
Payments to Guam Memorial Hospital	-	-	-	-	-	-	12,331,701
Payments to Guam Preservation Trust	-	-	-	-	-	-	1,125,000
Payments to Chamorro Land Trust Commission	-	-	-	-	-	-	641,183
Payments to Guam Visitors Bureau	-	-	-	-	-	-	12,358,831
Payments to University of Guam	-	-	-	-	-	-	500,000
Miscellaneous appropriations	-	-	-	-	30,937	-	183,597
<b>Total expenditures</b>	<b>855,484</b>	<b>66,551</b>	<b>56,537</b>	<b>76,278</b>	<b>853,097</b>	<b>-</b>	<b>141,195,674</b>
Excess (deficiency) of revenues over (under) expenditures	(855,481)	12,075	41,992	(47,404)	(754,524)	14,145	(34,854,226)
<b>Other financing sources (uses):</b>							
Transfers in from other funds	855,485	-	-	-	-	-	85,194,704
Transfers out to other funds	-	-	-	(76,955)	-	(105)	(52,922,478)
<b>Total other financing sources (uses), net</b>	<b>855,485</b>	<b>-</b>	<b>-</b>	<b>(76,955)</b>	<b>-</b>	<b>(105)</b>	<b>32,272,226</b>
<b>Net change in fund balances (deficits)</b>	<b>4</b>	<b>12,075</b>	<b>41,992</b>	<b>(124,359)</b>	<b>(754,524)</b>	<b>14,040</b>	<b>(2,582,000)</b>
Fund balances (deficits) at beginning of year	771,572	302,457	271,385	222,645	771,048	1,254,048	59,767,471
Fund balances (deficits) at end of year	\$ 771,576	\$ 314,532	\$ 313,377	\$ 98,286	\$ 16,524	\$ 1,268,088	\$ 57,185,471

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	236	309	265	262	611	628	266	305	282
	Accessible Parking	Agana Fractional Lots Program	Air Pollution Control	Autonomous Agency Infrastructure Collections	Banking and Insurance Enforcement	Better Public Service	Board of Accountancy	CAHA, OET and CEF	Carrier Off-duty Services Revolving
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	181,480	-	194,656	-	-	-	275	-	598,023
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>181,480</u>	<u>-</u>	<u>194,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>598,023</u>
Expenditures by Object:									
Salaries and wages - regular	-	-	-	-	-	-	-	-	354,408
Salaries and wages - overtime	-	-	-	-	-	-	-	-	194,658
Salaries and wages - fringe benefits	-	-	-	-	-	-	-	-	12,759
Travel	-	-	-	-	-	758	-	-	-
Contractual services	4,789	-	168,477	-	-	1,296,821	-	-	-
Building rent	-	-	-	-	-	-	-	-	-
Supplies	4,115	-	5,283	-	-	36,157	-	-	-
Equipment	-	-	6,434	-	-	-	-	-	-
Utilities - power and water	-	-	65,194	-	-	-	-	-	-
Communications	-	-	26,196	-	-	-	-	-	-
Capital outlays	-	-	7,963	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	<u>8,904</u>	<u>-</u>	<u>279,547</u>	<u>-</u>	<u>-</u>	<u>1,333,736</u>	<u>-</u>	<u>-</u>	<u>561,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>172,576</u>	<u>-</u>	<u>(84,891)</u>	<u>-</u>	<u>-</u>	<u>(1,333,736)</u>	<u>275</u>	<u>-</u>	<u>36,198</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	-	-	1,402,122	-	-	-
Transfers out to other funds	(411,767)	(229,020)	-	-	(29,545)	-	-	(266)	(133,766)
Total other financing sources (uses), net	<u>(411,767)</u>	<u>(229,020)</u>	<u>-</u>	<u>-</u>	<u>(29,545)</u>	<u>1,402,122</u>	<u>-</u>	<u>(266)</u>	<u>(133,766)</u>
Net change in fund balances (deficits)	(239,191)	(229,020)	(84,891)	-	(29,545)	68,386	275	(266)	(97,568)
Fund balances (deficits) at beginning of year	324,218	319,189	595,451	460	29,545	526,217	14,506	266	109,952
Fund balances (deficits) at end of year	<u>\$ 85,027</u>	<u>\$ 90,169</u>	<u>\$ 510,560</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 594,603</u>	<u>\$ 14,781</u>	<u>\$ -</u>	<u>\$ 12,384</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	633	411	624	319	105	250	213	272	325
	Census 2010	Chamorro Commercial Loan	Chamorro Land Trust Operations	Community Development	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	-	698,195	99	1,049,431	-	827,902	27,980	56,102
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	1,136,951	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	-	698,195	99	2,186,382	-	827,902	27,980	56,102
Expenditures by Object:									
Salaries and wages - regular	-	-	-	-	791,589	-	276,235	-	-
Salaries and wages - overtime	-	-	-	-	5,544	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	-	241,883	-	89,116	-	-
Travel	-	-	-	-	68,353	-	9,354	17,061	-
Contractual services	462	-	-	107,155	279,033	-	139,641	85	-
Building rent	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	22,479	381,936	-	8,471	2,252	-
Equipment	9,445	-	-	40,215	33,721	-	6,863	-	-
Utilities - power and water	-	-	-	-	-	-	4,099	-	-
Communications	-	-	-	-	2,500	-	8,208	-	-
Capital outlays	-	-	-	-	13,494	-	24,609	-	-
Payments to component units	-	-	641,183	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	337	-	1,925	-	-
Total expenditures	9,907	-	641,183	169,849	1,818,390	-	568,521	19,398	-
Excess (deficiency) of revenues over (under) expenditures	(9,907)	-	57,012	(169,750)	367,992	-	259,381	8,582	56,102
Other financing sources (uses):									
Transfers in from other funds	-	-	-	169,850	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	(135)	(1,248,483)	(31,110)	(382,034)
Total other financing sources (uses), net	-	-	-	169,850	-	(135)	(1,248,483)	(31,110)	(382,034)
Net change in fund balances (deficits)	(9,907)	-	57,012	100	367,992	(135)	(989,102)	(22,528)	(325,932)
Fund balances (deficits) at beginning of year	-	26,233	240,590	-	1,395,597	135	1,073,386	117,352	336,068
Fund balances (deficits) at end of year	\$ (9,907)	\$ 26,233	\$ 297,602	\$ 100	\$ 1,763,589	\$ -	\$ 84,284	\$ 94,824	\$ 10,136

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	209 Customs, Agriculture and Quarantine Inspection Services	267 Dededo Buffer Strip Revolving	630 DLM Building Construction	214 DOC Inmates Revolving	106 D.O.D. Contract	235 DPW Building and Design	246 Drivers' Education	281 Enhanced 911 Emergency Reporting System	600 Environmental Health
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	6,929,656	62,440	-	1,093,828	-	523,313	85,834	1,653,469	671,990
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	2,905	-	23,648	-	27	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,932,561</b>	<b>62,440</b>	<b>23,648</b>	<b>1,093,828</b>	<b>27</b>	<b>523,313</b>	<b>85,834</b>	<b>1,653,469</b>	<b>671,990</b>
<b>Expenditures by Object:</b>									
Salaries and wages - regular	5,047,575	-	-	-	-	-	-	502,388	609,976
Salaries and wages - overtime	267,073	-	-	-	-	-	-	4,542	-
Salaries and wages - fringe benefits	1,670,920	-	-	-	-	-	-	163,850	191,127
Travel	-	-	-	-	-	-	-	-	2,146
Contractual services	196,402	-	874,482	1,430,973	-	-	-	127,457	126,540
Building rent	1,776,374	-	-	-	-	-	-	-	-
Supplies	64,199	-	-	-	-	-	-	7,770	12,107
Equipment	-	-	-	-	-	-	-	139,255	20,317
Utilities - power and water	19,033	-	-	-	-	-	-	59,601	-
Communications	84,060	-	-	-	-	-	-	46,844	-
Capital outlays	-	-	-	-	-	-	-	-	161,270
Payments to component units	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	64,067	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,189,703</b>	<b>-</b>	<b>874,482</b>	<b>1,430,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,051,707</b>	<b>1,123,483</b>
Excess (deficiency) of revenues over (under) expenditures	(2,257,142)	62,440	(850,834)	(337,145)	27	523,313	85,834	601,762	(451,493)
<b>Other financing sources (uses):</b>									
Transfers in from other funds	2,257,142	-	-	527,110	-	-	-	-	-
Transfers out to other funds	-	(120,352)	-	-	-	(2,643,219)	-	(325,718)	(413,884)
<b>Total other financing sources (uses), net</b>	<b>2,257,142</b>	<b>(120,352)</b>	<b>-</b>	<b>527,110</b>	<b>-</b>	<b>(2,643,219)</b>	<b>-</b>	<b>(325,718)</b>	<b>(413,884)</b>
Net change in fund balances (deficits)	-	(57,912)	(850,834)	189,965	27	(2,119,906)	85,834	276,044	(865,377)
Fund balances (deficits) at beginning of year	-	57,912	1,735,436	(189,965)	(797)	2,119,906	389,648	1,419,632	1,150,660
Fund balances (deficits) at end of year	\$ -	\$ -	\$ 884,602	\$ -	\$ (770)	\$ -	\$ 475,482	\$ 1,695,676	\$ 285,283

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	104	299	229	404	231	239	237	245	234
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	GFD Capital Revolving	Government Claims	Government House Revolving	Guam Environmental Trust	Guam Housing Corporation Revolving
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	82,019	12	224,780	63,686	-	-	297,065	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	55	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>55</b>	<b>82,019</b>	<b>12</b>	<b>224,780</b>	<b>63,686</b>	<b>-</b>	<b>-</b>	<b>297,065</b>	<b>-</b>
<b>Expenditures by Object:</b>									
Salaries and wages - regular	102	-	-	-	-	-	-	-	-
Salaries and wages - overtime	-	12,967	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	27	1,679	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Contractual services	-	63,913	130	-	4,902	-	-	131,837	-
Building rent	-	-	-	-	-	-	-	-	-
Supplies	-	3,721	-	-	-	-	-	31,297	-
Equipment	-	-	-	-	-	-	-	2,338	-
Utilities - power and water	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	42,406	-
Capital outlays	-	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	1,184	-	-	-	-	114,176	-	-	-
<b>Total expenditures</b>	<b>1,313</b>	<b>82,280</b>	<b>130</b>	<b>-</b>	<b>4,902</b>	<b>114,176</b>	<b>-</b>	<b>207,878</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(1,258)	(261)	(118)	224,780	58,784	(114,176)	-	89,187	-
<b>Other financing sources (uses):</b>									
Transfers in from other funds	-	-	-	-	-	94,176	-	-	-
Transfers out to other funds	-	-	(232)	-	(15,277)	-	(60)	(29,706)	(88,777)
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>-</b>	<b>(232)</b>	<b>-</b>	<b>(15,277)</b>	<b>94,176</b>	<b>(60)</b>	<b>(29,706)</b>	<b>(88,777)</b>
<b>Net change in fund balances (deficits)</b>	<b>(1,258)</b>	<b>(261)</b>	<b>(350)</b>	<b>224,780</b>	<b>43,507</b>	<b>(20,000)</b>	<b>(60)</b>	<b>59,481</b>	<b>(88,777)</b>
Fund balances (deficits) at beginning of year	367,846	82,625	2,480	-	19,724	124,655	10,365	475,520	88,777
<b>Fund balances (deficits) at end of year</b>	<b>\$ 366,588</b>	<b>\$ 82,364</b>	<b>\$ 2,130</b>	<b>\$ 224,780</b>	<b>\$ 63,231</b>	<b>\$ 104,655</b>	<b>\$ 10,305</b>	<b>\$ 535,001</b>	<b>\$ -</b>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	617 Guam Memorial Hospital Authority Pharmaceuticals	608 Guam Plant Inspection and Permit	326 Guam Preservation Trust	616 Guam Telephone Authority Privatization Proceeds	270 Health and Human Services	602 Healthy Futures	241 Health Professional Licensure	311 Health and Security Trust	201 Housing Revolving
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	5,354,854	-	-	-
Alcoholic beverages	-	-	-	-	-	3,397,711	-	-	-
Sales, licenses, fees and permits	-	80,020	1,163,227	-	5,911	-	173,898	-	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	211	-	7,767	7,186	31,052	1,283	-	53,892	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>211</u>	<u>80,020</u>	<u>1,170,994</u>	<u>7,186</u>	<u>36,963</u>	<u>8,753,848</u>	<u>173,898</u>	<u>53,892</u>	<u>-</u>
Expenditures by Object:									
Salaries and wages - regular	-	-	-	-	-	4,568,550	19,309	-	-
Salaries and wages - overtime	-	-	-	-	-	729	-	-	-
Salaries and wages - fringe benefits	-	-	-	-	-	1,331,903	7,212	-	-
Travel	-	-	-	-	-	3,225	21,764	-	-
Contractual services	-	6,755	-	-	55,790	1,248,584	21,554	-	-
Building rent	-	-	-	-	-	10,793	-	-	-
Supplies	-	4,159	-	-	-	303,586	2,411	-	-
Equipment	-	628	-	-	-	9,943	3,166	-	-
Utilities - power and water	-	26,199	-	-	-	211,755	-	-	-
Communications	-	2,743	-	-	-	20,763	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-
Payments to component units	11,991,607	-	1,125,000	-	-	-	-	340,094	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	971,223	46,469	-	119,000	-
Total expenditures	<u>11,991,607</u>	<u>40,484</u>	<u>1,125,000</u>	<u>-</u>	<u>1,027,013</u>	<u>7,756,300</u>	<u>75,416</u>	<u>459,094</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,991,396)</u>	<u>39,536</u>	<u>45,994</u>	<u>7,186</u>	<u>(990,050)</u>	<u>997,548</u>	<u>98,482</u>	<u>(405,202)</u>	<u>-</u>
Other financing sources (uses):									
Transfers in from other funds	11,989,207	-	-	-	8,601,943	-	-	-	-
Transfers out to other funds	-	(10,884)	-	-	(591)	(995,643)	(180,382)	-	-
Total other financing sources (uses), net	<u>11,989,207</u>	<u>(10,884)</u>	<u>-</u>	<u>-</u>	<u>8,601,352</u>	<u>(995,643)</u>	<u>(180,382)</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	<u>(2,189)</u>	<u>28,652</u>	<u>45,994</u>	<u>7,186</u>	<u>7,611,302</u>	<u>1,905</u>	<u>(81,900)</u>	<u>(405,202)</u>	<u>-</u>
Fund balances (deficits) at beginning of year	<u>2,189</u>	<u>146,721</u>	<u>1,121,498</u>	<u>1,650,385</u>	<u>1,789,171</u>	<u>2,791,972</u>	<u>363,510</u>	<u>5,876,937</u>	<u>294,954</u>
Fund balances (deficits) at end of year	<u>\$ -</u>	<u>\$ 175,373</u>	<u>\$ 1,167,492</u>	<u>\$ 1,657,571</u>	<u>\$ 9,400,473</u>	<u>\$ 2,793,877</u>	<u>\$ 281,610</u>	<u>\$ 5,471,735</u>	<u>\$ 294,954</u>

(continued)

GOVERNMENT OF GUAM  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
Year Ended September 30, 2009

AS/400 Fund Number	298	303	321	632	216	222	287	232	
	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Indirect Cost	Individuals With Disabilities Disaster Recovery	Land Survey Revolving	Legislature Operations	Livestock	Manpower Development
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	28,081	-	-	-	-	2,223,258	-	-	2,100,994
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	23,576	78,654	1,962	-	-	2,244	-	15,584
Federal contributions	-	-	-	-	-	-	-	-	-
Other	400	434,850	-	1,944,567	-	-	242,233	-	(900)
Total revenues	<u>28,481</u>	<u>458,426</u>	<u>78,654</u>	<u>1,946,529</u>	<u>-</u>	<u>2,223,258</u>	<u>244,477</u>	<u>-</u>	<u>2,115,678</u>
Expenditures by Object:									
Salaries and wages - regular	-	-	-	-	-	1,645,421	5,207,764	-	202,981
Salaries and wages - overtime	-	-	-	2,544	-	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	250	-	516,272	1,028,187	-	61,312
Travel	-	-	-	-	-	-	98,394	-	-
Contractual services	551	-	-	-	-	94,709	260,953	-	84,643
Building rent	-	-	-	-	-	305,424	524,492	-	15,000
Supplies	569	-	-	-	-	33,310	103,034	-	7,453
Equipment	199	-	-	-	-	13,590	39,716	-	1,419
Utilities - power and water	-	-	-	-	-	13,596	219,881	-	-
Communications	-	-	-	-	-	34,202	91,702	-	2,721
Capital outlays	-	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	1,137,878
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	20,074	-	-	-	-	2,512	131,787	-	-
Total expenditures	<u>21,393</u>	<u>-</u>	<u>-</u>	<u>2,794</u>	<u>-</u>	<u>2,659,036</u>	<u>7,705,910</u>	<u>-</u>	<u>1,513,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,088</u>	<u>458,426</u>	<u>78,654</u>	<u>1,943,735</u>	<u>-</u>	<u>(435,778)</u>	<u>(7,461,433)</u>	<u>-</u>	<u>602,271</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	-	-	-	7,703,567	-	-
Transfers out to other funds	-	-	-	-	(100,000)	(3,747,398)	-	(4,385)	-
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(3,747,398)</u>	<u>7,703,567</u>	<u>(4,385)</u>	<u>-</u>
Net change in fund balances (deficits)	<u>7,088</u>	<u>458,426</u>	<u>78,654</u>	<u>1,943,735</u>	<u>(100,000)</u>	<u>(4,183,176)</u>	<u>242,134</u>	<u>(4,385)</u>	<u>602,271</u>
Fund balances (deficits) at beginning of year	<u>20,236</u>	<u>58,367</u>	<u>148,662</u>	<u>-</u>	<u>100,000</u>	<u>4,449,671</u>	<u>1,373,636</u>	<u>4,385</u>	<u>935,222</u>
Fund balances (deficits) at end of year	<u>\$ 27,324</u>	<u>\$ 516,793</u>	<u>\$ 227,316</u>	<u>\$ 1,943,735</u>	<u>\$ -</u>	<u>\$ 266,495</u>	<u>\$ 1,615,770</u>	<u>\$ -</u>	<u>\$ 1,537,493</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	293 Medically Indigent Program Payment Revolving	294 Mental Health and Substance Abuse	278 Off-Island Sports Travel	329 Off-Island Treatment	212/225 Parks and Recreation Revolving	107 Peace Officer Standards and Training	629 Pesticide Management	211 Plant Nursery Revolving	504 Plant Protection and Quarantine Revolving
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	-	-	-	-	-	1,725	22,205	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,725</u>	<u>22,205</u>	<u>-</u>
Expenditures by Object:									
Salaries and wages - regular	-	-	-	3,384	-	-	-	-	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	800	-	-	-	-	-
Travel	96,295	-	-	436	-	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-	1,776
Building rent	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	6,459	-
Equipment	-	-	-	-	-	-	-	-	-
Utilities - power and water	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	10,482,599	-	-	1,415,503	-	-	-	-	-
Total expenditures	<u>10,578,894</u>	<u>-</u>	<u>-</u>	<u>1,420,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>1,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,578,894)</u>	<u>-</u>	<u>-</u>	<u>(1,420,123)</u>	<u>-</u>	<u>-</u>	<u>1,725</u>	<u>15,746</u>	<u>(1,776)</u>
Other financing sources (uses):									
Transfers in from other funds	10,578,894	-	-	1,298,276	-	-	-	-	-
Transfers out to other funds	-	-	(20,560)	-	-	-	-	(7,792)	-
Total other financing sources (uses), net	<u>10,578,894</u>	<u>-</u>	<u>(20,560)</u>	<u>1,298,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,792)</u>	<u>-</u>
Net change in fund balances (deficits)	-	-	(20,560)	(121,847)	-	-	1,725	7,954	(1,776)
Fund balances (deficits) at beginning of year	-	200,969	20,560	140,799	(4,808)	10	75	30,857	(1,772)
Fund balances (deficits) at end of year	<u>\$ -</u>	<u>\$ 200,969</u>	<u>\$ -</u>	<u>\$ 18,952</u>	<u>\$ (4,808)</u>	<u>\$ 10</u>	<u>\$ 1,800</u>	<u>\$ 38,811</u>	<u>\$ (3,548)</u>

(continued)



GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	263	221	215	604	620	317	285		
	Police Services	Printing Revolving	Professional Engineers', Architects' and Surveyors'	Office of Public Accountability	Public Defender Service Corporation	Public Library System	Public Recreation Services	Public Transit	Rabies Prevention
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	463,747	-	160,593	-	-	-	194,927	179,857	44,441
Passport fees	-	-	-	-	-	615,566	-	-	-
Use of money and property	-	-	-	7,634	-	4,667	-	-	-
Federal contributions	-	-	-	32,402	48,001	-	-	-	-
Other	-	-	-	-	300	-	-	-	85
Total revenues	<u>463,747</u>	<u>-</u>	<u>160,593</u>	<u>40,036</u>	<u>48,301</u>	<u>620,233</u>	<u>194,927</u>	<u>179,857</u>	<u>44,526</u>
Expenditures by Object:									
Salaries and wages - regular	-	-	93,879	520,991	2,558,162	-	-	32,668	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	-	31,661	159,532	751,375	-	-	2,873	-
Travel	-	-	528	4,796	6,054	-	-	3,069	-
Contractual services	484,166	-	65,159	122,196	49,471	-	116,413	928,419	25,646
Building rent	-	-	15,231	82,177	244,896	-	-	-	-
Supplies	101,177	-	1,007	9,814	19,791	-	19,194	3,028	9,603
Equipment	19,192	-	399	53,299	9,034	-	-	-	3,721
Utilities - power and water	-	-	2,656	-	-	-	66,258	-	-
Communications	-	-	2,729	6,238	25,880	-	-	331	-
Capital outlays	-	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	1,100	26,002	12,748	-	-	1,450	-
Total expenditures	<u>604,535</u>	<u>-</u>	<u>214,349</u>	<u>985,045</u>	<u>3,677,411</u>	<u>-</u>	<u>201,865</u>	<u>971,838</u>	<u>38,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,788)</u>	<u>-</u>	<u>(53,756)</u>	<u>(945,009)</u>	<u>(3,629,110)</u>	<u>620,233</u>	<u>(6,938)</u>	<u>(791,981)</u>	<u>5,556</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	1,018,822	3,403,874	-	-	613,122	-
Transfers out to other funds	-	-	-	-	-	(718,000)	(25,223)	-	(20,978)
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018,822</u>	<u>3,403,874</u>	<u>(718,000)</u>	<u>(25,223)</u>	<u>613,122</u>	<u>(20,978)</u>
Net change in fund balances (deficits)	<u>(140,788)</u>	<u>-</u>	<u>(53,756)</u>	<u>73,813</u>	<u>(225,236)</u>	<u>(97,767)</u>	<u>(32,161)</u>	<u>(178,859)</u>	<u>(15,422)</u>
Fund balances (deficits) at beginning of year	81,940	11,682	33,078	315,622	1,099,371	873,567	45,568	391,691	140,514
Fund balances (deficits) at end of year	<u>\$ (58,848)</u>	<u>\$ 11,682</u>	<u>\$ (20,678)</u>	<u>\$ 389,435</u>	<u>\$ 874,135</u>	<u>\$ 775,800</u>	<u>\$ 13,407</u>	<u>\$ 212,832</u>	<u>\$ 125,092</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	619	601	217	284	416	605	314	202	103
	Recycling Revolving	Safe Homes, Safe Streets	Safe Streets	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	State Agency for Surplus Property	Street Light	StripperWell Overcharge
Revenues:									
Taxes:									
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	77	-	-	-	-	-	-	-
Sales, licenses, fees and permits	2,335,783	-	80,000	10,233	4,442,376	103,232	11,808	3,529,463	-
Passport fees	-	-	-	-	-	-	-	-	-
Use of money and property	-	-	-	-	6,183	3,314	-	-	6
Federal contributions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(240,622)	-	6,705	-	-
Total revenues	<u>2,335,783</u>	<u>77</u>	<u>80,000</u>	<u>10,233</u>	<u>4,207,937</u>	<u>106,546</u>	<u>18,513</u>	<u>3,529,463</u>	<u>6</u>
Expenditures by Object:									
Salaries and wages - regular	25,312	-	-	-	1,903,710	-	-	-	-
Salaries and wages - overtime	-	-	-	-	22,911	-	149	-	-
Salaries and wages - fringe benefits	7,086	-	-	-	577,238	-	2	-	-
Travel	-	-	-	-	3,545	60,477	16,503	-	-
Contractual services	290,471	-	-	-	1,265,160	17,112	16,037	-	7,084
Building rent	-	-	-	-	-	-	-	-	-
Supplies	16,909	-	79,438	2,113	442,188	2,887	12,898	-	-
Equipment	-	-	-	-	4,599	3,250	5,048	-	-
Utilities - power and water	-	-	-	-	16,860	-	-	3,278,266	-
Communications	-	-	-	-	17,703	-	-	-	-
Capital outlays	-	-	-	-	221,738	-	5,995	-	-
Payments to component units	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,255	-	-	-	750
Total expenditures	<u>339,778</u>	<u>-</u>	<u>79,438</u>	<u>2,113</u>	<u>4,476,907</u>	<u>83,726</u>	<u>56,632</u>	<u>3,278,266</u>	<u>7,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,996,005</u>	<u>77</u>	<u>562</u>	<u>8,120</u>	<u>(268,970)</u>	<u>22,820</u>	<u>(38,119)</u>	<u>251,197</u>	<u>(7,828)</u>
Other financing sources (uses):									
Transfers in from other funds	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	(1,191)	-	(119,954)	-	-	-	(99,424)	-
Total other financing sources (uses), net	-	<u>(1,191)</u>	-	<u>(119,954)</u>	-	-	-	<u>(99,424)</u>	-
Net change in fund balances (deficits)	1,996,005	(1,114)	562	(111,834)	(268,970)	22,820	(38,119)	151,773	(7,828)
Fund balances (deficits) at beginning of year	964,389	1,114	298,676	112,325	86,374	755,288	273,583	-	73,928
Fund balances (deficits) at end of year	<u>\$ 2,960,394</u>	<u>\$ -</u>	<u>\$ 299,238</u>	<u>\$ 491</u>	<u>\$ (182,596)</u>	<u>\$ 778,108</u>	<u>\$ 235,464</u>	<u>\$ 151,773</u>	<u>\$ 66,100</u>

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	607	603	205	208	206	501	297	621	
	Supplemental Annuity Benefits	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Typhoon Chataan & Halong	Unified Courts of Guam	University of Guam Capital Improvements	Unreserved Fund Balance
<b>Revenues:</b>									
<b>Taxes:</b>									
Property	\$ -	\$ -	\$ 20,310,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	19,398,833	-	-	-	-
Liquid fuel	-	-	-	9,441,039	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-
Sales, licenses, fees and permits	-	-	-	8,515,769	-	-	-	-	-
Passport fees	-	623,690	-	-	-	-	-	-	-
Use of money and property	-	-	4,597	5,872	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	1,798,988	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>623,690</b>	<b>20,315,463</b>	<b>17,962,680</b>	<b>19,398,833</b>	<b>-</b>	<b>1,798,988</b>	<b>-</b>	<b>-</b>
<b>Expenditures by Object:</b>									
Salaries and wages - regular	-	443,449	-	5,254,736	-	-	21,917,344	-	-
Salaries and wages - overtime	-	731	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	134,937	-	1,619,879	-	-	-	-	-
Travel	-	40,579	-	-	-	-	-	-	-
Contractual services	-	77,429	-	2,925,679	18,000	-	-	-	-
Building rent	-	-	-	-	-	-	-	-	-
Supplies	-	19,387	-	319,715	429,254	-	-	-	1,229
Equipment	-	268	-	12,038	-	-	-	-	-
Utilities - power and water	-	4,334	-	235,928	-	-	-	-	-
Communications	-	-	-	48,117	-	-	-	-	-
Capital outlays	-	-	-	17,850	-	-	-	-	-
Payments to component units	-	-	-	-	12,371,034	-	-	500,000	-
Supplemental annuity benefits	11,924,030	-	-	-	-	-	-	-	-
Miscellaneous	-	12,786	51,743	750	-	10,801	-	-	-
<b>Total expenditures</b>	<b>11,924,030</b>	<b>733,900</b>	<b>51,743</b>	<b>10,434,692</b>	<b>12,818,288</b>	<b>10,801</b>	<b>21,917,344</b>	<b>500,000</b>	<b>1,229</b>
Excess (deficiency) of revenues over (under) expenditures	(11,924,030)	(110,210)	20,263,720	7,527,988	6,580,545	(10,801)	(20,118,356)	(500,000)	(1,229)
<b>Other financing sources (uses):</b>									
Transfers in from other funds	11,924,030	-	-	-	-	-	22,257,084	500,000	-
Transfers out to other funds	-	(47,523)	(27,665,692)	(6,460,070)	(4,633,875)	(92,928)	(1,632,007)	-	(157,567)
<b>Total other financing sources (uses), net</b>	<b>11,924,030</b>	<b>(47,523)</b>	<b>(27,665,692)</b>	<b>(6,460,070)</b>	<b>(4,633,875)</b>	<b>(92,928)</b>	<b>20,625,077</b>	<b>500,000</b>	<b>(157,567)</b>
Net change in fund balances (deficits)	-	(157,733)	(7,401,972)	1,067,918	1,946,670	(103,729)	506,721	-	(158,796)
Fund balances (deficits) at beginning of year	-	195,998	7,401,972	580,750	199,041	115,158	7,278,743	-	366,149
Fund balances (deficits) at end of year	\$ -	\$ 38,265	\$ -	\$ 1,648,668	\$ 2,145,711	\$ 11,429	\$ 7,785,464	\$ -	\$ 207,353

(continued)

GOVERNMENT OF GUAM  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficits)  
 Year Ended September 30, 2009

AS/400 Fund Number	247	283	300	203	310	276	Total
	Village Streets	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
<b>Revenues:</b>							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20,310,866
Hotel	-	-	-	-	-	-	19,398,833
Liquid fuel	-	-	-	-	-	-	9,441,039
Tobacco	-	-	-	-	-	-	5,354,854
Alcoholic beverages	-	-	-	-	-	-	3,397,788
Sales, licenses, fees and permits	-	78,626	98,529	28,874	98,573	1,049	41,499,434
Passport fees	-	-	-	-	-	-	1,239,256
Use of money and property	3	-	-	-	-	13,096	295,418
Federal contributions	-	-	-	-	-	-	3,016,342
Other	-	-	-	-	-	-	2,387,618
<b>Total revenues</b>	<b>3</b>	<b>78,626</b>	<b>98,529</b>	<b>28,874</b>	<b>98,573</b>	<b>14,145</b>	<b>106,341,448</b>
<b>Expenditures by Object:</b>							
Salaries and wages - regular	435,425	-	-	-	-	-	52,415,358
Salaries and wages - overtime	-	-	-	-	-	-	511,848
Salaries and wages - fringe benefits	26	-	-	-	-	-	8,601,906
Travel	12,505	-	-	-	30,278	-	496,120
Contractual services	29,412	45,087	48,776	59,233	764,136	-	14,083,500
Building rent	-	-	-	-	-	-	2,974,387
Supplies	53,668	16,516	1,607	10,088	2,236	-	2,614,515
Equipment	10,426	4,948	6,154	4,507	14,567	-	478,699
Utilities - power and water	281,591	-	-	-	-	-	4,505,251
Communications	18,446	-	-	-	-	-	481,789
Capital outlays	-	-	-	-	-	-	452,919
Payments to component units	-	-	-	-	-	-	28,106,796
Supplemental annuity benefits	-	-	-	-	-	-	11,924,030
Miscellaneous	13,985	-	-	2,450	41,880	-	13,548,556
<b>Total expenditures</b>	<b>855,484</b>	<b>66,551</b>	<b>56,537</b>	<b>76,278</b>	<b>853,097</b>	<b>-</b>	<b>141,195,674</b>
Excess (deficiency) of revenues over (under) expenditures	(855,481)	12,075	41,992	(47,404)	(754,524)	14,145	(34,854,226)
<b>Other financing sources (uses):</b>							
Transfers in from other funds	855,485	-	-	-	-	-	85,194,704
Transfers out to other funds	-	-	-	(76,955)	-	(105)	(52,922,478)
<b>Total other financing sources (uses), net</b>	<b>855,485</b>	<b>-</b>	<b>-</b>	<b>(76,955)</b>	<b>-</b>	<b>(105)</b>	<b>32,272,226</b>
<b>Net change in fund balances (deficits)</b>	<b>4</b>	<b>12,075</b>	<b>41,992</b>	<b>(124,359)</b>	<b>(754,524)</b>	<b>14,040</b>	<b>(2,582,000)</b>
Fund balances (deficits) at beginning of year	771,572	302,457	271,385	222,645	771,048	1,254,048	59,767,471
Fund balances (deficits) at end of year	\$ 771,576	\$ 314,532	\$ 313,377	\$ 98,286	\$ 16,524	\$ 1,268,088	\$ 57,185,471

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Nonmajor Governmental Funds - Capital Projects Funds  
Combining Balance Sheet  
September 30, 2009

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	252 Water System Revenue Bond	401/403 PUAG Capital Projects	253 General Obligation Bond Series A 1993	Judicial Building	Total
<b><u>ASSETS:</u></b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	4,190,780	\$ 4,190,780
Receivables, net:							
Other	-	-	-	72	-	492,790	492,862
Due from other funds	-	-	5,000	977,568	769,202	-	1,751,770
Restricted assets:							
Cash and cash equivalents	3,902,727	3,930,409	1,012,191	-	15	-	8,845,342
Time certificates of deposit	-	-	-	-	-	1,000,718	1,000,718
Total assets	<u>\$ 3,902,727</u>	<u>\$ 3,930,409</u>	<u>\$ 1,017,191</u>	<u>\$ 977,640</u>	<u>\$ 769,217</u>	<u>\$ 5,684,288</u>	<u>\$ 16,281,472</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b>Liabilities:</b>							
Accounts payable	\$ 5,529	\$ 49,756	\$ -	\$ -	\$ -	-	\$ 55,285
Due to other funds	-	-	-	-	-	2,634,850	2,634,850
Total liabilities	<u>5,529</u>	<u>49,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,634,850</u>	<u>2,690,135</u>
<b>Fund balances:</b>							
<b>Reserved for:</b>							
Related assets	-	-	-	-	-	1,000,718	1,000,718
Continuing appropriations	1,584,508	1,899,847	450,220	-	-	-	3,934,575
Encumbrances	58,852	1,535,615	-	-	-	312,222	1,906,689
Unreserved	<u>2,253,838</u>	<u>445,191</u>	<u>566,971</u>	<u>977,640</u>	<u>769,217</u>	<u>1,736,498</u>	<u>6,749,355</u>
Total fund balances	<u>3,897,198</u>	<u>3,880,653</u>	<u>1,017,191</u>	<u>977,640</u>	<u>769,217</u>	<u>3,049,438</u>	<u>13,591,337</u>
Total liabilities and fund balances	<u>\$ 3,902,727</u>	<u>\$ 3,930,409</u>	<u>\$ 1,017,191</u>	<u>\$ 977,640</u>	<u>\$ 769,217</u>	<u>\$ 5,684,288</u>	<u>\$ 16,281,472</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Capital Projects Funds Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances Year Ended September 30, 2009

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	252 Water Systems Revenue Bond	401/403 PUAG Capital Projects	253 General Obligation Bond Series A 1993	Judicial Building	Total
<b>Revenues:</b>							
Use of money and property	\$ 21,790	\$ 7,821	\$ 12,136	\$ -	\$ -	\$ 2,883,445	\$ 2,925,192
Total revenues	<u>21,790</u>	<u>7,821</u>	<u>12,136</u>	<u>-</u>	<u>-</u>	<u>2,883,445</u>	<u>2,925,192</u>
<b>Expenditures by function:</b>							
<b>Current:</b>							
General government	7,200	4,001	-	-	-	-	11,201
Individual and collective rights	-	-	-	-	-	2,015,500	2,015,500
Capital projects	1,230,926	211,784	-	-	-	3,318,329	4,761,039
Debt service	-	-	-	-	-	744,753	744,753
Total expenditures	<u>1,238,126</u>	<u>215,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,078,582</u>	<u>7,532,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,216,336)</u>	<u>(207,964)</u>	<u>12,136</u>	<u>-</u>	<u>-</u>	<u>(3,195,137)</u>	<u>(4,607,301)</u>
<b>Other financing sources:</b>							
Proceeds from issuance of long-term debt	-	-	-	-	-	2,845,230	2,845,230
Transfers in from other funds	7,200	74,569	-	-	-	-	81,769
Total other financing sources	<u>7,200</u>	<u>74,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,845,230</u>	<u>2,926,999</u>
Net change in fund balances	(1,209,136)	(133,395)	12,136	-	-	(349,907)	(1,680,302)
Fund balances at beginning of year	<u>5,106,334</u>	<u>4,014,048</u>	<u>1,005,055</u>	<u>977,640</u>	<u>769,217</u>	<u>3,399,345</u>	<u>15,271,639</u>
Fund balances at end of year	<u>\$ 3,897,198</u>	<u>\$ 3,880,653</u>	<u>\$ 1,017,191</u>	<u>\$ 977,640</u>	<u>\$ 769,217</u>	<u>\$ 3,049,438</u>	<u>\$ 13,591,337</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Capital Projects Funds Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances Year Ended September 30, 2009

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	252 Water Systems Revenue Bond	401/403 PUAG Capital Projects	253 General Obligation Bond Series A 1993	Judicial Building	Total
<b>Revenues:</b>							
Use of money and property	\$ 21,790	\$ 7,821	\$ 12,136	\$ -	\$ -	\$ 2,883,445	\$ 2,925,192
Total revenues	<u>21,790</u>	<u>7,821</u>	<u>12,136</u>	<u>-</u>	<u>-</u>	<u>2,883,445</u>	<u>2,925,192</u>
<b>Expenditures by object:</b>							
Contractual services	-	130,756	-	-	-	2,015,500	2,146,256
Capital outlays	1,230,926	81,028	-	-	-	3,318,329	4,630,283
Interest and fiscal charges	-	-	-	-	-	744,753	744,753
Miscellaneous	7,200	4,001	-	-	-	-	11,201
Total expenditures	<u>1,238,126</u>	<u>215,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,078,582</u>	<u>7,532,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,216,336)</u>	<u>(207,964)</u>	<u>12,136</u>	<u>-</u>	<u>-</u>	<u>(3,195,137)</u>	<u>(4,607,301)</u>
<b>Other financing sources:</b>							
Proceeds from issuance of long-term debt	-	-	-	-	-	2,845,230	2,845,230
Transfers in from other funds	7,200	74,569	-	-	-	-	81,769
Total other financing sources	<u>7,200</u>	<u>74,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,845,230</u>	<u>2,926,999</u>
Net change in fund balances	(1,209,136)	(133,395)	12,136	-	-	(349,907)	(1,680,302)
Fund balances at beginning of year	<u>5,106,334</u>	<u>4,014,048</u>	<u>1,005,055</u>	<u>977,640</u>	<u>769,217</u>	<u>3,399,345</u>	<u>15,271,639</u>
Fund balances at end of year	<u>\$ 3,897,198</u>	<u>\$ 3,880,653</u>	<u>\$ 1,017,191</u>	<u>\$ 977,640</u>	<u>\$ 769,217</u>	<u>\$ 3,049,438</u>	<u>\$ 13,591,337</u>

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Nonmajor Governmental Funds - Debt Service Funds Combining Balance Sheet September 30, 2009

AS/400 Fund Numbers	226 Limited Obligation Highway Improvement Bonds	354 Limited Obligation Infrastructure Improvement Bonds	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,925	\$ 38	\$ 1,963
Restricted assets:			
Cash and cash equivalents	142,695	12,878,869	13,021,564
Investments	7,543,764	-	7,543,764
Total assets	\$ 7,688,384	\$ 12,878,907	\$ 20,567,291
<b><u>FUND BALANCES</u></b>			
Fund balances:			
Reserved for:			
Debt service	7,686,459	12,878,869	20,565,328
Unreserved	1,925	38	1,963
Total fund balances	\$ 7,688,384	\$ 12,878,907	\$ 20,567,291

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Debt Service Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended September 30, 2009

AS/400 Fund Numbers	226 Limited Obligation Highway Improvement Bonds	354 Limited Obligation Infrastructure Improvement Bonds	Total
<b>Revenues:</b>			
Use of money and property	\$ 21,727	\$ 13,614	\$ 35,341
Total revenues	21,727	13,614	35,341
<b>Expenditures:</b>			
<b>Debt service:</b>			
Principal retirement	5,050,000	5,250,000	10,300,000
Interest and fiscal charges	980,400	1,971,751	2,952,151
Total expenditures	6,030,400	7,221,751	13,252,151
Deficiency of revenues under expenditures	(6,008,673)	(7,208,137)	(13,216,810)
<b>Other financing sources:</b>			
Transfers in from other funds	3,632,100	4,559,306	8,191,406
Net change in fund balances	(2,376,573)	(2,648,831)	(5,025,404)
Fund balances at beginning of year	10,064,957	15,527,738	25,592,695
Fund balances at end of year	\$ 7,688,384	\$ 12,878,907	\$ 20,567,291

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Statement of Fiduciary Net Assets  
Fiduciary Funds - Pension Trusts  
September 30, 2009

	Defined Benefit	Defined Contribution	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,874,238	\$ 3,108,835	\$ 5,983,073
Investments at fair value:			
Common stocks	557,712,039	-	557,712,039
U.S. Government securities	196,463,854	-	196,463,854
Corporate bonds and notes	210,626,549	-	210,626,549
Money market funds	22,526,943	-	22,526,943
Mutual funds	176,980,098	182,131,944	359,112,042
DC plan forfeitures	-	5,048,457	5,048,457
Total investments	1,164,309,483	187,180,401	1,351,489,884
Accounts receivable:			
Employer contributions, net	10,413,984	485,808	10,899,792
Member contributions	4,650,500	485,124	5,135,624
Interest and penalties on contributions	232,941	-	232,941
Accrued investment income	4,426,240	-	4,426,240
Due from brokers for unsettled trades	6,045,882	-	6,045,882
Service credits	2,285,674	-	2,285,674
Notes receivable - ERIP	5,947,312	-	5,947,312
Receivable-ERIP employer's share	269,915	-	269,915
Supplemental/COLA benefits	72,993,528	-	72,993,528
Supplemental/Insurance benefits advanced	4,311,138	-	4,311,138
Other	2,758,541	464,742	3,223,283
Due from DC plan	274,244	-	274,244
Total receivables	114,609,899	1,435,674	116,045,573
Capital assets	964,374	-	964,374
Total assets	1,282,757,994	191,724,910	1,474,482,904
<b><u>LIABILITIES</u></b>			
Deferred revenue	8,965,445	-	8,965,445
Accounts payable and accrued expenses	3,353,328	273,780	3,627,108
Due to DB plan	-	274,244	274,244
Due to brokers for unsettled trades	4,666,581	-	4,666,581
Total liabilities	16,985,354	548,024	17,533,378
<b><u>NET ASSETS</u></b>			
Held in trust for pension benefits	\$ 1,265,772,640	\$ 191,176,886	\$ 1,456,949,526

See Accompanying Independent Auditors' Report

**GOVERNMENT OF GUAM**

Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds - Pension Trusts  
Year Ended September 30, 2009

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 89,482,900	\$ 12,102,755	\$ 101,585,655
Member	<u>18,583,330</u>	<u>12,035,467</u>	<u>30,618,797</u>
Total contributions	<u>108,066,230</u>	<u>24,138,222</u>	<u>132,204,452</u>
Net investment income:			
Net appreciation in fair value of investments	31,783,352	8,888,958	40,672,310
Interest	43,096,056	969,261	44,065,317
Dividends	10,381,191	-	10,381,191
Other	<u>3,052,774</u>	<u>617,860</u>	<u>3,670,634</u>
Total investment income	88,313,373	10,476,079	98,789,452
Less: investment expenses	<u>2,933,886</u>	<u>-</u>	<u>2,933,886</u>
Net investment income	<u>85,379,487</u>	<u>10,476,079</u>	<u>95,855,566</u>
Other:			
Recovery of bad debt - GMHA	<u>4,095,893</u>	<u>-</u>	<u>4,095,893</u>
Total additions	<u>197,541,610</u>	<u>34,614,301</u>	<u>232,155,911</u>
Deductions:			
Benefits	171,508,119	-	171,508,119
Refunds	5,874,996	6,857,492	12,732,488
Balance transfer to DC plan	90,393	(90,393)	-
Administrative and general expenses	<u>2,926,931</u>	<u>1,652,522</u>	<u>4,579,453</u>
Total deductions	<u>180,400,439</u>	<u>8,419,621</u>	<u>188,820,060</u>
Change in net assets	17,141,171	26,194,680	43,335,851
Net assets at beginning of year	<u>1,248,631,469</u>	<u>164,982,206</u>	<u>1,413,613,675</u>
Net assets at end of year	<u>\$ 1,265,772,640</u>	<u>\$ 191,176,886</u>	<u>\$ 1,456,949,526</u>

See Accompanying Independent Auditors' Report

**GOVERNMENT OF GUAM**

Nonmajor Component Units  
Combining Statement of Net Assets  
September 30, 2009

<u>ASSETS</u>	<u>Guam Community College</u>	<u>Guam Housing and Urban Renewal Authority</u>	<u>Guam Housing Corporation</u>	<u>Chamorro Land Trust Commission</u>	<u>Guam Economic Development Authority</u>	<u>Guam Preservation Trust</u>	<u>Guam Visitors Bureau</u>	<u>Guam Educational Telecomm- unications Corporation</u>	<u>Total</u>
Current assets:									
Cash and cash equivalents	\$ 924,936	\$ 9,820,025	\$ 11,232,450	\$ 207,767	\$ 52,421	\$ 1,364,856	\$ 3,896,404	\$ 439,526	\$ 27,938,385
Time certificates of deposit	-	-	-	300,000	-	-	-	-	300,000
Investments	-	-	-	-	3,795,595	858,030	-	-	4,653,625
Receivables, net	7,238,089	2,453,781	3,948,932	-	178,689	858,380	151,068	32,607	14,861,546
Due from primary government	1,138,747	-	-	-	-	-	2,646,200	-	3,784,947
Inventories	162,782	197,546	35,924	-	7,522	-	-	-	403,774
Prepayments	-	160,597	2,879	-	7,166	900	6,452	-	177,994
Restricted assets:									
Cash and cash equivalents	292,216	4,888,343	4,364,807	-	3,728,400	-	422,358	278,527	13,974,651
Investments	6,856,935	-	5,658,710	-	-	-	-	-	12,515,645
<b>Total current assets</b>	<b><u>16,613,705</u></b>	<b><u>17,520,292</u></b>	<b><u>25,243,702</u></b>	<b><u>507,767</u></b>	<b><u>7,769,793</u></b>	<b><u>3,082,166</u></b>	<b><u>7,122,482</u></b>	<b><u>750,660</u></b>	<b><u>78,610,567</u></b>
Noncurrent assets:									
Investments	1,637,000	-	-	-	-	-	-	-	1,637,000
Receivables, net	-	963,690	17,323,457	-	-	-	-	-	18,287,147
Capital assets, net of accumulated depreciation	16,640,003	30,282,980	5,835,274	-	219,867	2,124	7,317,824	2,611,734	62,909,806
Land held for development	-	3,603,912	16,114,338	-	-	-	-	-	19,718,250
Deferred bond issuance costs	-	-	-	-	725,860	-	-	-	725,860
Other assets	-	37,056	641,246	-	52,806	-	133,125	-	864,233
<b>Total noncurrent assets</b>	<b><u>18,277,003</u></b>	<b><u>34,887,638</u></b>	<b><u>39,914,315</u></b>	<b><u>-</u></b>	<b><u>998,533</u></b>	<b><u>2,124</u></b>	<b><u>7,450,949</u></b>	<b><u>2,611,734</u></b>	<b><u>104,142,296</u></b>
<b>Total assets</b>	<b><u>\$ 34,890,708</u></b>	<b><u>\$ 52,407,930</u></b>	<b><u>\$ 65,158,017</u></b>	<b><u>\$ 507,767</u></b>	<b><u>\$ 8,768,326</u></b>	<b><u>\$ 3,084,290</u></b>	<b><u>\$ 14,573,431</u></b>	<b><u>\$ 3,362,394</u></b>	<b><u>\$ 182,752,863</u></b>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Nonmajor Component Units  
Combining Statement of Net Assets, Continued  
September 30, 2009

<u>LIABILITIES AND NET ASSETS</u>	<u>Guam Community College</u>	<u>Guam Housing and Urban Renewal Authority</u>	<u>Guam Housing Corporation</u>	<u>Chamorro Land Trust Commission</u>	<u>Guam Economic Development Authority</u>	<u>Guam Preservation Trust</u>	<u>Guam Visitors Bureau</u>	<u>Guam Educational Telecomm- unications Corporation</u>	<u>Total</u>
Current liabilities:									
Current portion of long-term debt	\$ 668,708	\$ 41,000	\$ 1,070,246	\$ -	\$ 1,485,000	\$ -	\$ -	\$ -	\$ 3,264,954
Accounts payable	1,663,163	195,212	68,065	-	132,575	45,063	1,894,932	75,428	4,074,438
Accrued interest payable	-	-	51,574	-	567,000	-	-	-	618,574
Accrued payroll and other	-	46,789	-	-	97,904	-	-	14,863	159,556
Deferred revenues	1,447,433	2,104,489	116,852	-	99,849	-	-	151,488	3,920,111
Compensated absences	214,589	38,604	62,110	-	-	-	-	24,750	340,053
Deposits and other liabilities	292,216	3,547,155	781,250	-	30,132	8,000	-	-	4,658,753
Total current liabilities	<u>4,286,109</u>	<u>5,973,249</u>	<u>2,150,097</u>	<u>-</u>	<u>2,412,460</u>	<u>53,063</u>	<u>1,894,932</u>	<u>266,529</u>	<u>17,036,439</u>
Noncurrent liabilities:									
Compensated absences	258,378	524,216	22,294	-	-	-	92,392	47,379	944,659
Noncurrent portion of long-term debt	611,786	1,401,123	9,331,620	-	29,959,790	-	-	-	41,304,319
Other noncurrent liabilities	-	-	11,174,977	-	14,573	-	-	-	11,189,550
DCRS sick leave liability	604,465	-	84,763	-	76,204	-	91,865	12,973	870,270
Total noncurrent liabilities	<u>1,474,629</u>	<u>1,925,339</u>	<u>20,613,654</u>	<u>-</u>	<u>30,050,567</u>	<u>-</u>	<u>184,257</u>	<u>60,352</u>	<u>54,308,798</u>
Total liabilities	<u>5,760,738</u>	<u>7,898,588</u>	<u>22,763,751</u>	<u>-</u>	<u>32,463,027</u>	<u>53,063</u>	<u>2,079,189</u>	<u>326,881</u>	<u>71,345,237</u>
Net assets:									
Invested in capital assets, net of related debt	15,119,401	34,281,713	3,326,047	-	219,867	2,124	7,317,824	2,611,734	62,878,710
Restricted:									
Expendable:									
Other purposes	3,621,121	2,621,538	24,451,006	-	-	-	423,007	-	31,116,672
Nonexpendable	259,557	-	-	-	-	-	-	-	259,557
Unrestricted (deficit)	<u>10,129,891</u>	<u>7,606,091</u>	<u>14,617,213</u>	<u>507,767</u>	<u>(23,914,568)</u>	<u>3,029,103</u>	<u>4,753,411</u>	<u>423,779</u>	<u>17,152,687</u>
Total net assets	<u>29,129,970</u>	<u>44,509,342</u>	<u>42,394,266</u>	<u>507,767</u>	<u>(23,694,701)</u>	<u>3,031,227</u>	<u>12,494,242</u>	<u>3,035,513</u>	<u>111,407,626</u>
Total liabilities and net assets	<u>\$ 34,890,708</u>	<u>\$ 52,407,930</u>	<u>\$ 65,158,017</u>	<u>\$ 507,767</u>	<u>\$ 8,768,326</u>	<u>\$ 3,084,290</u>	<u>\$ 14,573,431</u>	<u>\$ 3,362,394</u>	<u>\$ 182,752,863</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Nonmajor Component Units  
Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Year Ended September 30, 2009

	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Housing Corporation	Chamorro Land Trust Commission	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
Operating revenues:									
Charges for services	\$ 3,338,923	\$ 2,188,045	\$ 2,729,092	\$ -	\$ 1,932,880	\$ -	\$ -	\$ -	\$ 10,188,940
Grants and contracts	9,160,576	42,926,479	-	-	-	-	757,185	3,631,220	56,475,460
Other	841,454	104,034	81,373	-	3,284,033	-	131,608	24,385	4,466,887
Total operating revenues	<u>13,340,953</u>	<u>45,218,558</u>	<u>2,810,465</u>	<u>-</u>	<u>5,216,913</u>	<u>-</u>	<u>888,793</u>	<u>3,655,605</u>	<u>71,131,287</u>
Operating expenses:									
Cost of services	21,985,853	31,460,029	2,425,649	-	1,975,841	783,350	12,761,893	239,911	71,632,526
Depreciation and amortization	1,138,762	2,960,427	145,784	-	156,911	2,533	90,919	212,241	4,707,577
General and administrative	3,485,428	14,427,746	-	147,785	-	346,328	-	1,531,950	19,939,237
Total operating expenses	<u>26,610,043</u>	<u>48,848,202</u>	<u>2,571,433</u>	<u>147,785</u>	<u>2,132,752</u>	<u>1,132,211</u>	<u>12,852,812</u>	<u>1,984,102</u>	<u>96,279,340</u>
Operating income (loss)	<u>(13,269,090)</u>	<u>(3,629,644)</u>	<u>239,032</u>	<u>(147,785)</u>	<u>3,084,161</u>	<u>(1,132,211)</u>	<u>(11,964,019)</u>	<u>1,671,503</u>	<u>(25,148,053)</u>
Nonoperating revenues (expenses):									
Contributions from the primary government	15,699,994	-	-	-	-	1,170,993	13,112,019	596,280	30,579,286
Investment income (loss)	(115,659)	176,051	275,670	7,822	160,967	149,757	25,811	-	680,419
Interest expense	(52,001)	(86,059)	-	-	(2,491,234)	-	-	-	(2,629,294)
Other income (expenses), net	(134,133)	116,244	64,631	-	19,164	-	(624,443)	-	(558,537)
Total nonoperating revenues (expenses), net	<u>15,398,201</u>	<u>206,236</u>	<u>340,301</u>	<u>7,822</u>	<u>(2,311,103)</u>	<u>1,320,750</u>	<u>12,513,387</u>	<u>596,280</u>	<u>28,071,874</u>
Net income (loss) before capital contributions	2,129,111	(3,423,408)	579,333	(139,963)	773,058	188,539	549,368	2,267,783	2,923,821
Capital grants from the United States government	943,000	2,186,291	-	-	-	-	-	-	3,129,291
Change in net assets	<u>3,072,111</u>	<u>(1,237,117)</u>	<u>579,333</u>	<u>(139,963)</u>	<u>773,058</u>	<u>188,539</u>	<u>549,368</u>	<u>2,267,783</u>	<u>6,053,112</u>
Net assets at beginning of year, as previously reported	26,057,859	45,746,459	41,721,911	647,730	(24,929,424)	2,842,688	11,550,940	744,074	104,382,237
Prior-period adjustment	-	-	93,022	-	461,665	-	393,934	23,656	972,277
Net assets at beginning of year, as restated	<u>26,057,859</u>	<u>45,746,459</u>	<u>41,814,933</u>	<u>647,730</u>	<u>(24,467,759)</u>	<u>2,842,688</u>	<u>11,944,874</u>	<u>767,730</u>	<u>105,354,514</u>
Net assets at end of year	<u>\$ 29,129,970</u>	<u>\$ 44,509,342</u>	<u>\$ 42,394,266</u>	<u>\$ 507,767</u>	<u>\$ (23,694,701)</u>	<u>\$ 3,031,227</u>	<u>\$ 12,494,242</u>	<u>\$ 3,035,513</u>	<u>\$ 111,407,626</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Combining Schedule of Assets, Liabilities, and Fund Balances (Deficits) General Fund September 30, 2009

	100		618		622				
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 12,231,083	\$ 4,086,222	\$ 3,730	\$ -	\$ -	\$ 16,321,035	\$ -	\$ 16,321,035	
Time certificates of deposit	5,417,058	-	-	-	-	5,417,058	-	5,417,058	
Investments	900,000	-	-	-	-	900,000	-	900,000	
Receivables, net:									
Taxes	26,583,669	-	-	-	-	26,583,669	-	26,583,669	
Federal agencies	20,173,120	-	-	-	-	20,173,120	-	20,173,120	
Due from primary government	-	6,172,073	-	-	-	6,172,073	(6,172,073)	-	
Due from other funds	92,416,769	1,246,443	54,422	-	7,850,924	101,568,558	(64,098,834)	37,469,724	
Prepayments	-	393,874	-	-	-	393,874	-	393,874	
Restricted assets:									
Cash and cash equivalents	41,610,550	-	-	-	61,515,430	103,125,980	-	103,125,980	
<b>Total assets</b>	<b>\$ 199,332,249</b>	<b>\$ 11,898,612</b>	<b>\$ 58,152</b>	<b>\$ -</b>	<b>\$ 69,366,354</b>	<b>\$ 280,655,367</b>	<b>\$ (70,270,907)</b>	<b>\$ 210,384,460</b>	
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>									
Accounts payable	\$ 57,661,046	\$ 12,004,884	\$ -	\$ -	\$ 2,000	\$ 69,667,930	\$ (6,172,073)	\$ 63,495,857	
Accrued payroll and other	3,567,434	6,932,126	18,088	-	-	10,517,648	-	10,517,648	
Due to component units	8,171,577	8,325,628	-	-	-	16,497,205	-	16,497,205	
Due to retirement fund	-	6,305,782	-	-	-	6,305,782	-	6,305,782	
Due to other funds	45,639,315	-	-	-	56,193,488	101,832,803	(64,098,834)	37,733,969	
Deferred revenue	39,023,629	267,355	-	-	-	39,290,984	-	39,290,984	
Provision for tax refunds	253,959,204	-	-	-	-	253,959,204	-	253,959,204	
COLA liability	26,932,491	-	-	-	-	26,932,491	-	26,932,491	
Deposits and other liabilities	21,028,691	-	-	-	-	21,028,691	-	21,028,691	
<b>Total liabilities</b>	<b>455,983,387</b>	<b>33,835,775</b>	<b>18,088</b>	<b>-</b>	<b>56,195,488</b>	<b>546,032,738</b>	<b>(70,270,907)</b>	<b>475,761,831</b>	
Fund balances (deficits):									
Reserved:									
Related assets	900,000	-	-	-	-	900,000	-	900,000	
Continuing appropriations	35,195,824	-	-	-	2,624,900	37,820,724	-	37,820,724	
Encumbrances	3,338,750	4,461,973	-	-	-	7,800,723	(49,031)	7,751,692	
Debt service	23,575,099	-	-	-	61,515,430	85,090,529	-	85,090,529	
Unreserved fund balance (deficit)	(319,660,811)	(26,399,136)	40,064	-	(50,969,464)	(396,989,347)	49,031	(396,940,316)	
<b>Total fund balances (deficits)</b>	<b>(256,651,138)</b>	<b>(21,937,163)</b>	<b>40,064</b>	<b>-</b>	<b>13,170,866</b>	<b>(265,377,371)</b>	<b>-</b>	<b>(265,377,371)</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 199,332,249</b>	<b>\$ 11,898,612</b>	<b>\$ 58,152</b>	<b>\$ -</b>	<b>\$ 69,366,354</b>	<b>\$ 280,655,367</b>	<b>\$ (70,270,907)</b>	<b>\$ 210,384,460</b>	

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) General Fund Year Ended September 30, 2009

	100		618		622				
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total	
<b>Revenues:</b>									
<b>Taxes:</b>									
Income	\$ 232,828,945	\$ -	\$ -	\$ -	\$ -	\$ 232,828,945	\$ -	\$ 232,828,945	
Gross receipts	182,583,996	-	-	-	-	182,583,996	-	182,583,996	
Income - COLA	9,048,216	-	-	-	-	9,048,216	-	9,048,216	
Excise	3,411,533	-	-	-	-	3,411,533	-	3,411,533	
Licenses, fees and permits	4,470,091	-	-	-	-	4,470,091	-	4,470,091	
<b>Section 30:</b>									
Federal income tax collections	38,869,372	-	-	-	-	38,869,372	-	38,869,372	
Immigration fees	1,612,140	-	-	-	-	1,612,140	-	1,612,140	
Use of money and property	540,674	-	5,571	-	325,280	871,525	-	871,525	
Indirect cost reimbursement	4,551,926	-	-	-	-	4,551,926	-	4,551,926	
Contributions from component units	2,027,632	-	-	-	-	2,027,632	-	2,027,632	
Guam Public School System	-	1,175,560	-	-	-	1,175,560	-	1,175,560	
Other	1,699,247	-	-	-	-	1,699,247	-	1,699,247	
<b>Total revenues</b>	<b>481,643,772</b>	<b>1,175,560</b>	<b>5,571</b>	<b>-</b>	<b>325,280</b>	<b>483,150,183</b>	<b>-</b>	<b>483,150,183</b>	
<b>Expenditures by Department:</b>									
<b>General Government:</b>									
<b>Office of I Maga'lahaen Guahan:</b>									
Office of the Governor	4,878,830	-	-	-	-	4,878,830	-	4,878,830	
Ancestral Land Trust Commission	211,326	-	-	-	-	211,326	-	211,326	
Government House	644,788	-	-	-	-	644,788	-	644,788	
Bureau of Information Technology	153,217	-	-	-	-	153,217	-	153,217	
Medical Referral Offices	714,660	-	-	-	-	714,660	-	714,660	
Bureau of Women's Affairs	16,753	-	-	-	-	16,753	-	16,753	
Office of Veteran's Affairs	237,629	-	-	-	-	237,629	-	237,629	
	<b>6,857,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,857,203</b>	<b>-</b>	<b>6,857,203</b>	
<b>Office of I Segundu Na Maga'lahaen Guahan:</b>									
Office of the Lieutenant Governor	1,082,726	-	-	-	-	1,082,726	-	1,082,726	
Guam State Clearinghouse	231,243	-	-	-	-	231,243	-	231,243	
	<b>1,313,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,313,969</b>	<b>-</b>	<b>1,313,969</b>	
<b>Bureau of Budget and Management Research:</b>									
Office of the Director	319,510	-	-	-	-	319,510	-	319,510	
Internal Audit Division	1,052,680	-	-	-	-	1,052,680	-	1,052,680	
	<b>1,372,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,372,190</b>	<b>-</b>	<b>1,372,190</b>	

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued General Fund Year Ended September 30, 2009

	100	618	622					
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Department, Continued:								
General Government, Continued:								
Civil Service Commission:								
Office of the Director	222,376	-	-	-	-	222,376	-	222,376
Board of Commissioners	64,647	-	-	-	-	64,647	-	64,647
Legal Office	149,600	-	-	-	-	149,600	-	149,600
Personnel Management	235,045	-	-	-	-	235,045	-	235,045
	<u>671,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>671,668</u>	<u>-</u>	<u>671,668</u>
Department of Administration:								
Office of the Director	3,073,970	-	-	-	-	3,073,970	-	3,073,970
Office of the Director - COLA	6,670,000	-	-	-	-	6,670,000	-	6,670,000
Office of the Director - Child Support	658,178	-	-	-	-	658,178	-	658,178
Personnel Management	1,753,016	-	-	-	-	1,753,016	-	1,753,016
Financial Management	633,807	-	-	-	-	633,807	-	633,807
Data Processing	563,840	-	-	-	-	563,840	-	563,840
General Services Agency	802,001	-	-	-	-	802,001	-	802,001
Division of Accounts	2,386,350	-	-	-	-	2,386,350	-	2,386,350
	<u>16,541,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,541,162</u>	<u>-</u>	<u>16,541,162</u>
Department of Land Management:								
Land Planning Division	48,304	-	-	-	-	48,304	-	48,304
Land Records Division	13,296	-	-	-	-	13,296	-	13,296
Geographic Information System Division	19,674	-	-	-	-	19,674	-	19,674
	<u>81,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,274</u>	<u>-</u>	<u>81,274</u>
Department of Public Works:								
Office of the Director	2,496,308	-	-	-	-	2,496,308	-	2,496,308
Office of the Director - Consent Decree	786,366	-	-	-	-	786,366	-	786,366
Office of the Director - Streetlights	1,518,869	-	-	-	-	1,518,869	-	1,518,869
Transportation Maintenance Division	768,481	-	-	-	-	768,481	-	768,481
	<u>5,570,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,570,024</u>	<u>-</u>	<u>5,570,024</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued  
 General Fund  
 Year Ended September 30, 2009

	100	618	622					
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Department, Continued:								
General Government, Continued:								
Department of Revenue and Taxation:								
Office of the Director	2,473,539	-	-	-	-	2,473,539	-	2,473,539
Office of the Director - Computer System Upgrade	4,200	-	-	-	-	4,200	-	4,200
Office of the Director - Stimulus Tax Rebates	172,679	-	-	-	-	172,679	-	172,679
Tax Enforcement Division	1,929,150	-	-	-	-	1,929,150	-	1,929,150
Real Property Tax Division	455,578	-	-	-	-	455,578	-	455,578
Taxpayer Services Division	1,782,351	-	-	-	-	1,782,351	-	1,782,351
Regulatory Division	1,011,169	-	-	-	-	1,011,169	-	1,011,169
Motor Vehicle Division	659,283	-	-	-	-	659,283	-	659,283
	<u>8,487,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,487,949</u>	<u>-</u>	<u>8,487,949</u>
Total General Government	<u>40,895,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,895,439</u>	<u>-</u>	<u>40,895,439</u>
Protection of Life and Property:								
Department of Corrections:								
Office of the Director	4,181,926	-	-	-	-	4,181,926	-	4,181,926
Adult Correctional Facility	9,432,087	-	-	-	-	9,432,087	-	9,432,087
Rosario Detention Center	2,277,261	-	-	-	-	2,277,261	-	2,277,261
Off-island Detention	9,638,304	-	-	-	-	9,638,304	-	9,638,304
Casework and Counseling Service Division	359,160	-	-	-	-	359,160	-	359,160
Forensic Division	385,014	-	-	-	-	385,014	-	385,014
Parole Service Division	523,932	-	-	-	-	523,932	-	523,932
	<u>26,797,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,797,684</u>	<u>-</u>	<u>26,797,684</u>
Department of Youth Affairs:								
Office of the Director	112,024	-	-	-	-	112,024	-	112,024
Division of Youth Development	619,373	-	-	-	-	619,373	-	619,373
Division of Youth Corrections	2,466,764	-	-	-	-	2,466,764	-	2,466,764
Division of Vocational Rehabilitation and Support Services	780,486	-	-	-	-	780,486	-	780,486
	<u>3,978,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,978,647</u>	<u>-</u>	<u>3,978,647</u>
Guam Fire Department:								
Office of the Fire Chief	355,772	-	-	-	-	355,772	-	355,772
Administrative and Logistical Support	1,335,164	-	-	-	-	1,335,164	-	1,335,164

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued  
 General Fund  
 Year Ended September 30, 2009

	100		618		622				
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total	
Expenditures by Department, Continued:									
Protection of Life and Property, Continued:									
Guam Fire Department, Continued:									
Emergency Medical Service and Rescue Operations Bureau	8,478,041	-	-	-	-	8,478,041	-	8,478,041	
Fire Suppression Bureau	15,952,738	-	-	-	-	15,952,738	-	15,952,738	
	<u>26,121,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,121,715</u>	<u>-</u>	<u>26,121,715</u>	
Guam Police Department:									
Office of the Chief	6,052,048	-	-	-	-	6,052,048	-	6,052,048	
Office of the Chief - Overtime	1,055,251	-	-	-	-	1,055,251	-	1,055,251	
Office of the Chief - Rent	232,200	-	-	-	-	232,200	-	232,200	
Office of the Chief - Fuel	321,548	-	-	-	-	321,548	-	321,548	
Criminal Investigation Division	2,313,961	-	-	-	-	2,313,961	-	2,313,961	
Neighbourhood Patrol Division	9,018,306	-	-	-	-	9,018,306	-	9,018,306	
Support Division	1,962,174	-	-	-	-	1,962,174	-	1,962,174	
Forensic Science Division	1,040,598	-	-	-	-	1,040,598	-	1,040,598	
Highway Patrol Division	1,163,981	-	-	-	-	1,163,981	-	1,163,981	
	<u>23,160,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,160,067</u>	<u>-</u>	<u>23,160,067</u>	
Office of the Attorney-General:									
Attorney-General's Office	6,425,118	-	-	-	-	6,425,118	-	6,425,118	
Chief Medical Examiner:									
Medical Examiner's Office	376,200	-	-	-	-	376,200	-	376,200	
Total Protection of Life and Property	<u>86,859,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,859,431</u>	<u>-</u>	<u>86,859,431</u>	
Department of Mental Health and Substance Abuse:									
Office of the Director	2,504,249	-	-	-	-	2,504,249	-	2,504,249	
Office of the Director - Permanent Injunction	1,969,159	-	-	-	-	1,969,159	-	1,969,159	
Clinical Services Division	940,189	-	-	-	-	940,189	-	940,189	
Youth Drug and Alcohol Program	205,426	-	-	-	-	205,426	-	205,426	
Child and Adolescent Services Division	986,890	-	-	-	-	986,890	-	986,890	
Service Contract	1,620,951	-	-	-	-	1,620,951	-	1,620,951	
Nursing Services Division	2,186,528	-	-	-	-	2,186,528	-	2,186,528	
	<u>10,413,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,413,392</u>	<u>-</u>	<u>10,413,392</u>	

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued  
 General Fund  
 Year Ended September 30, 2009

	100	618	622					
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Department, Continued:								
Public Health:								
Department of Public Health and Social Services:								
Office of the Director	1,846,606	-	-	-	-	1,846,606	-	1,846,606
Chief Public Health Office	36,275	-	-	-	-	36,275	-	36,275
Community Health Services	298,328	-	-	-	-	298,328	-	298,328
Communicable Disease Control	38,873	-	-	-	-	38,873	-	38,873
Professional Social Services	139,522	-	-	-	-	139,522	-	139,522
Primary Care Services	62,414	-	-	-	-	62,414	-	62,414
Division of Environmental Health	67,377	-	-	-	-	67,377	-	67,377
Financial Management Services	190,528	-	-	-	-	190,528	-	190,528
Supply Section	106,068	-	-	-	-	106,068	-	106,068
Management Support Services	134,609	-	-	-	-	134,609	-	134,609
Facilities and Maintenance	348,493	-	-	-	-	348,493	-	348,493
Systems Group	335,179	-	-	-	-	335,179	-	335,179
	<u>3,604,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,604,272</u>	<u>-</u>	<u>3,604,272</u>
Total Public Health	<u>14,017,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,017,664</u>	<u>-</u>	<u>14,017,664</u>
Community Services:								
Department of Public Health and Social Services:								
Medically Indigent Program	101,147	-	-	-	-	101,147	-	101,147
Foster Care	1,725,039	-	-	-	-	1,725,039	-	1,725,039
Division of Senior Citizens	219,151	-	-	-	-	219,151	-	219,151
Adult Protective Services	472,801	-	-	-	-	472,801	-	472,801
	<u>2,518,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,518,138</u>	<u>-</u>	<u>2,518,138</u>
Department of Integrated Services for Individuals with Disabilities:								
Service Contracts	216,717	-	-	-	-	216,717	-	216,717
Office of the Director	596,633	-	-	-	-	596,633	-	596,633
Basic Support 110	42,371	-	-	-	-	42,371	-	42,371
	<u>855,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>855,721</u>	<u>-</u>	<u>855,721</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued  
 General Fund  
 Year Ended September 30, 2009

	100		618		622				
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total	
Expenditures by Department, Continued:									
Community Services, Continued:									
Guam Public Library System:									
Office of the Director	1,102,859	-	-	-	-	1,102,859	-	1,102,859	
Hagatna-Dededo Library	210,293	-	-	-	-	210,293	-	210,293	
Barrigada Library	51,365	-	-	-	-	51,365	-	51,365	
Agat Library	25,305	-	-	-	-	25,305	-	25,305	
Yona Library	24,882	-	-	-	-	24,882	-	24,882	
Merizo Library	49,036	-	-	-	-	49,036	-	49,036	
	<u>1,463,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463,740</u>	<u>-</u>	<u>1,463,740</u>	
Total Community Services	<u>4,837,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,837,599</u>	<u>-</u>	<u>4,837,599</u>	
Recreation:									
Department of Parks and Recreation:									
Office of the Director	445,501	-	-	-	-	445,501	-	445,501	
Memorial Services	115,076	-	-	-	-	115,076	-	115,076	
Community Programs	329,334	-	-	-	-	329,334	-	329,334	
Pool and Beach Programs	414,505	-	-	-	-	414,505	-	414,505	
Paseo Stadium	165,608	-	-	-	-	165,608	-	165,608	
Parks Administration and Planning	113,699	-	-	-	-	113,699	-	113,699	
Historic Preservation Division	132,127	-	-	-	-	132,127	-	132,127	
Parks Maintenance	1,520,745	-	-	-	-	1,520,745	-	1,520,745	
Territorial Park Protection	146,251	-	-	-	-	146,251	-	146,251	
Total Recreation	<u>3,382,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,382,846</u>	<u>-</u>	<u>3,382,846</u>	
Individual and Collective Rights:									
Office of I Maga'lahaen Guahan:									
Commission on Decolonization	177,227	-	-	-	-	177,227	-	177,227	
Department of Chamorro Affairs:									
Office of the Director	468,104	-	-	-	-	468,104	-	468,104	
Language and Culture Division	49,623	-	-	-	-	49,623	-	49,623	
Research Publication and Training	19,905	-	-	-	-	19,905	-	19,905	
Guam Museum	386,691	-	-	-	-	386,691	-	386,691	
	<u>924,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>924,323</u>	<u>-</u>	<u>924,323</u>	

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued General Fund Year Ended September 30, 2009

	100		618		622			
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Department, Continued:								
Individual and Collective Rights, Continued:								
Department of Labor:								
Office of the Director	572,098	-	-	-	-	572,098	-	572,098
Occupational Safety and Health Agency	8,999	-	-	-	-	8,999	-	8,999
Wage and Hour Division	204,174	-	-	-	-	204,174	-	204,174
Bureau of Labor Statistics	215,987	-	-	-	-	215,987	-	215,987
Fair Employment Practice Office	174	-	-	-	-	174	-	174
Worker's Compensation Commission	121,587	-	-	-	-	121,587	-	121,587
Fiscal and Support Office	86,032	-	-	-	-	86,032	-	86,032
	<u>1,209,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,209,051</u>	<u>-</u>	<u>1,209,051</u>
Department of Military Affairs:								
Office of the Adjutant General	118,740	-	-	-	-	118,740	-	118,740
Other:								
Guam Election Commission	789,481	-	-	-	-	789,481	-	789,481
Mayor's Council of Guam	9,000,789	-	-	-	-	9,000,789	-	9,000,789
	<u>9,790,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,790,270</u>	<u>-</u>	<u>9,790,270</u>
Total Individual and Collective Rights	<u>12,219,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,219,611</u>	<u>-</u>	<u>12,219,611</u>
Public Education:								
Guam Commission for Educator Certification	144,480	-	-	-	-	144,480	-	144,480
Department of Education:								
Guam Public School System	-	200,340,413	-	-	-	200,340,413	-	200,340,413
Department of Public Works:								
Bus Operations	6,663,602	-	-	-	-	6,663,602	-	6,663,602
Total Public Education	<u>6,808,082</u>	<u>200,340,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,148,495</u>	<u>-</u>	<u>207,148,495</u>
Economic Development:								
Bureau of Statistics and Plans:								
Administration	312,015	-	-	-	-	312,015	-	312,015
Chief Economist's Office	6,993	-	-	-	-	6,993	-	6,993
Planning Information	240,090	-	-	-	-	240,090	-	240,090
Socio-Economic Planning	132,094	-	-	-	-	132,094	-	132,094
Business and Economic Statistics Division	350,661	-	-	-	-	350,661	-	350,661
	<u>1,041,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,041,853</u>	<u>-</u>	<u>1,041,853</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued General Fund Year Ended September 30, 2009

	100	618	622					
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Department, Continued:								
Economic Development, Continued:								
Department of Agriculture:								
Office of the Director	1,063,710	-	-	-	-	1,063,710	-	1,063,710
Aquatic and Wildlife Resources Division	123,093	-	-	-	-	123,093	-	123,093
Animal and Plant Industry Division	856,964	-	-	-	-	856,964	-	856,964
Animal Health Section	360,243	-	-	-	-	360,243	-	360,243
	<u>2,404,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,404,010</u>	<u>-</u>	<u>2,404,010</u>
Total Economic Development	3,445,863	-	-	-	-	3,445,863	-	3,445,863
Payments to Component Units:								
Government of Guam Retirement Fund:								
Medicare Reimbursement	684,000	-	-	-	-	684,000	-	684,000
Governor and Lt Governor Contributions	145,000	-	-	-	-	145,000	-	145,000
Judge and Justice Retirement Annuities	454,200	-	-	-	-	454,200	-	454,200
	<u>1,283,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,200</u>	<u>-</u>	<u>1,283,200</u>
Guam Community College	13,922,708	-	-	-	-	13,922,708	-	13,922,708
Guam Educational Telecom. Corporation	596,280	-	-	-	-	596,280	-	596,280
Guam Memorial Hospital Authority	10,564,012	-	-	-	-	10,564,012	-	10,564,012
University of Guam	32,172,690	-	-	-	-	32,172,690	-	32,172,690
Total Payments to Component Units	<u>58,538,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,538,890</u>	<u>-</u>	<u>58,538,890</u>
Miscellaneous Appropriations:								
Retiree Healthcare Premiums	13,658,101	6,740,014	-	-	-	20,398,115	-	20,398,115
Hagatna Restoration and Redevelopment	54,069	-	-	-	-	54,069	-	54,069
Total Miscellaneous Appropriations	<u>13,712,170</u>	<u>6,740,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,452,184</u>	<u>-</u>	<u>20,452,184</u>
Interest and other charges:								
Interest on Tax Refunds	16,198,724	-	-	-	-	16,198,724	-	16,198,724
Public Law 28-38 Special Retirement payments	4,601,475	-	-	-	-	4,601,475	-	4,601,475
Credit card charge fees and other bank fees	5,769,704	-	-	-	-	5,769,704	-	5,769,704
COLA interest	17,915,324	-	-	-	-	17,915,324	-	17,915,324
Bond issuance costs	1,906,137	-	-	-	-	1,906,137	-	1,906,137
Other	218,025	-	-	-	-	218,025	-	218,025
Total Interest and other charges	<u>46,609,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,609,389</u>	<u>-</u>	<u>46,609,389</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued  
 General Fund  
 Year Ended September 30, 2009

	100		618		622			
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Department, Continued:								
Debt Service:								
Principal retirement	-	-	-	-	12,297,839	12,297,839	-	12,297,839
Interest and fiscal charges	830,692	-	-	-	12,974,953	13,805,645	-	13,805,645
Total Debt Service	830,692	-	-	-	25,272,792	26,103,484	-	26,103,484
Total expenditures	292,157,676	207,080,427	-	-	25,272,792	524,510,895	-	524,510,895
Excess (deficiency) of revenues over (under) expenditures	189,486,096	(205,904,867)	5,571	-	(24,947,512)	(41,360,712)	-	(41,360,712)
Other financing sources (uses):								
Proceeds from issuance of bonds	271,070,000	-	-	-	-	271,070,000	-	271,070,000
Discount on bonds issued	(9,622,491)	-	-	-	-	(9,622,491)	-	(9,622,491)
	261,447,509	-	-	-	-	261,447,509	-	261,447,509
Transfers in from other funds:								
Department of Administration	-	30,723,864	169,516,690	-	25,272,792	225,513,346	(225,513,346)	-
Guam Public School System Operations Fund	-	179,392,395	-	-	-	179,392,395	(179,392,395)	-
GDOE Federal Grants Fund	-	1,456,752	-	-	-	1,456,752	-	1,456,752
Accessible Parking Fund	411,767	-	-	-	-	411,767	-	411,767
Agana Fractional Lots Program Fund	229,020	-	-	-	-	229,020	-	229,020
Banking and Insurance Enforcement Fund	29,545	-	-	-	-	29,545	-	29,545
CAHA, OET and CEF Fund	266	-	-	-	-	266	-	266
Carrier Off-duty Services Revolving Fund	133,766	-	-	-	-	133,766	-	133,766
Consumer Protection Fund	135	-	-	-	-	135	-	135
Contractors' License Board Fund	1,248,483	-	-	-	-	1,248,483	-	1,248,483
Controlled Substance Diversion Fund	31,110	-	-	-	-	31,110	-	31,110
Criminal Injuries Compensation Fund	382,034	-	-	-	-	382,034	-	382,034
Dededo Buffer Strip Revolving Fund	120,352	-	-	-	-	120,352	-	120,352
DPW Building and Design Fund	2,643,219	-	-	-	-	2,643,219	-	2,643,219
Enhanced 911 Emergency Reporting System Fund	325,718	-	-	-	-	325,718	-	325,718
Environmental Health Fund	413,884	-	-	-	-	413,884	-	413,884
General Services Agency Fund	232	-	-	-	-	232	-	232
GFD Capital Revolving Fund	15,277	-	-	-	-	15,277	-	15,277
Government House Revolving Fund	60	-	-	-	-	60	-	60
Guam Housing Corporation Revolving Fund	88,777	-	-	-	-	88,777	-	88,777
Guam Plant Inspection and Permit Fund	10,884	-	-	-	-	10,884	-	10,884

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued General Fund Year Ended September 30, 2009

	100	618	622	622	622	622	622	622
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Other financing sources (uses), continued:								
Transfers in from other funds, continued:								
Health Professional Licensure	180,382	-	-	-	-	180,382	-	180,382
Individuals With Disabilities Disaster Recovery Fund	100,000	-	-	-	-	100,000	-	100,000
Land Survey Revolving Fund	3,747,398	-	-	-	-	3,747,398	-	3,747,398
Livestock Fund	4,385	-	-	-	-	4,385	-	4,385
Off-Island Sports Travel Fund	20,560	-	-	-	-	20,560	-	20,560
Plant Nursery Revolving Fund	7,792	-	-	-	-	7,792	-	7,792
Public Recreation Services Fund	25,223	-	-	-	-	25,223	-	25,223
Rabies Prevention Fund	20,978	-	-	-	-	20,978	-	20,978
Safe Homes, Safe Streets Fund	1,191	-	-	-	-	1,191	-	1,191
Solid Waste Management Plan Fund	119,954	-	-	-	-	119,954	-	119,954
Street Light Fund	99,424	-	-	-	-	99,424	-	99,424
Tax Collection Fund	47,523	-	-	-	-	47,523	-	47,523
Typhoon Chataan and Halong Fund	92,928	-	-	-	-	92,928	-	92,928
Unreserved Fund Balance Fund	157,567	-	-	-	-	157,567	-	157,567
Wildfire Conservation Fund	76,955	-	-	-	-	76,955	-	76,955
Healthy Futures Fund	-	642,504	-	-	-	642,504	-	642,504
Public Library System Fund	-	718,000	-	-	-	718,000	-	718,000
Territorial Education Facilities Fund	17,789,987	-	9,875,705	-	-	27,665,692	-	27,665,692
Landfill CIP Fund	830,692	-	-	-	-	830,692	-	830,692
Total other financing sources	<u>29,407,468</u>	<u>212,933,515</u>	<u>179,392,395</u>	<u>-</u>	<u>25,272,792</u>	<u>447,006,170</u>	<u>(404,905,741)</u>	<u>42,100,429</u>
Transfers out to other funds:								
Guam Public School System	30,723,864	-	179,392,395	-	-	210,116,259	(210,116,259)	-
Guam Public School System Operations Fund	169,516,690	-	-	-	-	169,516,690	(169,516,690)	-
Better Public Service Fund	519,557	-	-	-	-	519,557	-	519,557
Community Development Fund	169,850	-	-	-	-	169,850	-	169,850
Customs, Agriculture and Quarantine								
Inspection Services Fund	2,257,142	-	-	-	-	2,257,142	-	2,257,142
DOC Inmates Revolving Fund	527,110	-	-	-	-	527,110	-	527,110
Federal Grants Assistance Fund	30,359,251	-	-	-	-	30,359,251	-	30,359,251
GMHA Pharmaceuticals Fund	11,989,207	-	-	-	-	11,989,207	-	11,989,207
Government Claims Fund	94,176	-	-	-	-	94,176	-	94,176
Guam Legislature Fund	7,703,567	-	-	-	-	7,703,567	-	7,703,567
Health and Human Services Fund	8,601,943	-	-	-	-	8,601,943	-	8,601,943

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit), Continued  
 General Fund  
 Year Ended September 30, 2009

	100		618		622				
	Department of Administration	Guam Department of Education	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total	
Other financing sources (uses), Continued:									
Transfers out to other funds, Continued:									
MIP Payment Revolving Fund	10,578,894	-	-	-	-	10,578,894	-	10,578,894	
Office of the Public Auditor	1,018,822	-	-	-	-	1,018,822	-	1,018,822	
Off-island Treatment Fund	1,298,276	-	-	-	-	1,298,276	-	1,298,276	
Public Defender Service Corporation Fund	2,750,753	-	-	-	-	2,750,753	-	2,750,753	
Supplemental Annuity Benefits Fund	11,924,030	-	-	-	-	11,924,030	-	11,924,030	
Unified Courts of Guam Fund	22,257,084	-	-	-	-	22,257,084	-	22,257,084	
General Obligation Bonds Series A 1993 Debt Service Fund	2,009,068	-	-	-	-	2,009,068	(2,009,068)	-	
General Obligation Bonds Series A 2007 Debt Service Fund	7,874,700	-	-	-	-	7,874,700	(7,874,700)	-	
Streetlight Note Loan Fund	4,271,224	-	-	-	-	4,271,224	(4,271,224)	-	
Water System Revenue Bond Debt Service Fund	11,117,800	-	-	-	-	11,117,800	(11,117,800)	-	
Total other financing uses	<u>337,563,008</u>	<u>-</u>	<u>179,392,395</u>	<u>-</u>	<u>-</u>	<u>516,955,403</u>	<u>(404,905,741)</u>	<u>112,049,662</u>	
Total other financing sources (uses), net	<u>(46,708,031)</u>	<u>212,933,515</u>	<u>-</u>	<u>-</u>	<u>25,272,792</u>	<u>191,498,276</u>	<u>-</u>	<u>191,498,276</u>	
Net change in fund deficit	142,778,065	7,028,648	5,571	-	325,280	150,137,564	-	150,137,564	
Deficit at the beginning of the year	(399,429,203)	(28,965,811)	34,493	-	12,845,586	(415,514,935)	-	(415,514,935)	
Deficit at the end of the year	<u>\$ (256,651,138)</u>	<u>\$ (21,937,163)</u>	<u>\$ 40,064</u>	<u>\$ -</u>	<u>\$ 13,170,866</u>	<u>\$ (265,377,371)</u>	<u>\$ -</u>	<u>\$ (265,377,371)</u>	

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Combining Schedule of Expenditures by Object General Fund Year Ended September 30, 2009

	Department of Administration	Guam Public School System	Guam Public School System Operations	ECE Adequate Public Education	Other Debt Service	Combined Total	Eliminating Entries	Total
Expenditures by Object:								
Salaries and wages - regular	\$ 88,815,633	\$ 121,003,591	\$ -	\$ -	\$ -	\$ 209,819,224	\$ -	\$ 209,819,224
Salaries and wages - overtime	5,185,963	87,430	-	-	-	5,273,393	-	5,273,393
Salaries and wages - fringe benefits	26,601,395	37,602,443	-	-	-	64,203,838	-	64,203,838
Travel	421,498	215,035	-	-	-	636,533	-	636,533
Contractual services	16,068,757	10,652,955	-	-	-	26,721,712	-	26,721,712
Building rent	3,304,549	748,876	-	-	-	4,053,425	-	4,053,425
Supplies	3,497,514	9,162,327	-	-	-	12,659,841	-	12,659,841
Equipment	254,164	5,143,979	-	-	-	5,398,143	-	5,398,143
Utilities - power and water	7,629,939	12,862,422	-	-	-	20,492,361	-	20,492,361
Communications	1,729,510	642,762	-	-	-	2,372,272	-	2,372,272
Capital outlays	138,486	1,900,471	-	-	-	2,038,957	-	2,038,957
Grants and subsidies	58,538,890	-	-	-	-	58,538,890	-	58,538,890
Supplemental annuity benefits	6,670,000	-	-	-	-	6,670,000	-	6,670,000
Retiree healthcare benefits	13,658,101	6,740,014	-	-	-	20,398,115	-	20,398,115
Principal retirement	-	-	-	-	12,297,839	12,297,839	-	12,297,839
Interest and fiscal charges	45,504,835	194,846	-	-	12,974,953	58,674,634	-	58,674,634
Bond issuance costs	1,906,137	-	-	-	-	1,906,137	-	1,906,137
Miscellaneous	12,232,305	123,276	-	-	-	12,355,581	-	12,355,581
	<u>\$ 292,157,676</u>	<u>\$ 207,080,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,272,792</u>	<u>\$ 524,510,895</u>	<u>\$ -</u>	<u>\$ 524,510,895</u>

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Combining Schedule of Encumbrances and Continuing Appropriations by Department - General Fund September 30, 2009

	<u>Encumbrances</u>	<u>Continuing Appropriations</u>	<u>Total</u>
Expenditures by Department:			
Executive Branch:			
Office of I Maga'lahren Guahan:			
Office of the Governor	\$ 93,963	\$ 16,233	\$ 110,196
John F. Kennedy High School - Lease	-	3,745,124	3,745,124
Ancestral Land Trust Commission	1,971	-	1,971
Government House	31,226	119,688	150,914
Office of Civil Defense	36,120	29,178	65,298
Office of Veteran's Affairs	8,728	103	8,831
	<u>172,008</u>	<u>3,910,326</u>	<u>4,082,334</u>
Office of I Segundu Na Maga'lahren Guahan:			
Office of the Lieutenant Governor	3,204	28,725	31,929
Guam Clearinghouse	1	-	1
	<u>3,205</u>	<u>28,725</u>	<u>31,930</u>
Bureau of Budget and Management Research:			
Office of the Director	23,201	-	23,201
Civil Service Commission:			
Office of the Director	672	-	672
Department of Administration:			
Office of the Director	417,966	360,097	778,063
Office of the Director - Child Support	1,054	-	1,054
	<u>419,020</u>	<u>360,097</u>	<u>779,117</u>
Guam Election Commission			
	<u>54,831</u>	<u>-</u>	<u>54,831</u>
Department of Revenue and Taxation:			
Office of the Director	118,591	290,612	409,203
Office of the Director - Computer System Upgrade	-	47	47
Office of the Director - Stimulus Tax Rebate	-	245,383	245,383
Office of the Director - Real Property Assessment Bond	-	1,000,000	1,000,000
	<u>118,591</u>	<u>1,536,042</u>	<u>1,654,633</u>
Bureau of Statistics and Plans:			
Administration	36	-	36
Chief Economist's Office	950	34,567	35,517
	<u>986</u>	<u>34,567</u>	<u>35,553</u>
Department of Public Works:			
Office of the Director	5,844	-	5,844
Office of the Director - Consent Decree	911,352	300,000	1,211,352
Office of the Director - Streetlights	553,481	-	553,481
Public Cemeteries	58,982	-	58,982
Transportation Maintenance Division	553	-	553
Bus Operations Division	1,600	-	1,600
	<u>1,531,812</u>	<u>300,000</u>	<u>1,831,812</u>

See Accompanying Independent Auditors' Report

# GOVERNMENT OF GUAM

## Combining Schedule of Encumbrances and Continuing Appropriations by Department - General Fund, Continued September 30, 2009

	<u>Encumbrances</u>	<u>Continuing Appropriations</u>	<u>Total</u>
Expenditures by Department, continued:			
Executive Branch, continued:			
Office of the Attorney-General:			
Attorney-General's Office	50,300	115,887	166,187
Guam Police Department:			
Office of the Chief	77,965	6,040	84,005
Office of the Chief - Fuel	-	10	10
Office of the Chief - Crime Lab	-	340,945	340,945
Support Division	5,554	14	5,568
	<u>83,519</u>	<u>347,009</u>	<u>430,528</u>
Department of Corrections:			
Office of the Director	147,675	772	148,447
Department of Agriculture:			
Office of the Director	19,699	44,344	64,043
Department of Public Health and Social Services:			
Office of the Director	39,640	1,906,660	1,946,300
Chief Public Health Office	16,689	-	16,689
Community Health Services	10,982	-	10,982
Communicable Disease Control	16,375	-	16,375
Professional Social Services	4,800	-	4,800
Primary Care Services	4,460	-	4,460
Medically Indigent Program	1,222	-	1,222
Foster Care	286	-	286
Division of Senior Citizens	3,241	-	3,241
Adult Protective Services	22,986	-	22,986
Division of Environmental Health	4,668	-	4,668
Systems Group	41,224	-	41,224
	<u>166,573</u>	<u>1,906,660</u>	<u>2,073,233</u>
Guam Commission for Educator Certification	1,309	-	1,309
Guam Public Library System	103,202	-	103,202
Department of Education:			
Guam Public School System	4,461,973	5,721,476	10,183,449
Department of Youth Affairs:			
Division of Vocational Rehabilitation and Support Services	28,928	-	28,928
Department of Mental Health and Substance Abuse:			
Office of the Director	43,123	-	43,123
Office of the Director - Permanent Injunction	81,003	2,708,568	2,789,571
Youth Drug and Alcohol Program	11,156	-	11,156
Nursing Services Division	5,892	79,417	85,309
	<u>141,174</u>	<u>2,787,985</u>	<u>2,929,159</u>

See Accompanying Independent Auditors' Report

# GOVERNMENT OF GUAM

## Combining Schedule of Encumbrances and Continuing Appropriations by Department - General Fund, Continued September 30, 2009

	<u>Encumbrances</u>	<u>Continuing Appropriations</u>	<u>Total</u>
Expenditures by Department, continued:			
Executive Branch, continued:			
Department of Labor:			
Office of the Director	27,461	-	27,461
Department of Parks and Recreation:			
Office of the Director	8,619	-	8,619
Parks Maintenance	2,709	-	2,709
	<u>11,328</u>	<u>-</u>	<u>11,328</u>
Department of Integrated Services for Individuals with Disabilities:			
Office of the Director	2,458	-	2,458
Office of the Director - Permanent Injunction	-	4,011	4,011
	<u>2,458</u>	<u>4,011</u>	<u>6,469</u>
Department of Land Management:			
Office of the Director	-	171,300	171,300
Mayor's Council of Guam:			
Mayors' Council Consolidated Accounts	83,693	321,388	405,081
Chief Medical Examiner:			
Medical Examiner's Office	19,400	-	19,400
Department of Chamorro Affairs:			
Office of the Director	193	-	193
Department of Military Affairs:			
Office of Civil Defense	-	152,083	152,083
Guam Fire Department:			
Office of the Fire Chief	3,557	19,419	22,976
Administrative and Logistical Support	71,292	-	71,292
	<u>74,849</u>	<u>19,419</u>	<u>94,268</u>
Payments to Component Units:			
Guam Community College	-	433,305	433,305
Guam Educational Telecommunications Corporation	3,632	-	3,632
Guam Memorial Hospital Authority	-	15,617,138	15,617,138
University of Guam	-	178,007	178,007
	<u>3,632</u>	<u>16,228,450</u>	<u>16,232,082</u>
Miscellaneous Appropriations:			
Guam Legal Services Corporation	-	19,520	19,520
Hagatna Restoration and Redevelopment	-	95,117	95,117
	<u>-</u>	<u>114,637</u>	<u>114,637</u>
Debt Service:			
Interest and fiscal charges	-	2,624,900	2,624,900
Other financing uses:			
Federal Grants Assistance Fund	-	1,090,646	1,090,646
	<u>\$ 7,751,692</u>	<u>\$ 37,820,724</u>	<u>\$ 45,572,416</u>

See Accompanying Independent Auditors' Report

# GOVERNMENT OF GUAM

## Schedule of Other Financing Sources (Uses) - Operating Transfers Year Ended September 30, 2009

Source/Recipient	Transfers Out	Transfers In
<u>General Fund</u>		
From General Fund to:		
Better Public Service Fund	\$ 519,557	\$ -
Community Development Fund	169,850	-
Customs, Agriculture and Quarantine Inspection Services Fund	2,257,142	-
DOC Inmates Revolving Fund	527,110	-
Federal Grants Assistance Fund	30,359,251	-
GMHA Pharmaceuticals Fund	11,989,207	-
Government Claims Fund	94,176	-
Guam Legislature Fund	7,703,567	-
Health and Human Services Fund	8,601,943	-
MIP Payment Revolving Fund	10,578,894	-
Office of the Public Auditor	1,018,822	-
Off-island Treatment Fund	1,298,276	-
Public Defender Service Corporation Fund	2,750,753	-
Supplemental Annuity Benefits Fund	11,924,030	-
Unified Courts of Guam Fund	22,257,084	-
To General Fund from:		
Accessible Parking Fund	-	411,767
Agana Fractional Lots Program Fund	-	229,020
Banking and Insurance Enforcement Fund	-	29,545
CAHA, OET and CEF Fund	-	266
Carrier Off-duty Services Revolving Fund	-	133,766
Consumer Protection Fund	-	135
Contractors' License Board Fund	-	1,248,483
Controlled Substance Diversion Fund	-	31,110
Criminal Injuries Compensation Fund	-	382,034
Dededo Buffer Strip Revolving Fund	-	120,352
DPW Building and Design Fund	-	2,643,219
Enhanced 911 Emergency Reporting System Fund	-	325,718
Environmental Health Fund	-	413,884
General Services Agency Fund	-	232
GFD Capital Revolving Fund	-	15,277
Government House Revolving Fund	-	60
Guam Housing Corporation Revolving Fund	-	88,777
Guam Plant Inspection and Permit Fund	-	10,884
Health Professional Licensure	-	180,382
Individuals With Disabilities Disaster Recovery Fund	-	100,000
Land Survey Revolving Fund	-	3,747,398
Livestock Fund	-	4,385
Off-Island Sports Travel Fund	-	20,560
Plant Nursery Revolving Fund	-	7,792
Public Recreation Services Fund	-	25,223
Rabies Prevention Fund	-	20,978
Safe Homes, Safe Streets Fund	-	1,191
Solid Waste Management Plan Fund	-	119,954
Street Light Fund	-	99,424
Tax Collection Fund	-	47,523
Typhoon Chataan and Halong Fund	-	92,928
Unreserved Fund Balance Fund	-	157,567
Wildlife Conservation Fund	-	76,955
Healthy Futures Fund	-	642,504
Public Library System Fund	-	718,000
GDOE Federal Grants Fund	-	1,456,752
Territorial Education Facilities Fund	-	27,665,692
Landfill CIP Fund	-	830,692
	\$ 112,049,662	\$ 42,100,429

See Accompanying Independent Auditors' Report

# GOVERNMENT OF GUAM

## Schedule of Other Financing Sources (Uses) - Operating Transfers, Continued Year Ended September 30, 2009

Source/Recipient	Transfers Out	Transfers In
<u>Federal Grants Assistance Fund</u>		
From Federal Grants Assistance Fund to:		
GDOE Federal Grants Fund	\$ 7,489,708	\$ -
To Federal Grants Assistance Fund from:		
General Fund	-	30,359,251
Healthy Futures Fund	-	353,139
	\$ 7,489,708	\$ 30,712,390
<u>GDOE Federal Grants Fund</u>		
From GDOE Federal Grants Fund to:		
General Fund	\$ 1,456,752	\$ -
To GDOE Federal Grants Fund from:		
Federal Grants Assistance Fund	-	7,489,708
	\$ 1,456,752	\$ 7,489,708
<u>Landfill CIP Fund</u>		
From Landfill CIP Fund to:		
General Fund	\$ 830,692	\$ -
<u>Other Governmental Funds</u>		
<u>Special Revenue Funds:</u>		
To General Fund from:		
Accessible Parking Fund	\$ 411,767	\$ -
Agana Fractional Lots Program Fund	229,020	-
Banking and Insurance Enforcement Fund	29,545	-
CAHA, OET and CEF Fund	266	-
Carrier Off-duty Services Revolving Fund	133,766	-
Consumer Protection Fund	135	-
Contractors' License Board Fund	1,248,483	-
Controlled Substance Diversion Fund	31,110	-
Criminal Injuries Compensation Fund	382,034	-
Dededo Buffer Strip Revolving Fund	120,352	-
DPW Building and Design Fund	2,643,219	-
Enhanced 911 Emergency Reporting System Fund	325,718	-
Environmental Health Fund	413,884	-
General Services Agency Fund	232	-
GFD Capital Revolving Fund	15,277	-
Government House Revolving Fund	60	-
Guam Housing Corporation Revolving Fund	88,777	-
Guam Plant Inspection and Permit Fund	10,884	-
Health Professional Licensure	180,382	-
Individuals With Disabilities Disaster Recovery Fund	100,000	-
Land Survey Revolving Fund	3,747,398	-
Livestock Fund	4,385	-
Off-Island Sports Travel Fund	20,560	-
Plant Nursery Revolving Fund	7,792	-
Public Recreation Services Fund	25,223	-
Rabies Prevention Fund	20,978	-
Safe Homes, Safe Streets Fund	1,191	-
Solid Waste Management Plan Fund	119,954	-
Street Light Fund	99,424	-
Tax Collection Fund	47,523	-
Typhoon Chataan and Halong Fund	92,928	-
Unreserved Fund Balance Fund	157,567	-
Wildlife Conservation Fund	76,955	-
Healthy Futures Fund	642,504	-
Public Library System Fund	718,000	-
Territorial Education Facilities Fund	27,665,692	-

See Accompanying Independent Auditors' Report



# GOVERNMENT OF GUAM

## Schedule of Other Financing Sources (Uses) - Operating Transfers, Continued Year Ended September 30, 2009

Source/Recipient	Transfers Out	Transfers In
<b>Other Governmental Funds</b>		
<b>Special Revenue Funds:</b>		
To Federal Grants Assistance Fund from:		
Healthy Futures Fund	353,139	-
To Better Public Service Fund from:		
General Fund	-	519,557
Guam Environmental Trust Fund	29,706	29,706
Health and Human Services Fund	591	591
Youth Tobacco and Education Prevention Fund	105	105
To Public Defender Service Corporation Fund from:		
Unified Courts of Guam	653,121	653,121
To Unified Courts of Guam Fiduciary Fund from:		
Unified Courts of Guam	978,886	-
From General Fund to:		
Community Development Fund	-	169,850
Customs, Agriculture and Quarantine Inspection Services Fund	-	2,257,142
DOC Inmates Revolving Fund	-	527,110
GMHA Pharmaceuticals Fund	-	11,989,207
Government Claims Fund	-	94,176
Guam Legislature Fund	-	7,703,567
Health and Human Services Fund	-	8,601,943
MIP Payment Revolving Fund	-	10,578,894
Office of the Public Auditor	-	1,018,822
Off-island Treatment Fund	-	1,298,276
Public Defender Service Corporation Fund	-	2,750,753
Supplemental Annuity Benefits Fund	-	11,924,030
Unified Courts of Guam Fund	-	22,257,084
From Territorial Highway Fund to:		
Better Public Service Fund	852,163	852,163
Public Transit Fund	613,122	613,122
University of Guam Capital Improvements Fund	500,000	500,000
Village Streets Fund	855,485	855,485
Limited Obligation Highway Improvement Bonds Capital Projects Fund	7,200	-
Limited Obligation Highway Improvement Bonds Debt Service Fund	3,632,100	-
From Tourist Attraction Fund to:		
Limited Obligation Infrastructure Improvement Bonds Capital Projects Fund	74,569	-
Limited Obligation Infrastructure Improvement Bonds Debt Service Fund	4,559,306	-
	<u>52,922,478</u>	<u>85,194,704</u>
<b>Capital Projects Funds:</b>		
From Territorial Highway Fund to:		
Limited Obligation Highway Improvement Bonds Capital Projects Fund	-	7,200
From Tourist Attraction Fund to:		
Limited Obligation Infrastructure Improvement Bonds Capital Projects Fund	-	74,569
	<u>-</u>	<u>81,769</u>
<b>Debt Service Funds:</b>		
From Territorial Highway Fund to:		
Limited Obligation Highway Improvement Bonds Debt Service Fund	-	3,632,100
From Tourist Attraction Fund to:		
Limited Obligation Infrastructure Improvement Bonds Debt Service Fund	-	4,559,306
	<u>-</u>	<u>8,191,406</u>
	<u>\$ 52,922,478</u>	<u>\$ 93,467,879</u>
<b>Fiduciary Funds</b>		
<b>Private Purpose Trust Funds:</b>		
From Unified Courts of Guam Fund to:		
Unified Courts of Guam Fiduciary Trust Fund	\$ -	\$ 978,886

See Accompanying Independent Auditors' Report

## GOVERNMENT OF GUAM

### Schedule of Outstanding Debt September 30, 2009

	Outstanding Principal Amount	Final Maturity (Year Ending September 30)
Primary Government:		
General Obligation Bonds:		
1993 Series A	\$ 37,280,000	2019
2007 Series A	151,935,000	2038
2009 Series A	271,070,000	2040
Limited Obligation Bonds:		
1997 Series A Infrastructure Improvement Bonds	36,345,000	2018
2001 Series A Highway Refunding Bonds	16,510,000	2012
2001 Series A Section 30 Bonds	27,210,000	2012
2009 Series A Section 30 Bonds	202,425,000	2035
Other Loans Payable:		
2002 Bank loan	3,949,267	2013
2006 Bank loan	9,514,526	2018
2008 Bank loan	10,746,507	2012
	766,985,300	
Component Units:		
Antonio B. Won Pat International Airport Authority:		
2003 Series A Revenue Bonds	180,960,000	2024
Guam Power Authority:		
1993 Series A Revenue Bonds	70,175,000	2024
1999 Series A Revenue Bonds	317,883,601	2035
2009 Bank loan	17,500,000	2012
Guam Waterworks Authority:		
2005 Series A Revenue Bonds	97,350,000	2035
University of Guam:		
Rural development loan	12,930,123	2044
Guam Housing and Urban Renewal Authority:		
Rural development loan	1,408,728	2030
Guam Housing Corporation:		
1998 Series A Mortgage-Backed Revenue Bonds	5,105,000	2031
Federal Home Loan Bank loan	5,296,866	2014
Guam Economic Development Authority:		
2007 Series A Tobacco Settlement Asset-Backed Revenue Bonds	31,230,000	2026
2007 Series B Tobacco Settlement Asset-Backed Revenue Bonds	16,773,618	2034
	756,612,936	
	\$ 1,523,598,236	

See Accompanying Independent Auditors' Report

**GOVERNMENT OF GUAM**

Statement of Net Assets

Primary Government

September 30, 2009

(with comparative totals as of September 30, 2008)

	2009	2008
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 63,104,836	\$ 54,146,034
Time certificates of deposit	5,417,058	15,292,656
Investments	8,209,000	8,554,000
Receivables, net	88,367,063	58,180,097
Due from private purpose trusts	2,728,829	2,142,182
Due from component units	1,528,147	1,476,496
Inventories	434,731	252,510
Other current assets	1,138,431	3,250,129
Restricted assets:		
Cash and cash equivalents	215,650,933	103,486,218
Investments	105,554,342	7,315,468
Total current assets	492,133,370	254,095,790
Noncurrent assets:		
Capital assets, net of accumulated depreciation	717,280,512	722,089,901
Deferred charges	10,565,304	8,300,064
Restricted assets:		
Time certificates of deposit	1,000,718	1,000,726
Total noncurrent assets	728,846,534	731,390,691
Total assets	\$ 1,220,979,904	\$ 985,486,481
<u>LIABILITIES</u>		
Current liabilities:		
Current portion of compensated absences payable	\$ 13,320,352	\$ 12,357,590
Current portion of capital lease obligations	2,295,000	1,857,250
Current portion of long-term obligations	26,753,866	22,582,014
Accounts payable	73,650,094	56,207,353
Accrued interest payable	16,240,329	6,721,004
Accrued payroll and other	12,651,828	17,251,355
Payable to federal agencies	14,328,476	16,053,851
Tax refunds	259,151,468	283,135,000
COLA liability	26,932,491	96,327,556
Due to pension trust funds	6,305,782	17,057,793
Due to component units	12,082,649	16,802,961
Deferred revenues	29,182,768	30,405,801
Deposits and other liabilities	23,511,174	11,540,004
Total current liabilities	516,406,277	588,299,532
Noncurrent liabilities:		
Compensated absences payable, net of current portion	9,533,454	9,352,306
Capital lease obligations, net of current portion	63,090,000	49,725,000
Long-term obligations, net of current portion	720,709,726	286,705,175
DCRS sick leave liability	15,882,742	13,947,833
Due to component units	6,257,058	8,355,012
Other noncurrent liabilities	46,053,500	46,053,500
Total noncurrent liabilities	861,526,480	414,138,826
Total liabilities	1,377,932,757	1,002,438,358
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	404,336,175	464,517,343
Restricted for:		
Capital projects	6,272,360	3,006,139
Retirement of indebtedness	89,415,528	83,273,740
Other purposes	45,972,842	48,966,083
Unrestricted	(702,949,758)	(616,715,182)
Total net assets	(156,952,853)	(16,951,877)
Total liabilities and net assets	\$ 1,220,979,904	\$ 985,486,481

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Statement of Activities  
 Primary Government  
 Year Ended September 30, 2009  
 (with comparative totals for the year ended September 30, 2008)

	2009	2008
Revenues:		
Charges for services	\$ 50,907,161	\$ 54,522,284
Operating grants and contributions	284,980,570	268,227,545
General revenues:		
Taxes	485,776,070	506,957,332
Section 30 Federal income tax collections	38,869,372	40,225,229
Investment earnings	4,700,627	5,773,199
Other	4,086,865	4,880,942
Total revenues	869,320,665	880,586,531
Expenses:		
General government	106,820,032	140,581,860
Protection of life and property	107,940,355	91,384,981
Public health	168,891,420	136,594,502
Community services	37,471,030	35,515,706
Recreation	5,442,598	4,958,601
Individual and collective rights	47,451,862	53,116,764
Transportation	33,559,658	29,880,879
Public education	260,976,641	250,739,687
Environmental protection	9,320,459	11,520,991
Economic development	15,704,840	10,082,933
Interest (unallocated)	67,663,274	26,014,528
Payments to:		
GovGuam Retirement Fund	1,283,200	1,329,712
Antonio B. Won Pat International Airport Authority	1,211,963	3,089,215
Guam Memorial Hospital Authority	26,950,146	21,063,138
Guam Power Authority	7,406,622	4,538,565
University of Guam	32,798,557	33,412,388
Guam Visitors Bureau	12,358,831	13,428,692
Guam Community College	15,961,055	15,758,357
Other component units	3,345,784	1,639,900
Capital	37,018,418	19,279,013
Miscellaneous	9,744,896	8,881,445
Total expenses	1,009,321,641	912,811,857
Special items	-	12,223,789
Changes in net assets	(140,000,976)	(20,001,537)
Net assets at the beginning of the year	(16,951,877)	3,049,660
Net assets at the end of the year	\$ (156,952,853)	\$ (16,951,877)

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Balance Sheets  
Governmental Funds  
September 30, 2009

(With comparatives as of September 30, 2008)

	General Fund		Federal Grants Assistance Fund		GDOE Federal Grants Fund		Landfill CIP Fund		Other Governmental Funds	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>ASSETS</b>										
Cash and cash equivalents	\$ 16,321,035	\$ 23,929,274	\$ 7,600,473	\$ 3,032,067	\$ 1,894,971	\$ 1,407,788	\$ -	\$ -	\$ 37,288,357	\$ 25,776,905
Time certificates of deposit	5,417,058	15,292,656	-	-	-	-	-	-	-	-
Investments	900,000	900,000	-	-	-	-	-	-	7,309,000	7,654,000
Receivables, net:										
Taxes	26,583,669	25,132,990	-	-	-	-	-	-	4,873,143	3,953,436
Federal agencies	20,173,120	147,071	26,848,815	20,810,467	5,171,082	3,735,564	-	-	732,497	274,394
Other	-	239,968	345,976	345,976	-	-	-	-	3,638,761	3,540,231
Due from other funds	37,469,724	14,533,290	-	-	-	568,417	-	-	40,368,819	50,891,255
Due from private purpose trust funds	-	-	-	-	-	-	-	-	2,728,829	2,142,182
Due from component units	-	-	-	-	-	-	-	-	1,528,147	1,476,496
Inventories	-	-	-	-	-	-	-	-	434,731	252,510
Prepayments	393,874	330,603	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	31,223	233,421
Restricted assets:										
Cash and cash equivalents	103,125,980	77,660,593	-	-	-	-	90,658,047	-	21,866,906	25,825,625
Time certificates of deposit	-	-	-	-	-	-	-	-	1,000,718	1,000,726
Investments	-	-	-	-	-	-	98,010,578	-	7,543,764	7,315,468
Total assets	\$ 210,384,460	\$ 158,166,445	\$ 34,795,264	\$ 24,188,510	\$ 7,066,053	\$ 5,711,769	\$ 188,668,625	\$ -	\$ 129,344,895	\$ 130,336,649
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>										
Accounts payable	\$ 63,495,857	\$ 46,062,214	\$ 141,935	\$ 142,535	\$ 2,677,094	\$ 1,111,327	\$ -	\$ -	\$ 7,335,208	\$ 8,891,277
Accrued payroll and other	10,517,648	12,631,694	415,642	1,506,620	740,069	759,856	-	-	978,469	2,353,185
Due to other funds	37,733,969	50,047,701	19,651,090	6,277,970	1,246,443	-	-	-	19,207,041	9,667,291
Due to pension trust funds	6,305,782	17,057,793	-	-	-	-	-	-	-	-
Due to component units	16,497,205	24,182,107	-	-	-	-	-	-	1,842,502	975,866
Payable to federal agencies	-	-	14,328,476	16,053,332	-	-	-	-	-	519
Deferred revenues	39,290,984	38,869,372	-	-	2,402,447	2,478,477	-	-	962,829	1,644,645
Provision for tax refunds	253,959,204	277,942,736	-	-	-	-	-	-	5,192,264	5,192,264
COLA liability	26,932,491	96,327,556	-	-	-	-	-	-	-	-
Deposits and other liabilities	21,028,691	10,560,207	-	-	-	-	-	-	2,482,483	979,797
Total liabilities	475,761,831	573,681,380	34,537,143	23,980,457	7,066,053	4,349,660	-	-	38,000,796	29,704,844
Fund balances (deficits):										
Reserved:										
Related assets	900,000	900,000	-	-	-	-	-	-	1,895,104	1,712,891
Continuing appropriations	37,820,724	27,058,659	-	-	-	-	7,778,041	-	18,482,655	2,658,094
Encumbrances	7,751,692	13,426,761	86,799,557	48,949,769	2,633,071	2,579,387	6,694,364	-	11,960,291	3,232,522
Debt service	85,090,529	69,119,151	-	-	-	-	-	-	20,565,328	20,875,593
Unreserved (deficits), reported in:										
General fund	(396,940,316)	(526,019,506)	-	-	-	-	-	-	-	-
Special revenue funds	-	-	(86,541,436)	(48,741,716)	(2,633,071)	(1,217,278)	-	-	31,689,403	58,759,564
Capital projects funds	-	-	-	-	-	-	174,196,220	-	6,749,355	8,676,039
Debt service funds	-	-	-	-	-	-	-	-	1,963	4,717,102
Total fund balances (deficits)	(265,377,371)	(415,514,935)	258,121	208,053	-	1,362,109	188,668,625	-	91,344,099	100,631,805
Total liabilities and fund balances	\$ 210,384,460	\$ 158,166,445	\$ 34,795,264	\$ 24,188,510	\$ 7,066,053	\$ 5,711,769	\$ 188,668,625	\$ -	\$ 129,344,895	\$ 130,336,649

See Accompanying Independent Auditors' Report

**GOVERNMENT OF GUAM**

Statements of Revenues, Expenditures, and Changes in Fund Balances (Deficit)  
 Governmental Funds  
 Year Ended September 30, 2009  
 (With comparatives for the year ended September 30, 2008)

	General Fund		Federal Grants Assistance Fund		GDOE Federal Grants Fund		Landfill CIP		Other Governmental Funds	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>										
Taxes	\$ 427,872,690	\$ 443,042,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,903,380	\$ 63,232,570
Federal contributions	-	-	232,633,212	200,366,032	42,775,339	44,708,831	-	-	3,016,342	4,002,636
Licenses, fees and permits	4,470,091	5,593,716	-	-	-	-	-	-	41,499,434	45,548,341
<b>Section 30:</b>										
Federal income tax collections	38,869,372	40,225,229	-	-	-	-	-	-	-	-
Immigration and passport fees	1,612,140	1,636,441	-	-	-	-	-	-	1,239,256	780,957
Use of money and property	871,525	2,472,737	-	-	-	-	573,151	-	3,255,951	3,300,462
Indirect cost reimbursement	4,551,926	3,467,780	-	-	-	-	-	-	-	-
Contributions from component units	2,027,632	10,372,580	-	-	-	-	-	-	-	-
Guam Public School System	1,175,560	2,831,209	-	-	-	-	-	-	-	-
Other	1,699,247	3,547,691	-	-	-	-	-	-	2,387,618	1,333,251
<b>Total revenues</b>	<b>483,150,183</b>	<b>513,190,329</b>	<b>232,633,212</b>	<b>200,366,032</b>	<b>42,775,339</b>	<b>44,708,831</b>	<b>573,151</b>	<b>-</b>	<b>109,301,981</b>	<b>118,198,217</b>
<b>Expenditures by Object:</b>										
<b>Salaries and wages:</b>										
Regular	209,819,224	200,667,682	24,376,082	24,682,994	21,500,812	22,507,156	-	-	52,415,358	42,440,372
Overtime	5,273,393	6,563,157	286,515	335,280	47,905	29,778	-	-	511,848	731,378
Fringe benefits	64,203,838	60,834,284	7,384,487	7,192,654	6,142,448	8,805,022	-	-	8,601,906	11,847,414
Travel	636,533	1,088,435	2,183,863	2,759,725	602,518	590,859	-	-	496,120	654,405
Contractual services	26,721,712	23,189,456	64,903,086	45,903,816	10,481,041	11,964,798	5,501,760	-	16,229,756	13,608,806
Building rent	4,053,425	3,759,967	1,593,622	1,379,927	-	-	-	-	2,974,387	3,263,836
Supplies	12,659,841	9,365,566	1,519,287	2,510,522	3,553,170	3,413,389	639,450	-	2,614,515	3,306,042
Equipment	5,398,143	1,364,521	1,051,895	1,377,188	614,008	484,275	-	-	478,699	1,026,765
Utilities - power and water	20,492,361	19,295,554	1,398,656	1,232,217	-	-	-	-	4,505,251	5,852,765
Communications	2,372,272	2,493,363	373,268	371,909	3,218	4,450	-	-	481,789	789,441
Capital outlays	2,038,957	4,512,368	6,053,664	5,171,421	82,800	579,829	124,656	-	5,083,202	6,352,741
Capital lease	-	-	-	-	17,254,250	55,160,750	-	-	-	-
Grants and subsidies	58,538,890	47,338,542	101,325,026	80,742,937	-	-	-	-	28,106,796	26,839,136
Supplemental annuity benefits	6,670,000	7,636,090	-	-	-	-	-	-	11,924,030	11,362,287
Retiree healthcare benefits	20,398,115	19,769,458	-	-	-	-	-	-	-	-
Principal retirement	12,297,839	7,745,000	-	-	3,451,500	2,080,000	-	-	10,300,000	9,840,000
Interest and fiscal charges	58,674,634	23,321,347	-	-	3,648,500	3,020,000	-	-	3,696,904	3,741,066
Bond issuance costs	1,906,137	2,020,476	-	-	-	-	1,589,964	-	-	-
Miscellaneous	12,355,581	13,208,345	43,356,375	44,463,666	42,484	1,000,000	-	-	13,559,757	17,094,802
<b>Total expenditures</b>	<b>524,510,895</b>	<b>454,173,611</b>	<b>255,805,826</b>	<b>218,124,256</b>	<b>67,424,654</b>	<b>109,640,306</b>	<b>7,855,830</b>	<b>-</b>	<b>161,980,318</b>	<b>158,751,256</b>
Excess (deficiency) of revenues over (under) expenditures	(41,360,712)	59,016,718	(23,172,614)	(17,758,224)	(24,649,315)	(64,931,475)	(7,282,679)	-	(52,678,337)	(40,553,039)
<b>Other financing sources (uses):</b>										
Proceeds from bonds issued	271,070,000	-	-	-	-	-	202,425,000	-	-	-
Proceeds from refunded bonds issued	-	151,935,000	-	-	-	-	-	-	-	-
Proceeds from issuance of long-term debt	-	13,800,000	-	-	-	-	-	-	2,845,230	2,952,573
Capital leases	-	-	-	-	17,254,250	55,160,750	-	-	-	-
Discount on bonds issued	(9,622,491)	-	-	-	-	-	(5,643,004)	-	-	-
Discount on refunded bonds issued	-	(5,639,246)	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(73,664,587)	-	-	-	-	-	-	-	-
Transfers in from other funds	42,100,429	29,149,020	30,712,390	28,096,067	7,489,708	10,295,835	-	-	93,467,879	95,446,052
Transfers out to other funds	(112,049,662)	(101,440,906)	(7,489,708)	(10,295,835)	(1,456,752)	-	(830,692)	-	(52,922,478)	(52,261,517)
<b>Total other financing sources (uses), net</b>	<b>191,498,276</b>	<b>14,139,281</b>	<b>23,222,682</b>	<b>17,800,232</b>	<b>23,287,206</b>	<b>65,456,585</b>	<b>195,951,304</b>	<b>-</b>	<b>43,390,631</b>	<b>46,137,108</b>
<b>Special items:</b>										
Adjustment of medical bill accrual	-	13,223,789	-	-	-	-	-	-	-	-
Loss on sale of GTA note receivable	-	-	-	-	-	-	-	-	-	(1,000,000)
<b>Total special items</b>	<b>-</b>	<b>13,223,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>
<b>Net change in fund balances (deficits)</b>	<b>150,137,564</b>	<b>86,379,788</b>	<b>50,068</b>	<b>42,008</b>	<b>(1,362,109)</b>	<b>525,110</b>	<b>188,668,625</b>	<b>-</b>	<b>(9,287,706)</b>	<b>4,584,069</b>
<b>Fund balances (deficits) at beginning of year</b>	<b>(415,514,935)</b>	<b>(501,894,723)</b>	<b>208,053</b>	<b>166,045</b>	<b>1,362,109</b>	<b>836,999</b>	<b>-</b>	<b>-</b>	<b>100,631,805</b>	<b>96,047,736</b>
<b>Fund balances (deficits) at end of year</b>	<b>\$ (265,377,371)</b>	<b>\$ (415,514,935)</b>	<b>\$ 258,121</b>	<b>\$ 208,053</b>	<b>\$ -</b>	<b>\$ 1,362,109</b>	<b>\$ 188,668,625</b>	<b>\$ -</b>	<b>\$ 91,344,099</b>	<b>\$ 100,631,805</b>

See Accompanying Independent Auditors' Report

**GOVERNMENT OF GUAM**

Schedule of Personnel Count  
Years Ended September 30, 2009 and 2008

Department	2009	2008
Agency for Human Resources Development	55	36
Ancestral Lands Commission	3	3
Bureau of Budget and Management Research	19	18
Bureau of Statistics and Plans	32	32
Chamorro Land Trust Commission	12	13
Civil Service Commission	8	6
Customs and Quarantine	150	143
Department of Administration	137	135
Department of Agriculture	84	79
Department of Chamorro Affairs	16	14
Department of Corrections	211	221
Department of Education	3,737	3,643
Department of Integrated Services for Individuals with Disabilities	36	40
Department of Labor	167	45
Department of Land Management	46	46
Department of Law - Attorney General	150	151
Department of Mental Health and Substance Abuse	148	122
Department of Military Affairs	43	37
Department of Parks and Recreation	71	75
Department of Public Health and Social Services	406	416
Department of Public Works	396	408
Department of Revenue and Taxation	162	152
Department of Youth Affairs	84	84
Governor's Office	136	118
Guam Commission for Educator Certification	3	3
Guam Contractors License Board	9	9
Guam Council on the Arts and Humanities Agency	4	7
Guam Developmental Disabilities Council	3	3
Guam Educational and Telecom. Corporation - KGTF	9	9
Guam Election Commission	6	2
Guam Energy Office	12	4
Guam Environmental Protection Agency	59	57
Guam Fire Department	305	309
Guam Legislature	164	147
Guam PEALS Board	2	3
Guam Police Department	375	375
Guam Public Library System	32	32
Hagatna Restoration and Redevelopment Authority	1	1
Mayors' Council of Guam	201	188
Medical Examiner	3	3
Office of I Segundu Na Maga'Lahen Guahan	21	19
Office of the Public Auditor	13	12
Public Defender	58	41
Superior Court of Guam	343	339
	7,932	7,600

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