

# Comprehensive Annual Financial Report



**September 30, 2018**

**Front Cover:**

*The **Senator Antonio M. Palomo Guam Museum & Educational Facility** in downtown Hagåtña is a place which all Guam's people can be proud. Within these walls and on the grounds the stories of the past will come alive, and new imaginings and new stories will emerge. The Guam Museum reflects the diversity, creativity, and resilience of Guam and the Mariana Islands. It will encourage people to engage in dialogue, to share multiple perspectives and experiences, and debate issues that concern us all today.*

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **For The Fiscal Year Ended September 30, 2018**

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Lourdes A. Leon Guerrero  
*Governor of Guam*

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Edward M. Birn  
*Director of Administration*

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Gaudencio A. Rosario  
*Deputy Financial Manager*

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*Prepared By:*  
*The Division of Accounts*

P.O. Box 884 Hagatna, Guam 96932  
Location: 7<sup>th</sup> Floor, ITC Building, Suite 707  
590 South Marine Drive, Tamuning  
(671) 475-1260/1169







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# Introductory Section



### **Introductory Section Cover:**

*The **Dulce Nombre de Maria Cathedral Basilica** is a Roman Catholic cathedral in Guam. It is the seat of the Archbishop of the Roman Catholic Archdiocese of Agaña. It is located on the site where the island's first Catholic church was constructed in 1669, under the guidance of Padre San Vitores. The present building looms above the palm trees and is a familiar landmark in downtown Hagåtña. The basilica enshrines the image of Santa Marian Kamalen, Patroness of Guam.*



## Government of Guam

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November 13, 2019

The Honorable Lourdes A. Leon Guerrero  
Governor of Guam  
Ricardo J. Bordallo Governor's Complex  
Adelup, Guam 96910

Dear Governor Leon Guerrero:

We are pleased to transmit the Comprehensive Annual Financial Report ("CAFR") of the Government of Guam (GovGuam) for the fiscal year ended September 30, 2018, inclusive of the Independent Auditors' Report. The Division of Accounts, Department of Administration, prepares the CAFR in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. Management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of GovGuam are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. We believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the results of the government's operations for the year ended September 30, 2018 as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the government's financial affairs.

Management provides a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Our CAFR is divided into the following sections:

***The Introductory Section*** includes this transmittal letter and information about the principal officials and organizational structure of the Government of Guam.

***The Financial Section*** is prepared in accordance with GASB requirements by including the MD&A, the Basic Financial Statements including notes and the Required Supplementary



Information. The Basic Financial Statements include both the government-wide financial statements that present an overview of the primary government and component units of GovGuam's entire financial operations and the fund financial statements that present financial information for each of the GovGuam's major funds, as well as non-major governmental, fiduciary and other funds. Also included in this section is the Independent Auditors' Report on the basic financial statements.

***The Statistical Section*** includes tables containing historical financial trend data, revenue capacity, debt capacity, demographic and economic information and operating information of Guam that are of interest to potential investors in our bonds, other providers of debt financing, and to other readers.

### **Government of Guam Profile:**

The diversely populated island of Guam is the southernmost island in the Marianas, located in the Western Pacific Ocean. Covering 214 square miles, Guam is the biggest, most populated and well developed land of the Mariana Islands as well as the Micronesian Region. Its geographic location is 13.28° N and 144.47° E. The island's close proximity to the equator brings warm weather with a daytime temperature average at 82°F and nighttime at 65-75°F. This climate is very appealing to tourists.

Guam is an organized, unincorporated U.S. territory under the jurisdiction of the Office of Insular Affairs, US Department of Interior. In past years, the island was ruled by Spain, ceded to the U.S. in 1898, captured by Japan in 1941, and then liberated by the U.S. in 1944. In 1950, Congress passed the Organic Act of Guam which granted the Chamorro people U.S. citizenship and established the local government of Guam. Like the U.S., Guam is administered through three branches: the executive, legislative and judicial.

The executive branch is headed by the governor and lieutenant governor who are both elected by popular vote for a four-year term. The governor and lieutenant governor may only serve for two consecutive terms. They must wait one whole term before running for office again.

The island also elects a unicameral Legislature seating fifteen (15) senators elected at-large. Like the governor and lieutenant governor, the members are elected by popular vote; senators serve for two years but may serve consecutive terms. The people of Guam also elect one non-voting delegate to the U.S. House of Representatives.

The judicial branch consists of the Federal District Court, Supreme Court of Guam and Territorial Superior Court. For the Federal District Court, a judge is appointed by the President. Judges for the Supreme Court of Guam, which hears appeals from the Superior Court, are appointed by the Governor for terms of good behavior, subject to retention election every ten years. Judges for the Territorial Superior Court are appointed for seven-year terms by the Governor. After Superior Court Judges serve their initial term they can file for candidacy during the general election to be placed on a retention vote.

### **Local Economy:**





According to a news release by the Bureau of Labor Statistics, Department of Labor, Government of Guam, there was an increase in employment as of ending fiscal year 2018 compared to the September 2017 figure. Fiscal year 2018 ended with an unemployment rate of 3.6 percent which is 2.2 percent less than fiscal year 2017. Also the 2018 figure represents a 0.2 percentage decrease when compared to the June 2018 figure. Most notably fiscal year 2018 resulted in 2,580 unemployed a decrease of 1,550 compared to the 4,130 unemployed as of ending September 30, 2017.

In a news release by the Guam Visitors Bureau, Guam experienced the second best fiscal year in arrivals with 1.52 million tourists. Former Governor Calvo mentioned in a news release by the Guam Visitors Bureau, "It's been a tumultuous year for our visitor industry but our tourism partners have pulled through to achieve the second-best fiscal year in the island's tourism history." Notably in fiscal year 2018 Guam experienced a record number visitors for the month of August bringing in 145,817 visitors. This represents a great feat for the month of August is the one year anniversary when Guam experienced the North Korean Missile threats, exemplifying the resiliency of Guam's tourism industry to recover.

Although fiscal year 2018 visitor arrivals declined as compared to fiscal year 2017 there has been growth in the Korean and Russian market. Korea brought in a record 752,715 visitors, a growth of 15.9 percent or an increase of 103,281 visitors compared to fiscal year 2017, 649,434 visitors. Furthermore, the Korea market represents 49 percent of tourist arrivals followed by Japan with 35 percent in fiscal year 2018. Russia brought in 4,035 visitors in fiscal year 2018 an increase of 884 visitors or 28.1 percentage growth compared to fiscal year 2017 figure of 3,151 visitors. The Guam Visitors Bureau is optimistic in recovering arrival numbers and has worked hard during fiscal year 2018 by offering charter flight incentives and aggressively marketing Guam in dwindling markets.

In fiscal year 2018, Guam experienced much success in the tourism industry. The Guam Visitors Bureau received the Pacific Asia Travel Association (PATA) Gold award in the "Marketing Media – Social Media Campaign" category for the #instaGuam campaign. The #instaGuam campaign showcased the rich visitor-generated content of the Guamanian experience. Adding to a successful 2018, Guam was also selected as one of the top five safe destinations in the world for female travelers by the People's Daily newspaper of China. Guam was also selected by Ctrip, China's leading Online Travel Agency as the recipient of "The Best Overseas Self-driving Tour Destination". Guam exhibits a world-class, self-driving experience offering rich cultural and historical sites and incredible coastline views. Fiscal year 2018 also experienced Guam's largest familiarization tour from November 30 – December 3, 2017. The tour brought in over four hundred Japanese travel agents, media and social media influencers to partake in a welcome fiesta, travel trade show, and experience optional tours. The mega familiarization tour also represents 50 years since the first flight from Japan arrived on Guam, and commemorates 50 years of friendship with Japan. These and many other events have contributed to Guam's second best year in tourism.

### **Major Initiatives FY2018**

#### **HOT Bond**





**Hagatña Projects:** 2018 saw nearly all of the HOT Bond projects move towards to their final phase and completion. In July of 2018 the ribbon was cut on the final phase of the museum, the permanent exhibits detailing the *I Hinanao-ta, Nu I Manaotao Tãno – I CHamoru Siha* (The Journey of the CHamoru People) for the Senator Antonio “Tony” M. Palomo Guam Museum and Chamorro Educational Facility, commonly known as the Guam Museum. With the passage of PL 32-56, \$2M was transferred to the Guam Fishermen’s Cooperative Association (GFCA) in 2014 to begin major renovations of their current facility adjacent to the Chamorro Village. Further, PL 33-147, passed in April of 2016, directed \$1M of HOT Bond funding for a seawall to reinforce the shoreline adjacent to the Fishermen’s Coop and extending such along the *Hagatña* Marina channel. Spearheaded by the Fisherman’s Cooperative, a design for the project and facility was secured with HSG Co. Ltd, a local construction firm and awarded the construction contract for this project however, as permitting for any projects along a shoreline involves Army Core of Engineers along with other federal agency reviews, federal permits are still pending approval. In 2018 these reviews by Federal regulatory agencies are still ongoing.

**Tumon Projects:** Design was completed for the San Vitores Flood Mitigation Project and submitted for public and government review in March of 2015. Subsequently, with improved collection of storm water in San Vitores being approved, an invitation for bids was issued in April 2016 with award for construction of additional inlets and Fujita pond improvements awarded to Maeda Pacific Corporation (MPC) with a Notice to Proceed (NTP) issued in November of 2016. In September of 2018, MPC completed its contracted field work signaling the impending conclusion of this project to mitigate storm flooding in the area. Lighting and Electrical Improvements for the Governor Joseph Flores Memorial Park was awarded to Polyphase Systems, Inc. in April of 2017. Although erecting a number of new and very much improved lighting posts and floodlights for public activities in the park by September of 2017, additional electrical equipment and infrastructure protections for these improvements were added and completed by March of 2018. As for improved pedestrian safety crosswalks, LYON and Associates completed the design of the improvements for crosswalks and other pedestrian safety features along the Pleasure Island area of Tumon. An invitation for bids of construction of these improvements was issued in December of 2015 and awarded to Canton Construction. Due to additional input from multiple stakeholders located immediately adjacent to the project area, a redesign was required and secured. In partnership with the private sector stakeholders in the area, Outrigger Hotel also agreed to construct revised and improved safety improvements for all pedestrians in the area. Moving forward, full completion of the Tumon crosswalks is anticipated for the first quarter of 2019.

## Military Buildup

The Military Buildup is moving along with vast infrastructure development. In a news release from the NavFac Pacific Public Affairs Office, on May 16, 2018 an award of \$64 million firm-fixed price contract to Hensel Phelps Construction Co. of Honolulu, Hawaii for the design and construction of an aircraft maintenance hangar with supporting facilities at Joint Region Marianas. Also in another news release from the NavFac Pacific Public Affairs Office, on July 23, 2018 a \$56.7 million firm-fixed price contract to Caddell-Nan a joint venture of Montgomery, Alabama,



for the construction of a new outpatient facility at Apra Harbor on Naval Base Guam. Most notably in fiscal year 2018, on January 23, 2018 an award of \$149 million firm-fixed price contract to design and construct three training areas at Andersen Air Force Base. The award was made to Core Tech—HDDC—Kajima, LLC of Tamuning, Guam. The training areas will consist of a Combat Vehicle Operators Course (CVOC), a hand grenade range, live fire shoot house, breacher facility, range warehouse, area distribution node, and communication tower. According to the January 28, 2019, Interagency Coordination Group of Inspectors General for Guam Realignment Annual Report in fiscal year 2018 the Department of Defense reported a total of 102 contracts, grants, agreements, or other funding mechanisms, totaling \$2.2 billion to support military construction on Guam. Additionally the Department of Transportation and Environmental Protection Agency reported 28 contracts, grants, agreements, or other funding mechanisms, totaling \$2.8 million to support the military construction on Guam for fiscal year 2018. With the continued military construction projects ongoing and forthcoming, Guam is strategically positioned to undergo a successful realignment.

### **Water and Wastewater System**

In a news release by The Guam Daily Post, fiscal year 2018 broke ground as Guam Waterworks Authority began a \$20 million infrastructure project for wastewater treatment to the southern villages of Umatac and Merizo. Upgrades will be made to pumps and tanks around the facility, more importantly a new disinfection system will be installed, which uses ultraviolet lighting to treat wastewater coming into the plant. Augmenting the importance of an efficient and modern water and wastewater system, in a news release by the Guam Daily Post on August 29, 2018, The Consolidated Commission on Utilities has adopted a \$1.2 billion upgrade plan for the island's water and wastewater systems. The master plan holds for upgrades from 2018 through 2037, the plan includes \$109 million in court-ordered projects, and \$830 million in rehabilitation or capacity upgrades. The master plan will strategically pave the way for a more efficient water and wastewater system.

### **Highway System**

Guam is currently undergoing and have completed several capital projects in an effort to improve the highway system per the Guam Transportation Improvement Plan covering fiscal years 2016 through 2019. In fiscal year 2018 there were four ongoing projects-Route 1, Route 3 Intersection Improvements, which comes in at cost of \$7.1 million, Route 3A Pavement Restoration, Phase 1 Pott's Junction, cost of \$1.1 million, Route 3 Widening from Route 28 to Chalan Kareta, coast of \$44.3 million, and Route 1 Resurfacing (Asan-Piti and Yigo-Dededo), Route 8 Resurfacing (Barrigada and Mongmong-Toto-Maite), and Route 8/Canada-Toto Loop Road Intersection Improvements, coast at \$8.5 million. Throughout fiscal year 2018 were two completed capital improvement projects- Bile/Pigua Bridge Replacements and Route 1/Route 8 Intersection Improvements and Agana Bridges Replacement, which in respective order the final cost was \$3.9 million and \$15.7 million. Most importantly, the completion of these projects would mean compliance with federal highway regulations.

### **Jose D. Leon Guerrero Commercial Port**



In a news article by the Pacific Daily News on June 27, 2018 according to the Guam Economic Development Authority (GEDA), \$71.44 million in bonds were sold to cover improvements at the Port Authority of Guam and to refinance some of the Port's existing debt at a lower interest rate. Moreover the bonds would be used for capital improvement projects focused on the rehabilitation of Hotel Wharf and access road, replacement of the administration building, relocation of waterlines, repair of the equipment maintenance, repair of building, repair of Warehouse I, and lastly repair of Golf Pier. The total bond repayment from the Port is \$128 million, as opposed to the projected \$150 million, creating a realized savings of more than \$20 million according to former GEDA administrator, Jay Rojas.

### **Other Component Unit Highlights**

The Guam Community College ended fiscal year 2018 on a high note with an increase in net income of \$7.3 million, a \$14.3 million increase from fiscal year 2017's restated net loss of \$7.1 million. Furthermore, fiscal year 2018 experienced an increase in operating and non-operating revenues of \$3.6 million resulting in revenues of \$39.1 million attributed to increased GovGuam appropriations and auxiliary enterprises. Through implemented cost reductions and cost saving measures operating expenditures declined by \$7.9 million to \$31.8 million for fiscal year 2018. Lastly, the Guam Community College received no material weaknesses or significant deficiencies on the fiscal year 2018 audit, solidifying itself as a low-risk auditee for the 18<sup>th</sup> consecutive year.

The Government of Guam, Retirement Fund closed fiscal year 2018 with a \$35 million increase in net position for the Defined Benefit (DB) plan, and a \$42.5 million increase in net position for the Defined Contribution (DC) plan. Moreover, the DC Plan participants who elected to transfer to the DB 1.75 Plan totaled approximately \$229 million. The funds were deposited into the Fund's Northern Trust Administrative Account, and allocated to the Fund's managers/cash accounts based on the asset reallocation.

### **Long-term Financial Planning:**

Paving the way for visitor arrivals to reach the Tourism 2020 target goal of 2 million visitors, the Guam Visitors Bureau in fiscal year 2018 worked vigorously to regain the once top market of Japanese travelers. The Guam Visitors Bureau focused on regaining the Japanese market by offering deals and promotions. Resulting in the aggressive campaign to rebuild the Japanese market, in a news article by the Guam Visitors Bureau Jeju Air announced commencement of a new flight service between Osaka and Guam beginning on July 21, 2018. The new plan will accommodate for about 5,700 more seats on a monthly basis in order to satisfy the high demand of the Kansai market. Additionally, the Guam Visitors Bureau participated in one of the world's largest travel trade exhibitions the Tourism EXPO Japan from September 20 – 23, 2018. Guam showed a strong presence at the EXPO, featuring the 2018 theme #instaGuam campaign, along with Japan Guam Travel Association, Skydive Guam, and Pleasure Island as featured businesses.

To further augment reaching the Tourism 2020 target of 2 million visitors, the Guam Visitors Bureau held a Korean Air VIP Familiarization (FAM) Tour on March 14-17, 2018. The tour consisted of Chief Executive Officers of Korean Air's major travel agencies partaking in some of



Guam's world class facilities and major attractions while experiencing Guam's unique Chamorro culture. The tour will showcase Guam as a world-class destination for the high-end tourist market.

In addition to the aggressive visitor marketing campaign, Guam is also facilitating the need for hotel expansion. The Tsubaki luxury hotel is moving full steam ahead with the expected completion in 2019. Moreover, in an article by The Guam Daily Post on April 13, 2018, the Hybrid Guam Land Use Commission gave its approval of the plans for the development of a boutique hotel in Tumon. The proposed hotel will feature a green or sustainable design with four floors of commercial space and more than 20 floors of hotel rooms. The estimated cost of the hotel is \$66.7 million. The boutique development is an indication of Guam's commitment to the Tourism 2020 long-term plan.

In a news article by the Pacific News Center on July 26, 2018, former Congresswoman Madeleine Bordallo in an effort to spur about construction development not only for the marine realignment but also for civilian projects. Bordallo's intends to extend the exemption to healthcare workers and furthermore wants the H2B visa to cover foreign labor workers on any civilian project. The allowing of H2B visas for civilian projects will complement efforts of the Tourism 2020 plan in creating more hotel rooms, ultimately increasing visitor capacity. Guam is already hampered with a lack of skilled construction workers and opening H2B visas for civilian projects will greatly remediate the problem.

In an effort to combat the tax reform that created a loss of revenues, Guam has taken many initiatives to creating a stable revenue stream. Although the sales tax was repealed by lawmakers in July 2018, the 5% business privilege tax along with implemented austerity measures will optimistically suffice for government operations to continue. As a long-term vision, Guam is continually discussing or contemplating aspects of delinking from the United States tax code as it will create a much more simple tax system conducive to the economic conditions of Guam. In a news article from the Pacific Daily News on July 4, 2018, Joe Arnett, a senior financial adviser at Deloitte & Touche who has served on several Guam tax commissions made a statement, "We need to move to a revenue-generating system better suited for a service-centered economy, rather than a model created for a large industrial economy with global reach." Arnett further added, "De-linking will take time, and it'll take a lot of work. But after we do it, we'll be more effective at collecting taxes."

### **Acknowledgements:**

The Department of Administration is pleased to have completed the *seventh* Comprehensive Annual Financial Report. We have enhanced our financial reporting capabilities and made great strides in our cash management efforts. Governor, your continued leadership, guidance and fiscal policies have culminated in the completion of this sixth Comprehensive Annual Financial Report; yet another monumental financial achievement of which we are all proud.

The staff of the Division of Accounts assisted us in the preparation and review of this Comprehensive Annual Financial Report, together with Department of Administration and other departments' that process financial transactions, or otherwise contribute to the information presented in this report.



Sincerely,

A handwritten signature in blue ink, appearing to read "Edward M. Birn".

Edward M. Birn  
Director, Department of Administration

A handwritten signature in black ink, appearing to read "Gaudencio A. Rosario".

Gaudencio A. Rosario  
Deputy Financial Manager, Department of Administration

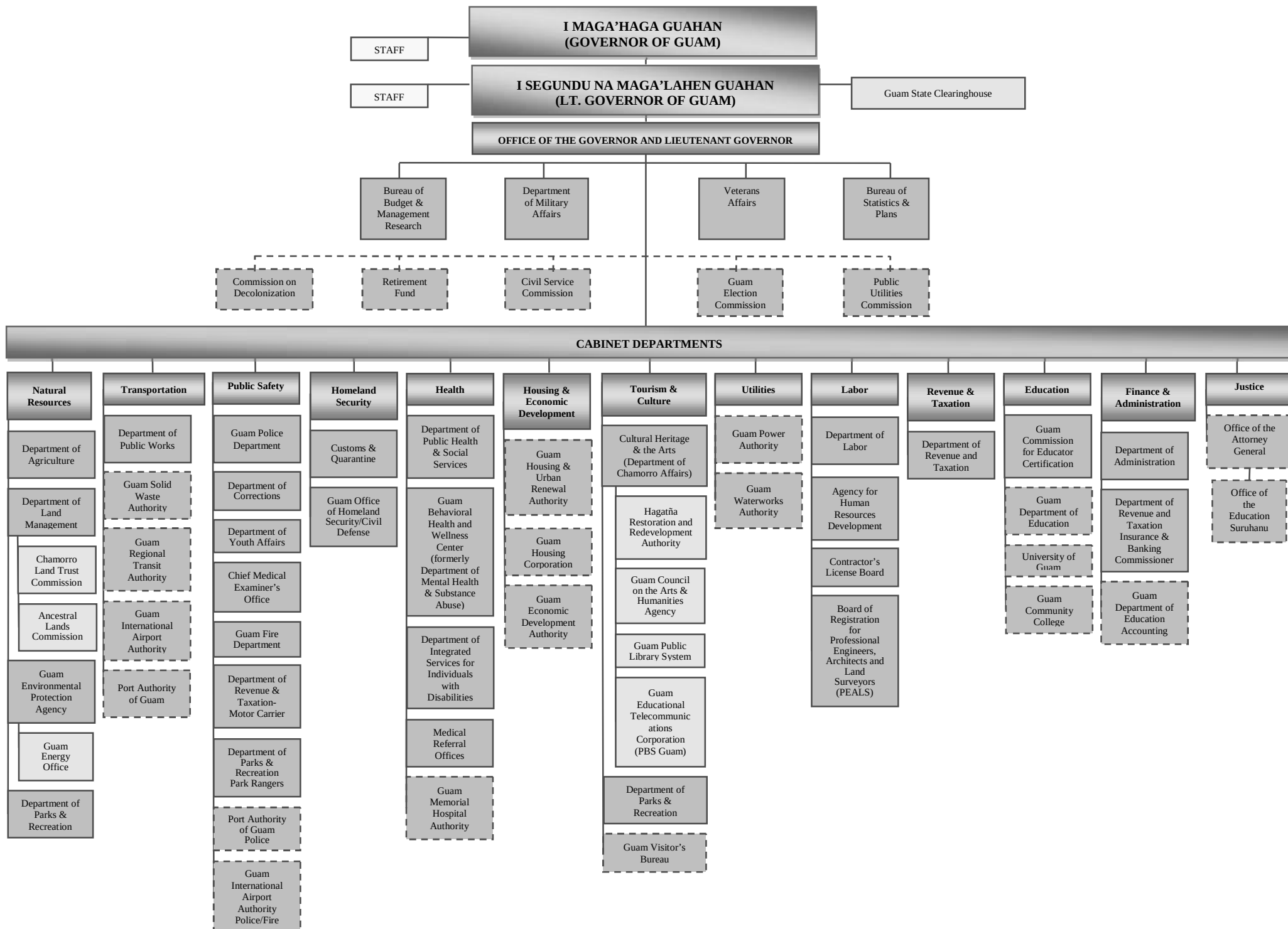


**Sources:**

- “1.52 million welcomed to Guam; Second best fiscal year in visitor arrivals” by Guam Visitors Bureau  
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- “1.52M tourists in fiscal 2018” by The Guam Daily Post  
[https://www.postguam.com/news/local/m-tourists-in-fiscal/article\\_82034348-d5cf-11e8-98ba-5b72c0da97f4.html](https://www.postguam.com/news/local/m-tourists-in-fiscal/article_82034348-d5cf-11e8-98ba-5b72c0da97f4.html)
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**Lourdes A. Leon Guerrero**  
**Governor**



**Joshua F. Tenorio**  
**Lieutenant Governor**



**Michael F. Q. San Nicolas**  
**Congressional Delegate**



**Leevin T. Camacho**  
**Attorney General**



**Benjamin J. F. Cruz**  
**Public Auditor**





## 34<sup>th</sup> Guam Legislature



**Benjamin J.F. Cruz (D)**  
**Speaker (to Sep-2018)**



**Therese M. Terlaje (D)**  
**Vice-Speaker**



**Régine Biscoe Lee (D)**  
**Legislative Secretary**



**Thomas C. Ada (D)**  
**Majority Leader**



**Joe S. San Agustin (D)**  
**Assistant Majority Leader**



**Telena C. Nelson (D)**  
**Majority Whip**



**Michael F.Q. San Nicolas (D)**



**Dennis G. Rodriguez, Jr. (D)**



**Frank Blas Aguon, Jr. (D)**



## 34<sup>th</sup> Guam Legislature



**James V. Espaldon (R)**  
Minority Leader



**Thomas A. Morrison (R)**  
Assistant Minority Leader



**Mary Camacho Torres (R)**  
Minority Whip



**Louise Borja Muna (R)**  
Assistance Minority Whip



**William M. Castro (R)**



**Fernando Barcinas  
Esteves (R)**





G  
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A  
M



**Introductory Section Guam Cover:**

*The **Santo Papa as Juan Pablo Dos Monument** is a bronze statue commemorating the 1981 visit by Pope John Paul II to Guam. This was the first papal visit to the island. The statue stands on a median on Chalan Santo Papa Juan Pablo Dos Street, named in his honor. It is the location where he held an outdoor Mass in February 1981. The bronze statute originally rotated one full turn every 12 hours; the motor no longer works.*





**Motto:** *"Where Amercia's Day Begins"*

**About:** Guam – predominately Roman Catholic at 85% - is an organized, unincorporated territory of the United States in the western Pacific Ocean. It is one of five U.S. territories with an established civilian government. Spain ceded Guam to the U.S. in 1898. Captured by the Japanese in 1941, the U.S. forces helped to liberate Guam three years later. The military installation on the island is one of the most strategically important U.S. bases in the Pacific.

**Capital City:** Hagatña

**Coordinates:** 13.28 N, 144.47 E

**Land Area:** 212 square miles; 30 miles long; 4-8 miles wide; highest point 1,332 feet, three times the size of Washington, DC

**Guam Flower:** local name: Puti Tai Nobio (Bougainvillea)

**Guam Tree:** local name: Ifit or Ifil (genus: Intsia, species: bijuga), dense reddish hardwood

**Guam Bird:** local name: Ko'Ko' (Guam Rail)

**Guam Anthem:** "Fanohge CHamoru" (Stand Ye Guamanian)

**Population:** 167,358 (July 2017 estimate)

**Official Language:** English and Chamorro



**Climate:** Tropical marine; generally warm and humid, moderated by northeast trade winds; 2 seasons: Dry season (January to June) and Rainy season (July to December); little seasonal temperature variation. Average rainfall is 80 inches (2,509 millimeters).

**Flag of Guam:** The Guam flag (which is equivalent to a state flag) is dark blue with a narrow red border on all four sides; centered is a red-bordered, pointed, vertical ellipse containing a beach scene. A proa (outrigger canoe with a sail) is sailing in Hagatna Bay with the promontory of Punta Dos Amantes (Two Lovers Point) near the capital, in the background; blue represents the sea and red the bloodshed in the struggle against oppression, and a palm tree with the word "GUAM" superimposed in bold red letters.



**Source:** The World Factbook: Guam: (as of 08-20-2018)  
<https://www.cia.gov/library/publications/the-world-factbook/geos/gq.html>



## GUAM ANTHEM

### Fanohge Chamorro (Chamorro version)

Verse 1:

Fanohge Chamorro Put I Tano'Ta  
Kanta I Matuna-na gi Todu I Lugat.  
Para I Onra, Para I Gloria,  
Abiba I Isla Sinparat.  
Para I Onra, Para I Gloria,  
Abiba I Isla Sinparat.

Verse 2:

Todu I Tiempo, I Pas Para Hita,  
Yan Ginen I Langet na Bendision.  
Kontra I Piligru, Na'fansafo ham,  
Yu'os Prutehi I Islan Guam.  
Kontra I Piligru, Na'fansafo ham,  
Yu'os Prutehi I Islan Guam.

### Guam Hymn (English version)

Verse 1:

Stand ye Guamanians, for your Country,  
And sing Her praise from shore to shore.  
For Her honor, for Her glory,  
Exalt our Island forever more.  
For Her honor, for Her glory,  
Exalt our Island forever more.

Verse 2:

May everlasting Peace reign o'er us,  
May heaven's blessing to us come.  
Against all perils, do not forsake us,  
God protect our Isle of Guam.  
Against all perils, do not forsake us,  
God protect our Isle of Guam.

## ADDITIONAL GUAM INFORMATION

**Slogan:** "*Tano I' ManChamorro*" (Land of the Chamorros)

**Indigenous people:** Chamorros (Chamorus), who first settled the island about 3,500 years ago.

**Leadership (2018):** Governor Eddie Baza Calvo, Lt. Gov. Ray Tenorio, Congressional Delegate Madeleine Z. Bordallo, Legislative Speaker Benjamin F. Cruz, Chief Justice Kathy Maraman, Attorney General Elizabeth Barrett-Anderson.

**Political Status:** Organized, unincorporated territory of the United States since 1950. Considered a U.S. colony and was previously a colony of Spain, the U.S. before WWII, Japan and then U.S. again after World War II.

**Economy:** Mainly supported by tourism particularly from Japan, Korea and the United States armed forces. The U.S. military is the secondary economic force on the island.

**Villages:** Asan-Maina, Agana Heights, Agat, Barrigada, Chalan Pago-Ordot, Dededo, Hagatna, Inarajan, Mangilao, Merizo, Mongmong-Toto-Maite, Piti, Santa Rita, Sinajana, Talofofo, Tamuning-Tumon-Harmon, Umatac, Yigo and Yona.

**World Time Zone:** Chamorro Standard Time, ChST (Greenwich Mean Time +10).

**Currency:** U.S. Dollar.

**Source:** Guampedia (as of 09-30-2018) <https://www.guampedia.com>



## DEPARTMENT OF ADMINISTRATION STAFF (135 staff at September 30, 2018)

### DIRECTOR's OFFICE

*BIRN, EDWARD*

ARRIOLA, VINCENT P

ALVAREZ, DALE C

SALAS, FLORENTINA Q

UNCANGCO, PACITA M A

### HUMAN RESOURCES

*NGATA, SHANE GL*

ACFALLE, LEIAH R

ARTERO, RAYMOND PC

ASTORGA, CARMEN MT

BORJA, CATHERINE LP

BORJA, KENNETH F

CANDASO, LEONORA P

CASTRO, JOLEEN JM

CASTRO, WINONA LM

CEPEDA, ANTHONY B

DELA CRUZ, HERTA AL

DIAZ, ANGELICA MR

DIAZ, KATHRYN MC

FEJERAN, ROSEANNE O

FLISCO, FRANCIS N

GAGAN, JUDITH DP

HATTIG, DELIA VR

HATTIG, KEITH W

MOJICA, LORA JEAN R

PABLO, ANNAMARIE C

PANGELINAN, AMBER R

PEREGRINO, ADRIAN L

RABON, MICHELE NICOLE

RYAN, ELLEN M

SABLAN, NAOMI C

SANTOS, ROSEZETTE NT

SCHNIEP, MICHAEL W

TAITANO, ROBERT D

### GENERAL SERVICE

#### AGENCY

*ACFALLE, CLAUDIA S*

BAMBA, RAYMOND P

CAMACHO, ELIZA SM

CASTRO, JESSE P

CASTRO, ROBERTA JR

CHARGUALAF JR, SANDY

CHARGUALAF, MATTHEW

CRUZ, ANITA T

CRUZ, ARLENE V

CRUZ, JAY W

EVANGELISTA, CHARLEEN

FERNANDEZ, JULIA ST

GUILLERMO, SILVESTRE

HAMLING, VICTOR M

KONO, ROBERT H

LEON GUERRERO,

MARISSA D

LOBATON, EARL J

MALOTO, MILLICENT-JOY

PAULINO, BELINDA B

PAULINO, JOANN AC

QUINTANILLA, JULENA

ROSE C

RIVERA, JACOB CHAD C

ROSARIO, KURT SC

SARROSA, TIANNA J

TEDTAOTAO, CHRISTINE

TYQUIENGCO, AMILYNN

### DIVISION OF ACCOUNTS

*KAKIGI, KATHRINE B*

AGUERO, DARLENE S

ARILE, ANITA LM

ARMIA, EVELYN T

AYUYU, MARIE EC

BAMBA, PHILLIP M

BATAC, TAMMY W C

BORJA, KENNETH C

CABANA, FRANCES LG

CABRAL, MICHAEL D

CAMACHO, JR., JOHN P

CAPUZ, MARY JANE H

CEPEDA, MARIE TC

CHARGUALAF, TRICIA L

CLAROS, JENNIFER A

CRUZ, JULITA A

CRUZ, VIOLA LG

DEJESUS, ANN P

EDROSA, MARY GRACE V

EUBANKS, CARMELITA K

FAMA-ALCANTARA,

ALMANITA F

FARNUM, LORETTA T

FEJERAN, ROSITA T

FLORES, DORA I

FLORES, DORIS T

FLORES, JOANNE MA

FLORES, PAZ B

GALANG, GILBERT D

GARCIA, DEANNA N

GARCIA, GLORIA D

ILAGAN, KRYSTYNA R

JUAREZ, MARIA A

LUJAN, ARMILYNN R

MACIAS, ANTHONY JM

MANIBUSAN, CECILIA T

MANIBUSAN, MATTHEW

MCCARREL, LOVENA T

MENDIOLA, MARIA

LOURDES D

MENO, FRANKIE LG

MESA, LOUISA S

NAVARRO, ALEXA

MICHELLE M

PACO, VICTORIA G

PEREDA PADRONES,

BERTHA R

PEREDA, IGNACIO P

PEREZ, GINA R

QUICHOCHO, VILMA R

QUINATA, ANDREW G

QUITUGUA, MARK A

RAPOLLA, THERESE MC

RAYPHAND, JENNIFER B

ROSARIO, GAUDENCIO A

SAN NICOLAS, MARYANN

SAN NICOLAS, MELISSA F

SAN NICOLAS, NAOMI F

SANCHEZ, NADINE Q

SAPUNGAN, RESY NOVAH

SCOTT, SHAWN M

TAIMANGLO, FRANCINE

TAYAMA, BETTY M

TERLAJE, PATRICIA S

UMADHAY, ERIC Z

USON, MARIA T

### DATA PROCESSING (now

#### Office of Technology)

*LUJAN JR., FRANCISCO LG*

CALVO, GERARD B

CRUZ, ELAINE J

CRUZ, KENNETH J

DUEÑAS JR, MELTON

MANIBUSAN, JOSEPH C

MENDIOLA, MARY ANN D

MUNOZ, SHIRLEY ANN LG

NEDEDOG, JOSEPH J

PALOMO, ROMAN M

QUINTANS, JENNIE ANNS

ROSELL, ERIC H

SAN AGUSTIN, CHRISTINE

SANTOS, BEATRICE A

SOTTO, VICTOR SN





# Financial Section

"TI TA NISISITA AYUDUN SANHIYONG  
PARA TA FANMAOLEK GUINI GI  
TÂNO'-TA, TÂYA' TA'LO GINAGAGAO-TA."  
SATISFIED WITH WHAT OUR ISLANDS FURNISH US, WE  
DESIRE NOTHING ELSE.

"MAN METGOT-ÑA HIT KI I TA HONGGE  
YA SIÑA TA APATTA HIT GINEN INI NA  
TAOTAO HIYONG SIHA YA TA NA' TA' LO  
TÂTTE I MINAGOF YAN I MINAOLEK  
LINA'LA'-TA."  
WE ARE STRONGER THAN WE THINK! WE MUST REGAIN  
OUR FORMER FREEDOM.

CHIEF HURAO  
1671





### **Financial Section Cover:**

**Chief Hurao** was the Maga'lahi of Guam who led the resistance against Spanish colonization efforts during the 17th century. The chief's name means "emotion, caring, attention, heed". Hurao may be best remembered for his 1671 speech to CHamoru warriors opposing the Spanish presence on Guam. He organized a 40-day siege of the Spanish Mission in Agaña that was finally broken by Spanish soldiers. Hurao was captured, but released by Father San Vitores. However, according to historian Scott Russell's book "Tiempon i manmofo'na: Ancient Chamorro culture and history of the Northern Mariana Islands", Hurao was an accomplice to Chief Matapang's murder of Father Diego Luis de San Vitores (1627 – 1672). Hurao was a member of the Matao/Chamorro, the highest caste in CHamoru society and held the title maga'lahi.

## **INDEPENDENT AUDITORS' REPORT**

Honorable Lourdes A. Leon Guerrero  
Governor  
Government of Guam:

### **Report on the Financial Statements**

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, 2018, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements as set forth in Section III of the foregoing table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the GovGuam Retirement Fund, which represents 94%, 96% and 62%, respectively, of the assets, net position/fund balances and revenues of the aggregate remaining fund information, and the Antonio B. Won Pat International Airport Authority, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, which represent 23%, 235% and 13%, respectively, of the assets, net position and revenues of GovGuam's discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the GovGuam Retirement Fund, the Antonio B. Won Pat International Airport Authority, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

As discussed above, the financial statements of the GovGuam Retirement Fund were audited by other auditors. We audited the reclassification adjustment described in Note 1R that was applied to revise the GovGuam Retirement Fund financial statements. In our opinion, such reclassification adjustment is appropriate and has been properly applied. However, we were not engaged to audit, review, or apply any procedures to the financial statements of the GovGuam Retirement Fund other than with respect to such reclassification adjustment and, accordingly, we do not express an opinion or any other form of assurance on the financial statements of the GovGuam Retirement Fund taken as a whole.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above 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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis-of-Matters**

#### *Implementation of New Accounting Standards*

As discussed in Note 1X to the financial statements, effective October 1, 2017, GovGuam adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which resulted in the restatement of beginning net position of governmental activities, fiduciary component units and the aggregate discretely presented component units. Our opinion is not modified with respect to this matter.

#### *Restatement*

As discussed in Note 15 to the financial statements, the beginning net position of governmental activities and the aggregate discretely presented component units have been restated to correct an error. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 19, the Schedule of Revenues, Expenditures and Changes in Deficit – Budget and Actual – General Fund and notes thereto on pages 128 through 130, the Schedule of Proportionate Share of the Net Pension Liability, on pages 131 through 133, the Schedule of Pension Contributions on page 134, the Schedule of Changes in the Proportionate Share of the Total OPEB Liability and Related Ratios on page 135, the Schedule of Proportionate Share of the Total OPEB Liability on page 136, and the Schedule of OPEB Contributions on page 137, be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information, comparing the information for consistency with management's responses to our inquiries of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## *Other Information*

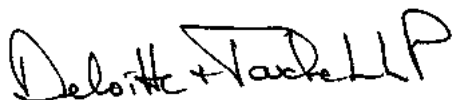
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GovGuam's basic financial statements. The Other Supplementary Information, as set forth in Section V of the foregoing table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management. The additional information on pages 139 through 150 and 158 through 216 as well as the 2018 information on pages 151 through 157 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the additional information on pages 139 through 150 and 158 through 216 as well as the 2018 information on pages 151 through 157 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 2017 information on pages 151 through 157 as well as the information on pages 217 through 237 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019, on our consideration of GovGuam'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 solely 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 effectiveness of GovGuam's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GovGuam's internal control over financial reporting and compliance.



June 20, 2019

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

Our discussion and analysis of the Government of Guam ("GovGuam") financial performance provides an overview on the background and history of GovGuam's financial activities and details for the fiscal year ended September 30, 2018. Please read it in conjunction with GovGuam's financial statements, which follow this section. Fiscal year 2017 comparative information has been included, where appropriate.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

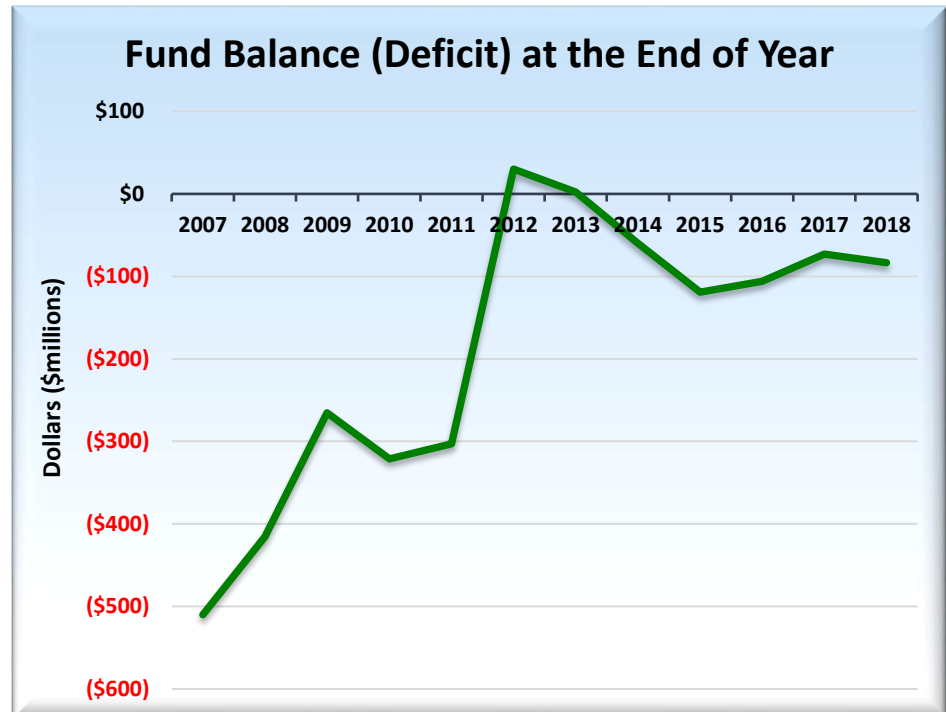
This discussion and analysis is intended to serve as an introduction to GovGuam's basic financial statements. GovGuam's basic financial statements are comprised of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The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

#### GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

The General Fund is the chief operating fund of GovGuam.

The graph below shows the annual tracking of the Statement of Revenue, Expenditures and Changes in Fund Balances (Deficit) of the General Fund over the last twelve years (Graph 1). In 2006, the General Fund deficit reached its steepest decline of \$524 million. Since that time, the Government has achieved a steadily improving trend. This has been achieved by maximizing revenues, limiting expenditures and by replacing unfunded current obligations with bonded long-term debt which has structured repayment requirements. This debt represents a level of confidence by outside investors in the ability of GovGuam to manage its responsibilities.

|        |           |
|--------|-----------|
| FY2007 | \$(510.1) |
| FY2008 | \$(415.5) |
| FY2009 | \$(265.4) |
| FY2010 | \$(321.3) |
| FY2011 | \$(303.1) |
| FY2012 | \$ 30.1   |
| FY2013 | \$ 2.3    |
| FY2014 | \$( 59.6) |
| FY2015 | \$(119.1) |
| FY2016 | \$(105.7) |
| FY2017 | \$(73.0)  |
| FY2018 | \$(83.4)  |



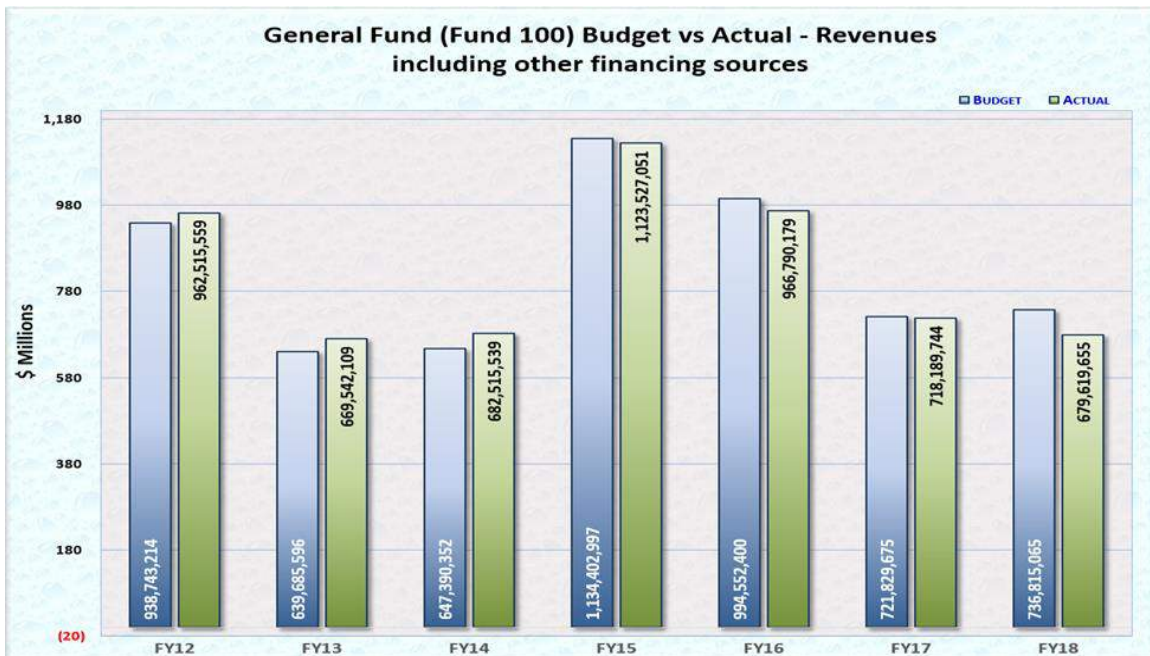
- For FY2018, the General Fund generated an excess of revenues over expenditures of \$3.9 million. After accounting for expenditures that exceeded revenues for certain departments not subject to budgetary control, namely the Guam Department of Education (\$2.6 million), the Unified Courts of Guam (\$1.1 million), and the Public Defender Service Corporation (\$0.85 million) together with recognizing \$9.7 million of Medicaid and MIP claims that were incurred but not processed at year end, a final modest fund deficit of \$10.4 million was recorded.



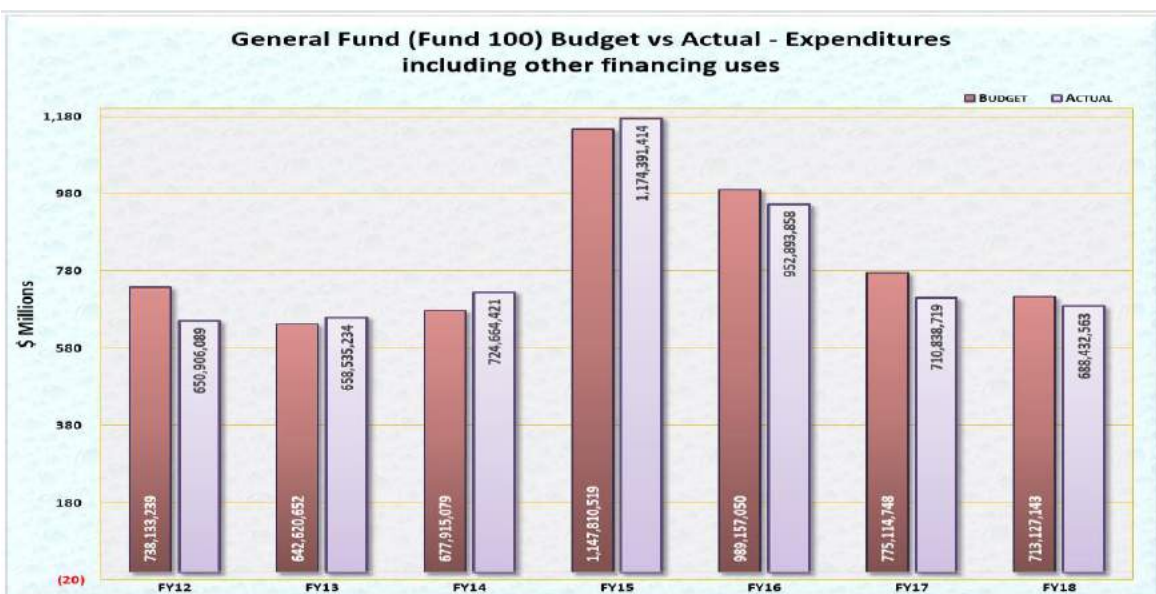
## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

- The General Fund is required to assume the burden of any shortfalls in other funds and activities. In FY2014 and FY2015, the increased deficit can be attributed to several factors, including the payment of debt services costs related to the closure of the Ordot landfill facility of Guam Solid Waste Authority (GSWA). Up until April 2019, this enterprise was operating under Federal receivership and the Court permitted GSWA to use income received from tipping for operations and certain landfill closure expenses, leaving the General Fund to service the debt that had been taken on under Court Order, in support of the landfill closure. Additionally, also unbudgeted, was debt service costs attributed to the Guam Department of Education, which also became the responsibility of the General Fund. These excess costs exacerbated deficits also caused by unanticipated expenditures and revenue shortfalls.



Graph 2



Graph 3

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

#### FINANCIAL HIGHLIGHTS

- Effective October 1, 2017, GovGuam implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The implementation of this statement has no impact on GovGuam's governmental fund financial statements, which continue to report expenditures in the amount contractually required. However, implementation has resulted in the restatement of GovGuam's fiscal year 2017 government-wide financial statements to reflect the reporting of an OPEB liability, deferred inflows of resources, and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of GASB Statement No. 75. Refer to Note 12 for more information regarding GovGuam's OPEB.
- General revenues increased by \$2.2 million (or 0.3%) from the previous fiscal year. This was due to an increase, compared with prior year, in gross receipts tax collections of \$32.6 million (13.7%), real property taxes of \$2.9 million (10.9%), tobacco tax of \$6.6 million (30.2%), liquid fuel taxes of \$2.9 million (27.7%) and limited gaming taxes of \$2.4 million (141%) offset by a decrease in income tax collections of \$36.6 million (10.3%) and Section 30 federal income taxes of \$9.4 million (10.7%).
- During fiscal year 2018, GovGuam's expenses for governmental activities were \$1.28 billion and were funded by \$464.7 million in program revenues and \$801 million in taxes and other general revenues.
- For the fiscal year ended September 30, 2018, GovGuam's total net deficit position increased by \$18 million (0.7%) from a net deficit position of \$2.46 billion in the prior year, as restated, to a net deficit position of \$2.48 billion. This was primarily attributable to expenses for governmental activities of \$1.28 billion exceeding revenues of \$1.27 billion.
- General Fund revenues (including transfers in) of \$679.6 million were lower than estimated collections of \$736.8 million. The net decrease of \$57.2 million is primarily attributable to income tax collections being \$69 million below budget, offset by gross receipts tax and Section 30 federal income tax collections exceeding budget by \$5.5 million and \$9.2 million, respectively.
- Offsetting reduced revenues, General Fund budgetary expenditures (including operating transfers out) of \$688.4 million were lower than authorized appropriations of \$713.1 million. The net decrease of \$24.7 million is primarily attributable to cost reduction measures by line agencies of \$18 million and decreased subsidies to autonomous agencies of \$12.6 million, which were offset by Landfill Tax Credits of \$0.8 million and non-appropriated expenditures of \$6.1 million.
- For the fiscal year ended September 30, 2018, the General Fund reported expenditures (including transfers out) of \$726.1 million, a decrease of \$31.2 million (or 4.1%) from fiscal year 2017 expenditures and transfers out of \$757.3 million. Correspondingly, the General Fund reported revenues (including transfers in) of \$715.6 million, a decrease of \$74.4 million (or 9.4%) from fiscal year 2017 revenues and transfers in of \$790 million.

#### 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 position includes all of the government's assets and deferred outflows of resources, and liabilities and deferred inflows of resources. 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.

## **GOVERNMENT OF GUAM**

### **Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018**

The two government-wide statements report GovGuam's net position and how that has been impacted in the current Fiscal Year. Net position is the difference between GovGuam's assets (and deferred outflows) and liabilities (and deferred inflows).

- Over time, increases or decreases in GovGuam's net position is 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 also 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 reported because GovGuam is financially accountable for them.

### **Governmental 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 Assistance 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 (Unaudited)  
Year Ended September 30, 2018

### A FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. At September 30, 2018, GovGuam reported positive balances in two of the categories of net position. By far, the largest portion of GovGuam's net position (\$507.7 million) reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. 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. An additional portion of GovGuam's net position (\$623.2 million) represents resources that are subject to external restrictions or enabling legislation as to the purpose they can be used for.

#### Net Position

The summary of Net Position (condensed) presented below, with comparable balances for fiscal year 2017, discloses this relationship:

| GovGuam's Net Position<br>As of September 30 |                                    |                                                     |                                            |
|----------------------------------------------|------------------------------------|-----------------------------------------------------|--------------------------------------------|
|                                              | Governmental<br>Activities<br>2018 | (As Restated)<br>Governmental<br>Activities<br>2017 | Total<br>Percentage<br>Change<br>2018-2017 |
| Current assets                               | \$ 246,843,752                     | \$ 220,969,679                                      | 11.7%                                      |
| Current liabilities                          | 446,769,414                        | 400,779,455                                         | 11.5%                                      |
| <b>Net current liabilities</b>               | <b>(199,925,662)</b>               | <b>(179,809,776)</b>                                | <b>11.2%</b>                               |
| <b>Restricted assets</b>                     | <b>118,908,512</b>                 | <b>115,760,453</b>                                  | <b>2.7%</b>                                |
| Long-term assets                             | 1,457,027,353                      | 1,496,631,142                                       | -2.6%                                      |
| Long-term debt                               | 1,131,286,237                      | 1,162,119,879                                       | -2.7%                                      |
| Other long-term liabilities                  | 2,910,291,489                      | 2,932,034,049                                       | -0.7%                                      |
| <b>Total long-term liabilities</b>           | <b>4,041,577,726</b>               | <b>4,094,153,928</b>                                | <b>-1.3%</b>                               |
| <b>Net long-term liabilities</b>             | <b>(2,584,550,373)</b>             | <b>(2,597,522,786)</b>                              | <b>-0.5%</b>                               |
| <b>Deferred outflows of resources</b>        | <b>374,510,664</b>                 | <b>213,307,038</b>                                  | <b>75.6%</b>                               |
| <b>Deferred inflows of resources</b>         | <b>(187,112,319)</b>               | <b>(11,581,430)</b>                                 | <b>1515.6%</b>                             |
| Net position:                                |                                    |                                                     |                                            |
| Net investment in capital assets             | 507,682,196                        | 539,682,270                                         | -5.9%                                      |
| Restricted                                   | 623,207,215                        | 595,460,689                                         | 4.7%                                       |
| Unrestricted                                 | (3,609,058,589)                    | (3,594,989,460)                                     | 0.4%                                       |
| <b>Total net position</b>                    | <b>\$ (2,478,169,178)</b>          | <b>\$ (2,459,846,501)</b>                           | <b>0.7%</b>                                |

At the end of fiscal year 2018, GovGuam is able to report positive balances in two of the categories of net position. The negative balance of unrestricted net position is primarily attributable to GovGuam's pension and OPEB liabilities of \$1 billion and \$1.66 billion, respectively, and having long-term liabilities that are greater than currently available assets. Specifically, GovGuam has not included in past annual budgets the full amounts needed to finance future liabilities arising from outstanding bonds payable, capital lease obligations and other loans as well as to pay for closure and post closure costs of the Ordot Dump, and unused employee leave balances. GovGuam includes these amounts in annual budgets as they become due.

# GOVERNMENT OF GUAM

## Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

### Changes in Net Position

For the fiscal year ended September 30, 2018, GovGuam's total net deficit position increased by \$18 million (0.7%) from a net deficit position of \$2.46 billion in the prior year, as restated, to a net deficit position of \$2.48 billion. The restatement resulted in an increase in total net deficit position of \$1.57 billion and was primarily attributable to GASB Statement No. 75 related to recording an OPEB liability.

For the year ended September 30, 2018, the net position of the primary government changed as follows, with comparable amounts for fiscal year 2017:

### GovGuam's Changes in Net Position For the Years Ended September 30

|                                        | Governmental<br>Activities<br>2018 | (As Restated)<br>Governmental<br>Activities<br>2017 | Total<br>Percentage<br>Change<br>2018-2017 |
|----------------------------------------|------------------------------------|-----------------------------------------------------|--------------------------------------------|
| <b>Revenues:</b>                       |                                    |                                                     |                                            |
| Program revenues:                      |                                    |                                                     |                                            |
| Charges for services                   | \$ 83,233,937                      | \$ 92,157,246                                       | -9.7%                                      |
| Operating grants and contributions     | 381,465,990                        | 362,029,334                                         | 5.4%                                       |
|                                        | <u>464,699,927</u>                 | <u>454,186,580</u>                                  | 2.3%                                       |
| General revenues:                      |                                    |                                                     |                                            |
| Income taxes                           | 318,123,595                        | 354,709,313                                         | -10.3%                                     |
| Gross receipts taxes                   | 269,684,874                        | 237,133,647                                         | 13.7%                                      |
| Section 30 federal tax collections     | 77,795,541                         | 87,154,735                                          | -10.7%                                     |
| Other taxes                            | 125,782,496                        | 111,305,006                                         | 13.0%                                      |
| Other general revenues                 | 9,654,249                          | 8,561,417                                           | 12.8%                                      |
|                                        | <u>801,040,755</u>                 | <u>798,864,118</u>                                  | 0.3%                                       |
| <b>Total revenues</b>                  | <b><u>1,265,740,682</u></b>        | <b><u>1,253,050,698</u></b>                         | <b>1.0%</b>                                |
| <b>Expenses:</b>                       |                                    |                                                     |                                            |
| General government                     | 126,118,109                        | 181,198,454                                         | -30.4%                                     |
| Protection of life and property        | 136,607,357                        | 139,065,325                                         | -1.8%                                      |
| Public health                          | 314,209,429                        | 306,636,198                                         | 2.5%                                       |
| Community services                     | 41,353,330                         | 36,929,409                                          | 12.0%                                      |
| Culture and recreation                 | 32,016,147                         | 30,556,676                                          | 4.8%                                       |
| Individual and collective rights       | 77,893,126                         | 90,091,940                                          | -13.5%                                     |
| Transportation                         | 28,823,419                         | 31,356,464                                          | -8.1%                                      |
| Public education                       | 391,227,309                        | 414,034,209                                         | -5.5%                                      |
| Environmental protection               | 43,593,595                         | 26,779,320                                          | 62.8%                                      |
| Economic development                   | 14,481,753                         | 15,496,308                                          | -6.5%                                      |
| Interest                               | 75,188,590                         | 77,365,469                                          | -2.8%                                      |
| <b>Total expenses</b>                  | <b><u>1,281,512,164</u></b>        | <b><u>1,349,509,772</u></b>                         | <b>-5.0%</b>                               |
|                                        | <b>(15,771,482)</b>                | <b>(96,459,074)</b>                                 | -83.6%                                     |
| Contributions to permanent funds       | (2,551,195)                        | 25,204,501                                          | -110.1%                                    |
| <b>Change in net position</b>          | <b>(18,322,677)</b>                | <b>(71,254,573)</b>                                 | <b>-74.3%</b>                              |
| <b>Net position, beginning of year</b> | <b><u>(2,459,846,501)</u></b>      | <b><u>(2,388,591,928)</u></b>                       | <b>3.0%</b>                                |
| <b>Net position, end of year</b>       | <b><u>\$ (2,478,169,178)</u></b>   | <b><u>\$ (2,459,846,501)</u></b>                    | <b>0.7%</b>                                |



## GOVERNMENT OF GUAM

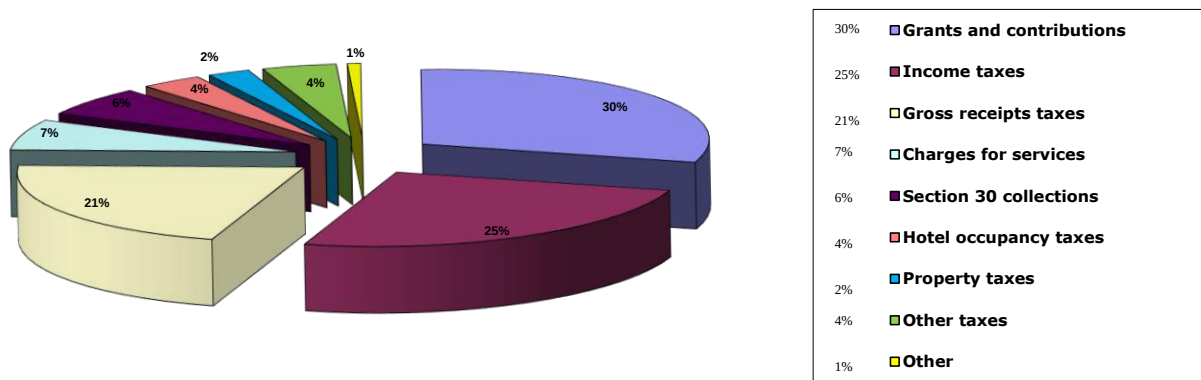
### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

#### Changes in Net Position, Continued

General revenues increased by \$2.2 million (or 0.3%) from the previous fiscal year. The change was due to an increase, compared with prior year, in gross receipts tax collections of \$32.6 million (13.7%), real property taxes of \$2.9 million (10.9%), tobacco tax of \$6.6 million (30.2%), liquid fuel taxes of \$2.9 million (27.7%) and limited gaming taxes of \$2.4 million (141%) offset by a decrease in income tax collections of \$36.6 million (10.3%) and Section 30 federal income taxes of \$9.4 million (10.7%). Tax collections were accelerated in fiscal year 2018 through a tax amnesty that permitted delinquent obligations to be paid without penalties and interest if fully paid by taxpayers by the due date. Total tax collections under this amnesty was \$29 million. GovGuam's total revenues from governmental activities, including local revenues, totaled \$1.26 billion in fiscal year 2018. The cost of governmental activities totaled \$1.28 billion, resulting in an increase in the net deficit position before contributions to permanent funds of \$16 million.

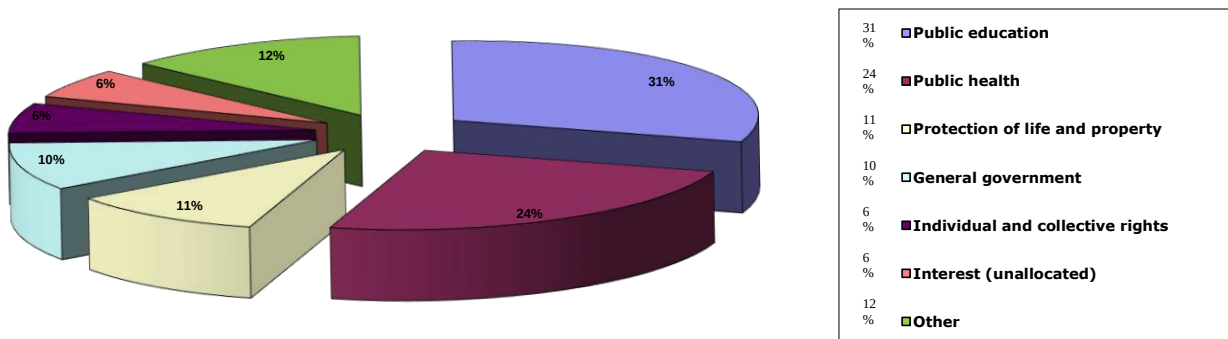
Graphs 4 and 5 below show the major components of revenues and cost of governmental activities.

Graph 4  
GovGuam's Revenue Sources  
For the Year Ended September 30, 2018



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam, which comprises 62% and 30%, respectively, of the total revenues for fiscal year 2018. Charges for services and other revenues provided 8% of the total revenues.

Graph 5  
GovGuam's Cost of Governmental Activities  
For the Year Ended September 30, 2018



## GOVERNMENT OF GUAM

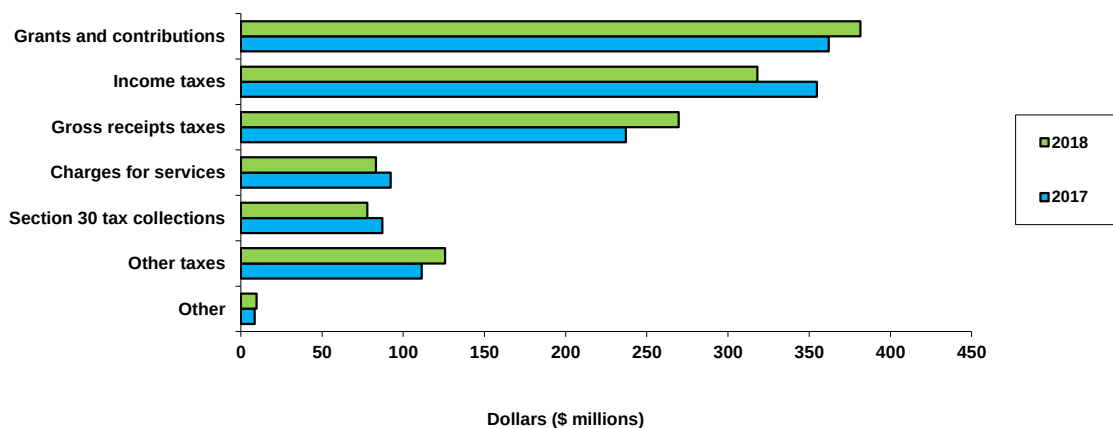
### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

#### Changes in Net Position, Continued

GovGuam's expenses cover a range of services. The largest expenses were for public education and public health, which comprise 31% and 24%, respectively, of the total expenses for fiscal year 2018. Other expenses that make up a portion of the costs of governmental activities include community services (\$41.4 million), transportation (\$28.8 million), culture and recreation (\$32 million), environmental protection (\$43.6 million), and economic development (\$14.5 million).

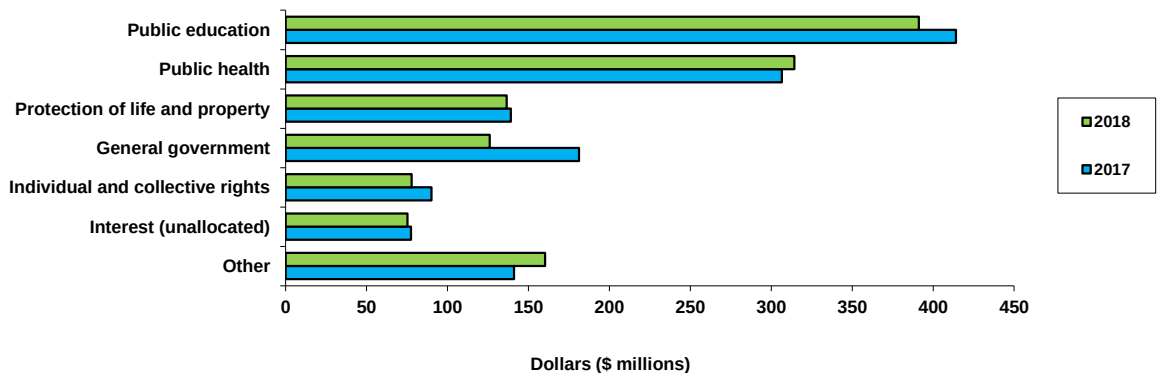
Graphs 6 and 7 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2018 and 2017.

Graph 6  
GovGuam's Revenue Sources  
For the Years Ended September 30



Other taxes in fiscal year 2018 included hotel occupancy taxes of \$43.2 million, down from \$44 million (1.9%) in fiscal year 2017; property taxes of \$29.9 million, up from \$27 million (10.9%) in fiscal year 2017; tobacco taxes of \$28.6 million, up from \$21.9 million (30.2%) in fiscal year 2017; and liquid fuel taxes of \$13.3 million, up from \$10.4 million (27.7%) in fiscal year 2017.

Graph 7  
GovGuam's Cost of Governmental Activities  
For the Years Ended September 30



## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

#### Changes in Net Position, Continued

Other expenses in fiscal year 2018 included community services of \$41.4 million, up from \$36.9 million (12%) in fiscal year 2017; culture and recreation expense of \$32 million, up from \$30.1 million (4.8%) in fiscal year 2017; transportation expenses of \$28.8 million, down from \$31.4 million (8.1%) in fiscal year 2017; and environmental protection expense of \$43.6 million, up from \$26.8 million (62.7%) in fiscal year 2017.

#### Analysis of Changes in Net Position

During the current fiscal year, GovGuam's total net position decreased by \$18 million compared with prior fiscal year decrease of \$71.3 million. The key element of this change compared with prior fiscal year is a decrease in expenses, net of program revenues, of \$78.5 million (or 8.8%), and a decrease in contributions to permanent fund of \$27.8 million (or 110%), respectively. The elements of these changes are reflected below:

#### GovGuam's Changes in Net Position For the Years Ended September 30

|                                           | Governmental<br>Activities<br>2018 | (As Restated)<br>Governmental<br>Activities<br>2017 | Total<br>Percentage<br>Change<br>2018-2017 |
|-------------------------------------------|------------------------------------|-----------------------------------------------------|--------------------------------------------|
| <b>General revenues:</b>                  |                                    |                                                     |                                            |
| Taxes                                     | \$ 791,386,506                     | \$ 790,302,701                                      | 0.1%                                       |
| Other general revenues                    | 9,654,249                          | 8,561,417                                           | 12.8%                                      |
| <b>Total general revenues</b>             | <b>801,040,755</b>                 | <b>798,864,118</b>                                  | 0.3%                                       |
| <b>Expenses, net of program revenues:</b> |                                    |                                                     |                                            |
| General government                        | 99,087,707                         | 156,106,452                                         | -36.5%                                     |
| Protection of life and property           | 106,368,407                        | 105,227,986                                         | 1.1%                                       |
| Public health                             | 87,679,376                         | 83,965,899                                          | 4.4%                                       |
| Community services                        | 26,656,904                         | 21,346,650                                          | 24.9%                                      |
| Culture and recreation                    | 30,481,867                         | 29,053,618                                          | 4.9%                                       |
| Individual and collective rights          | 62,864,067                         | 74,635,597                                          | -15.8%                                     |
| Transportation                            | (3,086,577)                        | 6,772,343                                           | -145.6%                                    |
| Public education                          | 318,696,937                        | 345,470,269                                         | -7.7%                                      |
| Environmental protection                  | 15,852,619                         | 24,674                                              | 64148.3%                                   |
| Economic development                      | (941,873)                          | (2,618,482)                                         | -64.0%                                     |
| Interest (unallocated)                    | 73,152,803                         | 75,338,186                                          | -2.9%                                      |
| <b>Total expenses, net</b>                | <b>816,812,237</b>                 | <b>895,323,192</b>                                  | -8.8%                                      |
|                                           | <b>(15,771,482)</b>                | <b>(96,459,074)</b>                                 | -83.6%                                     |
| Contributions to permanent fund           | (2,551,195)                        | 25,204,501                                          | -110.1%                                    |
| <b>Change in net position</b>             | <b>\$ (18,322,677)</b>             | <b>\$ (71,254,573)</b>                              | -74.3%                                     |

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

#### Analysis of Changes in Net Position, Continued

General revenues increased marginally by \$2.2 million (or 0.3%) from the previous fiscal year. The increase was primarily due to an increase in other general revenues compared with prior year, mainly attributable to a \$2.5 million gain on sale of land recognized by the Guam Ancestral Lands Commission. Tax revenue collections remained constant compared with the previous fiscal year including tax amnesty collections; however, there were significant changes within the respective tax revenue categories as follows: income tax collections decreased by \$36.6 million (or 10.3%) while Section 30 federal income taxes decreased by \$9.4 million (or 10.7%). These decreases were offset by an increase in gross receipts tax collections of \$32.6 million (or 13.7%) and other miscellaneous taxes of \$14.2 million (or 12.8%). Other taxes in fiscal year 2018 included property taxes of \$29.9 million, up from \$27 million (10.9%) in fiscal year 2017; tobacco taxes of \$28.6 million, up from \$21.9 million (30.2%) in fiscal year 2017; and liquid fuel taxes of \$13.3 million, up from \$10.4 million (27.7%) in fiscal year 2017.

Cost of governmental activity expenses, net of program revenues, decreased by \$78.5 million (or 8.8%) primarily due to a decrease in net general government, public education, and individual and collective rights expenses compared with prior year of \$57 million (or 36.5%), \$26.8 million (or 7.7%) and \$11.8 million (or 15.8%), respectively, offset by an increase in net environmental protection expenses of \$15.8 million.

#### Financial Ratios

The ratios for Governmental Funds and Government-wide.

|                                                      | 2018    | 2017    |
|------------------------------------------------------|---------|---------|
| Governmental Funds:                                  |         |         |
| Current Ratio                                        | 2:11:1  | 2:28:1  |
| Expenditures as a Percentage of Total Expenditures:  |         |         |
| General government                                   | 5.80%   | 6.00%   |
| Protection of Life and property                      | 10.9%   | 11.0%   |
| Public education (including payments to UOG and GCC) | 27.3%   | 28.4%   |
| Public Health (including payments to GMHA)           | 24.2%   | 24.2%   |
| Debt Service                                         | 8.30%   | 8.00%   |
| Government-wide (includes Component Units):          |         |         |
| Public Debt as a percentage of GDP                   | 42.40%  | 42.90%  |
| Public Debt as a percentage of Revenues              | 116.5%  | 119.0%  |
| Public Debt per Capita - Primary Government          | \$6,497 | \$6,733 |
| Public Debt per Capita - Component Units             | \$8,546 | \$8,518 |

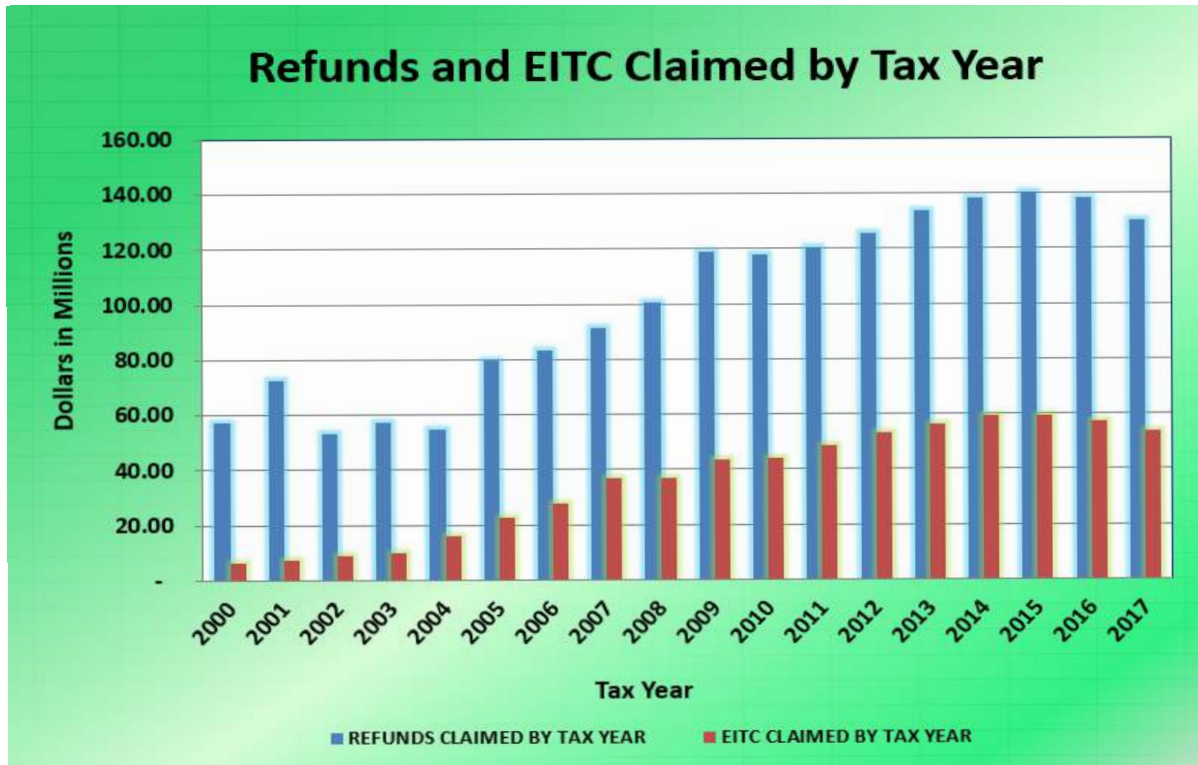
#### FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS

As noted earlier, GovGuam uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of fiscal year 2018, GovGuam's governmental funds reported a combined fund balance surplus of \$464.3 million, a decrease of \$9.9 million compared with a combined fund surplus of \$474.2 million at the end of fiscal year 2017. This is primarily attributable to the increase of fund deficit in the General Fund of \$10.4 million.

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

The relationship of Earned Income Tax Credit (EITC) paid compared to the tax refunds paid continues to increase from Tax Year 2000 of 11% to Tax Year 2017 of 41%, which is summarized as follows (Graph 8) measured on an Income Tax year basis (2017 Income Taxes are received in FY2018):



Graph 8

The Federal Grants Assistance Fund has a total fund balance of \$0.1 million, which primarily represents accumulated interest income received not yet expended at year-end.

The GDOE Federal Grants Fund has a zero total fund balance at the end of the current fiscal year. Total revenues and transfers in for the GDOE Federal Grants Fund amounted to \$67.5 million, which funded various education-related federal grant programs and which was marginally higher than fiscal year 2017 revenues and transfers in of \$66.8 million by \$0.7 million (1.1%).

The Chamorro Lands Fund has a total fund balance of \$458.8 million, which decreased by \$2.6 million compared with prior year. This decrease represented a decrease in fair value of land holding investments during the year.

### General Fund Budgetary Highlights

During the fiscal year ended September 30, 2018, there was a \$9.4 million increase in appropriations between the original and final budget for Executive Branch operations due to Public Laws 34-115 and 34-117. Actual revenues collected (including operating transfers in) of \$679.6 million were lower than budgeted amounts of \$736.8 million by \$57.2 million. The net decrease is due primarily to the decrease in income tax collections of \$69 million offset by an increase in gross receipts tax of \$5.5 million and Section 30 federal income tax of \$9.2 million.

Budgetary expenditures (including operating transfers out) of \$688.4 million were lower than authorized appropriations of \$713.1 million by \$24.7 million (or 3.5%). The net decrease is due primarily to cost cutting measures by line agencies of \$18 million and unreleased subsidies to autonomous agencies of \$12.6 million offset by Landfill Tax Credits of \$0.76 million and non-appropriated expenditures of \$6.1 million.



## GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)  
Year Ended September 30, 2018

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2018 amounted to \$1.81 billion, net of accumulated depreciation of \$810 million, leaving a net book value of \$998 million. GovGuam's capital assets include land, infrastructure, buildings, machinery and equipment, and various projects under construction. (See table below)

GovGuam's Capital Assets  
(net of depreciation)  
As of September 30, 2018

|                                    | Governmental<br>Activities<br>2018 | Governmental<br>Activities<br>2017 | Total<br>Percentage<br>Change<br>2018-2017 |
|------------------------------------|------------------------------------|------------------------------------|--------------------------------------------|
| Landfill cells                     | \$ 33,218,075                      | \$ 38,211,280                      | -13.1%                                     |
| Buildings                          | 418,102,845                        | 440,395,149                        | -0.8%                                      |
| Machinery, equipment and furniture | 20,458,344                         | 25,698,690                         | -20.4%                                     |
| Infrastructure                     | 413,661,088                        | 413,852,859                        | 0.0%                                       |
| Land                               | 57,984,847                         | 48,719,357                         | 19.0%                                      |
| Construction in progress           | 54,851,146                         | 66,326,604                         | -17.3%                                     |
| Total                              | <u>\$ 998,276,345</u>              | <u>\$ 1,033,203,939</u>            | -3.4%                                      |

Major capital asset additions for fiscal year 2018 were as follows:

- \$24.9 million were additional CIP for Federal Highway Administration (FHWA)
- \$2.3 million for Pavement Resurfacing
- \$2.8 million for Department of Corrections facility lock systems
- \$1.1 million for the Guam Museum
- \$0.75 million for acquisition of land for FHWA
- \$1.2 million for Tumon Area Upgrade
- \$0.45 million for the Fisherman's Co-op

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 (Unaudited) Year Ended September 30, 2018

#### Long-Term Debt

The Organic Act authorizes GovGuam to borrow for such purposes as approved by the Guam Legislature. At the end of the current fiscal year, GovGuam had total bonded debt outstanding of \$1.1 billion. Of this amount, \$10.4 million comprises debt backed by the full faith and credit of GovGuam and \$1.05 billion is revenue-bonded debt that is payable from and secured solely by the specific revenue sources. In addition to this bonded debt, GovGuam had loans payable and outstanding of \$9.6 million at year-end.

A breakdown of GovGuam's total long-term debt is shown below.

#### GovGuam's Outstanding Debt As of September 30, 2018

|                                            | Governmental<br>Activities<br>2018 | Governmental<br>Activities<br>2017 | Total<br>Percentage<br>Change<br>2018-2017 |
|--------------------------------------------|------------------------------------|------------------------------------|--------------------------------------------|
| General Obligation Bonds                   |                                    |                                    |                                            |
| 2009 Series A                              | \$ 10,445,000                      | \$ 15,230,000                      | -31.4%                                     |
| Limited Obligation Bonds (revenue backed): |                                    |                                    |                                            |
| 2011 Series A Hotel Occupancy Tax          | 77,585,000                         | 79,695,000                         | -2.6%                                      |
| 2011 Series A Business Privilege Tax       | 225,755,000                        | 230,485,000                        | -2.1%                                      |
| 2012 Series B Business Privilege Tax       | 104,025,000                        | 106,395,000                        | -2.2%                                      |
| 2013 Series C Business Privilege Tax       | 4,675,000                          | 9,130,000                          | -48.8%                                     |
| 2015 Series D Business Privilege Tax       | 408,405,000                        | 410,485,000                        | -0.5%                                      |
| 2016 Series A Section 30                   | 232,595,000                        | 234,975,000                        | -1.0%                                      |
| Loans payable:                             |                                    |                                    |                                            |
| Guam Congress Building loan                | 3,853,935                          | 3,946,408                          | -2.3%                                      |
| Judicial Building Loan                     | 5,730,009                          | 6,410,910                          | -10.6%                                     |
| Total                                      | <u>\$ 1,073,068,944</u>            | <u>\$ 1,096,752,318</u>            | -2.2%                                      |

GovGuam's total long-term debt decreased by \$23.7 million (2.2%) during the current fiscal year. GovGuam's underlying Standard and Poor's Corporation bond ratings were as follows:

- \$24 million General Obligation Bonds, 2009 Series A (BB-/Stable).
- \$83.6 million Hotel Occupancy Tax Bonds, 2011 Series A (BB/Stable).
- \$235 million Business Privilege Tax Bonds, 2011 Series A (BB/Stable).
- \$108.7 million Business Privilege Tax Bonds, 2012 Series B (BB/Stable).
- \$17.4 million Business Privilege Tax Bonds, 2013 Series C (BB/Stable).
- \$410.5 million Business Privilege Tax Bonds, 2015 Series D (BB/Stable).
- \$236.6 million Section 30 Bonds, 2016 Series A (BB/Stable).

Moody's Investors Service rates GovGuam's long-term debt as Ba1/Stable.

## GOVERNMENT OF GUAM

### Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018

#### Long-Term Debt, Continued

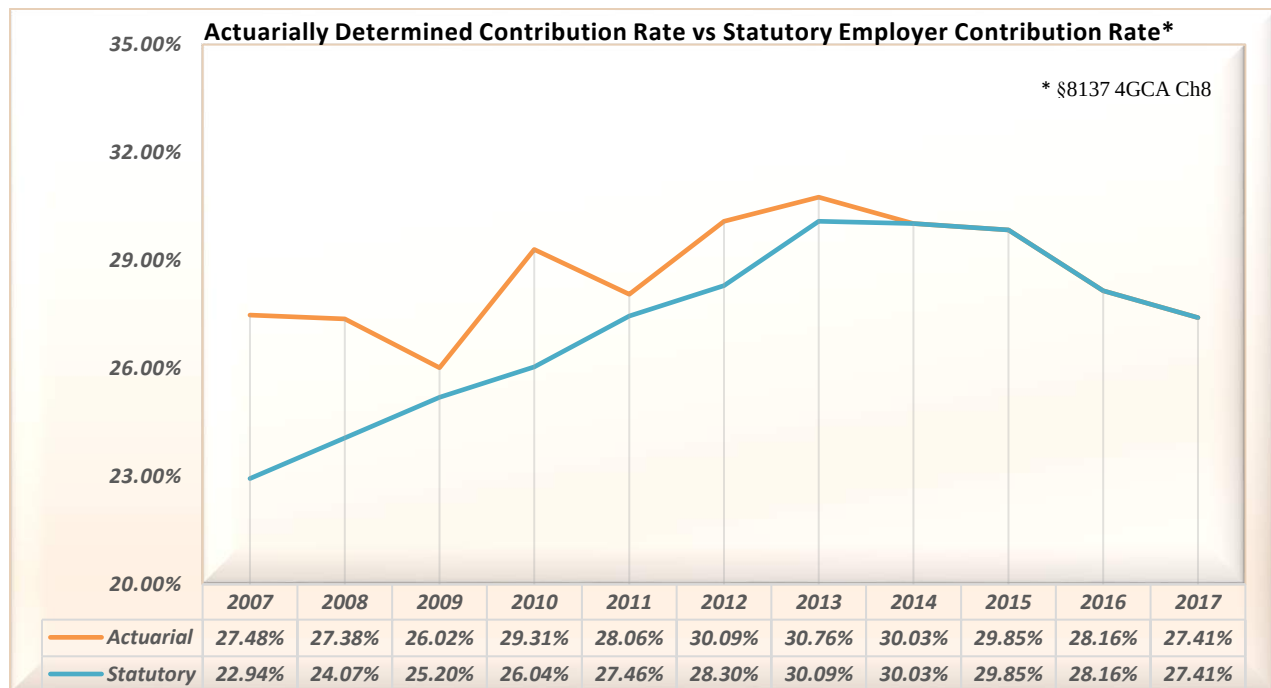
In accordance with the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is \$1.32 billion as of October 2018, the date that such certification was performed. Total debt outstanding as of September 30, 2018, subject to the debt ceiling limitation is \$1.1 billion. The legal debt margin at September 30, 2018 was \$252 million.

Additional information on GovGuam's long-term debt can be found in notes 6 and 7 to the basic financial statements.

#### GOVGUAM'S PENSION

The Government of Guam closed its defined benefit (DB) plan to new members in 1995 with all new employees participating in a defined contribution (DC) plan. Under 4 GCA, Chapter 8, the Government is required to provide a contribution annually sufficient to pay off existing liabilities by 2031. The Government of Guam Retirement Fund (GGRF) Actuarial Valuation was as of September 30, 2016 is available for review and may be accessed on their website [www.ggrf.com](http://www.ggrf.com). Based on this report:

- The unfunded actuarial accrued liability decreased from \$1.298 billion as of September 30, 2015 to \$1.249 billion as of September 30, 2016.
- The annual payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has increased from \$112.1 million to \$115.1 million. As a result, the required contribution rate increased to 27.83% of payroll as compared to prior year of 27.41% (Graph 9).
- The Government of Guam funds its unfunded actuarial accrued liability and amortized it over the remaining 14.58 years with sufficient annual contribution to fully pay the liability by 2030.



Graph 9

## **GOVERNMENT OF GUAM**

### **Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018**

Since 2015, there has been growing concern that insufficient savings by certain members in the defined contribution plan compromised their financial well-being during retirement as well as posing a threat for potential social cost to the government. GovGuam employees do not participate in the U.S. Social Security program. Thus, members upon retirement rely on their pension benefits.

- To address insufficient savings by members in the DC Plan, the Guam Legislature reformed its pensions in 2016, creating two new retirement plans, known as the DB (Defined Benefit) 1.75 and the Guam Retirement Security Plan. The Legislature overrode the Governor's veto to enact the law.
- Existing employees currently participating in the Defined Contribution Retirement System had a nine-month window starting in April 2017 and closing in December 2017 in which they can elect to participate in the new Defined Benefit 1.75 Retirement Plan or remain in the DC plan.
- The law requires those who wish to retire to "buy" their years of service based on an actuarial determine amount from the DC account savings. Participants choosing to opt into the new DB 1.75 Plan will be required to transfer all or a portion of their existing Defined Contribution System account balances to the Retirement Fund. This allows these assets to transfer to the fund to pay out future benefits. It also required increased contributions from the employee at mandatory pre-tax employee contributions equal to 9.5% of base salary in addition to a mandatory 1% contribution to the Deferred Compensation Program.
- As of December 2017 deadline for participants to elect to transfer to the Defined Benefit 1.75 Retirement Plan or the Guam Retirement Security Plan, 3,379 of the 8,947 DC Plan participants elected to transfer to the DB 1.75 Plan. Only 6 participants elected to transfer to the GRSP, which had previously been designated the new default plan. Accordingly these participants, because of low participation and because implementation of the GRSP is considered uncertain pending legislation required to conform the plan to IRC requirements, were permitted to change their elections. GGRF also designated the DC Plan as the GovGuam default plan until the GRSP plan can be fully implemented.
- It had been estimated that the new retirement plans would add \$173 million to the unfunded liability and add two years to the amortization period. The resultant unfunded liability has now been combined with the liability arising from the DB Plan. The actuarial valuation of the Plan as of September 30, 2018 has resulted in an overall decrease of \$92 million in unfunded liability despite the addition of the DB 1.75 Plan members and retirees.

## **ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS**

Guam's economy continues to grow driven by strength in tourism and increased construction related to the military build-up. For FY2017, the most up to date data available, Gross Domestic Product is estimated at \$5.9 billion (US Department of Commerce, Bureau of Economic Analysis), a 26.8% growth over 10 years.

In FY2018, over 1.5 million visitor arrivals were recorded, continuing Guam's success in attracting tourists from its main target markets of Japan and Korea, while also expanding marketing activities to other areas. Guam Visitors Bureau (GVB) support included a concert by AKB48 and a tour for nearly 30 top level travel executives for the Japan market; sponsored baseball and golf tournaments and other cultural events for the Korean market. GVB is also fostering other markets, including the Philippines, China and the US mainland. Through its support of sporting and cultural events and its involvement in infrastructure upkeep such as Tumon Landscaping and Beach maintenance, GVB continues to promote continued growth in this sector and high room occupancy and increasing hotel room rates support Guam's economy.

The military Build-Up efforts continues with 189 military construction projects in progress. The FY2019 National Defense Authorization Act included \$377 million for Guam infrastructure with the draft proposals for FY2020 of over \$400 million.

## **GOVERNMENT OF GUAM**

### **Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2018**

Civilian development continues with the construction of a new 340 room luxury hotel with expected completion in March 2020. Other projects include a planning application for a new 246 room hotel near the airport, infrastructure stimulation at Guam International Airport Authority, Guam Waterworks Authority and Guam Power Authority, new hospitality investments such as Olive Garden, Red Lobster and Jollibee and a proposal by a Japanese retailer to open retail store in Tamuning.

Guam's unemployment rate fell to 3.6% as of September 2018, slightly lower than the U.S. unemployment for the same period of 3.7%. To alleviate labor shortages in April 2019, 97 additional H-2B visas were approved along with 258 extensions. A total of 960 H-2B visa workers are currently on Guam.

In May 2019, the District Court of Guam transferred operations to the Guam Solid Waste Authority, previously performed by the Federal Receiver in May 2019. The Receiver is still tasked with carrying out certain duties, including finalizing, together with USEPA and Guam EPA financing and engineering associated with the Ordot landfill post closure issues and a contract for a new cell at the Layon landfill site. In order to complete this new construction, the Government will issue a \$30 million General Obligation Bond with debt service to be met by GSWA tipping fee revenues with no requirements for an increase in fees for this funding.

The Leon Guerrero-Tenorio administration is committed to fiscal responsibility. The Administration has focused on stabilizing the finances, collecting taxes due and reviewing spending priorities. In FY2018, the Government was faced with a severe reduction in revenues as a result of the Tax Cuts and Jobs Act 2017. The budget was balanced by a combination of raising revenues by increasing Business Privilege Tax by 1% to 5% and by constraining spending. The FY2020 Budget submitted by the Governor to the Legislature is based on improving the quality of life for the people of Guam, balancing disciplined spending with the priorities of public safety, a healthy community, promoting local production and developing efficiencies and transparency in government.

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT AND POPULAR ANNUAL FINANCIAL REPORT**

The Government will be publishing a Comprehensive Annual Financial Report, which will contain both financial and statistical data and essential facts about the Government of Guam.

The Popular Annual Financial Report is designed to help citizens understand Government finances in a graphical form.

### **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: Gaudencio Rosario, Deputy Financial Manager, P.O. Box 884, Hagatña, Guam 96932. Telephone No: (671) 475-1150/1169 Facsimile: (671) 472-8483 Website Address: [www.da.doa.guam.gov](http://www.da.doa.guam.gov).



# GOVERNMENT OF GUAM

## Statement of Net Position September 30, 2018

|                                                 | Primary<br>Government     | Component<br>Units    |
|-------------------------------------------------|---------------------------|-----------------------|
| <u>ASSETS</u>                                   |                           |                       |
| Cash and cash equivalents                       | \$ 102,407,890            | \$ 122,346,123        |
| Investments                                     | 4,754,234                 | 76,608,321            |
| Receivables, net                                | 116,336,608               | 166,837,388           |
| Due from primary government                     | -                         | 17,023,813            |
| Due from component units                        | 2,215,251                 | -                     |
| Due from private purpose trusts                 | 2,109,846                 | -                     |
| Inventories                                     | 5,033,990                 | 89,431,298            |
| Prepayments                                     | 5,052,821                 | 2,601,595             |
| Deposits and other assets                       | 8,933,112                 | 14,029,022            |
| Restricted assets:                              |                           |                       |
| Cash and cash equivalents                       | 95,030,132                | 579,272,077           |
| Investments                                     | 23,878,380                | 212,021,668           |
| Unamortized bond issuance costs                 | -                         | 2,503,448             |
| Capital assets:                                 |                           |                       |
| Nondepreciable capital assets                   | 112,835,993               | 404,868,580           |
| Capital assets, net of accumulated depreciation | 885,440,352               | 1,373,521,393         |
| Land and other real estate                      | 458,751,008               | -                     |
| Land held for development                       | -                         | 2,636,152             |
| Total assets                                    | <u>1,822,779,617</u>      | <u>3,063,700,878</u>  |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>           |                           |                       |
| Deferred loss on refunding                      | 100,468,307               | 39,904,423            |
| Deferred outflows from pensions                 | 107,512,592               | 51,779,023            |
| Deferred outflows from OPEB                     | 166,529,765               | 74,490,709            |
| Deferred unrecovered fuel costs                 | -                         | 8,370,542             |
| Deferred forward delivery contract costs        | -                         | 477,997               |
| Total deferred outflows of resources            | <u>374,510,664</u>        | <u>175,022,694</u>    |
| <u>LIABILITIES</u>                              |                           |                       |
| Accounts payable and other current liabilities  | 82,605,966                | 88,512,856            |
| Contracts payable                               | -                         | 37,201,728            |
| Accrued interest payable                        | 16,051,251                | 27,564,144            |
| Accrued payroll and other                       | 21,448,345                | 12,900,999            |
| Payable to federal agencies                     | 15,843,297                | -                     |
| Provision for tax refunds                       | 123,400,041               | -                     |
| COLA liability                                  | 4,531,673                 | -                     |
| Due to primary government                       | -                         | 2,215,251             |
| Due to component units                          | 17,023,813                | -                     |
| Unearned revenues                               | 78,231,114                | 13,470,615            |
| Deposits and other liabilities                  | 16,106,513                | 49,789,455            |
| Long-term liabilities:                          |                           |                       |
| Due within one year                             | 71,527,401                | 48,185,635            |
| Due in more than one year                       | 4,041,577,726             | 2,727,139,353         |
| Total liabilities                               | <u>4,488,347,140</u>      | <u>3,006,980,036</u>  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>            |                           |                       |
| Deferred forward delivery contract revenues     | -                         | 1,752,053             |
| Deferred inflows from pensions                  | 41,986,479                | 21,425,201            |
| Deferred inflows from OPEB                      | 145,125,840               | 68,939,598            |
| Deferred gain on refunding                      | -                         | 172,676               |
| Total deferred inflows of resources             | <u>187,112,319</u>        | <u>92,289,528</u>     |
| <u>NET POSITION</u>                             |                           |                       |
| Net investment in capital assets                | 507,682,196               | 674,401,393           |
| Restricted for:                                 |                           |                       |
| Capital projects                                | 8,498,381                 | 73,535,864            |
| Retirement of indebtedness                      | 77,409,030                | 11,068,906            |
| Endowment - nonexpendable                       | 458,751,008               | 9,306,127             |
| Public health                                   | 19,719,024                | -                     |
| Environmental protection                        | 15,695,932                | -                     |
| Other purposes                                  | 43,133,840                | 140,968,524           |
| Unrestricted                                    | (3,609,058,589)           | (769,826,806)         |
| Total net position                              | <u>\$ (2,478,169,178)</u> | <u>\$ 139,454,008</u> |

See accompanying notes to basic financial statements.

**GOVERNMENT OF GUAM**  
**Statement of Activities**  
**Year Ended September 30, 2018**

| Functions/Programs                                                              | Expenses         | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                 |
|---------------------------------------------------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|-----------------|
|                                                                                 |                  | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                | Component Units |
| Primary government:                                                             |                  |                      |                                    |                                  |                                                   |                 |
| Governmental Activities:                                                        |                  |                      |                                    |                                  |                                                   |                 |
| General government                                                              | \$ 126,118,109   | \$ 17,722,751        | \$ 9,307,651                       | \$ -                             | \$ (99,087,707)                                   | \$ -            |
| Protection of life and property                                                 | 136,607,357      | 20,405,322           | 9,833,628                          | -                                | (106,368,407)                                     | -               |
| Public health                                                                   | 314,209,429      | 4,909,982            | 221,620,071                        | -                                | (87,679,376)                                      | -               |
| Community services                                                              | 41,353,330       | 1,920                | 14,694,506                         | -                                | (26,656,904)                                      | -               |
| Culture and recreation                                                          | 32,016,147       | 731,088              | 803,192                            | -                                | (30,481,867)                                      | -               |
| Individual and collective rights                                                | 77,893,126       | 2,827,464            | 12,201,595                         | -                                | (62,864,067)                                      | -               |
| Transportation                                                                  | 28,823,419       | 9,826,637            | 22,083,359                         | -                                | 3,086,577                                         | -               |
| Public education                                                                | 391,227,309      | 2,998,571            | 69,531,801                         | -                                | (318,696,937)                                     | -               |
| Environmental protection                                                        | 43,593,595       | 23,118,998           | 4,621,978                          | -                                | (15,852,619)                                      | -               |
| Economic development                                                            | 14,481,753       | 691,204              | 14,732,422                         | -                                | 941,873                                           | -               |
| Interest (unallocated)                                                          | 75,188,590       | -                    | 2,035,787                          | -                                | (73,152,803)                                      | -               |
| Total primary government                                                        | \$ 1,281,512,164 | \$ 83,233,937        | \$ 381,465,990                     | \$ -                             | (816,812,237)                                     | -               |
| Component Units:                                                                |                  |                      |                                    |                                  |                                                   |                 |
| Antonio B. Won Pat International Airport Authority                              | \$ 85,195,952    | \$ 76,010,942        | \$ 413,100                         | \$ 7,928,287                     | -                                                 | (843,623)       |
| Guam Community College                                                          | 32,128,757       | 5,818,513            | 11,457,483                         | -                                | -                                                 | (14,852,761)    |
| Guam Housing and Urban Renewal Authority                                        | 45,093,782       | 1,774,208            | 40,849,623                         | 536,500                          | -                                                 | (1,933,451)     |
| Guam Memorial Hospital Authority                                                | 124,061,476      | 90,393,262           | 1,020,572                          | 5,470,881                        | -                                                 | (27,176,761)    |
| Guam Power Authority                                                            | 376,096,538      | 379,868,205          | 1,438,655                          | -                                | -                                                 | 5,210,322       |
| Guam Waterworks Authority                                                       | 101,748,671      | 107,575,041          | -                                  | 15,208,707                       | -                                                 | 21,035,077      |
| Port Authority of Guam                                                          | 54,941,308       | 54,329,727           | 275,548                            | 233,332                          | -                                                 | (102,701)       |
| University of Guam                                                              | 102,729,912      | 23,574,940           | 33,660,318                         | -                                | -                                                 | (45,494,654)    |
| Nonmajor component units                                                        | 38,222,856       | 9,149,378            | 713,923                            | -                                | -                                                 | (28,359,555)    |
|                                                                                 | \$ 960,219,252   | \$ 748,494,216       | \$ 89,829,222                      | \$ 29,377,707                    | -                                                 | (92,518,107)    |
| General revenues:                                                               |                  |                      |                                    |                                  |                                                   |                 |
| Taxes:                                                                          |                  |                      |                                    |                                  |                                                   |                 |
| Income                                                                          |                  |                      |                                    |                                  | 318,123,595                                       | -               |
| Gross receipts                                                                  |                  |                      |                                    |                                  | 269,684,874                                       | -               |
| Section 30 Federal income tax collections                                       |                  |                      |                                    |                                  | 77,795,541                                        | -               |
| Hotel occupancy                                                                 |                  |                      |                                    |                                  | 43,181,165                                        | -               |
| Property                                                                        |                  |                      |                                    |                                  | 29,932,932                                        | -               |
| Tobacco                                                                         |                  |                      |                                    |                                  | 28,562,068                                        | -               |
| Liquid fuel                                                                     |                  |                      |                                    |                                  | 13,297,415                                        | -               |
| Alcoholic beverages                                                             |                  |                      |                                    |                                  | 3,676,775                                         | -               |
| Excise                                                                          |                  |                      |                                    |                                  | 2,728,034                                         | -               |
| Limited gaming                                                                  |                  |                      |                                    |                                  | 4,140,378                                         | -               |
| Investment earnings                                                             |                  |                      |                                    |                                  | 263,729                                           | 13,774,337      |
| Contributions from primary government                                           |                  |                      |                                    |                                  | -                                                 | 109,929,782     |
| Other                                                                           |                  |                      |                                    |                                  | 9,654,249                                         | 1,665,934       |
| Total general revenues                                                          |                  |                      |                                    |                                  | 801,040,755                                       | 125,370,053     |
| Extraordinary item                                                              |                  |                      |                                    |                                  | -                                                 | 1,920,434       |
| Contributions to permanent fund                                                 |                  |                      |                                    |                                  | (2,551,195)                                       | -               |
| Total general revenues, extraordinary items and contributions to permanent fund |                  |                      |                                    |                                  | 798,489,560                                       | 127,290,487     |
| Change in net position                                                          |                  |                      |                                    |                                  | (18,322,677)                                      | 34,772,380      |
| Net position at beginning of year, as previously reported                       |                  |                      |                                    |                                  | (889,493,533)                                     | 811,476,808     |
| Implementation of GASB Statement No. 75 (Note 1X)                               |                  |                      |                                    |                                  | (1,541,331,181)                                   | (705,149,415)   |
| Overstatement of capital assets (Note 15)                                       |                  |                      |                                    |                                  | (29,021,787)                                      | (1,645,765)     |
| Net position at beginning of year, as restated                                  |                  |                      |                                    |                                  | (2,459,846,501)                                   | 104,681,628     |
| Net position at end of year                                                     |                  |                      |                                    |                                  | \$ (2,478,169,178)                                | \$ 139,454,008  |

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Balance Sheet Governmental Funds September 30, 2018

|                                                    |                | Special Revenue                 |                           | Permanent         |                       | Other          |  |
|----------------------------------------------------|----------------|---------------------------------|---------------------------|-------------------|-----------------------|----------------|--|
|                                                    | General        | Federal<br>Grants<br>Assistance | GDOE<br>Federal<br>Grants | Chamorro<br>Lands | Governmental<br>Funds | Total          |  |
| <b>ASSETS</b>                                      |                |                                 |                           |                   |                       |                |  |
| Cash and cash equivalents                          | \$ 56,072,078  | \$ 1,431,646                    | \$ 911,868                | \$ -              | \$ 43,992,298         | \$ 102,407,890 |  |
| Investments                                        | 209,702        | -                               | -                         | -                 | 4,544,532             | 4,754,234      |  |
| Land and other real estate                         | -              | -                               | -                         | 458,751,008       | -                     | 458,751,008    |  |
| Receivables, net:                                  |                |                                 |                           |                   |                       |                |  |
| Taxes                                              | 55,147,775     | -                               | -                         | -                 | 6,964,874             | 62,112,649     |  |
| Federal agencies                                   | 3,165,193      | 36,147,912                      | 9,171,721                 | -                 | -                     | 48,484,826     |  |
| Other                                              | 1,137,127      | -                               | -                         | -                 | 4,602,006             | 5,739,133      |  |
| Due from component units                           | -              | -                               | -                         | -                 | 2,215,251             | 2,215,251      |  |
| Due from other funds                               | 36,078,334     | -                               | -                         | -                 | 22,813,864            | 58,892,198     |  |
| Due from private purpose trust funds               | 2,109,846      | -                               | -                         | -                 | -                     | 2,109,846      |  |
| Inventories                                        | 5,033,990      | -                               | -                         | -                 | -                     | 5,033,990      |  |
| Prepayments                                        | 4,959,406      | -                               | 8,065                     | -                 | 85,350                | 5,052,821      |  |
| Deposits and other assets                          | 7,931,994      | -                               | -                         | -                 | 1,118                 | 7,933,112      |  |
| Restricted assets:                                 |                |                                 |                           |                   |                       |                |  |
| Cash and cash equivalents                          | 86,590,654     | -                               | -                         | -                 | 8,439,478             | 95,030,132     |  |
| Investments                                        | -              | -                               | -                         | -                 | 23,878,380            | 23,878,380     |  |
| Total assets                                       | \$ 258,436,099 | \$ 37,579,558                   | \$ 10,091,654             | \$ 458,751,008    | \$ 117,537,151        | \$ 882,395,470 |  |
| <b>LIABILITIES AND FUND<br/>BALANCES (DEFICIT)</b> |                |                                 |                           |                   |                       |                |  |
| Accounts payable                                   | \$ 72,080,107  | \$ 375,539                      | \$ 3,925,025              | \$ -              | \$ 6,225,295          | \$ 82,605,966  |  |
| Accrued payroll and other                          | 13,382,558     | 1,460,653                       | 3,541,740                 | -                 | 3,063,394             | 21,448,345     |  |
| Due to component units                             | 13,881,863     | -                               | -                         | -                 | 3,141,950             | 17,023,813     |  |
| Due to other funds                                 | 22,813,864     | 21,233,194                      | 1,144,158                 | -                 | 13,700,982            | 58,892,198     |  |
| Payable to federal agencies                        | -              | 14,362,566                      | 1,480,731                 | -                 | -                     | 15,843,297     |  |
| Unearned revenues                                  | 77,046,768     | -                               | -                         | -                 | 1,184,346             | 78,231,114     |  |
| Provision for tax refunds                          | 123,400,041    | -                               | -                         | -                 | -                     | 123,400,041    |  |
| COLA liability                                     | 4,531,673      | -                               | -                         | -                 | -                     | 4,531,673      |  |
| Deposits and other liabilities                     | 14,748,088     | -                               | -                         | -                 | 1,358,425             | 16,106,513     |  |
| Total liabilities                                  | 341,884,962    | 37,431,952                      | 10,091,654                | -                 | 28,674,392            | 418,082,960    |  |
| Fund balances (deficit):                           |                |                                 |                           |                   |                       |                |  |
| Non-spendable                                      | 3,610,374      | -                               | -                         | 458,751,008       | -                     | 462,361,382    |  |
| Restricted                                         | 86,096,270     | -                               | -                         | -                 | 39,632,622            | 125,728,892    |  |
| Committed                                          | 11,441,305     | -                               | -                         | -                 | 51,031,938            | 62,473,243     |  |
| Assigned                                           | -              | 147,606                         | -                         | -                 | -                     | 147,606        |  |
| Unassigned:                                        |                |                                 |                           |                   |                       |                |  |
| General fund                                       | (184,596,812)  | -                               | -                         | -                 | -                     | (184,596,812)  |  |
| Special revenue funds                              | -              | -                               | -                         | -                 | (1,801,801)           | (1,801,801)    |  |
| Total fund balances<br>(deficit)                   | (83,448,863)   | 147,606                         | -                         | 458,751,008       | 88,862,759            | 464,312,510    |  |
| Total liabilities and fund<br>balances (deficit)   | \$ 258,436,099 | \$ 37,579,558                   | \$ 10,091,654             | \$ 458,751,008    | \$ 117,537,151        | \$ 882,395,470 |  |

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2018

|                                                                                                                                                                               |                      |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|
| Total fund balance - governmental funds                                                                                                                                       |                      | \$ 464,312,510            |
| Amounts reported for governmental activities in the statement of net position are different because:                                                                          |                      |                           |
| Maintenance costs associated with capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds |                      | 1,000,000                 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:                            |                      |                           |
| Land                                                                                                                                                                          | \$ 57,984,847        |                           |
| Construction in progress                                                                                                                                                      | 54,851,146           |                           |
| Depreciable capital assets and infrastructure                                                                                                                                 | 1,695,386,533        |                           |
| Accumulated depreciation                                                                                                                                                      | <u>(809,946,181)</u> |                           |
| Capital assets, net of accumulated depreciation                                                                                                                               |                      | 998,276,345               |
| Accrued interest payable is not recognized in governmental funds                                                                                                              |                      | (16,051,251)              |
| 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                                                                                                                                                                 | (1,154,077,482)      |                           |
| Notes payable                                                                                                                                                                 | (9,583,944)          |                           |
| Capital lease obligations                                                                                                                                                     | (192,087,869)        |                           |
| Due to IRS                                                                                                                                                                    | (19,937,926)         |                           |
| Tax credits payable                                                                                                                                                           | (3,639,101)          |                           |
| Net pension liability                                                                                                                                                         | (1,005,171,481)      |                           |
| OPEB liability                                                                                                                                                                | (1,669,874,024)      |                           |
| Compensated absences payable                                                                                                                                                  | (21,510,948)         |                           |
| DCRS sick leave liability                                                                                                                                                     | (17,210,266)         |                           |
| Landfill closure and postclosure costs                                                                                                                                        | <u>(20,012,086)</u>  |                           |
| Long-term liabilities                                                                                                                                                         |                      | (4,113,105,127)           |
| Deferred outflows of resources are charged to future periods and are not reported in the funds. Those deferred outflows consist of:                                           |                      |                           |
| Deferred loss on refunding                                                                                                                                                    | 100,468,307          |                           |
| Deferred outflows from pensions                                                                                                                                               | 107,512,592          |                           |
| Deferred outflows from OPEB                                                                                                                                                   | <u>166,529,765</u>   |                           |
|                                                                                                                                                                               |                      | 374,510,664               |
| Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of:                                                    |                      |                           |
| Deferred inflows from pensions                                                                                                                                                | (41,986,479)         |                           |
| Deferred inflows from OPEB                                                                                                                                                    | <u>(145,125,840)</u> |                           |
|                                                                                                                                                                               |                      | (187,112,319)             |
| Net position of governmental activities                                                                                                                                       |                      | <u>\$ (2,478,169,178)</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, 2018

|                                                                  |                        | Special Revenue                 |                           | Permanent             | Other                 |                       |
|------------------------------------------------------------------|------------------------|---------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
|                                                                  | General                | Federal<br>Grants<br>Assistance | GDOE<br>Federal<br>Grants | Chamorro<br>Lands     | Governmental<br>Funds | Total                 |
| <b>Revenues:</b>                                                 |                        |                                 |                           |                       |                       |                       |
| Taxes                                                            | \$ 668,332,044         | \$ -                            | \$ -                      | \$ -                  | \$ 122,790,733        | \$ 791,122,777        |
| Intergovernmental                                                | 3,526,327              | 312,724,142                     | 59,696,828                | -                     | 2,122,703             | 378,070,000           |
| Licenses and permits                                             | 464,599                | -                               | -                         | -                     | 54,991,136            | 55,455,735            |
| Charges for services                                             | 4,463,121              | -                               | 178,138                   | -                     | 21,644,169            | 26,285,428            |
| Fines and forfeits                                               | 889,391                | -                               | -                         | -                     | 603,383               | 1,492,774             |
| Interest and investment earnings                                 | 66,555                 | -                               | -                         | (2,551,195)           | 197,174               | (2,287,466)           |
| Indirect cost reimbursement                                      | 4,043                  | -                               | -                         | -                     | -                     | 4,043                 |
| Contributions from component units                               | 3,391,947              | -                               | -                         | -                     | -                     | 3,391,947             |
| Other                                                            | 6,888,658              | -                               | -                         | -                     | 2,765,591             | 9,654,249             |
| <b>Total revenues</b>                                            | <b>688,026,685</b>     | <b>312,724,142</b>              | <b>59,874,966</b>         | <b>(2,551,195)</b>    | <b>205,114,889</b>    | <b>1,263,189,487</b>  |
| <b>Expenditures:</b>                                             |                        |                                 |                           |                       |                       |                       |
| <b>Current:</b>                                                  |                        |                                 |                           |                       |                       |                       |
| General government                                               | 47,580,536             | 7,785,318                       | -                         | -                     | 18,436,895            | 73,802,749            |
| Protection of life and property                                  | 104,749,741            | 9,833,628                       | -                         | -                     | 23,455,718            | 138,039,087           |
| Public health                                                    | 7,758,976              | 250,096,069                     | -                         | -                     | 26,113,430            | 283,968,475           |
| Community services                                               | 26,436,813             | 14,694,506                      | -                         | -                     | 1,667                 | 41,132,986            |
| Recreation                                                       | 892,879                | 803,192                         | -                         | -                     | 3,704,300             | 5,400,371             |
| Individual and collective rights                                 | 45,648,629             | 10,234,346                      | -                         | -                     | 15,617,950            | 71,500,925            |
| Transportation                                                   | -                      | 22,083,359                      | -                         | -                     | 13,159,030            | 35,242,389            |
| Public education                                                 | 222,916,071            | 2,173,423                       | 59,910,616                | -                     | 6,834,114             | 291,834,224           |
| Environmental protection                                         | 62,091                 | 4,621,978                       | -                         | -                     | 26,268,351            | 30,952,420            |
| Economic development                                             | 3,946,208              | 5,028,820                       | -                         | -                     | 737,611               | 9,712,639             |
| <b>Payments to:</b>                                              |                        |                                 |                           |                       |                       |                       |
| GovGuam Retirement Fund                                          | 3,917,000              | -                               | -                         | -                     | -                     | 3,917,000             |
| Guam Community College                                           | 19,359,937             | -                               | -                         | -                     | 649,668               | 20,009,605            |
| Guam Memorial Hospital Authority                                 | 17,575,215             | 3,346,809                       | -                         | -                     | 5,044,340             | 25,966,364            |
| Guam Power Authority                                             | -                      | 2,033,772                       | -                         | -                     | -                     | 2,033,772             |
| Guam Preservation Trust                                          | -                      | -                               | -                         | -                     | 475,000               | 475,000               |
| Guam Visitors Bureau                                             | -                      | -                               | -                         | -                     | 26,703,484            | 26,703,484            |
| Port Authority of Guam                                           | -                      | 270,513                         | -                         | -                     | -                     | 270,513               |
| University of Guam                                               | 30,748,776             | -                               | -                         | -                     | 4,338,619             | 35,087,395            |
| Miscellaneous appropriations                                     | 62,051,620             | -                               | -                         | -                     | 206,496               | 62,258,116            |
| Capital projects                                                 | -                      | 5,923,947                       | -                         | -                     | 3,479,723             | 9,403,670             |
| <b>Debt service:</b>                                             |                        |                                 |                           |                       |                       |                       |
| Principal retirement                                             | 24,839,147             | -                               | 3,935,000                 | -                     | 2,883,374             | 31,657,521            |
| Interest and fiscal charges                                      | 65,320,600             | -                               | 3,690,900                 | -                     | 5,424,606             | 74,436,106            |
| <b>Total expenditures</b>                                        | <b>683,804,239</b>     | <b>338,929,680</b>              | <b>67,536,516</b>         | <b>-</b>              | <b>183,534,376</b>    | <b>1,273,804,811</b>  |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>4,222,446</b>       | <b>(26,205,538)</b>             | <b>(7,661,550)</b>        | <b>(2,551,195)</b>    | <b>21,580,513</b>     | <b>(10,615,324)</b>   |
| <b>Other financing sources (uses):</b>                           |                        |                                 |                           |                       |                       |                       |
| Transfers in from other funds                                    | 27,612,593             | 33,949,553                      | 7,661,550                 | -                     | 17,223,685            | 86,447,381            |
| Transfers out to other funds                                     | (42,281,270)           | (7,661,550)                     | -                         | -                     | (35,794,909)          | (85,737,729)          |
| <b>Total other financing sources (uses), net</b>                 | <b>(14,668,677)</b>    | <b>26,288,003</b>               | <b>7,661,550</b>          | <b>-</b>              | <b>(18,571,224)</b>   | <b>709,652</b>        |
| <b>Net change in fund balances (deficit)</b>                     | <b>(10,446,231)</b>    | <b>82,465</b>                   | <b>-</b>                  | <b>(2,551,195)</b>    | <b>3,009,289</b>      | <b>(9,905,672)</b>    |
| <b>Fund balances (deficit) at beginning of year</b>              | <b>(73,002,632)</b>    | <b>65,141</b>                   | <b>-</b>                  | <b>461,302,203</b>    | <b>85,853,470</b>     | <b>474,218,182</b>    |
| <b>Fund balances (deficit) at end of year</b>                    | <b>\$ (83,448,863)</b> | <b>\$ 147,606</b>               | <b>\$ -</b>               | <b>\$ 458,751,008</b> | <b>\$ 88,862,759</b>  | <b>\$ 464,312,510</b> |

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Year Ended September 30, 2018

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|
| Total net change in fund balances - governmental funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$                   | (9,905,672)                |
| Amounts reported for governmental activities in the statement of activities are different because:                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                            |
| Prepayment of capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:                                                                                                                                                                                                                                                                                                                                                                          |                      |                            |
| Guam Department of Education capital lease                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      | (906,574)                  |
| 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 outlays, net of disposals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$                   | 37,066,069                 |
| Depreciation expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      | <u>(71,993,663)</u>        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      | (34,927,594)               |
| 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 position. 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: |                      |                            |
| Repayment of General Obligation bonds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4,785,000            |                            |
| Repayment of Limited Obligation bonds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4,490,000            |                            |
| Repayment of Business Privilege Tax bonds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 13,635,000           |                            |
| Repayment of loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 773,374              |                            |
| Repayment of capital leases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7,974,147            |                            |
| Reduction in tax credits payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1,187,023            |                            |
| Amortization of loss on defeasance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (5,349,024)          |                            |
| Amortization of bond premiums                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4,389,882            |                            |
| Amortization of bond discounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <u>(189,108)</u>     |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      | 31,696,294                 |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2,321,897            |                            |
| Change in compensated absences payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4,605,355            |                            |
| Change in landfill closure and postclosure care costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (3,825,999)          |                            |
| Change in DCRS sick leave liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 17,508,497           |                            |
| Net pension activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 82,250,037           |                            |
| Net OPEB activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>(107,138,918)</u> |                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      | <u>(4,279,131)</u>         |
| Change in net position of governmental activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$                   | <u><u>(18,322,677)</u></u> |

See accompanying notes to basic financial statements.



# GOVERNMENT OF GUAM

## Fiduciary Funds September 30, 2018

|                                                  | Pension<br>Trust | Private<br>Purpose<br>Trust | Agency<br>Fund |
|--------------------------------------------------|------------------|-----------------------------|----------------|
| <u>ASSETS</u>                                    |                  |                             |                |
| Cash and cash equivalents                        | \$ 8,740,747     | \$ 15,625,078               | \$ -           |
| Time certificates of deposit                     | -                | 1,000,000                   | -              |
| Investments at fair value:                       |                  |                             |                |
| Common stocks                                    | 1,363,025,724    | -                           | -              |
| U.S. Government securities                       | 207,209,221      | -                           | -              |
| Corporate bonds and notes                        | 341,684,213      | -                           | -              |
| Money market funds                               | 26,130,425       | -                           | -              |
| Mutual funds                                     | 413,368,875      | -                           | -              |
| DC plan forfeitures                              | 6,495,957        | -                           | -              |
| Total investments                                | 2,357,914,415    | -                           | -              |
| Accounts receivable:                             |                  |                             |                |
| Employer contributions                           | 8,182,606        | -                           | -              |
| Member contributions                             | 2,271,935        | -                           | -              |
| Interest and penalties on contributions          | 202,039          | -                           | -              |
| Accrued investment income                        | 5,882,874        | -                           | -              |
| Due from brokers for unsettled trades            | 4,096,366        | -                           | -              |
| Service credits                                  | 3,185,369        | -                           | -              |
| Supplemental/Insurance benefits advanced         | 1,996,097        | -                           | -              |
| Other                                            | 1,492,755        | -                           | -              |
| Total receivables                                | 27,310,041       | -                           | -              |
| Deposits and other assets                        | -                | -                           | 13,317,866     |
| Capital assets                                   | 666,656          | -                           | -              |
| Total assets                                     | 2,394,631,859    | 16,625,078                  | \$ 13,317,866  |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>            |                  |                             |                |
| Deferred supplemental COLA payments              | 20,456,178       | -                           |                |
| Deferred outflows of resources from pensions     | 791,550          | -                           |                |
| Deferred outflows of resources from OPEB         | 835,567          | -                           |                |
| Total deferred outflows from resources           | 22,083,295       | -                           |                |
| <u>LIABILITIES</u>                               |                  |                             |                |
| Unearned revenue                                 | 3,444,429        | -                           | \$ -           |
| Accounts payable and accrued expenses            | 4,365,181        | -                           | -              |
| Accrued payroll and other                        | 726,713          | -                           | -              |
| Due to other funds                               | -                | 2,109,846                   | -              |
| Deposits and other liabilities                   | -                | 12,287,051                  | 13,317,866     |
| Due to brokers for unsettled trades              | 6,908,827        | -                           | -              |
| Net pension liability                            | 5,660,719        |                             |                |
| OPEB liability                                   | 11,237,415       | -                           | -              |
| Total liabilities                                | 32,343,284       | 14,396,897                  | \$ 13,317,866  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>             |                  |                             |                |
| Deferred inflows of resources from pensions      | 286,614          | -                           |                |
| Deferred inflows of resources from OPEB          | 1,218,849        | -                           |                |
| Total deferred inflows from resources            | 1,505,463        | -                           |                |
| <u>NET POSITION</u>                              |                  |                             |                |
| Restricted for:                                  |                  |                             |                |
| Employees' pension benefits                      | 2,382,866,407    | -                           |                |
| Individuals, organizations and other governments | -                | 2,228,181                   |                |
| Total net position                               | \$ 2,382,866,407 | \$ 2,228,181                |                |

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended September 30, 2018

|                                                           | Pension<br>Trust        | Private<br>Purpose<br>Trust |
|-----------------------------------------------------------|-------------------------|-----------------------------|
| Additions:                                                |                         |                             |
| Contributions:                                            |                         |                             |
| Employer contributions                                    | \$ 142,990,228          | \$ -                        |
| Member contributions                                      | 44,719,718              | -                           |
| Use of money and property                                 | -                       | 2,070,902                   |
| Transfers in from other funds                             | -                       | 162,875                     |
| Total contributions and revenues                          | <u>187,709,946</u>      | <u>2,233,777</u>            |
| Net investment income:                                    |                         |                             |
| Net increase in fair value of investments                 | 89,422,029              | -                           |
| Interest                                                  | 49,312,213              | -                           |
| Dividends                                                 | 14,442,841              | -                           |
| Other                                                     | 995,419                 | -                           |
| Total investment income                                   | <u>154,172,502</u>      | <u>-</u>                    |
| Less: investment expenses                                 | <u>5,698,591</u>        | <u>-</u>                    |
| Net investment income                                     | <u>148,473,911</u>      | <u>-</u>                    |
| Total additions                                           | <u>336,183,857</u>      | <u>2,233,777</u>            |
| Deductions:                                               |                         |                             |
| Benefits                                                  | 219,043,804             | -                           |
| Refunds                                                   | 32,953,089              | -                           |
| Interest on refunded contributions                        | 516,037                 | -                           |
| Administrative and general expense                        | 6,219,909               | -                           |
| Individual and collective rights                          | -                       | 2,095,923                   |
| Transfers out to other funds                              | -                       | 872,527                     |
| Total deductions                                          | <u>258,732,839</u>      | <u>2,968,450</u>            |
| Change in net position held in trust for:                 |                         |                             |
| Employees' pension benefits                               | 77,451,018              | -                           |
| Individuals, organizations, and other governments         | -                       | (734,673)                   |
|                                                           | <u>77,451,018</u>       | <u>(734,673)</u>            |
| Net position at beginning of year, as previously reported | 2,316,342,916           | 2,962,854                   |
| Implementation of GASB Statement No. 75 (Note 1X)         | <u>(10,927,527)</u>     | <u>-</u>                    |
| Net position at beginning of year, as restated            | <u>2,305,415,389</u>    | <u>2,962,854</u>            |
| Net position at end of year                               | <u>\$ 2,382,866,407</u> | <u>\$ 2,228,181</u>         |

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Net Position Component Units September 30, 2018

|                                                 | Antonio B.<br>Won Pat<br>International<br>Airport<br>Authority | Guam<br>Community<br>College | Guam<br>Housing and<br>Urban Renewal<br>Authority | Guam<br>Memorial<br>Hospital<br>Authority | Guam<br>Power<br>Authority | Guam<br>Waterworks<br>Authority | Port<br>Authority<br>of Guam | University of<br>Guam | Nonmajor<br>Component<br>Units | Total          |
|-------------------------------------------------|----------------------------------------------------------------|------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------|---------------------------------|------------------------------|-----------------------|--------------------------------|----------------|
| <b>ASSETS</b>                                   |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Cash and cash equivalents                       | \$ 633,398                                                     | \$ 11,809,125                | \$ 12,119,698                                     | \$ 1,220,606                              | \$ 37,805,471              | \$ 3,094,379                    | \$ 17,962,443                | \$ 8,250,391          | \$ 29,450,612                  | \$ 122,346,123 |
| Investments                                     | -                                                              | 4,001,164                    | -                                                 | -                                         | 39,026,659                 | -                               | -                            | 22,580,465            | 11,000,033                     | 76,608,321     |
| Receivables, net                                | 12,082,125                                                     | 6,785,882                    | 5,622,271                                         | 33,744,052                                | 37,851,906                 | 21,778,609                      | 5,532,398                    | 14,159,043            | 29,281,102                     | 166,837,388    |
| Due from primary government                     | -                                                              | 4,907,003                    | -                                                 | 8,974,860                                 | -                          | -                               | -                            | 1,102,349             | 2,039,601                      | 17,023,813     |
| Inventories                                     | 567,236                                                        | 547,766                      | 260,370                                           | 2,592,409                                 | 80,805,175                 | 3,342,557                       | 633,143                      | 674,936               | 7,706                          | 89,431,298     |
| Prepayments                                     | -                                                              | 557,844                      | 84,779                                            | 148,020                                   | 979,829                    | 677,828                         | 58,055                       | -                     | 95,240                         | 2,601,595      |
| Deposits and other assets                       | -                                                              | 5,240,274                    | -                                                 | -                                         | -                          | -                               | -                            | 8,152,812             | 635,936                        | 14,029,022     |
| Restricted assets:                              |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Cash and cash equivalents                       | 24,558,140                                                     | 356,694                      | 2,927,666                                         | -                                         | 163,675,127                | 287,080,574                     | 88,963,915                   | 2,247,252             | 9,462,709                      | 579,272,077    |
| Investments                                     | 124,242,276                                                    | 13,499,862                   | -                                                 | -                                         | 38,989,346                 | -                               | -                            | 33,038,867            | 2,251,317                      | 212,021,668    |
| Unamortized bond issuance costs                 | -                                                              | -                            | -                                                 | -                                         | 2,503,448                  | -                               | -                            | -                     | -                              | 2,503,448      |
| Capital assets:                                 |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Nondepreciable capital assets                   | 143,588,374                                                    | 3,775,161                    | 3,675,882                                         | 1,050,143                                 | 40,091,847                 | 182,125,046                     | 6,466,205                    | 4,927,532             | 19,168,390                     | 404,868,580    |
| Capital assets, net of accumulated depreciation | 298,075,172                                                    | 29,569,212                   | 16,696,939                                        | 28,581,403                                | 453,695,490                | 367,566,306                     | 112,138,207                  | 61,314,906            | 5,883,758                      | 1,373,521,393  |
| Land held for development                       | -                                                              | -                            | 2,636,152                                         | -                                         | -                          | -                               | -                            | -                     | -                              | 2,636,152      |
| Total assets                                    | 603,746,721                                                    | 81,049,987                   | 44,023,757                                        | 76,311,493                                | 895,424,298                | 865,665,299                     | 231,754,366                  | 156,448,553           | 109,276,404                    | 3,063,700,878  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Deferred amount on refunding                    | -                                                              | -                            | -                                                 | -                                         | 27,093,636                 | 12,810,787                      | -                            | -                     | -                              | 39,904,423     |
| Deferred outflows from pensions                 | 3,794,526                                                      | 4,564,210                    | 1,646,992                                         | 12,981,760                                | 8,932,987                  | 4,220,075                       | 6,089,779                    | 7,776,753             | 1,771,941                      | 51,779,023     |
| Deferred outflows from OPEB                     | 4,323,359                                                      | 5,330,040                    | 1,374,419                                         | 18,913,125                                | 13,798,017                 | 9,070,814                       | 8,188,307                    | 11,072,936            | 2,419,692                      | 74,490,709     |
| Unrecovered fuel costs                          | -                                                              | -                            | -                                                 | -                                         | 8,370,542                  | -                               | -                            | -                     | -                              | 8,370,542      |
| Deferred forward delivery contract costs        | -                                                              | -                            | -                                                 | -                                         | 477,997                    | -                               | -                            | -                     | -                              | 477,997        |
| Total deferred outflows of resources            | 8,117,885                                                      | 9,894,250                    | 3,021,411                                         | 31,894,885                                | 58,673,179                 | 26,101,676                      | 14,278,086                   | 18,849,689            | 4,191,633                      | 175,022,694    |
| <b>LIABILITIES</b>                              |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Accounts payable                                | 4,099,230                                                      | 1,701,857                    | 324,352                                           | 15,978,016                                | 48,424,470                 | 4,240,923                       | 2,959,550                    | 5,469,808             | 5,314,650                      | 88,512,856     |
| Contracts payable                               | 11,200,853                                                     | 320,083                      | -                                                 | -                                         | -                          | 25,680,792                      | -                            | -                     | -                              | 37,201,728     |
| Accrued interest payable                        | 5,934,250                                                      | -                            | -                                                 | -                                         | 14,745,285                 | 6,427,669                       | -                            | -                     | 456,940                        | 27,564,144     |
| Accrued payroll and other                       | 4,651,520                                                      | 63,854                       | 521,171                                           | 2,965,202                                 | 1,949,080                  | 1,606,121                       | 809,758                      | -                     | 334,293                        | 12,900,999     |
| Due to primary government                       | 2,215,251                                                      | -                            | -                                                 | -                                         | -                          | -                               | -                            | -                     | -                              | 2,215,251      |
| Unearned revenue                                | -                                                              | 1,770,971                    | 1,581,756                                         | -                                         | -                          | -                               | 276,547                      | 9,464,117             | 377,224                        | 13,470,615     |
| Deposits and other liabilities                  | 2,434,277                                                      | 4,851,830                    | 5,329,022                                         | 2,195,921                                 | 29,118,103                 | 3,441,413                       | 1,065,406                    | 350,835               | 1,002,648                      | 49,789,455     |
| Long-term liabilities:                          |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Due within one year                             | 13,629,137                                                     | 302,967                      | 140,046                                           | 1,827,469                                 | 17,344,234                 | 9,526,252                       | 2,587,947                    | 1,139,654             | 1,687,929                      | 48,185,635     |
| Due in more than one year                       | 280,459,537                                                    | 89,522,136                   | 28,497,955                                        | 310,761,009                               | 840,736,217                | 666,009,768                     | 216,363,441                  | 224,961,307           | 69,827,983                     | 2,727,139,353  |
| Total liabilities                               | 324,624,055                                                    | 98,533,698                   | 36,394,302                                        | 333,727,617                               | 952,317,389                | 716,932,938                     | 224,062,649                  | 241,385,721           | 79,001,667                     | 3,006,980,036  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Deferred forward delivery contract revenues     | -                                                              | -                            | -                                                 | -                                         | 1,752,053                  | -                               | -                            | -                     | -                              | 1,752,053      |
| Deferred inflows from pensions                  | 1,464,826                                                      | 1,546,837                    | 524,945                                           | 5,406,690                                 | 3,532,642                  | 1,857,164                       | 2,787,692                    | 3,541,353             | 763,052                        | 21,425,201     |
| Deferred inflows from OPEB                      | 4,114,765                                                      | 4,262,357                    | 1,278,915                                         | 15,257,429                                | 14,804,043                 | 8,741,900                       | 7,265,551                    | 10,884,237            | 2,330,401                      | 68,939,598     |
| Deferred amount on refunding                    | 172,676                                                        | -                            | -                                                 | -                                         | -                          | -                               | -                            | -                     | -                              | 172,676        |
| Total deferred inflows of resources             | 5,752,267                                                      | 5,809,194                    | 1,803,860                                         | 20,664,119                                | 20,088,738                 | 10,599,064                      | 10,053,243                   | 14,425,590            | 3,093,453                      | 92,289,528     |
| <b>NET POSITION</b>                             |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Net investment in capital assets                | 227,626,465                                                    | 30,165,433                   | 22,140,139                                        | 29,631,546                                | (38,960,028)               | 243,581,010                     | 89,898,503                   | 55,174,877            | 15,143,448                     | 674,401,393    |
| Restricted:                                     |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                |                |
| Capital projects                                | 63,351,017                                                     | -                            | -                                                 | -                                         | -                          | 10,184,847                      | -                            | -                     | -                              | 73,535,864     |
| Retirement of indebtedness                      | -                                                              | -                            | -                                                 | -                                         | 3,945,052                  | 7,123,854                       | -                            | -                     | -                              | 11,068,906     |
| Endowment - nonexpendable                       | -                                                              | 43,629                       | -                                                 | -                                         | -                          | -                               | -                            | 9,262,498             | -                              | 9,306,127      |
| Other purposes                                  | -                                                              | 15,599,515                   | 1,504,345                                         | -                                         | 15,805,302                 | 370,627                         | 30,475,208                   | 45,329,172            | 31,884,355                     | 140,968,524    |
| Unrestricted (deficit)                          | (9,489,198)                                                    | (59,207,232)                 | (14,797,478)                                      | (275,816,904)                             | 901,024                    | (97,025,365)                    | (108,457,151)                | (190,279,616)         | (15,654,886)                   | (769,826,806)  |
| Total net position                              | \$ 281,488,284                                                 | \$ (13,398,655)              | \$ 8,847,006                                      | \$ (246,185,358)                          | \$ (18,308,650)            | \$ 164,234,973                  | \$ 11,916,560                | \$ (80,513,069)       | \$ 31,372,917                  | \$ 139,454,008 |

See accompanying notes to basic financial statements.

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenses, and Changes in Net Position Component Units Year Ended September 30, 2018

|                                                              | Antonio B.<br>Won Pat<br>International<br>Airport<br>Authority | Guam<br>Community<br>College | Guam<br>Housing and<br>Urban Renewal<br>Authority | Guam<br>Memorial<br>Hospital<br>Authority | Guam<br>Power<br>Authority | Guam<br>Waterworks<br>Authority | Port<br>Authority<br>of Guam | University of<br>Guam | Non-major<br>Component<br>Units | Total          |
|--------------------------------------------------------------|----------------------------------------------------------------|------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------|---------------------------------|------------------------------|-----------------------|---------------------------------|----------------|
| Expenses                                                     | \$ 85,195,952                                                  | \$ 32,128,757                | \$ 45,093,782                                     | \$ 124,061,476                            | \$ 376,096,538             | \$ 101,748,671                  | \$ 54,941,308                | \$ 102,729,912        | \$ 38,222,856                   | \$ 960,219,252 |
| Program revenues:                                            |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                 |                |
| Charges for services                                         | 76,010,942                                                     | 5,818,513                    | 1,774,208                                         | 90,393,262                                | 379,868,205                | 107,575,041                     | 54,329,727                   | 23,574,940            | 9,149,378                       | 748,494,216    |
| Operating grants and contributions                           | 413,100                                                        | 11,457,483                   | 40,849,623                                        | 1,020,572                                 | 1,438,655                  | -                               | 275,548                      | 33,660,318            | 713,923                         | 89,829,222     |
| Capital grants and contributions                             | 7,928,287                                                      | -                            | 536,500                                           | 5,470,881                                 | -                          | 15,208,707                      | 233,332                      | -                     | -                               | 29,377,707     |
| Total program revenues                                       | 84,352,329                                                     | 17,275,996                   | 43,160,331                                        | 96,884,715                                | 381,306,860                | 122,783,748                     | 54,838,607                   | 57,235,258            | 9,863,301                       | 867,701,145    |
| Net program revenues (expenses)                              | (843,623)                                                      | (14,852,761)                 | (1,933,451)                                       | (27,176,761)                              | 5,210,322                  | 21,035,077                      | (102,701)                    | (45,494,654)          | (28,359,555)                    | (92,518,107)   |
| General revenues:                                            |                                                                |                              |                                                   |                                           |                            |                                 |                              |                       |                                 |                |
| Payments from GovGuam                                        | 11,368                                                         | 21,722,167                   | -                                                 | 23,872,794                                | -                          | -                               | -                            | 36,755,391            | 27,568,062                      | 109,929,782    |
| Investment earnings                                          | 2,077,360                                                      | 796,851                      | 13,853                                            | -                                         | 3,260,339                  | 3,778,449                       | -                            | 3,289,593             | 557,892                         | 13,774,337     |
| Other                                                        | -                                                              | 281,788                      | 216,382                                           | -                                         | -                          | -                               | -                            | 775,879               | 391,885                         | 1,665,934      |
| Extraordinary items                                          | -                                                              | -                            | -                                                 | -                                         | 1,920,434                  | -                               | -                            | -                     | -                               | 1,920,434      |
| Total general revenues and extraordinary items               | 2,088,728                                                      | 22,800,806                   | 230,235                                           | 23,872,794                                | 5,180,773                  | 3,778,449                       | -                            | 40,820,863            | 28,517,839                      | 127,290,487    |
| Change in net position                                       | 1,245,105                                                      | 7,948,045                    | (1,703,216)                                       | (3,303,967)                               | 10,391,095                 | 24,813,526                      | (102,701)                    | (4,673,791)           | 158,284                         | 34,772,380     |
| Net position at beginning of year, as<br>previously reported | 324,957,080                                                    | 24,407,811                   | 24,141,769                                        | (80,086,171)                              | 110,176,557                | 222,941,771                     | 91,037,171                   | 40,907,588            | 52,993,232                      | 811,476,808    |
| Implementation of GASB Statement No. 75 (Note 1X)            | (43,068,136)                                                   | (45,754,511)                 | (13,591,547)                                      | (162,795,220)                             | (138,876,302)              | (83,520,324)                    | (79,017,910)                 | (116,746,866)         | (21,778,599)                    | (705,149,415)  |
| Overstatement of capital assets                              | (1,645,765)                                                    | -                            | -                                                 | -                                         | -                          | -                               | -                            | -                     | -                               | (1,645,765)    |
| Net position at beginning of year, as restated               | 280,243,179                                                    | (21,346,700)                 | 10,550,222                                        | (242,881,391)                             | (28,699,745)               | 139,421,447                     | 12,019,261                   | (75,839,278)          | 31,214,633                      | 104,681,628    |
| Net position at the end of the year                          | \$ 281,488,284                                                 | \$ (13,398,655)              | \$ 8,847,006                                      | \$ (246,185,358)                          | \$ (18,308,650)            | \$ 164,234,973                  | \$ 11,916,560                | \$ (80,513,069)       | \$ 31,372,917                   | \$ 139,454,008 |

See accompanying notes to basic financial statements.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (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. GovGuam's significant 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. 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. The criteria to be considered in determining financial accountability include whether GovGuam, as the primary government, has appointed a voting majority of an organization's governing body and either has the ability to impose its will on that organization or there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on GovGuam. Financial accountability also exists if an organization is determined to be fiscally dependent on the primary government, although the primary government does not appoint a voting majority of the organization's governing board. Each component unit of GovGuam has a September 30 year-end.

Component units are entities that are legally separate organizations for which GovGuam's elected officials are financially accountable or other organizations 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. GovGuam is financially accountable because it appoints the members of the governing authorities of each of the component units and because it is able to impose its will on these organizations or because the organizations provide specific financial benefits or impose specific financial burdens on GovGuam.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### A. Reporting Entity, Continued

The financial statements of the component units have been included in the financial reporting entity as discretely presented component units in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The component units' column of the basic financial statements includes the financial data of the following discretely presented 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. AWPIAA is fiscally dependent upon GovGuam whereby AWPIAA cannot issue bonded debt without legislative approval.
- (b) Guam Community College (GCC) was created by Public Law 14-77, "The Community College Act of 1977". GCC is governed by a nine-member Board of Trustees, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to GCC through legislative appropriations.
- (c) Guam Housing and Urban Renewal Authority (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. GovGuam has the ability to impose its will on GHURA.
- (d) 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. GovGuam provides financial support to GMHA through legislative appropriations.
- (e) 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. GPA is fiscally dependent upon GovGuam whereby GPA cannot issue bonded debt without legislative approval.



## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### A. Reporting Entity, Continued

- (f) 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. GWA is fiscally dependent upon GovGuam whereby GWA cannot issue bonded debt without legislative approval.
- (g) 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. PAG is fiscally dependent upon GovGuam whereby PAG cannot issue bonded debt without legislative approval.
- (h) 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. GovGuam provides financial support to UOG through legislative appropriations.

In addition, the financial data of the following nonmajor component units are included - Guam Housing Corporation, Guam Economic Development Authority, Guam Visitors Bureau, Guam Preservation Trust, and Guam Educational Telecommunications Corporation (PBS GUAM).

Fiduciary component units are subject to legislative and executive controls. These component units, while meeting the definition of a component unit and while legally separate, are presented in the fund financial statements of GovGuam. They have been omitted from the government-wide financial statements as their resources are not available to fund operations of GovGuam. The fiduciary component units are as follows:

- (a) 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.

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.opaguam.org](http://www.opaguam.org).

A. 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

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2018

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

#### A. Reporting Entity, Continued

Guam Power Authority  
P.O. Box 2977  
Hagatna, GU 96932

Guam Waterworks Authority  
P.O. Box 3010  
Hagatna, GU 96932

Port Authority of Guam  
1026 Cabras Hwy, Ste. 201  
Piti, GU 96925

University of Guam  
University Drive  
Mangilao, GU 96923

Guam Community College  
P.O. Box 23069, GMF  
Barrigada, GU 96921

Guam Housing and Urban Renewal  
Authority  
117 Bien Venida Avenue  
Sinajana, GU 96926

Guam Housing Corporation  
P.O. Box 3457  
Hagatna, GU 96932

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

Guam Economic Development Authority  
Suite 511, ITC Building  
590 South Marine Corps Drive  
Tamuning, GU 96913

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.

The Public Utilities Commission (PUC) is a related organization under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement Nos. 39 and 61. 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.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### B. Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position 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, 2018. 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 Position presents all of the reporting entity's non-fiduciary assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets 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 position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.
- Unrestricted net position consists of net position, which does not meet the definition of the two preceding categories. Unrestricted net position often is designated (for example, internally restricted), to indicate that management does not consider it to be available for general operations.

The government-wide Statement of Net Position reports \$623,207,215 of restricted net position, of which \$78,548,796 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, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not meeting the definition of program revenues are, instead, reported as general revenues and offset or supplant the net operating deficit or surplus from governmental operations.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### C. Governmental 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

###### Government-Wide Financial Statements:

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.

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.

###### Governmental Funds Financial Statements:

Governmental funds 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 and property taxes 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. GovGuam considers property taxes to be available if they are collected within 60 days 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 and are recognized in the year in 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.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

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

###### Governmental Funds Financial Statements, Continued:

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.

###### Fiduciary Funds and Component Units Financial Statements:

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.

###### Fund Accounting:

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 is of 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:

- General Fund - this 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.
- Federal Grants Assistance Fund - a Special Revenue Fund that 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 Special Revenue Fund that accounts for all activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance public education.
- Chamorro Lands Fund - a Permanent Fund that accounts for developed Chamorro land and other real estate owned by GovGuam and is held in various land banks. Such are legally restricted to the extent that only earnings from lease rental payments, and not principal, may be used to support GovGuam operations.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

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

###### Fund Accounting, Continued:

The nonmajor governmental funds are comprised of the following:

- Special Revenue Funds - these funds account for the financial resources obtained from specific revenue sources and used for restricted purposes.
- Capital Projects Funds - these funds account for the financial resources obtained from bond issuances for the acquisition or construction of capital assets and facilities.
- Debt Service Funds - these funds account for the financial resources obtained and used for the payment of principal and interest revenue bond obligations established in accordance with bond indentures.

In addition, GovGuam reports the following fiduciary fund types:

- Pension Trust Funds - these funds account for resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension plans.
- Private Purpose Funds - these funds account for resources held in trust under which principal and income benefit certain individuals.
- Agency Funds - these funds account for assets held on behalf of others, are custodial in nature and do not involve measurement of operations.

##### E. Cash and Cash Equivalents

Cash and cash equivalents of the primary government and the discretely presented component units include cash on hand, demand deposits, and short-term investments in time certificates of deposit and 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 classified as investments.

##### F. Investments

Investments and related investment earnings of the primary government and the discretely presented component units are recorded at fair value using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability (ie, the exit price) in an orderly transaction between market participants at the date as of which the fair value of an asset or liability is determined.

GovGuam categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy is based on the lowest level of input that is significant to the fair measurement. Investments not categorized under the fair value hierarchy are shown at either Net Asset Value (NAV) or amortized cost.



## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### G. Restricted Assets

As of September 30, 2018, certain assets of the primary government in the amount of \$118,908,512 are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures) and grantors. Of this amount, \$73,196 is externally restricted for Capital Improvement Projects identified in the State Fiscal Stabilization Fund budget funded by the U.S. Department of Education; \$659,279 is externally restricted under the First Generation Trust Initiative Program; \$461,785 is externally restricted for a Court issued permanent injunction as further disclosed in Note 13B; \$640,576 is externally restricted under a Chamorro Lands loan guarantee program; \$5,794,002 is externally restricted for Child Support; \$102,300,764 is externally restricted under various bond issues, including for future debt service requirements; \$902,104 is externally restricted under the Judicial building loan agreement for future debt service requirements; and \$8,076,806 is restricted for landfill postclosure costs.

##### H. Land and Other Real Estate

Land and other real estate held as investments in permanent funds of \$458,751,008, which comprise of \$452,048,123 held by the Chamorro Land Trust Commission and \$6,702,885 held by the Guam Ancestral Lands Commission, are reported at fair value. Fair value is based on estimated current value (primarily assessed real estate property tax valuations) and appraisals. Investments that do not have an established market are reported at estimated fair value. Earnings from lease agreements associated with these investments are reported as revenues of the Chamorro Land Trust Commission and the Guam Ancestral Lands Commission. Only developed land supported by valid lease agreements is included in the valuation whereas other undeveloped land not supported by lease agreements is reported at historical cost.

##### I. Receivables and Tax Abatements

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.

Tax abatements represent reductions in tax revenues that result from an agreement between GovGuam and individuals or entities where: (i) GovGuam promises to forgo tax revenues to which it is otherwise entitled to; and (ii) the individuals or entities promise to take specific action that contributes to economic development.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### J. Prepaid Items and Inventories

Certain payments made to vendors or persons for services reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Inventories of the primary government and the discretely presented component units comprise fuel oil, diesel fuel, parts and supplies and are generally valued at the lower of cost (FIFO) or market.

##### K. 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. 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.

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 position. Interfund receivables and payables for the primary government have been eliminated from the statement of net position.

##### L. 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. With the exception of the Layon Landfill, 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. Landfill cells are depreciated based on capacity used/available at year end.

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.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### M. Unearned Revenues

In the government-wide financial statements, unearned revenues are recognized when cash, receivables or other assets are recorded prior to being earned. In the governmental fund financial statements, unearned revenues represent 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. Unearned revenues in the governmental fund types primarily relate to Section 30 federal income tax collections remitted to the trustee in accordance with the bond indenture associated with the 2016 Series A bond issue, and federal funds received in advance of eligible expenditures. In September 2018, GovGuam received Section 30 federal income tax collections from the United States Government in the amount of \$77,046,768, which pertains to revenues of the following fiscal year.

##### N. 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 provision for tax refunds 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. In Tax Year 2018, the Tax Cuts and Jobs Act (TCJA) provided for significant changes to tax rules including changes to the Child Tax Credit, Other Dependents Credit, personal exemptions, and standard deductions. The impact of TCJA changes is currently not determinable and, therefore, this evaluation is 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. As of September 30, 2018, GovGuam recorded a provision for unpaid tax refunds in the amount of \$123,400,041, which includes amounts relating to the U.S. Federal Earned Income Tax Credit (EITC).

##### O. Long-term Debt

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

In accordance with Section 1423a of the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is \$1,316,264,859 as of October 31, 2018, the date that such certification was performed. Total debt outstanding as of September 30, 2018, subject to the debt ceiling limitation is \$1,064,596,112.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### P. Dedicated Revenues and Pledges

GovGuam has pledged a portion of future General Fund Section 30 revenues to repay the following debt: (i) \$236,605,000 in limited obligation bonds issued in August 2016; and (ii) \$21,818,000 in qualified school construction bonds issued in March 2013. 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 \$403,086,290 payable through December 2046. For the year ended September 30, 2018, principal and interest paid and total Section 30 revenues were \$17,005,935 and \$77,795,541, respectively.

GovGuam has also pledged a portion of future hotel occupancy tax revenues to repay \$90,665,000 in limited obligation infrastructure improvement bonds issued in April 2011. This debt is payable solely from these certain tax revenues generated by GovGuam. Total principal and interest remaining on the limited obligation infrastructure improvement bonds is approximately \$143,522,439 payable through November 2040. For the year ended September 30, 2018, principal and interest paid and total hotel occupancy tax revenues were \$6,995,775 and \$43,181,165, respectively.

GovGuam has also pledged a portion of future General Fund gross receipts tax revenues to repay the following debt: (i) \$235,000,000 in limited obligation bonds issued in December 2011; (ii) \$108,700,000 in limited obligation bonds issued in June 2012; (iii) \$22,640,000 in limited obligation bonds issued in January 2013; and (iv) \$410,485,000 in limited obligation bonds issued in September 2015. This debt is payable solely from these certain tax revenues generated by GovGuam. Total principal and interest remaining on this debt is approximately \$1,241,705,808 payable through January 2042. For the year ended September 30, 2018, principal and interest paid and total gross receipts tax revenues were \$50,919,761 and \$269,684,874, respectively.

GovGuam has also pledged a portion of Judicial Building Fund receipts to repay an \$11,000,000 note payable to a bank executed in September 2006. This debt is payable solely from these certain judicial fees, fines and building rental receipts generated by GovGuam. Total principal and interest remaining on the note payable is approximately \$6,006,933 payable through September 2019. For the year ended September 30, 2018, principal and interest paid and total judicial fees, fines and building rental receipt revenues were \$993,005 and \$1,461,314, respectively.

GovGuam has also pledged a portion of Capitol District Fund receipts to repay a \$4,000,000 note payable to a bank executed in April 2014. This debt is payable solely from these certain building rental receipts generated by GovGuam. Total principal and interest remaining on the note payable is approximately \$4,364,050 payable through September 2020. For the year ended September 30, 2018, principal and interest paid and total building rental receipt revenues were \$319,200 and \$258,018, respectively.

Finally, GovGuam has pledged a portion of future Compact Impact grant revenues to repay \$38,570,000 in certificates of participation issued in August 2016. This debt 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 \$51,743,275 payable through September 2027. For the year ended September 30, 2018, lease payments made and total Compact Impact grant revenues received were \$6,625,900 and \$7,661,550, respectively.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### Q. Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest rate method. Bonds payable are reported net of bond premiums and discounts. Bond issuance costs, except any portion related to prepaid insurance costs, are expensed in the period incurred. Prepaid insurance costs are reported as assets and are amortized over the term of the debt using the straight-line method.

In the governmental 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.

##### R. Deferred Outflows/Inflows of Resources

The statement of net position will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflow of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. On the other hand, deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then.

GGRF recorded a receivable at September 30, 2018 in the amount of \$20,456,178. 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. GGRF initially recorded these benefit payments as a receivable in the amount of \$137,200,000 and has reduced this amount each year by a portion of employer contributions received. For the year ended September 30, 2018, the statutory contribution rate for the DB Plan is 27.83% of covered payroll, of which 1.2016% was used to reduce this receivable. In the opinion of GovGuam management, the corresponding liability is embodied within the governmental activities net pension obligation of \$1,005,171,481. Thus, no separate corresponding liability is required to be recorded. Accordingly, GovGuam management considers that this amount represents a consumption of net position that applies to a future period and, as a result, revised the GGRF financial statements by reclassifying this receivable as a deferred outflows of resources.

##### S. Fund Equity/Net Position

GovGuam reports net position 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 Position has been restricted as follows:

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

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### S. Fund Equity/Net Position, Continued

“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 would constitute a technical default to bondholders, the amounts are restricted.

“Restricted for endowments: nonexpendable” - identifies amounts held for endowment and similar type funds, including land and other real estate, in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

“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.

Fund balance classifications are based on the extent to which GovGuam is bound to honor constraints on the specific purposes for which amounts in those funds can be spent and are reported under the following fund balance classifications:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Guam Legislature, GovGuam's highest level of decision-making authority, and does not lapse at year-end. Formal action of the Guam Legislature is required to establish, modify or remove the limitations on committed fund balances.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Intent is expressed by either the Guam Legislature or a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned - includes negative fund balances in other governmental funds.

GovGuam has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of GovGuam is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

A formal minimum fund balance policy has not been adopted.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### T. Compensated Absences

Compensated absences are recorded as a long-term liability in the statement of net position. 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; or (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 (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GovGuam has accrued an estimated liability of \$17,210,266 at September 30, 2018 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.

##### U. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the GovGuam Retirement Fund (GGRF) Defined Benefit (DB) Plan and additions to/reductions from the DB Plan's fiduciary net position have been determined on the same basis as they are reported by GGRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions are required to be recognized and disclosed using the accrual basis of accounting. GovGuam recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents GovGuam's proportional share of excess total pension liability over the pension plan assets - actuarially calculated - of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. The total pension liability also includes GovGuam's proportionate share of the liability for ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments that are anticipated to be made to defined benefit plan members and for anticipated future COLA to DCRS members.



## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2018

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

#### U. Pensions and Other Postemployment Benefits (OPEB), Continued

Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

OPEB is required to be recognized and disclosed using the accrual basis of accounting. GovGuam recognizes a net OPEB liability for the defined benefit OPEB plan in which it participates, which represents GovGuam's proportional share of total OPEB liability - actuarially calculated - of a agent multiple employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. An OPEB trust has not been established thus the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis.

Changes in the net OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

#### V. Property Taxes

On or before September 1 of each tax year, GovGuam's Real Property Tax Division is mandated to make available a tax roll listing identifying all taxable properties and corresponding tax assessments levied. By October 31 each year, the tax assessment roll is certified and real property taxes become due and payable on December 15. The tax levy is divided into two installments: the first installment is due February 20; the second installment is due April 20. Real property taxes become a lien on the property as of noon the first Monday in March each year to secure the payment of all taxes, penalties and interest that is ultimately imposed on the property. The tax rate is established by 11 GCA 24, *Real Property Tax*, wherein a levy is assessed on all land property in Guam at the rate of seven-eightieths percent (7/80%) of the value thereof and seven-twentieths (7/20%) of the value of the improvements thereon.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(1) Summary of Significant Accounting Policies, Continued

W. Encumbrances

GovGuam utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. At September 30, 2018, GovGuam has significant encumbrances summarized as follows:

| <u>General</u>      | <u>Federal<br/>Grants<br/>Assistance</u> | <u>GDOE<br/>Federal<br/>Grants</u> | <u>Chamorro<br/>Lands</u> | <u>Other<br/>Governmental</u> | <u>Total</u>         |
|---------------------|------------------------------------------|------------------------------------|---------------------------|-------------------------------|----------------------|
| <u>\$ 8,727,960</u> | <u>\$95,321,822</u>                      | <u>\$ 6,743,718</u>                | <u>\$ -</u>               | <u>\$ 16,572,870</u>          | <u>\$127,366,370</u> |

X. New Accounting Standards

During the year ended September 30, 2018, GovGuam implemented the following pronouncements:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The implementation of this statement has no impact on GovGuam's governmental fund financial statements, which continue to report expenditures in the amount contractually required. However, implementation has resulted in the restatement of GovGuam's fiscal year 2017 government-wide financial statements to reflect the reporting of an OPEB liability, deferred inflows of resources, and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of GASB Statement No. 75. Net position as of October 1, 2017 for governmental activities, fiduciary component units and discretely presented component units decreased by \$1,541,331,181, \$10,927,527 and \$705,149,415, respectively, as a result of the implementation of GASB Statement No. 75. Refer to Note 12 for more information regarding GovGuam's OPEB.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, which improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 85, *Omnibus 2017*, which address practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The implementation of this statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt. The implementation of this statement did not have a material effect on the accompanying financial statements.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### X. New Accounting Standards, Continued

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for certain asset retirement obligations (AROs) associated with the retirement of a tangible capital asset. The provisions in Statement No. 83 are effective for fiscal years beginning after June 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. The provisions in Statement No. 84 are effective for fiscal years beginning after December 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in Statement No. 87 are effective for fiscal years beginning after December 15, 2019. Management has yet to determine whether implementation of this statement will have a material effect on the financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The provisions in Statement No. 88 are effective for fiscal years beginning after June 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The provisions in Statement No. 89 are effective for fiscal years beginning after December 15, 2019. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, which improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. The provisions in Statement No. 90 are effective for fiscal years beginning after December 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### Y. Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

##### Z. 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, 2017 from which summarized information was derived.

#### (2) Deposits and Investments

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

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.

As of September 30, 2018, the carrying amount of the primary government's total cash and cash equivalents and time certificates of deposit was \$199,602,089 and the corresponding bank balances were \$251,545,921. Of the bank balances, \$152,524,020 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. The remaining amount of \$99,021,901 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, 2018.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (2) Deposits and Investments, Continued

##### A. Deposits, Continued

As of September 30, 2018, bank deposits in the amount of \$1,178,091 were FDIC insured and bank deposits in the amount of \$364,753 were NCUA insured. In accordance with 5 GCA 21, *Investments and Deposits*, GovGuam requires collateralization of deposits in excess of depository insurance limits in an amount in value at least ten percent in excess of the amount of monies deposited with the financial institution. Such collateralization shall be in securities in U.S. treasury notes or bonds or in U.S. government agencies for which the faith and credit of the United States are pledged for the payment of principal and in interest; evidence of indebtedness of GovGuam; investment certificates of the Federal Home Loan Bank; or such other securities as may be approved by the Director of Administration and the Governor of Guam. As of September 30, 2018, substantially all of GovGuam's bank deposits in excess of depository insurance limits are collateralized with securities held by the pledging financial institution but not in GovGuam's name.

##### B. Investments

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.

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, 2018.

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, 2018, GovGuam's investments are classified as follows:

|                         | General           | Federal<br>Grants<br>Assistance | GDOE<br>Federal<br>Grants | Chamorro<br>Lands | Nonmajor<br>Governmental<br>Funds | Total                |
|-------------------------|-------------------|---------------------------------|---------------------------|-------------------|-----------------------------------|----------------------|
| Investments:            |                   |                                 |                           |                   |                                   |                      |
| Certificates of deposit | \$ 209,702        | \$ -                            | \$ -                      | \$ -              | \$ 1,954,365                      | \$ 2,164,067         |
| Mutual funds            | -                 | -                               | -                         | -                 | 26,468,547                        | 26,468,547           |
|                         | <u>\$ 209,702</u> | <u>\$ -</u>                     | <u>\$ -</u>               | <u>\$ -</u>       | <u>\$ 28,422,912</u>              | <u>\$ 28,632,614</u> |

Investments in mutual funds are measured at the Net Asset Value (NAV).

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (2) Deposits and Investments, Continued

##### B. Investments, Continued

###### Government of Guam Retirement Fund (GGRF):

Investments of 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. Securities 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, has 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 Depository 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:
  - i. Two times its average annual fixed charges over the same period, in the case of any public utility company;

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (2) Deposits and Investments, Continued

##### B. Investments, Continued

###### Government of Guam Retirement Fund (GGRF), Continued:

- 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.

For U.S. equities, equity holdings are restricted to readily marketable securities of corporations that are actively traded on the major U.S. exchanges and over the counter. For investments in common and preferred stock:

- i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment;
- iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidence of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends and dividends on prior common or capital stock have been paid in full; and
- v. Preferred stock must also adhere to the following - the net earnings of the institution 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 income taxes, no less than:
  - 1. Two times its average annual fixed charges, maximum contingent interest and preferred dividend requirements over the same period, in the case of any public utility company; or
  - 2. Three times its average annual fixed charges, maximum contingent interest and preferred dividend requirements over the same period, in the case of any other company.



**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

For non-U.S. equities, common or capital stock of any institution or entity created or existing under the laws of any foreign country are permissible investments, provided that:

- i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment; and
- iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidences of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends and dividends on prior common or capital stock have been paid in full.

Consistent with the desire to maintain broad diversification, allocations to any country, industry or other economic sector should not be excessive.

- 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, 2018 are classified as follows:

|                         |                         |
|-------------------------|-------------------------|
| Common stocks           | \$ 1,363,025,724        |
| Fixed income securities | 548,893,434             |
| Money market funds      | 26,130,425              |
| Mutual funds            | 413,368,875             |
| DC plan forfeitures     | <u>6,495,957</u>        |
|                         | <u>\$ 2,357,914,415</u> |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (2) Deposits and Investments, Continued

#### B. Investments, Continued

##### Government of Guam Retirement Fund (GGRF), 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 the maturity of an investment, the greater is 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, 2018, GGRF's investments in debt securities were as follows:

|                           |                        | <u>Investment Maturities (In Years)</u> |                       |                            |                       |
|---------------------------|------------------------|-----------------------------------------|-----------------------|----------------------------|-----------------------|
|                           | <u>Less<br/>Than 1</u> | <u>1 to 5</u>                           | <u>6 to 10</u>        | <u>Greater<br/>Than 10</u> | <u>Fair<br/>Value</u> |
| U.S. Treasury notes       | \$ -                   | \$ 40,063,139                           | \$ 36,225,435         | \$ 57,911,172              | \$ 134,199,746        |
| U.S. government agencies  | 1,430,922              | 11,318,074                              | 15,343,994            | 44,916,485                 | 73,009,475            |
| Corporate notes and bonds | <u>13,471,360</u>      | <u>204,358,016</u>                      | <u>68,504,727</u>     | <u>55,350,110</u>          | <u>341,684,213</u>    |
|                           | <u>\$ 14,902,282</u>   | <u>\$ 255,739,229</u>                   | <u>\$ 120,074,156</u> | <u>\$ 158,177,767</u>      | <u>\$ 548,893,434</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, 2018, GGRF held mortgage-backed securities valued at approximately \$34,700,000.

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.

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, 2018:

| <u>Investment Type</u>         | <u>Minimum<br/>Rating</u> | <u>Amount</u>         | <u>Rating as of Year End</u> |
|--------------------------------|---------------------------|-----------------------|------------------------------|
| U.S. Treasury notes            | N/A                       | \$ 134,199,746        | Exempt from disclosure       |
| Federal agency securities      | N/A                       | 73,009,475            | Exempt from disclosure       |
| Corporate medium term notes    | BBB                       | 4,452,277             | Aaa                          |
| and U.S. municipal obligations |                           | <u>302,560,733</u>    | Aa1-Aa3                      |
|                                |                           | <u>34,671,203</u>     | A1-A3                        |
|                                |                           | 548,893,434           |                              |
| Money market funds             | A-2                       | <u>26,130,425</u>     | AAAm                         |
|                                |                           | <u>\$ 575,023,859</u> |                              |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (2) Deposits and Investments, Continued

##### B. Investments, Continued

###### Government of Guam Retirement Fund (GGRF), Continued:

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. At September 30, 2018, 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, 2018, GGRF held approximately \$32,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$11,000,000 was issued by Canadian companies, \$5,000,000 by Dutch companies, \$4,000,000 by British companies, \$2,000,000 by Irish companies, and \$10,000,000 by 22 other country companies.

At September 30, 2018, 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, 2018 was approximately \$93,000,000. Of this total, approximately \$41,000,000 relates to companies whose functional currency is the Euro, \$14,000,000 relates to companies whose functional currency is the Japanese yen, \$12,000,000 relates to companies whose functional currency is the British pound, \$10,000,000 relates to companies whose functional currency is the Hong Kong dollar, and the remaining \$16,000,000 relates to companies representing eighteen 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.

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 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.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (2) Deposits and Investments, Continued

#### B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

GGRF has the following recurring fair value measurements as of September 30, 2018:

|                                  | Total                   | Fair Value Measurements Using                                                 |                                                           |                                                    |
|----------------------------------|-------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                  |                         | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by fair value level: |                         |                                                                               |                                                           |                                                    |
| Equity securities                | \$ 1,363,025,724        | \$ 1,363,025,724                                                              | \$ -                                                      | \$ -                                               |
| U.S. Treasury notes              | 207,209,221             | -                                                                             | 207,209,221                                               | -                                                  |
| Corporate notes and bonds        | 302,560,733             | -                                                                             | 302,560,733                                               | -                                                  |
| Mortgage-backed securities       | 34,671,203              | -                                                                             | 34,671,203                                                | -                                                  |
| Bank loans                       | 4,452,277               | -                                                                             | 4,452,277                                                 | -                                                  |
| Other                            | <u>99,427,637</u>       | <u>99,427,637</u>                                                             | -                                                         | -                                                  |
|                                  | 2,011,346,795           | <u>\$ 1,462,453,361</u>                                                       | <u>\$ 548,893,434</u>                                     | <u>\$ -</u>                                        |
| Investments measured at NAV:     |                         |                                                                               |                                                           |                                                    |
| Mutual funds                     | <u>346,567,620</u>      |                                                                               |                                                           |                                                    |
|                                  | <u>\$ 2,357,914,415</u> |                                                                               |                                                           |                                                    |

### (3) Receivables and Tax Abatements

#### A. Receivables

Receivables as of September 30, 2018, 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<br>Grants<br>Assistance | GDOE<br>Federal<br>Grants | Chamorro<br>Lands | Nonmajor<br>Governmental<br>Funds | Fiduciary<br>Funds   | Total                 |
|--------------------------------------------|----------------------|---------------------------------|---------------------------|-------------------|-----------------------------------|----------------------|-----------------------|
| Receivables:                               |                      |                                 |                           |                   |                                   |                      |                       |
| Taxes                                      | \$ 55,147,775        | \$ -                            | \$ -                      | \$ -              | \$ 6,964,874                      | \$ -                 | \$ 62,112,649         |
| Federal                                    | 3,165,193            | 36,147,912                      | 9,171,721                 | -                 | -                                 | -                    | 48,484,826            |
| Court                                      | -                    | -                               | -                         | -                 | -                                 | 5,279,085            | 5,279,085             |
| Contributions                              | -                    | -                               | -                         | -                 | -                                 | 10,454,541           | 10,454,541            |
| Interest                                   | -                    | -                               | -                         | -                 | -                                 | 202,039              | 202,039               |
| Other                                      | <u>3,847,890</u>     | <u>-</u>                        | <u>-</u>                  | <u>-</u>          | <u>6,452,066</u>                  | <u>16,653,461</u>    | <u>26,953,417</u>     |
|                                            | 62,160,858           | 36,147,912                      | 9,171,721                 | -                 | 13,416,940                        | 32,589,126           | 153,486,557           |
| Allowance for<br>Uncollectible<br>Accounts | <u>(2,710,763)</u>   | <u>-</u>                        | <u>-</u>                  | <u>-</u>          | <u>(1,850,060)</u>                | <u>(5,279,085)</u>   | <u>(9,839,908)</u>    |
|                                            | <u>\$ 59,450,095</u> | <u>\$ 36,147,912</u>            | <u>\$ 9,171,721</u>       | <u>\$ -</u>       | <u>\$ 11,566,880</u>              | <u>\$ 27,310,041</u> | <u>\$ 143,646,649</u> |

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. As of September 30, 2018, employer contributions receivable totaled \$8,182,606; member contributions receivable totaled \$2,271,935; and interest and penalties receivable totaled \$202,039.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (3) Receivables and Tax Abatements, Continued

##### B. Tax Abatements

As of September 30, 2018, GovGuam provided tax abatements through the following programs:

*Guam Registered Apprenticeship Program (GRAP)* provides tax abatement incentives to eligible businesses that employ apprentices who are duly enrolled and registered in the program. Eligible businesses are entitled to tax abatement against their gross receipts tax liability equal to fifty percent (50%) of the eligible training costs paid or incurred by the business. Eligible training costs include direct wages of apprentices, direct fringe benefits (medical and dental insurance), journeyman's wages (on-the-job training), instructor costs (academic and trade theory), training costs (books and tuition), and personal protective equipment.

The GRAP Program was created under Public Law 28-142 for the purposes of reducing the shortage of highly skilled workers; encouraging employers to hire and train apprentices in highly skilled trades and occupations; authorizing up to 50% abatement of gross receipts taxes for certain long term apprenticeship training expenses; and ensuring that apprentices continue to pay income taxes and participate in the economy.

The eligible business should be duly enrolled and registered under GRAP with the Department of Labor. The apprentice's occupation should be on the GRAP Demand Occupations Listing which is compiled by the Director of the Department of Labor and approved by the Governor and the Legislature of Guam. The eligible business must not be a beneficiary of a Qualifying Certificate issued by the Guam Economic Development Authority.

*Qualifying Certificate (QC) Program* was created under Public Law 8-80 and amended under Public Law 20-178 and Public Law 22-159 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam. Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business;
- Up to 100% abatement of gross receipts tax on income from the sale of alcoholic beverages and petroleum products manufactured in Guam for up to ten (10) years;
- Up to 100% abatement of gross receipts tax on income derived from underwriting insurance risks either in or out of Guam for up to twenty (20) years;
- Up to 100% rebate of corporate income tax for up to twenty (20) years.

*Guam Community Recycling Tax Incentive Program* was created under Public Law 127, which provides recycling and transshipment companies with tax benefits to encourage investment opportunities in recycling and transshipment activities. Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of gross receipts tax on income derived from recycling activities for up to ten (10) years;
- Up to 100% abatement of excise tax with respect to the property used to construct, furnish and equip the recycling facilities.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements, Continued

*Special Hotel Qualifying Certificate (QC) Program* was created under Public Law 32-233 specifically for the development of one thousand six hundred (1,600) new hotel rooms by the year 2020, a goal set forth by the Guam Visitors Bureau Vision 2020 plan. This program provides additional incentives to hotel developers in order to meet this goal and shall remain in effect until the earlier of five years; 1,600 hotel rooms have been committed to be built; or a China Visa Waiver or China Visa Parole declaration has been approved for Guam. Developers and owners are allowed a tax rebate, exemption or abatement in an amount equal to ten percent (10%) of their total construction costs, which can be applied by the developer, at their discretion, to the following taxes:

- Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business;
- Up to 50% abatement of gross receipts tax payable to GovGuam for up to twenty (20) years;
- Up to 100% abatement of excise tax with respect to the property used to construct, furnish and equip the new facility construction or substantial expansion of an existing building;
- Up to 100% rebate of corporate income tax for up to twenty (20) years.

During the year ended September 30, 2018, information relevant to the disclosure of these programs is as follows:

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Guam Registered Apprenticeship Program:         |                      |
| Gross receipts tax                              | \$ 4,744,578         |
| Qualifying Certificate Program:                 |                      |
| Real property tax                               | 140,650              |
| Gross receipts tax                              | 10,994,270           |
| Corporate income tax                            | -                    |
| Special Hotel Qualifying Certificate Program:   |                      |
| Real property tax                               | -                    |
| Gross receipts tax                              | -                    |
| Excise tax                                      | -                    |
| Corporate income tax                            | -                    |
| Guam Community Recycling Tax Incentive Program: |                      |
| Gross receipts tax                              | -                    |
| Excise tax                                      | -                    |
|                                                 | <hr/>                |
|                                                 | \$ <u>15,879,498</u> |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(4) Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds in the combined balance sheet at September 30, 2018, are summarized as follows:

| <u>Receivable Fund</u>      | <u>Payable Fund</u>         | <u>Amount</u>        |
|-----------------------------|-----------------------------|----------------------|
| General                     | Federal Grants Assistance   | \$ 21,233,194        |
| General                     | GDOE Federal Grants         | 1,144,158            |
| General                     | Nonmajor governmental funds | 13,700,982           |
| Nonmajor governmental funds | General                     | <u>22,813,864</u>    |
|                             |                             | <u>\$ 58,892,198</u> |

(5) Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2018, are as follows:

|                                    | Estimated<br>Useful<br>Lives | Balance<br>October<br>1, 2017<br>(As Restated) | Additions              | Transfers           | Retirements        | Balance<br>September<br>30, 2018 |
|------------------------------------|------------------------------|------------------------------------------------|------------------------|---------------------|--------------------|----------------------------------|
| Governmental activities:           |                              |                                                |                        |                     |                    |                                  |
| Nondepreciable capital assets:     |                              |                                                |                        |                     |                    |                                  |
| Land                               |                              | \$ 48,719,357                                  | \$ 753,890             | \$ 8,511,600        | \$ -               | \$ 57,984,847                    |
| Construction in progress           |                              | <u>66,326,604</u>                              | <u>28,260,413</u>      | <u>(39,735,871)</u> | <u>-</u>           | <u>54,851,146</u>                |
|                                    |                              | <u>115,045,961</u>                             | <u>29,014,303</u>      | <u>(31,224,271)</u> | <u>-</u>           | <u>112,835,993</u>               |
| Depreciable capital assets:        |                              |                                                |                        |                     |                    |                                  |
| Landfill cells                     | Capacity                     | 71,093,441                                     | -                      | -                   | -                  | 71,093,441                       |
| Buildings                          | 40 - 60 yrs                  | 656,215,225                                    | 653,114                | (8,511,600)         | -                  | 648,356,739                      |
| Machinery, equipment and Furniture | 5 - 20 yrs                   | 118,921,574                                    | 3,342,849              | -                   | (2,004,664)        | 120,259,759                      |
| Infrastructure                     | 25 yrs                       | <u>811,874,236</u>                             | <u>4,066,487</u>       | <u>39,735,871</u>   | <u>-</u>           | <u>855,676,594</u>               |
|                                    |                              | <u>1,658,104,476</u>                           | <u>8,062,450</u>       | <u>31,224,271</u>   | <u>(2,004,664)</u> | <u>1,695,386,533</u>             |
| Less accumulated depreciation:     |                              |                                                |                        |                     |                    |                                  |
| Buildings                          |                              | (215,820,076)                                  | (14,433,818)           | -                   | -                  | (230,253,894)                    |
| Landfill cells                     |                              | (32,882,161)                                   | (4,993,205)            | -                   | -                  | (37,875,366)                     |
| Machinery, equipment and Furniture |                              | (93,222,884)                                   | (8,572,511)            | -                   | 1,993,980          | (99,801,415)                     |
| Infrastructure                     |                              | <u>(398,021,377)</u>                           | <u>(43,994,129)</u>    | <u>-</u>            | <u>-</u>           | <u>(442,015,506)</u>             |
|                                    |                              | <u>(739,946,498)</u>                           | <u>(71,993,663)</u>    | <u>-</u>            | <u>1,993,980</u>   | <u>(809,946,181)</u>             |
| Depreciable capital assets, net    |                              | <u>918,157,978</u>                             | <u>(63,931,213)</u>    | <u>31,224,271</u>   | <u>(10,684)</u>    | <u>885,440,352</u>               |
|                                    |                              | <u>\$ 1,033,203,939</u>                        | <u>\$ (34,916,910)</u> | <u>\$ -</u>         | <u>\$ (10,684)</u> | <u>\$ 998,276,345</u>            |

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

|                                  |                      |
|----------------------------------|----------------------|
| General government               | \$ 10,935,582        |
| Protection of life and property  | 2,019,399            |
| Public health                    | 309,322              |
| Community services               | 37,731               |
| Recreation                       | 329,025              |
| Individual and collective rights | 15,658,439           |
| Transportation                   | 20,872,552           |
| Public education                 | 13,064,531           |
| Environmental protection         | 6,010,803            |
| Economic development             | <u>2,756,279</u>     |
|                                  | <u>\$ 71,993,663</u> |



## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (6) Long-Term Obligations

As of September 30, 2018, the primary government had the following long-term debt outstanding:

##### General Obligation Bonds:

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, partially refunded in 2015 with principal fund payments due in varying annual installments commencing with an initial payment of \$4,255,000 on November 15, 2015 and increasing to a final payment of \$5,375,000 on November 15, 2019. 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 (the 2009 Projects) and are backed solely by a pledge of full faith and credit of GovGuam.

|                               |                      |
|-------------------------------|----------------------|
|                               | \$ 10,445,000        |
| Less net unamortized discount | <u>(241,877)</u>     |
|                               | <u>\$ 10,203,123</u> |

Annual debt service requirements to maturity for general obligation bonds are as follows:

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>     | <u>Interest</u>   | <u>Total</u>         |
|--------------------------------------------|----------------------|-------------------|----------------------|
| 2019                                       | \$ 5,070,000         | \$ 474,600        | \$ 5,544,600         |
| 2020                                       | <u>5,375,000</u>     | <u>161,250</u>    | <u>5,536,250</u>     |
|                                            | \$ <u>10,445,000</u> | \$ <u>635,850</u> | \$ <u>11,080,850</u> |

On September 9, 2015, GovGuam issued \$410,485,000 in Business Privilege Tax Revenue Bonds, 2015 Series D, with varying interest rates of 3% - 5% per annum. The bonds were issued at a premium, which will be amortized over the life of the bonds using the effective interest rate method, to refund \$151,935,000 of outstanding General Obligation Bonds, 2007 Series A bonds and partially refund \$229,020,000 of outstanding General Obligation Bonds, 2009 Series A bonds. Of the net proceeds of \$455,135,254 (including premiums of \$44,650,254), \$454,758,932 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding General Obligation Bonds, 2007 Series A and General Obligation Bonds, 2009 Series A. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of \$82,801,641, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2007 and 2009 bonds. The unamortized balance of the deferred loss on refunding of the 2007 and 2009 Series bonds is \$72,077,790 as of September 30, 2018.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(6) Long-Term Obligations, Continued

Limited Obligation Bonds:

Hotel Occupancy Tax Revenue Bonds, 2011 Series A (original issue of \$90,665,000, dated April 28, 2011), varying interest rates at 2% - 6.5% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying annual installments commencing with an initial payment of \$1,670,000 on November 1, 2011 and increasing to a final payment of \$5,725,000 on November 1, 2040. The bonds were issued for the purpose of advance refunding 1997 Infrastructure Improvement Bonds and to provide additional proceeds to fund the construction of a new Guam Museum and other projects for the benefit of Guam's tourism industry, and are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of hotel occupancy tax revenues. \$ 77,585,000

Business Privilege Tax Revenue Bonds, 2011 Series A (original issue of \$235,000,000, dated December 1, 2011), varying interest rates at 2.5% - 5.25% per annum, payable semiannually on January 1 and July 1, principal fund payments due in varying annual installments commencing with an initial payment of \$4,515,000 on January 1, 2017 and increasing to a final payment of \$15,940,000 on January 1, 2042. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments, and funding capitalized interest, and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 225,755,000

Business Privilege Tax Revenue Bonds, 2012 Series B (original issue of \$108,700,000, dated June 6, 2012), varying interest rates at 2.93% - 5% per annum, payable semiannually on January 1 and July 1, principal fund payments due in varying annual installments commencing with an initial payment of \$2,305,000 on January 1, 2017 and increasing to a final payment of \$7,135,000 on January 1, 2042. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, health insurance premium payments and delinquent retirement fund contributions, and funding capitalized interest, and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 104,025,000

Business Privilege Tax Revenue Bonds, 2013 Series C (original issue of \$22,640,000, dated February 7, 2013), varying interest rates at 3% - 5% per annum, payable semiannually on May 15 and November 15, principal fund payments due in varying annual installments commencing with an initial payment of \$1,300,000 on November 15, 2013 and increasing to a final payment of \$4,675,000 on November 15, 2018. The bonds were issued for the purpose of refunding 1993 General Obligation Bonds and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 4,675,000

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(6) Long-Term Obligations, Continued

Limited Obligation Bonds, Continued:

Business Privilege Tax Revenue Bonds, 2015 Series D (original issue of \$410,485,000, dated September 9, 2015), varying interest rates at 3% - 5% per annum, payable semiannually on May 15 and November 15, principal fund payments due in varying annual installments commencing with an initial payment of \$2,080,000 on November 15, 2017 and increasing to a final payment of \$19,145,000 on November 15, 2039. The bonds were issued for the purpose of refunding 2007 and 2009 General Obligation Bonds and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 408,405,000

Limited Obligation (Section 30) Bonds, 2016 Series A (original issue of \$236,605,000, dated August 17, 2016), varying interest rates at 2% - 5% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of \$1,630,000 on December 1, 2016 and increasing to a final payment of \$4,435,000 on December 1, 2046. The bonds were issued for the purpose of refunding 2009 Limited Obligation (Section 30) Bonds; refinancing all of the outstanding 2013 Series B Certificates of Participation (Okkodo High School Expansion Project); and to provide additional proceeds to fund certain working capital costs of the Guam Memorial Hospital, 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. 232,595,000

1,053,040,000

Add net unamortized premium 92,446,571  
Less net unamortized discount (1,612,212)

\$ 1,143,874,359

Annual debt service requirements to maturity for limited obligation bonds are as follows:

| <u>Year ending</u><br><u>September 30.</u> | <u>Principal</u>        | <u>Interest</u>       | <u>Total</u>            |
|--------------------------------------------|-------------------------|-----------------------|-------------------------|
| 2019                                       | \$ 21,510,000           | \$ 52,946,382         | \$ 74,456,382           |
| 2020                                       | 25,745,000              | 51,791,503            | 77,536,503              |
| 2021                                       | 33,030,000              | 50,330,461            | 83,360,461              |
| 2022                                       | 35,720,000              | 48,616,754            | 84,336,754              |
| 2023                                       | 37,535,000              | 46,771,784            | 84,306,784              |
| 2024 - 2028                                | 198,260,000             | 204,689,856           | 402,949,856             |
| 2029 - 2033                                | 250,545,000             | 148,352,875           | 398,897,875             |
| 2034 - 2038                                | 278,470,000             | 78,784,525            | 357,254,525             |
| 2039 - 2043                                | 155,750,000             | 18,629,857            | 174,379,857             |
| 2044 - 2047                                | <u>16,475,000</u>       | <u>1,699,125</u>      | <u>18,174,125</u>       |
|                                            | <u>\$ 1,053,040,000</u> | <u>\$ 702,613,122</u> | <u>\$ 1,755,653,122</u> |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(6) Long-Term Obligations, Continued

Limited Obligation Bonds, Continued:

On August 17, 2016, GovGuam issued \$236,605,000 in Limited Obligation (Section 30) Bonds, 2016 Series, with varying interest rates of 2% - 5% per annum. The bonds were issued at a premium, which will be amortized over the life of the bonds using the effective interest rate method, to refund \$182,610,000 of outstanding Limited Obligation (Section 30) Bonds, 2009 Series A bonds and to provide additional proceeds to fund certain working capital costs of the Guam Memorial Hospital. Of the net proceeds of \$280,547,958 (including a premium of \$43,942,958), \$211,658,081 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Limited Obligation (Section 30) Bonds, 2009 Series A. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of \$31,939,331, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2009 bonds. The unamortized balance of the deferred loss on refunding of the 2009 Series bonds is \$28,390,517 as of September 30, 2018.

Loans Payable:

Note payable to a local bank in the amount of \$11,000,000, dated September 15, 2006, interest at 5% 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, 2019. This loan was used to fund the construction of a Judicial Building and a Forensic Science Laboratory. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues.

\$ 5,730,009

Note payable to a local bank in the amount of \$4,000,000, dated April 28, 2014, variable interest at 1.25% over bank's reference rate subject to a minimum rate of 4.5% per annum (5.5% at September 30, 2018), payable monthly interest only commencing 30 days after first drawdown, with principal and interest payable monthly commencing 18 months after the first drawdown, fully due on September 1, 2020. This loan was used to fund the modernization, refurbishment and restoration of the Guam Congress Building. The note is collateralized by the pledge and assignment of Capitol District Fund revenues.

3,853,935

\$ 9,583,944

Annual debt service requirements to maturity for the loans payable are as follows:

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>         |
|--------------------------------------------|---------------------|-------------------|----------------------|
| 2019                                       | \$ 5,795,189        | \$ 630,944        | \$ 6,426,133         |
| 2020                                       | <u>3,788,755</u>    | <u>256,095</u>    | <u>4,044,850</u>     |
|                                            | <u>\$ 9,583,944</u> | <u>\$ 887,039</u> | <u>\$ 10,470,983</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

There are a number of limitations and restrictions placed on the bonds as specified below:

##### General Obligation Bonds - 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.

On or prior to the fifth Business Day preceding each Interest Payment Date, the Trustee shall notify GovGuam of the amount, if any, by which the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and is available to make such payments. On or prior to the third Business Day preceding such Interest Payment Date, GovGuam shall deposit with the Trustee an amount equal to the amount of such deficiency.

In the event that on the third Business Day preceding any Interest Payment Date, the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments, the Depositary upon the direction of the Trustee shall transfer to the Bond Fund the amount of such deficiency by withdrawing said amount from the Construction Fund or Proceeds Fund.

The 2009 Series A Bonds are general obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-7 and a Certificate of the Governor of Guam, dated June 1, 2009. Under the Certificate, the Governor of Guam appointed a Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds.

In accordance with the Certificate, the Depositary has created the following trust accounts:

- Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depositary for the payment of the costs of the 2009 Projects to be funded from Bond proceeds and the costs associated with the issuance of the Bonds, and, to the extent necessary, to fund any deficiency in the Bond Fund to pay principal of, mandatory sinking account payments for and interest on the Bonds.
- Bond Fund - The Trustee shall apply moneys on deposit in this Fund solely for the purposes of (1) paying interest on the Bonds as it shall become due and payable, (2) paying the principal of the Serial Bonds when due and payable and (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the Certificate.

The "Proceeds Fund" and "Bond Fund" accounts are accounted for within the General Fund.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### Limited Obligation (Section 30) Bonds, 2016 Series A:

The 2016 Series A Section 30 Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 33-183 and an Indenture dated June 1, 2009, as amended and restated by an Amended and Restated Indenture, dated August 17, 2016. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are 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 Indenture, the following funds are established:

- Section 30 Revenue Fund - GovGuam shall deposit or cause to be deposited all Section 30 Revenues upon receipt into the Section 30 Revenue Fund which the Trustee shall maintain and hold in trust, except that all interest and other profit from the investment of moneys in the Rebate Fund will be retained therein, all interest and other profit from the investment of moneys in the Project Fund will be transferred to the Capitalized Interest Account, which shall be established, maintained and held in trust by the Depositary as a separate account within the Section 30 Revenue Fund. The Trustee shall be entitled to and shall collect and receive all of the Section 30 Revenues, and any Section 30 Revenues collected or received by GovGuam shall be deemed to be held, and to have been collected or received, by GovGuam as the agent of the Trustee and shall promptly be paid by GovGuam to the Trustee.

On the fifth day of each calendar month, the Trustee shall transfer from the Section 30 Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Section 30 Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Debt Service Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; and (E) the Section 30 Surplus Fund.

- Debt Service Fund - The Debt Service Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Debt Service Fund in the amounts and at the times required by the Indenture solely 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 at maturity Term Bonds as provided in the Indenture.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### Limited Obligation (Section 30) Bonds, 2016 Series A, Continued:

- Bond Reserve Fund - The Indenture requires the Trustee to establish and maintain the Bond Reserve Fund and to deposit with respect to any series of Bonds an amount equal to the Bond Reserve Fund Requirement to be held by the Trustee. The Bond Reserve Fund Requirement means, as of any date of calculation and with respect to any Bonds, an amount equal to (i) the least of (A) Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (125%) of average annual debt service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than ten percent (10%) of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance, or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any Supplemental Indenture and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Internal Revenue Code.
- Project Fund - At closing, there shall be deposited in the Series 2016A Project Account a portion of the proceeds of the 2016A Bonds. Moneys on deposit therein will be disbursed to fund the 2016 Hospital Working Capital Project, which consists of refinancing an outstanding working capital loan in the approximate principal amount of \$20.1 million, and finance approximately \$45 million of vendor accounts payable.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Trustee upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The "Section 30 Revenue Fund", "Capitalized Interest Account", "Debt Service Fund", "Bond Reserve Fund", "Project Fund" and "Bond Expense Fund" accounts are accounted for within the General Fund.

##### Hotel Occupancy Tax Revenue Bonds, 2011 Series A:

The 2011 Series A Hotel Occupancy Tax Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-228 and an Indenture, as supplemented by a First Supplemental Indenture, each dated April 1, 2011. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Hotel Occupancy Tax revenues. Hotel Occupancy Tax revenues are amounts levied at the rate of 11% on transient occupancy of hotel rooms in Guam.

In accordance with the Indenture, the following funds are established:

- Revenue Fund - GovGuam shall deposit or cause to be deposited all Hotel Occupancy Tax Revenues upon receipt in a special fund designated as the "Revenue Fund", which the Trustee, as Depositary, will establish and maintain and hold in trust pursuant to the Indenture.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### Hotel Occupancy Tax Revenue Bonds, 2011 Series A, Continued:

On or before the fifth day of each calendar month following the calendar month in which the 2011 Series A Hotel Occupancy Tax Bonds are delivered, the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Hotel Occupancy Tax revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Bond Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; (E) such amount specified by the budget enacted by / *Liheslaturan Guåhan* (the Guam Legislature) for the Guam Visitors Bureau; and (F) the Tourist Attraction Fund.

- Bond Fund - The Bond Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Bond Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable, (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture, (4) pay Parity Payment Agreement payments as they become due and payable, and (5) pay Credit Agreement Reimbursement payments as they become due and payable.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depositary upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

##### Business Privilege Tax Revenue Bonds - 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D:

- Construction Fund - At closing, there shall be deposited in the Series 2011A Construction Account within the Construction Fund a portion of the proceeds of the 2011A Bonds. Moneys on deposit therein will be disbursed to fund the 2011A Bonds Project, which consists of advance refunding 1997 Infrastructure Improvement Bonds and to provide additional proceeds to fund the construction of a new Guam Museum and other projects for the benefit of Guam's tourism industry.
- Bond Reserve Fund - The Indenture requires the Trustee to establish and maintain the Bond Reserve Fund and to deposit with respect to any series of Bonds an amount equal to the Bond Reserve Fund Requirement to be held by the Trustee. The Bond Reserve Fund Requirement means, as of any date of calculation and with respect to any Bonds, an amount equal to (i) the least of (A) Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (125%) of average annual debt service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than ten percent (10%) of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance, or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any Supplemental Indenture and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Internal Revenue Code.



## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

Business Privilege Tax Revenue Bonds - 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D, Continued:

The "Revenue Fund", "Bond Fund", "Bond Reserve Fund", "Bond Expense Fund" and "Construction Fund" accounts are accounted for within the other governmental funds.

The 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D Business Privilege Tax Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 31-76 and an Indenture, as supplemented by a First Supplemental Indenture, each dated December 1, 2011, a Second Supplemental Indenture, dated June 1, 2012, a Third Supplemental Indenture, dated January 1, 2013, and a Fourth Supplemental Indenture, dated September 1, 2015. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Gross Receipts Tax (GRT) revenues. GRT revenues are amounts levied by GovGuam at the rate of 4% (5% effective April 1, 2018) on certain goods and services, including the sale of tangible personal property and the provision of professional services.

In accordance with the Indenture, the following funds are established:

- Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depositary for the payment of Eligible Expenses to be funded from Bond proceeds and the costs associated with the issuance of the Bonds.
- Revenue Fund - GovGuam shall deposit or cause to be deposited all GRT upon receipt in a special fund designated as the "Revenue Fund", which the Trustee, as Depositary, will establish and maintain and hold in trust pursuant to the Indenture.

On or before the twenty-fifth day of each calendar month, the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of GRT revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Bond Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; and (E) GovGuam, free and clear from the lien of the Indenture, the balance of the Revenue Fund.

- Bond Fund - The Bond Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Bond Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable, (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture, (4) pay Parity Payment Agreement payments as they become due and payable, and (5) pay Credit Agreement Reimbursement payments as they become due and payable.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depositary upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

Business Privilege Tax Revenue Bonds - 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D, Continued:

- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depositary upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The "Proceeds Fund", "Revenue Fund", "Bond Fund" and "Bond Expense 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 and loan covenants as of September 30, 2018.

Prior-Year Defeasance of Debt:

In prior years, GovGuam defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in GovGuam's financial statements. At September 30, 2018, \$564,180,000 of bonds outstanding are considered defeased.

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

Other long-term liabilities will generally be liquidated in the future from the General Fund. During the year ended September 30, 2018, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net position:

|                              | Balance<br>October 1,<br>2017<br>(As Restated) | Additions            | Reductions              | Balance<br>September<br>30, 2018 | Due Within<br>One Year |
|------------------------------|------------------------------------------------|----------------------|-------------------------|----------------------------------|------------------------|
| GO Bonds payable:            |                                                |                      |                         |                                  |                        |
| General obligation bonds     | \$ 15,230,000                                  | \$ -                 | \$ (4,785,000)          | \$ 10,445,000                    | \$ 5,070,000           |
| Discount on bonds issued     | (357,979)                                      | -                    | 116,102                 | (241,877)                        | -                      |
|                              | <u>14,872,021</u>                              | <u>-</u>             | <u>(4,668,898)</u>      | <u>10,203,123</u>                | <u>5,070,000</u>       |
| LO Bonds payable:            |                                                |                      |                         |                                  |                        |
| Limited obligation bonds     | 1,071,165,000                                  | -                    | (18,125,000)            | 1,053,040,000                    | 21,510,000             |
| Premium on bonds issued      | 96,836,453                                     | -                    | (4,389,882)             | 92,446,571                       | -                      |
| Discount on bonds issued     | (1,685,218)                                    | -                    | 73,006                  | (1,612,212)                      | -                      |
|                              | <u>1,166,316,235</u>                           | <u>-</u>             | <u>(22,441,876)</u>     | <u>1,143,874,359</u>             | <u>21,510,000</u>      |
| Loans payable                | <u>10,357,318</u>                              | <u>-</u>             | <u>(773,374)</u>        | <u>9,583,944</u>                 | <u>5,795,189</u>       |
| Other long-term liabilities: |                                                |                      |                         |                                  |                        |
| Compensated absences         | 26,116,303                                     | 6,277,554            | (10,882,909)            | 21,510,948                       | 7,319,970              |
| Capital lease obligations    | 200,062,016                                    | -                    | (7,974,147)             | 192,087,869                      | 8,255,215              |
| DCRS sick leave liability    | 34,718,763                                     | 924,145              | (18,432,642)            | 17,210,266                       | -                      |
| Net pension liability        | 1,117,803,682                                  | 21,995,903           | (134,628,104)           | 1,005,171,481                    | -                      |
| OPEB liability               | 1,731,286,159                                  | -                    | (61,412,135)            | 1,669,874,024                    | -                      |
| Tax credits payable          | 4,826,124                                      | -                    | (1,187,023)             | 3,639,101                        | 3,639,101              |
| Due to IRS                   | 19,937,926                                     | -                    | -                       | 19,937,926                       | 19,937,926             |
| Landfill closure             | <u>16,186,087</u>                              | <u>3,825,999</u>     | <u>-</u>                | <u>20,012,086</u>                | <u>-</u>               |
|                              | <u>3,150,937,060</u>                           | <u>33,023,601</u>    | <u>(234,516,960)</u>    | <u>2,949,443,701</u>             | <u>39,152,212</u>      |
|                              | <u>\$ 4,342,482,634</u>                        | <u>\$ 33,023,601</u> | <u>\$ (262,401,108)</u> | <u>\$ 4,113,105,127</u>          | <u>\$ 71,527,401</u>   |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

Other long-term liabilities include an amount due to the Internal Revenue Service (IRS) for excess Make Work Pay Credit (MWPC) payments received under the American Recovery and Reinvestment Act of 2009. In accordance with an agreement between GovGuam and the IRS, the amount due was renegotiated in the amount of \$19,937,926. GovGuam has yet to finalize repayment terms and conditions with the IRS; however, GovGuam anticipates repayment to occur in three equal annual amounts of \$5,500,000 with a final payment of \$3,437,926.

In addition, other long-term liabilities include an amount due to landowners in the original amount of \$29,112,970, inclusive of interest. On October 31, 2012, a Court Order was issued for the payment of approximately \$25,115,683 for the condemnation of land which encompasses the Layon landfill. A payment of \$3,410,000 was deposited to the Court and distributed to the landowners with the remaining balance of \$21,705,683 plus interest at 6% per annum calculated from January 24, 2008 to be made. GovGuam negotiated long-term tax credit certificates with certain landowners. During the year ended September 30, 2018, tax credits in the amount of \$1,187,023 were redeemed in lieu of payments with a remaining amount of \$3,639,101 associated with this Court Order payable to landowners.

### (8) Fund Balances

Classifications of fund balances comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following table enumerates the governmental funds fund balance classifications:

|                                   | General                | Federal<br>Grants<br>Assistance | GDOE<br>Federal<br>Grants | Chamorro<br>Lands     | Nonmajor<br>Governmental<br>Funds | Total                 |
|-----------------------------------|------------------------|---------------------------------|---------------------------|-----------------------|-----------------------------------|-----------------------|
| <b>Nonspendable:</b>              |                        |                                 |                           |                       |                                   |                       |
| Pacific Islands Development Bank  | \$ 1,000,000           | \$ -                            | \$ -                      | \$ -                  | \$ -                              | \$ 1,000,000          |
| Land trust                        | -                      | -                               | -                         | 458,751,008           | -                                 | 458,751,008           |
| Inventories                       | 2,610,374              | -                               | -                         | -                     | -                                 | 2,610,374             |
|                                   | <u>3,610,374</u>       | <u>-</u>                        | <u>-</u>                  | <u>458,751,008</u>    | <u>-</u>                          | <u>462,361,382</u>    |
| <b>Restricted:</b>                |                        |                                 |                           |                       |                                   |                       |
| State Fiscal Stabilization Fund   | 73,196                 | -                               | -                         | -                     | -                                 | 73,196                |
| First Generation Trust Initiative | 659,279                | -                               | -                         | -                     | -                                 | 659,279               |
| Debt service reserve              | 79,521,311             | -                               | -                         | -                     | 13,857,889                        | 93,379,200            |
| Municipal school lease            | 5,761,403              | -                               | -                         | -                     | -                                 | 5,761,403             |
| Tourism-related capital projects  | -                      | -                               | -                         | -                     | 8,498,081                         | 8,498,081             |
| Chamorro Loan Guarantee           | -                      | -                               | -                         | -                     | 640,576                           | 640,576               |
| Ancestral Land Bank               | -                      | -                               | -                         | -                     | 8,558,970                         | 8,558,970             |
| Landfill-related capital projects | -                      | -                               | -                         | -                     | 8,077,106                         | 8,077,106             |
| Other purposes                    | 81,081                 | -                               | -                         | -                     | -                                 | 81,081                |
|                                   | <u>86,096,270</u>      | <u>-</u>                        | <u>-</u>                  | <u>-</u>              | <u>39,632,622</u>                 | <u>125,728,892</u>    |
| <b>Committed:</b>                 |                        |                                 |                           |                       |                                   |                       |
| First Generation Trust Initiative | 100,000                | -                               | -                         | -                     | -                                 | 100,000               |
| General government                | 3,537,757              | -                               | -                         | -                     | 7,999,865                         | 11,537,622            |
| Protection of life and property   | 59,481                 | -                               | -                         | -                     | 4,724,634                         | 4,784,115             |
| Public health                     | 518,588                | -                               | -                         | -                     | 19,218,706                        | 19,737,294            |
| Community services                | -                      | -                               | -                         | -                     | 52,491                            | 52,491                |
| Recreation                        | -                      | -                               | -                         | -                     | 5,314,517                         | 5,314,517             |
| Individual and collective rights  | 7,220,451              | -                               | -                         | -                     | 359,376                           | 7,579,827             |
| Transportation                    | -                      | -                               | -                         | -                     | 1,856,809                         | 1,856,809             |
| Public education                  | 5,028                  | -                               | -                         | -                     | 3,318,427                         | 3,323,455             |
| Environmental protection          | -                      | -                               | -                         | -                     | 7,608,366                         | 7,608,366             |
| Economic development              | -                      | -                               | -                         | -                     | 578,747                           | 578,747               |
|                                   | <u>11,441,305</u>      | <u>-</u>                        | <u>-</u>                  | <u>-</u>              | <u>51,031,938</u>                 | <u>62,473,243</u>     |
| <b>Assigned:</b>                  |                        |                                 |                           |                       |                                   |                       |
| Other purposes                    | -                      | 147,606                         | -                         | -                     | -                                 | 147,606               |
| <b>Unassigned</b>                 | <u>(184,596,812)</u>   | <u>-</u>                        | <u>-</u>                  | <u>-</u>              | <u>(1,801,801)</u>                | <u>(186,398,613)</u>  |
|                                   | <u>\$ (83,448,863)</u> | <u>\$ 147,606</u>               | <u>\$ -</u>               | <u>\$ 458,751,008</u> | <u>\$ 88,862,759</u>              | <u>\$ 464,312,510</u> |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (9) Deficit Net Position

The following individual component units reflect a deficit net position at September 30, 2018:

|                                                 |                       |
|-------------------------------------------------|-----------------------|
| Guam Community College                          | \$ <u>13,398,655</u>  |
| Guam Memorial Hospital Authority                | \$ <u>246,185,358</u> |
| Guam Power Authority                            | \$ <u>18,308,650</u>  |
| University of Guam                              | \$ <u>80,513,069</u>  |
| Guam Economic Development Authority             | \$ <u>18,666,617</u>  |
| Guam Educational Telecommunications Corporation | \$ <u>1,367,412</u>   |

### (10) 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, 2018, are as follows:

|                                 | <u>Transfers Out</u> | <u>Transfers In</u>  |
|---------------------------------|----------------------|----------------------|
| General Fund:                   |                      |                      |
| Federal Grants Assistance Fund  | \$ 33,949,553        | \$ -                 |
| Nonmajor governmental funds     | 8,168,842            | 26,740,066           |
| Fiduciary funds                 | <u>162,875</u>       | <u>872,527</u>       |
|                                 | <u>42,281,270</u>    | <u>27,612,593</u>    |
| Federal Grants Assistance Fund: |                      |                      |
| General Fund                    | -                    | 33,949,553           |
| GDOE Federal Grants Fund        | <u>7,661,550</u>     | <u>-</u>             |
|                                 | <u>7,661,550</u>     | <u>33,949,553</u>    |
| GDOE Federal Grants Fund:       |                      |                      |
| Federal Grants Assistance Fund  | <u>-</u>             | <u>7,661,550</u>     |
| Nonmajor governmental funds:    |                      |                      |
| General Fund                    | 26,740,066           | 8,168,842            |
| Nonmajor governmental funds     | <u>9,054,843</u>     | <u>9,054,843</u>     |
|                                 | <u>35,794,909</u>    | <u>17,223,685</u>    |
| Fiduciary funds:                |                      |                      |
| General Fund                    | <u>872,527</u>       | <u>162,875</u>       |
|                                 | \$ <u>86,610,256</u> | \$ <u>86,610,256</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (10) Interfund/Intrafund Transactions, Continued

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. Specifically, GovGuam transferred \$33,949,553 from the General Fund to the Federal Grants Assistance Fund representing local match requirements under various federal grant awards; \$7,426,907 from the General Fund to the nonmajor governmental funds to finance charter schools administered by the Guam Department of Education; \$3,364,982 from the nonmajor governmental funds to the General Fund to finance General Fund operations; \$15,785,302 from the nonmajor governmental funds to the General Fund to primarily finance public school operations and debt service requirements; and \$7,661,550 from the Federal Grants Assistance Fund to the GDOE Federal Grants Fund to finance municipal school lease payments and other programs administered by the Guam Department of Education.

#### (11) Pensions

GovGuam is statutorily responsible for providing pension benefits for GovGuam employees through the GovGuam Retirement Fund (GGRF).

##### A. General Information About the Pension Plans:

*Plan Description:* GGRF administers the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan, and the Defined Contribution Retirement System (DCRS). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. 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 commenced on or after October 1, 1995 and prior to January 1, 2018, were required to participate in the Defined Contribution Retirement System (DCRS) Plan. Hence, the DB Plan became a closed group.

Members of the DB Plan who retired prior to October 1, 1995, or their survivors, are eligible to receive annual supplemental annuity payments. In addition, members of the DB Plan and the DCRS Plan who retired prior to September 30, 2017 are eligible to receive an annual ad hoc cost of living allowance (COLA).

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).

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (11) Pensions, Continued

##### A. General Information About the Pension Plans, Continued:

*Plan Membership:* As of September 30, 2017 (the measurement date), plan membership consisted of the following:

DB members:

|                                                                  |              |
|------------------------------------------------------------------|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 7,279        |
| Inactive employees entitled to but not yet receiving benefits    | 4,289        |
| Active employees                                                 | <u>2,058</u> |
|                                                                  | 13,626       |

DCRS members:

|                  |               |
|------------------|---------------|
| Active employees | <u>9,027</u>  |
|                  | <u>22,653</u> |

*Benefits Provided:* The DB Plan provides pension benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or \$6,000, whichever is greater. Members who joined the DB Plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age. Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984 and prior to October 1, 1995 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age. Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon attainment of the age of 60 years. In the event of disability during employment, members under the age of 65 with six or more years of credited service who are not entitled to receive disability payments from the United States Government are eligible to receive sixty six and two-thirds percent of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Supplemental annuity benefit payments are provided to DB retiree members in the amount of \$4,238 per year, but not to exceed \$40,000 per year when combined with their regular annual retirement annuity. Annual COLA payments are provided to DB retiree and DCRS members in a lump sum amount of \$2,000. Both supplemental annuity benefit payments and COLA payments are made at the discretion of the Guam Legislature, but are funded on a "pay-as-you-go" basis so there is no plan trust. It is anticipated that ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (11) Pensions, Continued

#### A. General Information About the Pension Plans, Continued:

On September 20, 2016, the Guam Legislature enacted Public Law 33-186, which created two new government retirement plans; the DB 1.75 Plan and the Guam Retirement Security Plan (GRSP). Commencing April 1, 2017 through September 30, 2018, eligible employees may elect, during the "election window", to participate in the DB 1.75 Plan or the GRSP with an effective date of January 1, 2018. Beginning January 1, 2018, all new employees shall be automatically enrolled in the GRSP. New employees have sixty (60) days from the date of hire to elect to participate in the DCRS.

The DB 1.75 Plan is open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DC Plan or the new GRSP and who make election on a voluntary basis to participate in the DB 1.75 Plan by December 31, 2017. Employee contributions are made by mandatory pre-tax payroll deduction at the rate of 9.5% of the employee's base salary while employer contributions are actuarially determined. Members of the DB 1.75 Plan automatically participate in the GovGuam deferred compensation plan, pursuant to which employees are required to contribute 1% of base salary as a pre-tax mandatory contribution.

*Contributions and Funding Policy:* Contribution requirements of participating employers and active members to the DB Plan are determined in accordance with Guam law. Employer contributions are actuarially determined under the One-Year Lag Methodology. Under this methodology, the actuarial valuation date is used for calculating the employer contributions for the second following fiscal year. For example the September 30, 2016 actuarial valuation was used for determining the year ended September 30, 2018 statutory contributions. Member contributions are required at 9.55% of base pay.

As a result of actuarial valuations performed as of September 30, 2016, 2015, and 2014, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2018, 2017 and 2016, respectively, have been determined as follows:

|                                                         | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|---------------------------------------------------------|---------------|---------------|---------------|
| Normal costs (% of DB Plan payroll)                     | 15.97%        | 16.27%        | 15.86%        |
| Employee contributions (DB Plan employees)              | <u>9.55%</u>  | <u>9.55%</u>  | <u>9.54%</u>  |
| Employer portion of normal costs (% of DB Plan payroll) | <u>6.42%</u>  | <u>6.72%</u>  | <u>6.32%</u>  |
| Employer portion of normal costs (% of total payroll)   | 1.60%         | 1.87%         | 1.94%         |
| Unfunded liability cost (% of total payroll)            | <u>22.12%</u> | <u>21.60%</u> | <u>22.42%</u> |
| Government contribution as a % of total payroll         | <u>23.72%</u> | <u>23.47%</u> | <u>24.36%</u> |
| Statutory contribution rates as a % of DB Plan payroll: |               |               |               |
| Employer                                                | <u>27.83%</u> | <u>27.41%</u> | <u>28.16%</u> |
| Employee                                                | <u>9.55%</u>  | <u>9.55%</u>  | <u>9.54%</u>  |

GovGuam's contributions to the DB Plan for the years ended September 30, 2018, 2017 and 2016 were \$44,467,536, \$24,416,430 and \$27,161,102, respectively, which were equal to the statutorily required contributions for the respective years then ended.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(11) Pensions, Continued

A. General Information About the Pension Plans, Continued:

GovGuam's contributions to the supplemental annuity benefit payments and the COLA payments for the years ended September 30, 2018, 2017 and 2016 were \$18,094,182, \$18,033,330 and \$18,115,779, respectively, which were equal to the statutorily required contributions for the respective years then ended.

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.

Contributions into the DCRS plan by members are based on an automatic deduction of 5% (6.2% effective January 1, 2018) of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS.

Statutory employer contributions for the DCRS plan for the year ended September 30, 2018 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 DCRS (6.2% effective January 1, 2018). The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

GovGuam's contributions to the DCRS Plan for the years ended September 30, 2018, 2017 and 2016 were \$48,699,660, \$67,736,957 and \$69,814,835, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts, \$38,672,664, \$55,387,310 and \$57,420,971 were contributed toward the unfunded liability of the DB Plan for the years ended September 30, 2018, 2017 and 2016, respectively.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

*Pension Liability:* At September 30, 2018, the GovGuam reporting entity reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2017, which is comprised of the following:

|                                                          | Primary<br><u>Government</u> | Fiduciary<br><u>Funds</u> | Component<br><u>Units</u> | <u>Total</u>            |
|----------------------------------------------------------|------------------------------|---------------------------|---------------------------|-------------------------|
| Defined Benefit Plan                                     | \$ 758,224,443               | \$ 4,361,639              | \$ 379,663,311            | \$ 1,142,249,393        |
| Ad Hoc COLA/supplemental<br>annuity Plan for DB Retirees | 205,215,544                  | 919,703                   | 82,011,874                | 288,147,121             |
| Ad Hoc COLA Plan for DCRS<br>Retirees                    | <u>41,731,494</u>            | <u>379,377</u>            | <u>20,334,619</u>         | <u>62,445,490</u>       |
|                                                          | <u>\$ 1,005,171,481</u>      | <u>\$ 5,660,719</u>       | <u>\$ 482,009,804</u>     | <u>\$ 1,492,842,004</u> |



# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (11) Pensions, Continued

#### B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

The following presents GovGuam and its component units change in proportion since the prior measurement date of September 30, 2016 to the current measurement date of September 30, 2017:

|                                  | <u>Defined Benefit Plan</u>   |                            | <u>Ad Hoc COLA/<br/>Supplemental Annuity<br/>Plan For DB Retirees</u> |                            | <u>Ad Hoc COLA<br/>Plan For DCRS Retirees</u> |                            |
|----------------------------------|-------------------------------|----------------------------|-----------------------------------------------------------------------|----------------------------|-----------------------------------------------|----------------------------|
|                                  | <u>Primary<br/>Government</u> | <u>Component<br/>Units</u> | <u>Primary<br/>Government</u>                                         | <u>Component<br/>Units</u> | <u>Primary<br/>Government</u>                 | <u>Component<br/>Units</u> |
| Proportion at September 30, 2016 | <u>66.76%</u>                 | <u>33.24%</u>              | <u>71.03%</u>                                                         | <u>28.97%</u>              | <u>66.58%</u>                                 | <u>33.42%</u>              |
| Proportion at September 30, 2017 | <u>66.37%</u>                 | <u>33.63%</u>              | <u>71.23%</u>                                                         | <u>28.77%</u>              | <u>66.82%</u>                                 | <u>33.18%</u>              |
| Increase/(decrease)              | <u>-0.39%</u>                 | <u>-0.39%</u>              | <u>-0.20%</u>                                                         | <u>-0.20%</u>              | <u>-0.24%</u>                                 | <u>-0.24%</u>              |

*Pension Expense (Benefit):* For the year ended September 30, 2018, the GovGuam reporting entity recognized pension expense (benefit) for its proportionate share of plan pension expense from the above pension plans as follows:

|                                                       | <u>Primary<br/>Government</u> | <u>Fiduciary<br/>Funds</u> | <u>Component<br/>Units</u> | <u>Total</u>         |
|-------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------|
| Defined Benefit Plan                                  | \$ (40,611,132)               | \$ 421,112                 | \$ (13,189,714)            | \$ (53,379,734)      |
| Ad Hoc COLA/supplemental annuity Plan for DB Retirees | 59,039,401                    | 301,395                    | 23,280,884                 | 82,621,680           |
| Ad Hoc COLA Plan for DCRS Retirees                    | <u>3,567,634</u>              | <u>31,453</u>              | <u>1,706,896</u>           | <u>5,305,983</u>     |
|                                                       | <u>\$ 21,995,903</u>          | <u>\$ 753,960</u>          | <u>\$ 11,798,066</u>       | <u>\$ 34,547,929</u> |

*Deferred Outflows and Inflows of Resources:* At September 30, 2018, the primary government reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                             | <u>Defined Benefit Plan</u>                   |                                              | <u>Ad Hoc COLA/<br/>Supplemental Annuity<br/>Plan for DB Retirees</u> |                                              | <u>Ad Hoc COLA<br/>Plan For DCRS Retirees</u> |                                              |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                                                             | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows of<br/>Resources</u>                         | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Difference between expected and actual experience                                                           | \$ -                                          | \$ -                                         | \$ -                                                                  | \$ -                                         | \$ 1,896,085                                  | \$ 324,168                                   |
| Net difference between projected and actual earnings on pension plan investments                            | -                                             | 36,848,720                                   | -                                                                     | -                                            | -                                             | -                                            |
| Changes of assumptions                                                                                      | -                                             | -                                            | -                                                                     | -                                            | 4,214,743                                     | 2,775,442                                    |
| Contributions subsequent to the measurement date                                                            | 82,130,064                                    | -                                            | 16,830,182                                                            | -                                            | 1,264,000                                     | -                                            |
| Changes in proportion and difference between GovGuam contributions and proportionate share of contributions | <u>477,822</u>                                | <u>1,688,817</u>                             | <u>159,567</u>                                                        | <u>60,659</u>                                | <u>540,129</u>                                | <u>288,673</u>                               |
|                                                                                                             | <u>\$ 82,607,886</u>                          | <u>\$ 38,537,537</u>                         | <u>\$ 16,989,749</u>                                                  | <u>\$ 60,659</u>                             | <u>\$ 7,914,957</u>                           | <u>\$ 3,388,283</u>                          |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (11) Pensions, Continued

#### B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2018 will be recognized in pension expense as follows:

| <u>Year Ending<br/>September 30</u> | <u>Defined<br/>Benefit Plan</u> | <u>Ad Hoc COLA/<br/>Supplemental Annuity<br/>Plan for DB Retirees</u> | <u>Ad Hoc COLA Plan<br/>for DCRS Retirees</u> |
|-------------------------------------|---------------------------------|-----------------------------------------------------------------------|-----------------------------------------------|
| 2019                                | \$ (8,510,916)                  | \$ 98,908                                                             | \$ 153,631                                    |
| 2020                                | (2,266,087)                     | -                                                                     | 153,631                                       |
| 2021                                | (16,279,754)                    | -                                                                     | 153,631                                       |
| 2022                                | (11,002,958)                    | -                                                                     | 153,631                                       |
| 2023                                | -                               | -                                                                     | 153,631                                       |
| Thereafter                          | -                               | -                                                                     | <u>2,494,519</u>                              |
|                                     | \$ <u>(38,059,715)</u>          | \$ <u>98,908</u>                                                      | \$ <u>3,262,674</u>                           |

At September 30, 2018, GovGuam's component units reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                     | <u>Defined Benefit Plan</u>                   |                                              | <u>Ad Hoc COLA/<br/>Supplemental Annuity<br/>Plan for DB Retirees</u> |                                              | <u>Ad Hoc COLA<br/>Plan For DCRS Retirees</u> |                                              |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                                                     | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows of<br/>Resources</u>                         | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Difference between expected and actual experience                                                   | \$ -                                          | \$ -                                         | \$ -                                                                  | \$ -                                         | \$ 923,910                                    | \$ 157,957                                   |
| Net difference between projected and actual earnings on pension plan investments                    | -                                             | 18,451,144                                   | -                                                                     | -                                            | -                                             | -                                            |
| Changes of assumptions                                                                              | -                                             | -                                            | -                                                                     | -                                            | 2,053,731                                     | 1,296,888                                    |
| Contributions subsequent to the measurement date                                                    | 40,210,488                                    | -                                            | 6,869,241                                                             | -                                            | 594,000                                       | -                                            |
| Changes in proportion and difference between contributions and proportionate share of contributions | <u>342,119</u>                                | <u>302,504</u>                               | <u>93,901</u>                                                         | <u>87,434</u>                                | <u>691,633</u>                                | <u>1,129,274</u>                             |
|                                                                                                     | \$ <u>40,552,607</u>                          | \$ <u>18,753,648</u>                         | \$ <u>6,963,142</u>                                                   | \$ <u>87,434</u>                             | \$ <u>4,263,274</u>                           | \$ <u>2,584,119</u>                          |

**Actuarial Assumptions:** Actuarially determined contribution rates for the DB Plan are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The methods and assumptions used to determine contribution rates are as follows:

|                                |                                                              |
|--------------------------------|--------------------------------------------------------------|
| Valuation Date:                | September 30, 2016                                           |
| Actuarial Cost Method:         | Entry age normal                                             |
| Amortization Method:           | Level percentage of payroll, closed                          |
| Remaining Amortization Period: | May 1, 2031 (14.58 years remaining as of September 30, 2016) |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(11) Pensions, Continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

|                         |                                                                                                                                                                                                                           |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Valuation Method: | 3-year smoothed market value (effective September 30, 2009)                                                                                                                                                               |
| Inflation:              | 2.75% per year                                                                                                                                                                                                            |
| Total payroll growth:   | 2.75% per year                                                                                                                                                                                                            |
| Salary Increases:       | 4% to 7.50%                                                                                                                                                                                                               |
| Retirement age:         | 50% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 20% until age 75, and 100% at age 75.                                                          |
| Mortality:              | RP-2000 healthy mortality table set forward by 3 years for males and 2 years for females. Mortality for disabled lives is the RP 2000 disability mortality table set forward by 6 years for males and 4 year for females. |

The actuarial assumptions used in the September 30, 2016 valuation were based on the results of an actuarial experience study for the period October 1, 2011 to September 30, 2015.

The investment rate assumption as of September 30, 2016 was 7%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the expected nominal return for each major asset class are summarized in the following table:

| <u>Asset Class</u>                   | <u>Target Allocation</u> | <u>Nominal Return</u> |
|--------------------------------------|--------------------------|-----------------------|
| U.S. Equities (large cap)            | 29%                      | 8.78%                 |
| U.S. Equities (small cap)            | 7%                       | 9.45%                 |
| Non-U.S. Equities                    | 13%                      | 9.15%                 |
| Non-U.S. Equities (small cap)        | 4%                       | 9.15%                 |
| Non-U.S. Equities (emerging markets) | 1%                       | 10.75%                |
| U.S. Fixed Income (aggregate)        | 25%                      | 4.85%                 |
| Risk parity                          | 8%                       | 8.36%                 |
| High yield bonds                     | 8%                       | 7.35%                 |
| Global Real Estate (REITs)           | 5%                       | 8.71%                 |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(11) Pensions, Continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

*Changes in Actuarial Assumptions:* The following changes in actuarial assumptions occurred from the September 30, 2015 valuation to the September 30, 2016 valuation:

**Mortality:** The mortality table used as of September 30, 2016, is the RP-2000 combined mortality table, set forward by 3 years for males and 2 years for females. The mortality table used for disabled lives is the RP-2000 disability mortality table, set forward by 6 years for males and 4 years for females. Mortality improvement is assumed to be 30% of Scale BB, projected generationally from 2016. For the prior valuation, the mortality table used was the RP-2000 combined mortality table, set forward by 4 years for males and 1 year for females. The mortality table used for disabled lives was the RP-2000 disability mortality table for males and females. No provision was made for future mortality improvement in the prior valuation.

**Salary Increases:** Salaries are assumed to increase 7.5% per year for employees in their first 5 years of service, 6.0% for service between 6 and 10 years, 5.0% for service between 11 and 15 years, and 4.0% for service after 15 years. For the prior valuation, salaries were assumed to increase 7.5% per year for employees in their first 5 years of service, 6.0% for service between 6 and 10 years, 5.0% for service between 11 and 15 years, and 4.5% for service after 15 years.

**Total Payroll Growth:** Total payroll for defined benefit and defined contribution members is assumed to increase 2.75% per year. For the prior valuation, total payroll for defined benefit and defined contribution members was assumed to increase 3.0% per year.

**Retirement Age:** 50% of employees are assumed to retire when first eligible for unreduced retirement. Thereafter, 20% of employees will retire at each year until age 75, at which time all remaining employees are assumed to retire. For the prior valuation, 40% of employees are assumed to retire when first eligible for unreduced retirement. Thereafter, 15% of employees would retire at each year until age 65, and 20% of employees would retire from age 65 until age 70, at which time all remaining employees were assumed to retire.

**Rates of Disability:** The assumed rates of disability are based on the 1974-78 Society of Actuaries Long Term Disability Non-Jumbo table, with rates reduced by 50% for males and 75% for females. For the prior valuation, these rates were based on the 1974-78 Society of Actuaries Long Term Disability Non-Jumbo, with rates reduced by 50% for both males and females.

**Leave Adjustments:** Unused leave is assumed to increase a member's service by 1.5 years and increases average earnings by 5% at retirement. For the prior valuation, unused leave is assumed to increase service by 1.5 years and increased average earnings by 10% at retirement.

**Survivor Benefit - Minor Children:** An average of 0.2 eligible child survivors is assumed at the time of a retiree's death, with payments to the child survivor continuing for 6 years. For the prior valuation, this survivor benefit was assumed to increase the value of retirement benefits by 0.67% and survivor benefits by 20% for active members.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(11) Pensions, Continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:

*Discount Rate:* The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2017 was 7.0% (6.7% as of September 30, 2016), which is equal to the expected investment rate of return. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except supplemental annuity payments to DB retirees and ad hoc COLA to both DB and DCRS retirees. The discount rate used to measure the total pension liability for the supplemental annuity and ad hoc COLA payments as of September 30, 2017 was 3.64% (3.058% as of September 30, 2016), which is equal to the rate of return of a high quality bond index.

*Discount Rate Sensitivity Analysis:* The following presents the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to GovGuam's proportionate share of the net pension liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Defined Benefit Plan:

|                    | 1% Decrease in<br>Discount Rate<br><u>6.0%</u> | Current<br>Discount Rate<br><u>7.0%</u> | 1% Increase in<br>Discount Rate<br><u>8.0%</u> |
|--------------------|------------------------------------------------|-----------------------------------------|------------------------------------------------|
| Primary government | \$ 941,044,948                                 | \$ 758,224,443                          | \$ 600,762,991                                 |
| Fiduciary funds    | 5,413,303                                      | 4,361,639                               | 3,455,852                                      |
| Component units    | <u>471,206,440</u>                             | <u>379,663,311</u>                      | <u>300,818,139</u>                             |
|                    | <u>\$ 1,417,664,691</u>                        | <u>\$ 1,142,249,393</u>                 | <u>\$ 905,036,982</u>                          |

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

|                    | 1% Decrease in<br>Discount Rate<br><u>2.64%</u> | Current<br>Discount Rate<br><u>3.64%</u> | 1% Increase in<br>Discount Rate<br><u>4.64%</u> |
|--------------------|-------------------------------------------------|------------------------------------------|-------------------------------------------------|
| Primary government | \$ 223,910,014                                  | \$ 205,215,544                           | \$ 188,959,065                                  |
| Fiduciary funds    | 1,003,485                                       | 919,703                                  | 846,847                                         |
| Component units    | <u>89,482,890</u>                               | <u>82,011,874</u>                        | <u>75,515,172</u>                               |
|                    | <u>\$ 314,396,389</u>                           | <u>\$ 288,147,121</u>                    | <u>\$ 265,321,084</u>                           |

Ad Hoc COLA Plan for DCRS Retirees:

|                    | 1% Decrease in<br>Discount Rate<br><u>2.64%</u> | Current<br>Discount Rate<br><u>3.64%</u> | 1% Increase in<br>Discount Rate<br><u>4.64%</u> |
|--------------------|-------------------------------------------------|------------------------------------------|-------------------------------------------------|
| Primary government | \$ 47,453,117                                   | \$ 41,731,494                            | \$ 36,856,709                                   |
| Fiduciary funds    | 431,391                                         | 379,377                                  | 335,061                                         |
| Component units    | <u>23,122,610</u>                               | <u>20,334,619</u>                        | <u>17,959,269</u>                               |
|                    | <u>\$ 71,007,118</u>                            | <u>\$ 62,445,490</u>                     | <u>\$ 55,151,039</u>                            |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (12) Other Post Employment Benefits (OPEB)

GovGuam's Department of Administration is responsible for administering the GovGuam Group Health Insurance Program, which provides medical, dental, and life insurance benefits to retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The program covers retirees and is considered an other postemployment benefits plan.

##### A. General Information About the OPEB Plan:

*Plan Description:* The other postemployment benefits plan is an agent multiple-employer defined benefit plan that provides healthcare benefits to eligible employees and retirees who are members of the GovGuam Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Governor's recommended budget and the annual General Appropriations Act enacted by the Guam Legislature provide for a premium level necessary for funding the program each year on a "pay-as-you-go" basis. Because the OPEB 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.

*Plan Membership:* As of September 30, 2016, the date of the most recent valuation (the actuarial valuation date), plan membership consisted of the following:

|                                                                     |               |
|---------------------------------------------------------------------|---------------|
| Inactive plan members or beneficiaries currently receiving benefits | 7,342         |
| Active plan members                                                 | <u>10,282</u> |
|                                                                     | <u>17,624</u> |

*Benefits Provided:* GovGuam provides post employment medical, dental and life insurance benefits to GovGuam retirees, spouses, children and survivors, which are the same benefits as provided to active employees. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. GovGuam contributes a portion of the medical and dental premiums, based on a schedule of semi-monthly rates, and reimburses certain Medicare premiums to eligible retirees. Retirees are also required to pay a portion of the medical and dental insurance premiums. Three types of health plans are offered to eligible participants:

- Standard islandwide Preferred Provider Organization (PPO) Plan
- High Deductible (Health Savings Account - HSA) PPO Plan
- Retiree Supplement Plan (RSP)

The PPO and HSA Plans apply to both active employees and retirees and work with set deductible amounts whereas the RSP Plan is an added option for retirees only.

*Contributions:* No employer contributions are assumed to be made since an OPEB trust has not been established. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(12) Other Post Employment Benefits (OPEB), Continued

B. Total OPEB Liability:

As of September 30, 2018, the GovGuam reporting entity reported a total OPEB liability of \$2,438,880,978 of which GovGuam (the primary government) and its component units reported \$1,669,874,024 and \$769,006,954, respectively, for their proportionate share of the total OPEB liability measured as of September 30, 2017. The following presents GovGuam and its component units proportion change in proportion since the prior measurement date:

|                                                          | <u>Primary<br/>Government</u> | <u>Component<br/>Units</u> |
|----------------------------------------------------------|-------------------------------|----------------------------|
| Proportion at prior measurement date, September 30, 2016 | <u>68.35%</u>                 | <u>31.65%</u>              |
| Proportion at measurement date, September 30, 2017       | <u>68.47%</u>                 | <u>31.53%</u>              |
| Increase/(decrease) in proportion                        | <u>0.12%</u>                  | <u>-0.12%</u>              |

The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2016 rolled forward to September 30, 2017 (the measurement date) using the following actuarial assumptions, applied to all periods included in the measurement:

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation:                   | 3%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Amortization method:         | Level dollar amount over 30 years on an open amortization period for pay-as-you-go funding.                                                                                                                                                                                                                                                                                                                                                                                        |
| Salary increases:            | 7.5% per year for the first 5 years of service, 6% for 5-10 years, 5% for 11-15 years and 4.5% for service over 15 years.                                                                                                                                                                                                                                                                                                                                                          |
| Healthcare cost trend rates: | 8% for 2016, decreasing 0.25% per year to an ultimate rate of 4.5% for 2030 and later years. Health care trend assumptions begin at current levels and grade down over a period of years to a lower level equal to some real rate plus inflation. The principal components of health trend are medical inflation, deductible erosion, cost shifting, utilization, technology and catastrophic claims. The overall effect of these components are expected to decline year by year. |
| Dental trend rates:          | 4% per year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Participation rates:         | Medical - 100% of eligible retired employees will elect to participate.<br>Dental - 100% of eligible retirees will elect to participate.<br>Life - 100% of eligible retirees will elect to participate.                                                                                                                                                                                                                                                                            |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (12) Other Post Employment Benefits (OPEB), Continued

##### B. Total OPEB Liability, Continued:

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medicare enrollment:              | 15% of current and future retirees are assumed to enroll in Medicare and will enroll in a Retiree Supplemental Plan upon attainment of age 65. All employees retired prior to September 30, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan.                                                                             |
| Dependent status:                 | Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee. 60% of employees are assumed to retire with a covered spouse. For current retired employees, the actual census information is used.                                                                                                                                  |
| Actuarial cost method:            | Entry Age Normal. The costs of each employee's post-employment benefits are allocated as a level basis over the earnings of the employee between the employee's date of hire and the assumed exit ages.                                                                                                                                                                                                   |
| Healthy Retiree mortality rates:  | RP-2000 Combined Healthy Mortality Table, set forward 4 years and 1 year for males and females, respectively.                                                                                                                                                                                                                                                                                             |
| Disabled Retiree mortality rates: | RP-2000 Disabled Mortality Table for males and females.                                                                                                                                                                                                                                                                                                                                                   |
| Withdrawal rates:                 | 15% for less than 1 year of service, decreasing 1% for each additional year of service up to 10 years, further decreasing 0.5% for each additional year of service up to 15 years, and 2% for service over 15 years.                                                                                                                                                                                      |
| Disability rates:                 | 0.05% for beneficiaries aged 20-39 years, 0.1% - 0.53% for beneficiaries aged 40-59 years, and 0.76% for beneficiaries aged 60-64 years.                                                                                                                                                                                                                                                                  |
| Retirement rates:                 | 40% of employees are assumed to retire at earliest eligibility for unreduced benefits under the Government of Guam Retirement Fund, 15% per year thereafter until age 65, 20% per year thereafter until age 70 and 100% at age 70. Previously, 50% of employees were assumed to retire at first eligibility for postretirement health benefits, 20% per year thereafter until age 70, and 100% at age 70. |

*OPEB plan fiduciary net position:* As of September 30, 2018, an OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.



**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(12) Other Post Employment Benefits (OPEB), Continued

B. Total OPEB Liability, Continued:

*Discount rate:* The discount rate used to measure the total OPEB liability was 3.63% as of September 30, 2017 (3.058% as of September 30, 2016). The projection of cash flows used to determine the discount rate assumed that contributions from GovGuam will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 3.63% municipal bond rate as of September 30, 2017 was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Total OPEB Liability:

Changes in the total OPEB liability are as follows:

|                       | <u>Primary<br/>Government</u> | <u>Fiduciary<br/>Funds</u> | <u>Component<br/>Units</u> | <u>Total</u>            |
|-----------------------|-------------------------------|----------------------------|----------------------------|-------------------------|
| At October 1, 2017    | \$ <u>1,731,286,159</u>       | \$ <u>11,891,310</u>       | \$ <u>789,575,571</u>      | \$ <u>2,532,753,040</u> |
| Changes for the year: |                               |                            |                            |                         |
| Service cost          | 75,604,392                    | 310,853                    | 32,719,430                 | 108,634,675             |
| Interest              | 54,820,281                    | 370,990                    | 24,960,511                 | 80,151,782              |
| Change of assumptions | (163,423,981)                 | (1,195,008)                | (77,368,862)               | (241,987,851)           |
| Benefit payments      | <u>(28,412,827)</u>           | <u>(140,730)</u>           | <u>(12,117,111)</u>        | <u>(40,670,668)</u>     |
| Net change            | <u>(69,244,441)</u>           | <u>(653,895)</u>           | <u>(31,806,032)</u>        | <u>(101,704,368)</u>    |
| At September 30, 2018 | \$ <u>1,669,874,024</u>       | \$ <u>11,237,415</u>       | \$ <u>757,769,539</u>      | \$ <u>2,438,880,978</u> |

*Sensitivity of the total OPEB liability to changes in the discount rate:* The following presents the sensitivity of the total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to GovGuam's proportionate share of the total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                    | 1% Decrease in<br>Discount Rate<br><u>2.63%</u> | Current<br>Discount Rate<br><u>3.63%</u> | 1% Increase in<br>Discount Rate<br><u>4.63%</u> |
|--------------------|-------------------------------------------------|------------------------------------------|-------------------------------------------------|
| Primary government | \$ 1,983,560,999                                | \$ 1,669,874,024                         | \$ 1,418,268,847                                |
| Fiduciary funds    | 13,358,319                                      | 11,237,415                               | 9,536,259                                       |
| Component units    | <u>900,787,870</u>                              | <u>757,769,539</u>                       | <u>643,055,970</u>                              |
| Total              | \$ <u>2,897,707,188</u>                         | \$ <u>2,438,880,978</u>                  | \$ <u>2,070,861,076</u>                         |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (12) Other Post Employment Benefits (OPEB), Continued

#### C. Changes in the Total OPEB Liability, Continued:

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:* The following presents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The sensitivity analysis shows the impact to GovGuam's proportionate share of the total OPEB liability if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|                    | 1% Decrease<br>7% Year 1<br>Decreasing to<br><u>3.5%</u> | Healthcare Cost<br>Trend Rates<br>8% Year 1<br>Decreasing to<br><u>4.5%</u> | 1% Increase<br>9% Year 1<br>Decreasing to<br><u>5.5%</u> |
|--------------------|----------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------|
| Primary government | \$ 1,372,368,240                                         | \$ 1,669,874,024                                                            | \$ 2,058,203,392                                         |
| Fiduciary funds    | 9,225,916                                                | 11,237,415                                                                  | 13,862,992                                               |
| Component units    | <u>622,128,647</u>                                       | <u>757,769,539</u>                                                          | <u>934,819,347</u>                                       |
| Total              | \$ <u>2,003,722,803</u>                                  | \$ <u>2,438,880,978</u>                                                     | \$ <u>3,006,885,731</u>                                  |

#### D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2018, the GovGuam reporting entity reported total OPEB expense of \$192,253,885 of which GovGuam (the primary government), its fiduciary funds and its component units reported \$131,847,124, \$833,901 and \$59,572,860, respectively, for its proportionate share the total OPEB expense measured for the year ended September 30, 2017. At September 30, 2018, GovGuam reported deferred outflows of resources and deferred inflows of resources related to OPEB for the primary government, its fiduciary funds and its component units from the following sources:

|                                                                                                              | <u>Primary Government</u>                     |                                              | <u>Fiduciary Funds</u>                        |                                              | <u>Component Units</u>                        |                                              |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                                                              | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Changes of assumptions                                                                                       | \$123,582,385                                 | \$142,423,931                                | \$ 835,567                                    | \$ 962,958                                   | \$ 56,344,535                                 | \$ 64,934,903                                |
| Contributions subsequent to the measurement date                                                             | 31,936,232                                    | -                                            | -                                             | -                                            | 13,827,106                                    | -                                            |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | <u>11,011,148</u>                             | <u>2,701,909</u>                             | <u>-</u>                                      | <u>255,891</u>                               | <u>4,319,068</u>                              | <u>4,004,695</u>                             |
|                                                                                                              | <u>\$166,529,765</u>                          | <u>\$145,125,840</u>                         | <u>\$ 835,567</u>                             | <u>\$ 1,218,849</u>                          | <u>\$ 74,490,709</u>                          | <u>\$ 68,939,598</u>                         |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (12) Other Post Employment Benefits (OPEB), Continued

##### D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued:

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at September 30, 2018 will be recognized in OPEB expense as follows:

| <u>Year Ending<br/>September 30</u> | <u>Primary<br/>Government</u> | <u>Fiduciary<br/>Funds</u> | <u>Component<br/>Units</u> |
|-------------------------------------|-------------------------------|----------------------------|----------------------------|
| 2019                                | \$ 4,078,383                  | \$ (38,756)                | \$ 1,041,261               |
| 2020                                | 4,078,383                     | (38,756)                   | 1,041,261                  |
| 2021                                | 4,078,383                     | (38,756)                   | 1,041,261                  |
| 2022                                | 4,078,383                     | (38,756)                   | 1,041,261                  |
| 2023                                | (26,307,291)                  | (223,708)                  | (12,191,800)               |
| Thereafter                          | <u>(538,548)</u>              | <u>(4,550)</u>             | <u>(249,239)</u>           |
|                                     | \$ <u>(10,532,307)</u>        | \$ <u>(383,282)</u>        | \$ <u>(8,275,995)</u>      |

#### (13) Commitments and Contingencies

##### A. War Reparations

On December 23, 2016, the President of the United States signed into law the Guam World War II Loyalty Recognition Act, which authorizes the adjudication of claims for eligible individuals who suffered harm during the World War II occupation of Guam by Imperial Japanese military forces. Payment of claims submitted by compensable Guam victims and survivors of compensable Guam decedents are to be paid by the United States from a special claims fund established by the Secretary of the Treasury from Section 30 federal income tax revenues collected by the United States in excess of annual estimates. As the liability for these payments has been assumed by the United States government, funded by these excess collections, no liability for any amount, relating to the settlement of these claims, has been recorded in the accompanying financial statements.

##### B. Landfill Closure and Postclosure Costs

State and federal laws and regulations require GovGuam to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure and post closure care costs reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during fiscal year 2018. The estimated landfill closure and post closure care liability at September 30, 2018 is not included in the accompanying fund financial statements. Instead, GovGuam has reported an amount of \$13,993,016 as landfill closure and post closure care liability at September 30, 2018 within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump and \$6,019,070 reported based on the use of 6.24% of the estimated capacity of Layon landfill. The Layon landfill consists of up to eleven cells and has an estimated lifespan of 50 years. Currently, GovGuam is utilizing two cells that together have a projected life of 10 years. GovGuam will recognize the remaining estimated cost of closure and post closure care of \$96,459,442 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2018. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### B. Landfill Closure and Postclosure Costs, Continued

On February 11, 2004, GovGuam and the U.S. Environmental Protection Agency 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.

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. For the year ended September 30, 2018, recorded Receiver related expenditures were \$1,573,154 with accumulated Receiver related expenditures since the appointment of the Receiver on March 17, 2008 through September 30, 2018 amounting to \$20,837,926. Of this amount, \$3,848,700 was funded by the General Fund and the remaining was funded from solid waste operations. The District Court maintains a separate trust account from which Receiver fees are paid. Accordingly, timing differences occur between GovGuam records and the fees actually paid and payable to the Receiver by the District Court of Guam.

Pursuant to the Court Order, the appointment of the Receiver shall be for the period necessary to achieve compliance with the consent decree unless: (a) the Receiver recommends termination of the Court Order as no longer necessary, or modification thereof, and said termination or modification is accepted by the court, (b) the Receiver requests to be relieved and such request is approved by the court, and (c) the Court Order is otherwise modified or terminated by the court.

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 provide for costs of the new landfill. 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. On August 31, 2011, the Ordot Dump was finally closed and the Layon landfill opened on September 1, 2011.

##### C. Borrowing Authority

On September 30, 2008, the Guam Legislature enacted Public Law 29-113 authorizing the purchase of certain firefighting equipment in the amount of \$7,850,000. The financing of this equipment purchase is to be funded by entering into a debt agreement or other financing source, with lower cost of funds, for a term not to exceed ten (10) years. On December 24, 2008, the Guam Legislature enacted Public Law 29-135 authorizing the design and construction of a Land Resources Public Facility in the amount of \$15,750,000. The financing of this facility is to be funded by entering into a financing arrangement with the U.S. Department of Agriculture or other financing source, with lower cost of funds, for a term not to exceed forty (40) years. As of September 30, 2018, no commitments have been entered into with respect to these authorizations.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### D. 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 (MHSA) and Department of Integrated Services for Individuals with Disabilities (DISID) to provide treatment and develop programs to mentally ill patients residing on Guam.

On March 2, 2010, the Court issued a Court Order appointing a Federal Management Team (FMT) in order to achieve compliance with the amended Permanent Injunction. The Court Order also required the payment of \$1,500,000 to be deposited with the Court for the purpose of funding the activities of the FMT. On September 8, 2010, the Court approved the FMT's Plan of Action. On November 9, 2010, the Court issued a Court Order requiring the payment of \$15,950,000 to be deposited with the Court for the purpose of funding the cost of implementation of the Amended Permanent Injunction and Plan of Action, of which GovGuam had deposited prerequisite payments of \$7,500,000.

On October 7, 2011, the Court issued a Court Order deferring the remainder of the required deposits pending the adoption of the FMT's Plan of Action.

On August 3, 2012, the Court issued a Court Order returning control of MHSA and DISID back to GovGuam for the purpose of fulfilling the requirements of the Permanent Injunction; however, the requirement to make the remaining deposits remains in the event that GovGuam fails to comply with the amended Permanent Injunction. 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.

##### E. University of Guam (UOG) and Guam Community College (GCC) Buildings

On September 12, 2016, GCC signed a facilities lease agreement with the GCC Endowment Foundation, Inc. for the lease of the GCC Gregorio G. Perez Crime Lab Building and Building # 100 for a period of forty-two years up to September 30, 2058. On December 28, 2016, the Foundation entered into a \$5,000,000 loan from the U.S. Department of Agriculture (USDA) for construction of the facilities. As of September 30, 2018, no drawdowns have been made against this loan.

On October 6, 2016, UOG signed a facilities lease agreement with the UOG Endowment Foundation, Inc. for the lease of the UOG Student Success Center College of Natural and Applied Sciences - Engineering Annex. On December 5, 2016, the Foundation entered into a \$21,700,000 loan from the USDA for the renovation and expansion of the facilities. As of September 30, 2018, no drawdowns have been made against this loan.

##### F. Tax Refunds

On August 12, 2012, the United States District Court of Guam held a hearing regarding GovGuam's administration of the Guam Territorial Income Tax (GTIT) and the lack of timely payment of tax refunds. On January 30, 2013, the Court issued a Permanent Injunction requiring GovGuam to pay GTIT refunds no later than six months after the filing of the claim for refund or six months from the due date for filing the claim for refund, whichever is later in time. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### G. Federal Grants

GovGuam has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. If questioned costs are 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.

##### H. Municipal School Lease Agreements

Guam Public School Facilities Project:

On October 19, 2006, GovGuam issued, on behalf of the Guam Department of Education (GDOE), \$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, Okkodo High School, Astumbo Middle School, Adacao Elementary School and Liguana Elementary School. 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% per annum. Title to the Leased Schools and Facilities will transfer to GDOE upon the payment of all required rents.

Commencing in 2010, \$7,100,000 of Compact Impact grant revenues will be received annually for a ten year period and \$1,000,000 will be allocated for rental, principal and interest, to fund additional equipment requirements, as defined. Subsequent to that ten year period, the annual grant returns to \$6,100,000.

On January 20, 2016, the Guam Legislature enacted Public Law 33-118 authorizing the refinancing of the 2006 Series A COPS, the 2006 Series B COPS and the 2008 Series A COPS with the obligation of GovGuam not to exceed 30 years or extend the original leaseback period.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### H. Municipal School Lease Agreements, Continued

###### Guam Public School Facilities Project, Continued:

On August 4, 2016, GovGuam issued, on behalf of GDOE, \$25,665,000 in 2016 Series A COPS and \$12,905,000 in 2016 Series B COPS. The proceeds of the COPS were remitted to a trustee, who then used the funds to provide a portion necessary to defease the lien of the Trust indenture dated September 1, 2006 and supplement dated October 1, 2008, by and between the trustee and holders of the COPS. Proceeds were also used to refund and redeem the 2006 Series A COPS and 2006 Series B COPS on October 1, 2026 and to refund the 2008 Series A COPS as they become due. Proceeds were also used to fund the reserve requirement with respect to the Certificate Debt Service Fund for the COPS and delivery costs.

On October 1, 2016, the lease commenced the first automatic annual renewal term through September 30, 2026 as stated on the amended lease agreement dated August 1, 2016.

Future minimum lease obligations to maturity for the Guam Public School Facilities Project Lease, are as follows:

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Additional</u><br><u>Rental</u> | <u>Total</u>         |
|--------------------------------------------|----------------------|---------------------|------------------------------------|----------------------|
| 2019                                       | \$ 4,010,000         | \$ 1,591,400        | \$ 1,000,000                       | \$ 6,601,400         |
| 2020                                       | 3,205,000            | 1,451,125           | 1,000,000                          | 5,656,125            |
| 2021                                       | 3,370,000            | 1,286,750           | 1,000,000                          | 5,656,750            |
| 2022                                       | 3,535,000            | 1,114,125           | 1,000,000                          | 5,649,125            |
| 2023                                       | 3,710,000            | 933,000             | 1,000,000                          | 5,643,000            |
| 2024 - 2027                                | <u>16,805,000</u>    | <u>1,731,875</u>    | <u>4,000,000</u>                   | <u>22,536,875</u>    |
|                                            | <u>\$ 34,635,000</u> | <u>\$ 8,108,275</u> | <u>\$ 9,000,000</u>                | <u>\$ 51,743,275</u> |

###### John F. Kennedy High School Project:

On September 16, 2010, GovGuam issued, on behalf of GDOE, \$65,735,000 in 2010 Series A COPS to finance the demolition, acquisition, construction, renovation and installation of facilities comprising the new John F. Kennedy (JFK) High School (the "new High School"). The proceeds of the COPS were remitted to a trustee, who then remitted the amounts to a developer as construction progressed.

The holders of the COPS are the owners of the new High School. Accordingly, GDOE's rental payments for the use of the new High School are paid to a trustee, who then remits those payments to the holders of the COPS, with annual rental payments subject to appropriations by the Guam Legislature. Payments commenced on December 1, 2010, for base and additional rentals and continue through December 1, 2040 (with incremental increases subsequent to the first payment), with varying interest rates of 5.5% - 6.875% per annum. Title to the new High School will transfer to GDOE upon the payment of all required rents.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### H. Municipal School Lease Agreements, Continued

Future minimum lease obligations to maturity for the John F. Kennedy High School Project Lease are as follows:

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Additional<br/>Rental</u> | <u>Total</u>          |
|--------------------------------------|----------------------|----------------------|------------------------------|-----------------------|
| 2019                                 | \$ 1,155,000         | \$ 3,976,900         | \$ 1,568,000                 | \$ 6,699,900          |
| 2020                                 | 1,225,000            | 3,906,550            | 1,568,000                    | 6,699,550             |
| 2021                                 | 1,315,000            | 3,812,050            | 1,568,000                    | 6,695,050             |
| 2022                                 | 1,380,000            | 3,749,909            | 1,568,000                    | 6,697,909             |
| 2023                                 | 1,475,000            | 3,656,663            | 1,568,000                    | 6,699,663             |
| 2024 - 2028                          | 8,985,000            | 16,656,213           | 7,840,000                    | 33,481,213            |
| 2029 - 2033                          | 12,505,000           | 13,134,250           | 7,840,000                    | 33,479,250            |
| 2034 - 2038                          | 17,445,000           | 8,193,625            | 7,840,000                    | 33,478,625            |
| 2039 - 2041                          | <u>13,770,000</u>    | <u>1,619,921</u>     | <u>4,704,000</u>             | <u>20,093,921</u>     |
|                                      | \$ <u>59,255,000</u> | \$ <u>58,706,081</u> | \$ <u>36,064,000</u>         | \$ <u>154,025,081</u> |

##### Okkodo High School Expansion Project:

On June 3, 2011, the Guam Legislature enacted Public Law 31-74 authorizing the expansion of Okkodo (also referred as Ukudo) High School as authorized under Section 1521 of the American Recovery and Reinvestment Act of 2009 and the issuance of tax exempt bonds of lease certificates.

On March 15, 2013, GovGuam issued, on behalf of GDOE, \$21,818,000 in 2013 Series A COPS and \$1,000,000 in 2013 Series B COPS to finance the expansion. The holders of the COPS are the current owners of Okkodo High School.

Expansion was funded by appropriations from the Guam Legislature from available Section 30 revenues, tax credits, 2013 Series A Construction Account, 2013 Series B Construction Account, the Holding Fund and the Trust Fund established pursuant to the Trust Agreement. The expansion project was completed on July 10, 2014.

Payments include base rental and additional rental. On June 1, 2014 and on June 1 and December 1 of each year through September 2030, payments of principal and interest at a true rate of 2.44% per annum (calculated on a 360 day year and 30 day month) commence. Additional rental payment of \$1,867,336 commenced on October 15, 2013. On October 15, 2014, and on October 15 of each year thereafter through September 2030, additional rental will decrease to \$650,000.

On August 17, 2016, the 2013 Series B COPS were refunded through the issuance of the Limited Obligation (Section 30) bonds, 2016 Series A.



## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### H. Municipal School Lease Agreements, Continued

###### Okkodo High School Expansion Project, Continued:

Future minimum lease obligations to maturity for the Okkodo High School Expansion Project Lease are as follows:

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Additional<br/>Rental</u> | <u>Total</u>         |
|--------------------------------------|----------------------|---------------------|------------------------------|----------------------|
| 2019                                 | \$ 1,020,000         | \$ 1,268,960        | \$ 650,000                   | \$ 2,938,960         |
| 2020                                 | 1,090,000            | 1,196,335           | 650,000                      | 2,936,335            |
| 2021                                 | 1,170,000            | 1,118,635           | 650,000                      | 2,938,635            |
| 2022                                 | 1,250,000            | 1,035,335           | 650,000                      | 2,935,335            |
| 2023                                 | 1,340,000            | 946,260             | 650,000                      | 2,936,260            |
| 2024 – 2028                          | 9,300,000            | 2,976,575           | 2,600,000                    | 14,876,575           |
| 2029 – 2031                          | <u>2,868,000</u>     | <u>231,315</u>      | <u>-</u>                     | <u>3,099,315</u>     |
|                                      | \$ <u>18,038,000</u> | \$ <u>8,773,415</u> | \$ <u>5,850,000</u>          | \$ <u>32,661,415</u> |

###### Tiyan Lease:

On June 23, 2009, the Guam Legislature enacted Public Law 30-37, authorizing GovGuam, on behalf of GDOE, to enter into a lease agreement with an option to purchase for certain property located in Tiyan to temporarily house the JFK High School. The facility was vacated by JFK High School in September 2011 and subsequently occupied by Untalan Middle School in January 2013. The lease, which is renewable annually, had a fixed annual rent of \$4,493,256 for the first five years payable in cash or by transferable tax credits. Rent commenced in August 2009 with a term through June 30, 2024. Other tenants include the Guahan Charter School Academy and the Guam Police Department, which represent a small portion of the total Tiyan property under lease.

On December 30, 2011, GovGuam entered into an amendment extending the initial term to October 31, 2024 with a four-month rent abatement from October 1, 2011 through, January 31, 2012 due to non-occupancy of the property.

On December 30, 2013, GovGuam, on behalf of GDOE, exercised the option to purchase the leased Tiyan property. In addition to the purchase price of \$43,500,000 that comprises the Tiyan High School premises, the Guam Legislature enacted Public Law 31-229, authorizing GovGuam, on behalf of GDOE, to purchase additional property and the construction of new buildings and facilities for the Tiyan High School and the GDOE administration in the amount of \$43,648,970. Title to the Tiyan properties under the lease will transfer to GDOE upon the payment of all required rents. Tiyan 3 lot is owned by the Guam International Airport Authority under lease with the lessor and will be up for renewal in December 2041.

In October 2014, the Tiyan Lease Purchase Agreement was amended to extend the lease term through December 31, 2041 plus \$7,499,090 of collateral equipment for the buildings to be constructed. Repayment in the form of tax credits only apply for lease amounts due through January 2015 and included the aforementioned collateral equipment. Effective February 2015, rent and additional rent (insurance and maintenance) due are to be paid in the form of cash.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

### (13) Commitments and Contingencies, Continued

#### H. Municipal School Lease Agreements, Continued

Tiyan Lease, Continued:

Annual rent includes principal, interest at 10% per annum of outstanding principal balance, insurance and maintenance costs.

Future minimum lease obligations to maturity for the Tiyan lease agreement is as follows:

| <u>Year ending<br/>September 30.</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Additional<br/>Rental</u> | <u>Total</u>          |
|--------------------------------------|----------------------|----------------------|------------------------------|-----------------------|
| 2019                                 | \$ 2,070,215         | \$ 6,198,958         | \$ 1,844,754                 | \$ 10,113,927         |
| 2020                                 | 2,210,626            | 6,030,840            | 1,872,461                    | 10,113,927            |
| 2021                                 | 2,355,270            | 5,874,430            | 1,884,227                    | 10,113,927            |
| 2022                                 | 2,390,821            | 5,797,721            | 1,925,385                    | 10,113,927            |
| 2023                                 | 2,519,800            | 5,656,331            | 1,937,797                    | 10,113,928            |
| 2024 - 2028                          | 15,107,163           | 25,051,387           | 10,411,086                   | 50,569,636            |
| 2029 - 2033                          | 19,755,820           | 19,361,622           | 11,452,195                   | 50,569,637            |
| 2034 - 2038                          | 26,159,763           | 11,812,866           | 12,597,414                   | 50,570,043            |
| 2039 - 2041                          | <u>7,590,391</u>     | <u>1,899,403</u>     | <u>3,284,852</u>             | <u>12,774,646</u>     |
|                                      | \$ <u>80,159,869</u> | \$ <u>87,683,558</u> | \$ <u>47,210,171</u>         | \$ <u>215,053,598</u> |

Assets acquired through the aforementioned capital leases are as follows:

|                               |                       |
|-------------------------------|-----------------------|
| Asset:                        |                       |
| Buildings                     | \$ 255,720,236        |
| Land                          | <u>8,511,600</u>      |
|                               | 264,231,836           |
| Less accumulated depreciation | <u>(39,936,756)</u>   |
|                               | \$ <u>224,295,080</u> |

These buildings and land are summarized as follows:

|                               |                       |
|-------------------------------|-----------------------|
| JFK High School               | \$ 65,735,000         |
| Tiyan High School             | 43,500,000            |
| Okkodo High School            | 42,581,348            |
| Okkodo High School Expansion  | 22,818,000            |
| New Office                    | 24,587,809            |
| Astumbo Middle School         | 18,383,500            |
| Adacao Elementary School      | 14,482,938            |
| Liguan Elementary School      | 13,082,080            |
| Tiyan 3 (lot)                 | 8,000,000             |
| Tiyan Gymnasium               | 4,947,008             |
| Tiyan Office                  | 2,900,000             |
| Warehouse II                  | 1,360,427             |
| Tiyan Warehouse               | 806,200               |
| Warehouse/Mezzanine           | 535,926               |
| Office and Warehouse II (lot) | <u>511,600</u>        |
|                               | \$ <u>264,231,836</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

#### (13) Commitments and Contingencies, Continued

##### I. 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, 2018. The estimated accumulated amount of unused sick leave at September 30, 2018, is \$120,084,801, of which an estimated \$17,210,266 has been accrued and may be convertible to pay members of the DCRS upon retirement.

##### J. 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, 2018. 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 13K below and, therefore, no provision for any liability that may result has been made in the accompanying financial statements.

##### K. 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. 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.

##### L. 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, 2018, \$13,317,866 was held by GovGuam in bonds as security against possible claims.

##### M. Medicare

Prior to October 1998, 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. 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.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(13) Commitments and Contingencies, Continued

N. 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. As of September 30, 2018, the outstanding COLA liability amounted to \$4,531,673. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased commencing October 1, 2011.

O. Chamorro Land Trust Commission (CLTC) Loan Guarantee Fund

GovGuam through the CLTC is authorized to loan or guarantee the repayment of or otherwise underwrite any authorized loan to a Chamorro homeland lessee up to a maximum amount not to exceed the financial ability of the borrower. In the event of default, these loan guarantees may shift the lender's default risk entirely to the CLTC whereby the lender may call upon the CLTC to make partial or full payment of the guaranteed loan. As of September 30, 2018, the CLTC has guaranteed \$10,405,552 of loans outstanding for Chamorro homeland residential lessees. CLTC management is of the opinion that defaulted loans may be reassigned to credit worthy borrowers and that the CLTC has substantial defenses available to it in the event of litigation. As a result, at this time, management does not believe that material exposure exists related to this event. Therefore, no provision for a liability that may arise from this matter has been recorded in the accompanying financial statements.

(14) Discretely Presented Component Unit Disclosures

A. Restricted Assets

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

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, 2018, cash and cash equivalents and investments held by the trustees, in trust for AWPIAA, in these funds and accounts are as follows:

|                                         |                       |
|-----------------------------------------|-----------------------|
| Federal Grants Fund                     | \$ 7,651,781          |
| Operations and Maintenance Reserve Fund | 12,381,104            |
| Operations and Maintenance Fund         | 7,861,747             |
| General Revenue Fund                    | 5,595,985             |
| Self-Insurance Fund                     | 6,498,133             |
| Capital Improvement Fund                | 45,460,649            |
| Construction Fund                       | 25,143,372            |
| Bond Reserve Funds                      | 19,212,257            |
| Debt Service Funds                      | 17,995,139            |
| Renewal and Replacement Fund            | <u>1,000,249</u>      |
|                                         | <u>\$ 148,800,416</u> |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

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 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, 2018, restricted cash and cash equivalents held for this purpose amounted to \$356,694.

The Guam Community College Endowment Foundation, Inc., a legally separate tax-exempt foundation of GCC, was established for the primary purpose of providing a vehicle for the contributions of funds to support activities, goals, plans, projects, and programs at GCC that are not funded or not adequately being funded by GovGuam or traditional resources and to provide a public community relations program. At September 30, 2018, restricted investments held for this purpose amounted to \$13,499,862.

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, 2018, cash and cash equivalents and time certificates of deposits held by GHURA in these funds and accounts are as follows:

|                                    |                     |
|------------------------------------|---------------------|
| Supportive Housing for the Elderly | \$ 504,582          |
| Section 8 HCV                      | 979,140             |
| Public Housing                     | 1,333,127           |
| Low Rent Housing                   | 4,329               |
| Revolving Fund                     | <u>106,488</u>      |
|                                    | <u>\$ 2,927,666</u> |

Guam Power Authority (GPA):

The bond indenture agreements for GPA's 2012, 2014 and 2017 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. At September 30, 2018, restricted cash and cash equivalents and investments held by the trustees, in trust for GPA, in these funds and accounts are as follows:

|                              |                       |
|------------------------------|-----------------------|
| Construction Funds           | \$ 49,970,719         |
| Interest and Principal Funds | 17,997,927            |
| Working Capital Funds        | 30,513,345            |
| Bond Reserve Funds           | 48,600,661            |
| Self-insurance Fund          | 19,258,353            |
| Revenue Funds                | 14,719,830            |
| Energy Sense Fund            | 1,085,472             |
| Surplus Funds                | <u>20,518,166</u>     |
|                              | <u>\$ 202,664,473</u> |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 2010, 2013, 2014, 2016 and 2017 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA's trustees. At September 30, 2018, restricted cash and cash equivalents held by the trustees, in trust for GWA, in these funds and accounts are as follows:

|                                                       |                       |
|-------------------------------------------------------|-----------------------|
| Construction Funds                                    | \$ 159,753,667        |
| Bond Reserve Fund                                     | 27,572,994            |
| Debt Service Fund                                     | 27,726,119            |
| Operations, Maintenance, Renewal and Replacement Fund | 17,423,213            |
| Operations and Maintenance Fund                       | 16,749,591            |
| Revenue Fund                                          | 7,123,854             |
| Capital Improvement Fund                              | <u>17,655,289</u>     |
|                                                       | <u>\$ 274,004,727</u> |

Furthermore, GWA maintained restricted cash and cash equivalents for specific capital projects related accounts. At September 30, 2018, these consisted of the following:

|                                                        |                      |
|--------------------------------------------------------|----------------------|
| Customer Deposit Fund                                  | \$ 1,860,120         |
| Legislative Surcharge Fund                             | 305,127              |
| Meter Reserve Fund                                     | 660,254              |
| Sewer Hook-up Revolving Fund                           | 65,499               |
| Island Water and Sewer Infrastructure Development Fund | <u>10,184,847</u>    |
|                                                        | <u>\$ 13,075,847</u> |

Port Authority of Guam (PAG):

The bond indenture agreements for PAG's 2018 series revenue bonds require the establishment of special funds and accounts to be held and administered by PAG's trustees. At September 30, 2018, restricted cash and cash equivalents held by the trustees, in trust for PAG, in these funds and accounts are as follows:

|                                      |                      |
|--------------------------------------|----------------------|
| Construction Fund                    | \$ 47,991,705        |
| Bond Reserve Fund                    | 5,337,736            |
| Debt Service Fund                    | 229,326              |
| Capitalized Interest Fund            | 5,159,266            |
| Cost of Issuance Fund                | 19,565               |
| Working Capital Reserve Fund         | 3,009,413            |
| Operations and Maintenance Fund      | 10,552,976           |
| Renewal and Replacement Reserve Fund | 508,667              |
| Revenue Fund                         | 4,532,488            |
| Capital Improvement Fund             | <u>4,216,478</u>     |
|                                      | <u>\$ 81,557,620</u> |

Furthermore, PAG maintained restricted cash and cash equivalents for specific capital projects related accounts. At September 30, 2018, these consisted of the following:

|                                |                     |
|--------------------------------|---------------------|
| Crane Replacement Sinking Fund | \$ 3,227,097        |
| Facility Maintenance Fund      | <u>4,179,198</u>    |
|                                | <u>\$ 7,406,295</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### A. Restricted Assets, Continued

###### University of Guam (UOG):

At September 30, 2018, UOG maintained restricted cash and cash equivalents and investments for the following purposes:

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| Enhancement of Learning Resources and Technology          | \$ 2,191,566         |
| Guam Cancer Trust Fund                                    | 4,992,546            |
| Debt Service and Operations and Maintenance Reserve Funds | 750,134              |
| Endowment Funds                                           | 14,297,678           |
| Other                                                     | <u>62,686</u>        |
|                                                           | <u>\$ 22,294,610</u> |

The University of Guam Endowment Foundation, Inc., a legally separate tax-exempt foundation of UOG, was established for the primary purpose of providing a vehicle for the contributions of funds to support activities, goals, plans, projects, and programs at UOG that are not funded or not adequately being funded by GovGuam or traditional resources and to provide a public community relations program. At September 30, 2018, restricted investments held for this purpose amounted to \$12,991,509.

###### 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, 2018, cash and cash equivalents held by GHC in these funds and accounts are as follows:

|                                           |                     |
|-------------------------------------------|---------------------|
| Revolving Loan Fund                       | \$ 1,181,971        |
| Trust fund and borrower's deposit         | 576,220             |
| Foreclosure Protection Fund               | 508,789             |
| First-time Homeowner Assistance Program   | 117,459             |
| Community Affordable Housing Action Trust | 290,058             |
| Hazard Mitigation Program                 | 163,241             |
| Tenant security deposits                  | <u>133,740</u>      |
|                                           | <u>\$ 2,971,478</u> |

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, 2018, investments held by the trustees, in trust for GHC, in these funds and accounts are as follows:

|              |                     |
|--------------|---------------------|
| Restricted:  |                     |
| Revenue Fund | <u>\$ 2,251,317</u> |

###### 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, 2018, restricted short-term money market fund investments held for this purpose amounted to \$4,434,923.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### A. Restricted Assets, Continued

##### 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, 2018, cash and cash equivalents held by GVB in these funds and accounts are as follows:

|                                      |                     |
|--------------------------------------|---------------------|
| Rainy Day Fund                       | \$ 1,227,958        |
| Cultural and Sports Ambassadors Fund | 307,395             |
| Tourist Attraction Fund Projects     | <u>520,955</u>      |
|                                      | <u>\$ 2,056,308</u> |

#### B. Deposits and Investments

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

As of September 30, 2018, the carrying amount of AWPIAA's total cash and cash equivalents was \$633,398 maintained in banks, which at times may exceed federal depository insurance limits. At September 30, 2018, \$250,000 of bank deposits was covered by federal depository insurance, with the remainder being uninsured and uncollateralized.

At September 30, 2018, 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, 2018.

AWPIAA has the following recurring fair value measurements as of September 30, 2018:

| Fair Value Measurements Using                      |                       |                                                                               |                                                           |                                                    |
|----------------------------------------------------|-----------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                                    |                       | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                                    | <u>Total</u>          |                                                                               |                                                           |                                                    |
| Investments by fair value level:                   |                       |                                                                               |                                                           |                                                    |
| Fixed income:                                      |                       |                                                                               |                                                           |                                                    |
| U.S. Treasury obligations                          | \$ 9,976,138          | \$ 9,976,138                                                                  | \$ -                                                      | \$ -                                               |
| U.S. Government agencies                           | 4,834,110             | -                                                                             | 4,834,110                                                 | -                                                  |
| Exchange Traded Products                           | 4,238,311             | 4,238,311                                                                     | -                                                         | -                                                  |
| Mutual Funds                                       | 1,179,093             | 1,179,093                                                                     | -                                                         | -                                                  |
| Corporate notes                                    | <u>1,924,416</u>      | -                                                                             | <u>1,924,416</u>                                          | -                                                  |
| Total investments by fair value level              | 22,152,068            | <u>\$ 15,393,542</u>                                                          | <u>\$ 6,758,526</u>                                       | <u>\$ -</u>                                        |
| Investments measured at the net asset value (NAV): |                       |                                                                               |                                                           |                                                    |
| Money market funds                                 | 83,886,302            |                                                                               |                                                           |                                                    |
| Investments measured at amortized cost:            |                       |                                                                               |                                                           |                                                    |
| Cash                                               | 24,558,140            |                                                                               |                                                           |                                                    |
| Time certificates of deposit                       | 8,654,712             |                                                                               |                                                           |                                                    |
| Interest-earning contracts                         | <u>9,549,194</u>      |                                                                               |                                                           |                                                    |
|                                                    | <u>\$ 148,800,416</u> |                                                                               |                                                           |                                                    |



# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### B. Deposits and Investments, Continued

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

As of September 30, 2018, AWPIAA's investments in debt securities were as follows:

|                                        | <u>Investment Maturities (In Years)</u> |                      |                |                        | <u>Total</u>         |
|----------------------------------------|-----------------------------------------|----------------------|----------------|------------------------|----------------------|
|                                        | <u>Less Than 1</u>                      | <u>1 to 5</u>        | <u>6 to 10</u> | <u>Greater Than 10</u> |                      |
| U.S. treasury obligations              | \$ 2,037,830                            | \$ 7,938,308         | \$ -           | \$ -                   | \$ 9,976,138         |
| U.S. government agencies:              |                                         |                      |                |                        |                      |
| Federal Home Loan Mortgage Corporation | 2,877,373                               | 96,589               | -              | -                      | 2,973,962            |
| Federal National Mortgage Association  | -                                       | 1,860,148            | -              | -                      | 1,860,148            |
| Exchange Traded Products               | 4,238,311                               | -                    | -              | -                      | 4,238,311            |
| Mutual funds                           | 1,179,093                               | -                    | -              | -                      | 1,179,093            |
| Corporate notes                        | <u>778,011</u>                          | <u>1,146,405</u>     | <u>-</u>       | <u>-</u>               | <u>1,924,416</u>     |
|                                        | <u>\$ 11,110,618</u>                    | <u>\$ 11,041,450</u> | <u>\$ -</u>    | <u>\$ -</u>            | <u>\$ 22,152,068</u> |

AWPIAA's exposure to credit risk at September 30, 2018, was as follows:

#### Standard & Poor's/Moody's Credit Rating

|           |                      |
|-----------|----------------------|
| Aaa/AAA   | \$ 10,678,458        |
| Aaa/AAA   | 39,810               |
| Aa/AA     | 298,425              |
| A         | 886,000              |
| Baa/BBB   | 200,396              |
| Ba        | 499,785              |
| Not rated | <u>9,549,194</u>     |
|           | <u>\$ 22,152,068</u> |

Guam Community College (GCC):

As of September 30, 2018, the carrying amount of GCC's cash and cash equivalents and time certificates of deposit was \$14,207,819 and the corresponding bank balance was \$12,467,829, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2018, bank deposits in the amount of \$750,000 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.

GCC has the following recurring fair value measurements as of September 30, 2018:

|                                         | <u>Total</u>        | <u>Fair Value Measurements Using</u>                                  |                                                      |                                                  |
|-----------------------------------------|---------------------|-----------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------|
|                                         |                     | <u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| Investments by fair value level:        |                     |                                                                       |                                                      |                                                  |
| Mutual fund                             | \$ 1,959,164        | <u>\$ 1,959,164</u>                                                   | <u>\$ -</u>                                          | <u>\$ -</u>                                      |
| Investments measured at amortized cost: |                     |                                                                       |                                                      |                                                  |
| Time certificates of deposit            | <u>2,042,000</u>    |                                                                       |                                                      |                                                  |
|                                         | <u>\$ 4,001,164</u> |                                                                       |                                                      |                                                  |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### B. Deposits and Investments, Continued

###### Guam Community College (GCC), Continued:

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                               | \$ 561,881           |
| Certificates of deposit                          | 1,240,622            |
| U.S. Government notes and bonds                  | 572,613              |
| Government and government-sponsored entity bonds | 1,191,258            |
| Corporate bonds                                  | 1,593,981            |
| Exchange-traded funds                            | 13,990               |
| Common stocks                                    | <u>8,325,517</u>     |
|                                                  | <u>\$ 13,499,862</u> |

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

As of September 30, 2018, the carrying amount of GHURA's total cash and cash equivalents was \$15,047,364 and the corresponding bank balances were \$15,045,362, which is maintained in financial institutions subject to FDIC insurance or fully collateralized by securities held by a trustee in the name of the financial institution. As of September 30, 2018, bank deposits in the amount of \$250,000 were FDIC insured or collateralized by U.S. securities.

###### Guam Memorial Hospital Authority (GMHA):

As of September 30, 2018, the carrying amount of GMHA's total cash and cash equivalents was \$1,220,606 and the corresponding bank balances were \$2,318,983, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2018, 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.

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

As of September 30, 2018, the carrying amount of GPA's total cash and cash equivalents and time certificates of deposit was \$202,480,562 and the corresponding bank balances were \$202,627,178. Of the bank balance amount, \$59,251,773 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, 2018, bank deposits in the amount of \$933,751 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.

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### B. Deposits and Investments, Continued

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

At September 30, 2018, GPA'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 GPA's name by GPA's custodial financial institutions at September 30, 2018.

GPA has the following recurring fair value measurements as of September 30, 2018:

|                                         |                      | Fair Value Measurements Using                                                 |                                                           |                                                    |
|-----------------------------------------|----------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                         |                      | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                         | Total                |                                                                               |                                                           |                                                    |
| Investments by fair value level:        |                      |                                                                               |                                                           |                                                    |
| Fixed income:                           |                      |                                                                               |                                                           |                                                    |
| U.S. Treasury obligations               | \$ 7,979,680         | \$ 7,979,680                                                                  | \$ -                                                      | \$ -                                               |
| U.S. Government agencies                | 39,885,766           | 39,885,766                                                                    | -                                                         | -                                                  |
| Mutual funds                            | <u>4,845,762</u>     | <u>4,845,762</u>                                                              | -                                                         | -                                                  |
| Total investments by fair value level   | 52,711,208           | <u>\$ 52,711,208</u>                                                          | <u>\$ -</u>                                               | <u>\$ -</u>                                        |
| Investments measured at amortized cost: |                      |                                                                               |                                                           |                                                    |
| Time certificates of deposit            | 999,964              |                                                                               |                                                           |                                                    |
| Commercial paper                        | 13,742,000           |                                                                               |                                                           |                                                    |
| Guaranteed investment certificate       | <u>10,562,833</u>    |                                                                               |                                                           |                                                    |
|                                         | <u>\$ 78,016,005</u> |                                                                               |                                                           |                                                    |

As of September 30, 2018, GPA's investments in debt securities were as follows:

|                                        | Investment Maturities (In Years) |             |             |                      |                      |
|----------------------------------------|----------------------------------|-------------|-------------|----------------------|----------------------|
|                                        | Less<br>Than 1                   | 1 to 5      | 6 to 10     | Greater<br>Than 10   | Total                |
| U.S. treasury obligations              | \$ 7,979,680                     | \$ -        | \$ -        | \$ -                 | \$ 7,979,680         |
| U.S. government agencies:              |                                  |             |             |                      |                      |
| Federal Home Loan Mortgage Corporation | 12,817,949                       | -           | -           | -                    | 12,817,949           |
| Federal National Mortgage Association  | 2,335,830                        | -           | -           | -                    | 2,335,830            |
| Federal Home Loan Bank                 | 24,731,987                       | -           | -           | -                    | 24,731,987           |
| Guaranteed investment certificate      | -                                | -           | -           | 10,562,833           | 10,562,833           |
| Mutual funds                           | 4,845,762                        | -           | -           | -                    | 4,845,762            |
| Commercial paper                       | <u>13,742,000</u>                | <u>-</u>    | <u>-</u>    | <u>-</u>             | <u>13,742,000</u>    |
|                                        | <u>\$ 66,453,208</u>             | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,562,833</u> | <u>\$ 77,016,041</u> |

GPA's exposure to credit risk at September 30, 2018, was as follows:

#### Moody's Credit Rating

|           |                      |
|-----------|----------------------|
| P-1       | \$ 53,627,766        |
| Aa3       | 10,562,833           |
| Aaa       | 7,979,680            |
| Not rated | <u>4,845,762</u>     |
|           | <u>\$ 77,016,041</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### B. Deposits and Investments, Continued

###### Guam Waterworks Authority (GWA):

As of September 30, 2018, the carrying amount of GWA's total cash and cash equivalents was \$290,174,953 and the corresponding bank balances were \$290,747,962. Of the bank balance amount, \$10,047,143 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$280,700,819 represents short-term investments held and administered by GWA's trustees. 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. As of September 30, 2018, bank deposits in the amount of \$635,502 were FDIC insured. 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.

###### Port Authority of Guam (PAG):

As of September 30, 2018, the carrying amount of PAG's total cash and cash equivalents was \$106,926,358 and the corresponding bank balance was \$105,898,226. Of the bank balance amount, \$24,340,607 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$81,557,619 represents short-term investments held and administered by PAG's trustees. Based on negotiated trust and custody agreements, all of these investments were held by PAG's trustees in PAG's name in accordance with various trust agreements and bond indentures. As of September 30, 2018, bank deposits in the amount of \$500,000 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, 2018, the carrying amount of UOG's total cash and cash equivalents and time certificates of deposit was \$21,787,559 and the corresponding bank balance was \$28,334,573. Of the bank balance amount, \$1,050,605 is maintained in financial institutions subject to FDIC insurance, National Credit Union Administration (NCUA) 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, 2018

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

#### B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

UOG has the following recurring fair value measurements as of September 30, 2018:

|                                         |                      | Fair Value Measurements Using                                                 |                                                           |                                                    |
|-----------------------------------------|----------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                         |                      | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                         | Total                |                                                                               |                                                           |                                                    |
| Investments by fair value level:        |                      |                                                                               |                                                           |                                                    |
| U.S. Treasury obligations               | \$ 2,336,338         | \$ -                                                                          | \$ 2,336,338                                              | \$ -                                               |
| U.S. Government agencies                | 824,937              | -                                                                             | 824,937                                                   | -                                                  |
| Corporate bonds                         | 3,142,710            | -                                                                             | 3,142,710                                                 | -                                                  |
| Equity securities                       | 14,569,768           | 14,569,768                                                                    | -                                                         | -                                                  |
| Mutual funds                            | 2,815,580            | 2,815,580                                                                     | -                                                         | -                                                  |
| Exchange-traded funds                   | 3,258,399            | 3,258,399                                                                     | -                                                         | -                                                  |
| Total investments by fair value level   | 26,947,732           | \$ 20,643,747                                                                 | \$ 6,303,985                                              | \$ -                                               |
| Investments measured at amortized cost: |                      |                                                                               |                                                           |                                                    |
| Time certificates of deposit            | 15,465,193           |                                                                               |                                                           |                                                    |
| Money market funds                      | 342,772              |                                                                               |                                                           |                                                    |
|                                         | <u>\$ 42,755,697</u> |                                                                               |                                                           |                                                    |

As of September 30, 2018, UOG's investments in debt securities were as follows:

|                           | Investment Maturities (In Years) |                     |                     |                     | Total               |
|---------------------------|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                           | Less<br>Than 1                   | 1 to 5              | 6 to 10             | Greater<br>Than 10  |                     |
| U.S. treasury notes       | \$ -                             | \$ 303,729          | \$ 1,091,084        | \$ 941,525          | \$ 2,336,338        |
| U.S. government agencies  | -                                | 435,098             | 247,963             | 141,876             | 824,937             |
| Corporate notes and bonds | -                                | 2,215,538           | 927,172             | -                   | 3,142,710           |
|                           | <u>\$ -</u>                      | <u>\$ 2,954,365</u> | <u>\$ 2,266,219</u> | <u>\$ 1,083,401</u> | <u>\$ 6,303,985</u> |

UOG's exposure to credit risk at September 30, 2018, was as follows:

#### Moody's Rating

#### Domestic

|           |                     |
|-----------|---------------------|
| AAA       | \$ 2,927,698        |
| A1/A      | 707,793             |
| A2/A      | 197,340             |
| A3/A      | 299,721             |
| A3/BBB    | 227,378             |
| Baa3/BBB- | 10,578              |
| BA1/BB+   | 185,558             |
| BA2/BB    | 123,263             |
| BA3/BB-   | 198,240             |
| B1/BB+    | 243,861             |
| B2/B      | 244,987             |
| B3/B      | 106,750             |
| Caa1      | 40,979              |
| Not rated | 789,839             |
|           | <u>\$ 6,303,985</u> |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

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              | \$ | 190,755           |
| Mutual funds                    |    | 261,507           |
| U.S. Government notes and bonds |    | 2,260,493         |
| Domestic equities               |    | 10,150,880        |
| Other                           |    | <u>127,874</u>    |
|                                 | \$ | <u>12,991,509</u> |

Guam Housing Corporation (GHC):

As of September 30, 2018, the carrying amount of GHC's cash and cash equivalents was \$7,700,579, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2018, bank deposits in the amount of \$2,609,459 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.

GHC has the following recurring fair value measurements as of September 30, 2018:

|                                         | Total               | Fair Value Measurements Using                                                 |                                                           |                                                    |
|-----------------------------------------|---------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                         |                     | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by fair value level:        |                     |                                                                               |                                                           |                                                    |
| U.S. government agencies:               | \$ 810,850          | \$ -                                                                          | \$ 810,850                                                | \$ -                                               |
| Investments measured at amortized cost: |                     |                                                                               |                                                           |                                                    |
| Money market investments                | <u>1,440,467</u>    |                                                                               |                                                           |                                                    |
|                                         | <u>\$ 2,251,317</u> |                                                                               |                                                           |                                                    |

As of September 30, 2018, GHC's investments in debt securities were as follows:

|                                        | Moody's<br>Credit<br>Rating | Investment Maturities (In Years) |        |         |                    | Total      |
|----------------------------------------|-----------------------------|----------------------------------|--------|---------|--------------------|------------|
|                                        |                             | Less<br>Than 1                   | 1 to 5 | 6 to 10 | Greater<br>Than 10 |            |
| U.S. government agencies:              |                             |                                  |        |         |                    |            |
| Federal Home Loan Mortgage Corporation | Aaa                         | \$ -                             | \$ -   | \$ -    | \$ 810,850         | \$ 810,850 |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### B. Deposits and Investments, Continued

##### Guam Economic Development Authority (GEDA):

At September 30, 2018, the carrying amount of GEDA's cash and cash equivalents was \$14,381,300 and the corresponding bank balance was \$14,934,995, of which \$11,414,471 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$3,520,524 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, 2018. As of September 30, 2018, bank deposits in the amount of \$500,000 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.

GEDA has the following recurring fair value measurements as of September 30, 2018:

|                                       |                     | Fair Value Measurements Using                                                 |                                                           |                                                    |
|---------------------------------------|---------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                       |                     | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                       | Total               |                                                                               |                                                           |                                                    |
| Investments by fair value level:      |                     |                                                                               |                                                           |                                                    |
| Mutual funds                          | \$ 3,993,788        | \$ 3,993,788                                                                  | \$ -                                                      | \$ -                                               |
| Exchange-traded funds                 | 3,225,462           | 3,225,462                                                                     | -                                                         | -                                                  |
| Total investments by fair value level | <u>\$ 7,219,250</u> | <u>\$ 7,219,250</u>                                                           | <u>\$ -</u>                                               | <u>\$ -</u>                                        |

##### Guam Preservation Trust (GPT):

At September 30, 2018, the carrying amount of GPT's cash and cash equivalents and time certificates of deposit was \$1,215,651 and the corresponding bank balance was \$1,715,651, which is maintained in financial institutions subject to FDIC insurance.

GPT has the following recurring fair value measurements as of September 30, 2018:

|                                         |                     | Fair Value Measurements Using                                                 |                                                           |                                                    |
|-----------------------------------------|---------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                         |                     | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                                         | Total               |                                                                               |                                                           |                                                    |
| Investments by fair value level:        |                     |                                                                               |                                                           |                                                    |
| Equities                                | \$ 372,847          | \$ 372,847                                                                    | \$ -                                                      | \$ -                                               |
| Investments measured at amortized cost: |                     |                                                                               |                                                           |                                                    |
| Time certificates of deposit            | 449,939             |                                                                               |                                                           |                                                    |
| Exchange-traded funds                   | 220,822             |                                                                               |                                                           |                                                    |
| Money market investments                | 169,277             |                                                                               |                                                           |                                                    |
|                                         | <u>\$ 1,212,885</u> |                                                                               |                                                           |                                                    |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### B. Deposits and Investments, Continued

##### Guam Visitors Bureau (GVB):

At September 30, 2018, the carrying amount of GVB's cash and cash equivalents and time certificates of deposit was \$18,509,233 and the corresponding bank balance was \$18,124,614, of which \$17,601,345 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$523,269 represents bank deposits in financial institutions not subject to depository insurance. As of September 30, 2018, bank deposits in the amount of \$2,906,741 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.

At September 30, 2018, investments include time certificates of deposit in the amount of \$2,567,898 with original maturities of more than three months, which are fully FDIC insured.

##### Guam Educational Telecommunications Corporation (GETC):

At September 30, 2018, the carrying amount of GETC's cash and cash equivalents was \$124,395 and the corresponding bank balance was \$131,929, which is maintained in financial institutions subject to FDIC insurance or credit unions subject to NCUA insurance. As of September 30, 2018, bank deposits in the amount of \$99,342 were FDIC insured and bank deposits in the amount of \$32,587 were NCUA insured.

#### C. Receivables

Receivables as of September 30, 2018, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

|                | Antonio B.<br>Won Pat    | Guam                         | Guam                | Guam                 | Guam                | Guam                | Port                | University of<br>Guam | Nonmajor<br>Component |                       |
|----------------|--------------------------|------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
|                | International<br>Airport | Guam<br>Community<br>College | Urban<br>Renewal    | Memorial<br>Hospital | Power               | Waterworks          | Authority           | University of<br>Guam |                       |                       |
|                | Authority                | Authority                    | Authority           | Authority            | Authority           | Authority           | of Guam             | Guam                  | Units                 | Total                 |
| Trade          | \$ 8,335,506             | \$ 4,891,100                 | \$ 140,622          | \$211,584,797        | \$35,827,728        | \$22,251,975        | \$ 5,722,445        | \$11,686,036          | \$ 65,754             | \$ 300,505,963        |
| Federal grants | 541,478                  | 662,260                      | 822,773             | -                    | 4,578,843           | 3,837,148           | 38,422              | 4,202,298             | -                     | 14,683,222            |
| Loans          | -                        | -                            | 4,416,905           | -                    | -                   | -                   | -                   | 17,999,479            | 28,708,835            | 51,125,219            |
| Interest       | -                        | -                            | 4,798               | -                    | -                   | -                   | -                   | -                     | 67,176                | 71,974                |
| Other          | 4,998,462                | 3,477,661                    | 456,908             | 93,728               | 807,618             | 1,205,563           | -                   | 3,219,206             | 3,101,400             | 17,360,546            |
|                | 13,875,446               | 9,031,021                    | 5,842,006           | 211,678,525          | 41,214,189          | 27,294,686          | 5,760,867           | 37,107,019            | 31,943,165            | 383,746,924           |
| Allowance      | (1,793,321)              | (2,245,139)                  | (219,735)           | (177,934,473)        | (3,362,283)         | (5,516,077)         | (228,469)           | (22,947,976)          | (2,662,063)           | (216,909,536)         |
|                | <u>\$12,082,125</u>      | <u>\$ 6,785,882</u>          | <u>\$ 5,622,271</u> | <u>\$ 33,744,052</u> | <u>\$37,851,906</u> | <u>\$21,778,609</u> | <u>\$ 5,532,398</u> | <u>\$14,159,043</u>   | <u>\$29,281,102</u>   | <u>\$ 166,837,388</u> |

##### 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 and with a maximum loan amount of \$18,000 or 18% of the purchase price, with maturities to 2026, collateralized by second mortgages on real estate.



# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### C. Receivables, Continued

##### 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, 2018, loan receivables are reserved in the amount of \$17,999,479.

##### 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. \$ 26,840,315

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. 1,868,520

\$ 28,708,835

#### D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government at September 30, 2018, are summarized as follows:

|                                                     | <u>Due From</u>      | <u>Due To</u>       |
|-----------------------------------------------------|----------------------|---------------------|
| Antonio B. Won Pat International Airport Authority: |                      |                     |
| Other nonmajor governmental funds                   | \$ -                 | \$ 2,215,251        |
| Guam Community College:                             |                      |                     |
| General Fund                                        | 4,907,003            | -                   |
| Guam Memorial Hospital Authority:                   |                      |                     |
| General Fund                                        | 8,974,860            | -                   |
| University of Guam:                                 |                      |                     |
| Other nonmajor governmental funds                   | 1,102,349            | -                   |
| Guam Visitors Bureau:                               |                      |                     |
| Other nonmajor governmental funds                   | <u>2,039,601</u>     | <u>-</u>            |
|                                                     | <u>\$ 17,023,813</u> | <u>\$ 2,215,251</u> |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### E. Capital Assets

Capital asset activities of the discretely presented component units for the year ended September 30, 2018, are as follows:

|                                    | Estimated<br>Useful<br>Lives | Balance<br>October<br>1, 2017 | Transfers and<br>Additions | Transfers and<br>Deletions | Balance<br>September<br>30, 2018 |
|------------------------------------|------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------------|
| Nondepreciable capital assets:     |                              |                               |                            |                            |                                  |
| Land                               |                              | \$ 90,725,902                 | \$ 17,939,693              | \$ -                       | \$ 108,665,595                   |
| Construction in progress           |                              | <u>191,987,177</u>            | <u>188,045,061</u>         | <u>(83,829,253)</u>        | <u>296,202,985</u>               |
|                                    |                              | <u>282,713,079</u>            | <u>205,984,754</u>         | <u>(83,829,253)</u>        | <u>404,868,580</u>               |
| Depreciable capital assets:        |                              |                               |                            |                            |                                  |
| Capital lease assets               | 20 - 40 yrs                  | 184,849,243                   | -                          | (21,763,412)               | 163,085,831                      |
| Buildings and improvements         | 5 - 60 yrs                   | 1,584,564,640                 | 23,664,428                 | 2,089,349                  | 1,610,318,417                    |
| Machinery, equipment and furniture | 2 - 40 yrs                   | 222,862,694                   | 23,042,938                 | (4,467,576)                | 241,438,056                      |
| Infrastructure                     | 10 - 50 yrs                  | <u>1,021,950,613</u>          | <u>54,434,845</u>          | <u>(4,597,548)</u>         | <u>1,071,787,910</u>             |
|                                    |                              | 3,014,227,190                 | 101,142,211                | (28,739,187)               | 3,086,630,214                    |
| Less accumulated depreciation      |                              | <u>(1,617,299,865)</u>        | <u>(102,747,907)</u>       | <u>6,938,951</u>           | <u>(1,713,108,821)</u>           |
| Depreciable capital assets, net    |                              | <u>1,396,927,325</u>          | <u>(1,605,696)</u>         | <u>(21,800,236)</u>        | <u>1,373,521,393</u>             |
|                                    |                              | <u>\$1,679,640,404</u>        | <u>\$ 204,379,058</u>      | <u>\$ (105,629,489)</u>    | <u>\$1,778,389,973</u>           |

#### F. Bonds Payable

As of September 30, 2018, the discretely presented component units had the following bonds payable outstanding:

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

General Revenue Bonds, Series 2013 (original issue of \$247,335,000, dated September 1, 2013), varying interest rates at 3% - 6.375% per annum, payable semiannually on October 1 and April 1, principal fund payments due in varying annual installments, commencing in October 2014 of \$9,845,000 and increasing to a final payment of \$10,240,000 in October 2043. The bonds were issued for the purpose of: (1) advance refunding 2003 Series bonds; (2) to finance additions, extensions, and improvements to the Airport; and (3) to provide additional proceeds to fund the Bond Reserve account. \$ 204,705,000

Add net unamortized premium on bonds 1,974,374

\$ 206,679,374

The bond indentures for the 2013 General Revenue Bonds 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.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2018

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

### F. Bonds Payable, Continued

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

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

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>      | <u>Interest</u>       | <u>Total</u>          |
|--------------------------------------|-----------------------|-----------------------|-----------------------|
| 2019                                 | \$ 12,010,000         | \$ 11,568,250         | \$ 23,578,250         |
| 2020                                 | 12,605,000            | 10,952,875            | 23,557,875            |
| 2021                                 | 13,230,000            | 10,307,000            | 23,537,000            |
| 2022                                 | 13,885,000            | 9,629,125             | 23,514,125            |
| 2023                                 | 14,580,000            | 8,865,525             | 23,445,525            |
| 2024 - 2028                          | 29,905,000            | 36,591,031            | 66,496,031            |
| 2029 - 2033                          | 23,625,000            | 30,043,931            | 53,668,931            |
| 2034 - 2038                          | 31,745,000            | 21,665,125            | 53,410,125            |
| 2039 - 2043                          | 42,880,000            | 10,169,659            | 53,049,659            |
| 2044                                 | <u>10,240,000</u>     | <u>318,372</u>        | <u>10,558,372</u>     |
|                                      | <u>\$ 204,705,000</u> | <u>\$ 150,110,893</u> | <u>\$ 354,815,893</u> |

Guam Power Authority (GPA):

Revenue Bonds, Series 2012 (original issue of \$340,620,000, dated October 1, 2012), varying interest rates at 2.98% - 5% 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 \$110,000 in October 2013 and increasing to \$24,485,000 in October 2034. The bonds have been issued to refund the 1993 and 1999 bonds, and to fund a deposit to the Bond Reserve Fund and satisfy the Bond Reserve Fund Requirement.

\$ 339,360,000

Revenue Bonds, Series 2014 (original issue of \$76,470,000, dated September 17, 2014), varying interest rates at 4% - 5% 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 \$1,310,000 in October 2017 and increasing to \$4,855,000 in October 2044. The bonds have been issued to finance a variety of generation, transmission and distribution improvements and systems and information technology upgrades, and to fund a deposit to the Senior Bond Reserve Fund.

75,160,000

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

Revenue Refunding Bonds, Series 2017 (original issue of \$148,670,000, dated December 21, 2017), varying interest rates at 4% - 5% 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 \$135,000 in October 2018 and increasing to \$16,800,000 in October 2040. The bonds have been issued to refund the 2010 bonds, and to fund cost of issuance.

148,670,000

563,190,000

Add net unamortized premium on 2017, 2014 and 2012 bonds

43,321,434

\$ 606,511,434

All gross revenues of GPA have been pledged to repay the 2012, 2014 and 2017 series bond principal and interest. The debt service for the 2012, 2014 and 2017 series bonds was \$28,084,161 or 7% of pledged gross revenues for the year ended September 30, 2018. Premiums associated with the 2012, 2014 and 2017 bond series are being amortized using the effective interest method over the lives of the 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.

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

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>      | <u>Interest</u>       | <u>Total</u>          |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|
| 2019                                       | \$ 1,630,000          | \$ 28,066,939         | \$ 29,696,939         |
| 2020                                       | 16,130,000            | 27,624,528            | 43,754,528            |
| 2021                                       | 20,515,000            | 26,708,625            | 47,223,625            |
| 2022                                       | 21,540,000            | 25,657,250            | 47,197,250            |
| 2023                                       | 22,705,000            | 24,551,125            | 47,256,125            |
| 2024 - 2028                                | 132,695,000           | 103,977,125           | 236,672,125           |
| 2029 - 2033                                | 157,575,000           | 66,979,125            | 224,554,125           |
| 2034 - 2038                                | 112,725,000           | 30,917,875            | 143,642,875           |
| 2039 - 2043                                | 68,190,000            | 8,459,650             | 76,649,650            |
| 2044 - 2045                                | <u>9,485,000</u>      | <u>458,475</u>        | <u>9,943,475</u>      |
|                                            | <u>\$ 563,190,000</u> | <u>\$ 343,400,717</u> | <u>\$ 906,590,717</u> |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

On September 28, 2000, GPA entered into a Bond Reserve Fund Forward Delivery Agreement (the agreement) with the Lehman Brothers 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 have been deferred and are amortized on a straight line basis over the average remaining life of the 1993 and 1999 bonds.

The following summarizes unamortized costs and unearned revenues at September 30, 2018 associated with this agreement:

|                                             |                     |
|---------------------------------------------|---------------------|
| Unearned forward delivery contract revenues | \$ 8,760,514        |
| Accumulated amortization                    | <u>(7,008,461)</u>  |
|                                             | <u>\$ 1,752,053</u> |
| Unamortized forward delivery contract costs | \$ 2,390,265        |
| Accumulated amortization                    | <u>(1,912,268)</u>  |
|                                             | <u>\$ 477,997</u>   |

Guam Waterworks Authority (GWA):

Water and Wastewater System Revenue Bonds, Series 2010 (original issue of \$118,825,000, dated November 9, 2010), varying interest rates at 4% - 5.625% 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 \$1,055,000 in July 2015 and increasing to a final payment of \$14,460,000 in July 2040. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems. These bonds were partially refunded through the issuance of the 2017 refunding bonds.

\$ 3,695,000

Water and Wastewater System Revenue Bonds, Series 2013 (original issue of \$172,630,000, dated December 12, 2013), varying interest rates at 5% - 5.5% 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 \$2,695,000 in July 2020 and increasing to a final payment of \$25,880,000 in July 2043. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems.

172,630,000

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

Water and Wastewater System Revenue Refunding Bonds, Series 2014 (original issue of \$85,600,000, dated August 7, 2014), varying interest rates at 5% - 6% 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 \$2,900,000 in July 2015 and decreasing to a final payment of \$350,000 in July 2035. The bonds have been issued to refund the 2005 bond issue.

72,520,000

Water and Wastewater System Revenue Bonds, Series 2016 (original issue of \$143,310,000, dated February 24, 2016), interest rate at 5% 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 \$420,000 in July 2020 and increasing to a final payment of \$33,225,000 in January 2046. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems.

143,310,000

Water and Wastewater System Revenue Refunding Bonds, Series 2017 (original issue of \$107,660,000, dated December 13, 2017), interest rate at 5% 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 \$290,000 in July 2019 and increasing to a final payment of \$350,000 in July 2035. The bonds have been issued to refund the 2010 bond issue.

107,660,000

|                                                          |                              |
|----------------------------------------------------------|------------------------------|
|                                                          | 499,815,000                  |
| Add net unamortized premium on 2014, 2016 and 2017 bonds | 34,585,139                   |
| Less net unamortized discount on 2010 and 2013 bonds     | <u>(1,284,520)</u>           |
|                                                          | <b>\$ <u>533,115,619</u></b> |

All gross revenues of GWA, except PUC surcharge revenues, have been pledged to repay the 2010, 2013, 2014, 2016 and 2017 series bond principal and interest. The debt service for the 2010, 2013, 2014, 2016 and 2017 series bonds was \$31,418,147 or 31% of pledged gross revenues for the year ended September 30, 2018. Premiums and discounts associated with the 2010, 2013, 2014, 2016 and 2017 bond series are being amortized using the effective interest method over the respective lives of the bonds.

**GOVERNMENT OF GUAM**Notes to Financial Statements  
September 30, 2018(14) Discretely Presented Component Unit Disclosures, ContinuedF. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

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

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>      | <u>Interest</u>       | <u>Total</u>          |
|--------------------------------------|-----------------------|-----------------------|-----------------------|
| 2019                                 | \$ 5,715,000          | \$ 25,653,415         | \$ 31,368,415         |
| 2020                                 | 8,770,000             | 25,405,188            | 34,175,188            |
| 2021                                 | 9,270,000             | 24,959,950            | 34,229,950            |
| 2022                                 | 9,745,000             | 24,489,350            | 34,234,350            |
| 2023                                 | 10,235,000            | 23,994,625            | 34,229,625            |
| 2024 - 2028                          | 59,505,000            | 111,657,025           | 171,162,025           |
| 2029 - 2033                          | 76,095,000            | 95,068,388            | 171,163,388           |
| 2034 - 2038                          | 97,635,000            | 73,532,450            | 171,167,450           |
| 2039 - 2043                          | 127,845,000           | 45,282,100            | 173,127,100           |
| 2044 - 2046                          | <u>95,000,000</u>     | <u>8,823,875</u>      | <u>103,823,875</u>    |
|                                      | <u>\$ 499,815,000</u> | <u>\$ 458,866,366</u> | <u>\$ 958,681,366</u> |

Port Authority of Guam (PAG):

Port Revenue Bonds, Series 2018 (original issue of \$71,445,000, dated July 11, 2018), varying interest rates at 3.587% - 5% per annum, payable semiannually on March 30 and September 30, principal fund payments due in varying annual installments, commencing in September 2019 of \$1,320,000 and increasing to a final payment of \$3,405,000 in September 2048. The bonds were issued to: (1) finance capital improvement projects; (2) to retire certain outstanding bank debt; and (3) to provide additional proceeds to fund the Bond Reserve account.

\$ 71,445,000

Add net unamortized premium on bonds

5,252,614\$ 76,697,614

All gross revenues of PAG, except crane surcharge, facility maintenance fee, and public marina revenues, have been pledged to repay the 2018 series bond principal and interest. There was no debt service for the 2018 series bonds during the year ended September 30, 2018. Premium associated with the 2018 bond series are being amortized using the effective interest method over the lives of the bonds.

**GOVERNMENT OF GUAM**Notes to Financial Statements  
September 30, 2018**(14) Discretely Presented Component Unit Disclosures, Continued****F. Bonds Payable, Continued**

Port Authority of Guam (PAG), Continued:

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

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>          |
|--------------------------------------|----------------------|----------------------|-----------------------|
| 2019                                 | \$ 1,320,000         | \$ 3,349,829         | \$ 4,669,829          |
| 2020                                 | 2,380,000            | 3,371,392            | 5,751,392             |
| 2021                                 | 2,465,000            | 3,280,862            | 5,745,862             |
| 2022                                 | 2,560,000            | 3,182,633            | 5,742,633             |
| 2023                                 | 2,685,000            | 3,063,896            | 5,748,896             |
| 2024 - 2028                          | 15,455,000           | 13,322,174           | 28,777,174            |
| 2029 - 2033                          | 7,450,000            | 10,436,250           | 17,886,250            |
| 2034 - 2038                          | 9,510,000            | 8,378,000            | 17,888,000            |
| 2039 - 2043                          | 12,130,000           | 5,751,250            | 17,881,250            |
| 2044 - 2048                          | <u>15,490,000</u>    | <u>2,398,500</u>     | <u>17,888,500</u>     |
|                                      | <u>\$ 71,445,000</u> | <u>\$ 56,534,786</u> | <u>\$ 127,979,786</u> |

Guam Housing Corporation (GHC):

Single Family Mortgage Revenue Bonds, Series 1998, (original issue of \$50,000,000, dated April 15, 1998), varying interest rates at 4.7% - 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 in March 2002 and increasing to a final payment of \$194,201 in September 2031. The bonds were issued for the purpose of providing money to engage in a home-financing program within the Territory of Guam.

\$ 3,715,000

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

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|--------------------------------------|---------------------|---------------------|---------------------|
| 2019                                 | \$ 220,000          | \$ 203,835          | \$ 423,835          |
| 2020                                 | 230,000             | 193,378             | 423,378             |
| 2021                                 | 235,000             | 182,450             | 417,450             |
| 2022                                 | 235,000             | 170,919             | 405,919             |
| 2023                                 | 245,000             | 157,263             | 402,263             |
| 2024 - 2028                          | 1,460,000           | 553,725             | 2,013,725           |
| 2029 - 2031                          | <u>1,090,000</u>    | <u>111,838</u>      | <u>1,201,838</u>    |
|                                      | <u>\$ 3,715,000</u> | <u>\$ 1,573,408</u> | <u>\$ 5,288,408</u> |

All gross revenues of GHC have been pledged to repay the 1998 series bond principal and interest. The debt service for the 1998 series bonds was \$404,044 or 17% of pledged gross revenues for the year ended September 30, 2018.



**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, 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 in June 2008 and increasing to a final payment of \$3,840,000 in June 2026. These bonds are payable solely from and secured by certain revenues. The bonds have been issued for deposit to trust and endowment funds.

\$ 23,980,000

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 in June 2008 and increasing to a final payment of \$1,191,488 in June 2034. The Series B bonds are also secured by certain revenues with the Series A bonds; however, they are subordinate to the 2007 Series A Bonds.

16,773,618

40,753,618

Less net unamortized discount on Series B capital appreciation turbo term bonds

(9,463,009)

Less net unamortized discount on issuance

(588,616)

\$ 30,701,993

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

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|--------------------------------------------|----------------------|---------------------|----------------------|
| 2019                                       | \$ 1,200,000         | \$ 805,219          | \$ 2,005,219         |
| 2020                                       | 1,285,000            | 737,719             | 2,022,719            |
| 2021                                       | 1,380,000            | 665,226             | 2,045,226            |
| 2022                                       | 1,480,000            | 587,461             | 2,067,461            |
| 2023                                       | 1,590,000            | 504,000             | 2,094,000            |
| 2024 - 2028                                | 12,342,013           | 975,867             | 13,317,880           |
| 2029 - 2033                                | 10,605,117           | -                   | 10,605,117           |
| 2034                                       | <u>10,871,488</u>    | <u>-</u>            | <u>10,871,488</u>    |
|                                            | \$ <u>40,753,618</u> | \$ <u>4,275,492</u> | \$ <u>45,029,110</u> |

All Tobacco Settlement Revenue (TSR) of GEDA has been pledged to repay the 2007 series bond principal and interest. The debt service for the 2007 series bonds was \$1,365,395 or 112% of pledged TSR revenues for the year ended September 30, 2018.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable

As of September 30, 2018, the discretely presented component units had the following notes payable outstanding:

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

Note payable to a bank in the amount of \$11,900,000, dated June 27, 2012, interest at 3.75% per annum, due initially in monthly installments of interest commencing July 27, 2012, with monthly installments of principal and interest at 5.75% per annum of \$130,625 commencing February 27, 2014 through January 23, 2024. Loan proceeds are to be used to finance energy efficient upgrades. The loan is subject to U.S. Department of Agriculture's (USDA) written commitment to the bank to guaranty no less than 90% of the loan to AWPIAA.

\$ 7,185,031

The loan is secured by a Security Agreement and UCC-1 Financing Statement which identify sums in the Subordinate Securities Fund and Capital Improvement Fund as collateral for the loan. Both funds are allocated revenues pursuant to Section 5.02 of the 2013 General Revenue Bond indenture. Obligations of AWPIAA payable from the aforementioned funds are subordinate to the pledge and lien of airport revenues to secure payment of AWPIAA's bonds. The \$11,900,000 is subject to USDA's Loan Note Guarantee, which was executed by USDA on March 10, 2014.

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

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|--------------------------------------------|---------------------|---------------------|---------------------|
| 2019                                       | \$ 1,185,279        | \$ 382,221          | \$ 1,567,500        |
| 2020                                       | 1,255,000           | 312,500             | 1,567,500           |
| 2021                                       | 1,329,000           | 238,500             | 1,567,500           |
| 2022                                       | 1,408,000           | 159,500             | 1,567,500           |
| 2023                                       | 1,491,000           | 76,500              | 1,567,500           |
| 2024                                       | <u>516,752</u>      | <u>4,871</u>        | <u>521,623</u>      |
|                                            | \$ <u>7,185,031</u> | \$ <u>1,174,092</u> | \$ <u>8,359,123</u> |

Guam Community College (GCC):

Due to U.S. Department of Agriculture in the original amount of \$3,500,000, with interest at 3.125% per annum, payable in monthly installments of \$12,810, including interest, through March 6, 2053, collateralized by a pledge of all gross revenues.

\$ 3,178,940

**GOVERNMENT OF GUAM**Notes to Financial Statements  
September 30, 2018(14) Discretely Presented Component Unit Disclosures, ContinuedG. Notes Payable, Continued

Guam Community College (GCC), Continued:

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

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|--------------------------------------|---------------------|---------------------|---------------------|
| 2019                                 | \$ 53,752           | \$ 99,968           | \$ 153,720          |
| 2020                                 | 55,456              | 98,264              | 153,720             |
| 2021                                 | 57,214              | 96,506              | 153,720             |
| 2022                                 | 59,028              | 94,692              | 153,720             |
| 2023                                 | 60,899              | 92,821              | 153,720             |
| 2024 - 2028                          | 334,708             | 433,892             | 768,600             |
| 2029 - 2033                          | 391,234             | 377,366             | 768,600             |
| 2034 - 2038                          | 457,306             | 311,294             | 768,600             |
| 2039 - 2043                          | 534,537             | 234,063             | 768,600             |
| 2044 - 2048                          | 624,810             | 143,790             | 768,600             |
| 2049 - 2053                          | <u>549,996</u>      | <u>71,338</u>       | <u>621,334</u>      |
|                                      | <u>\$ 3,178,940</u> | <u>\$ 2,053,994</u> | <u>\$ 5,232,934</u> |

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. \$ 966,317

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

| <u>Year ending<br/>September 30,</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>        |
|--------------------------------------|-------------------|-------------------|---------------------|
| 2019                                 | \$ 70,000         | \$ 56,480         | \$ 126,480          |
| 2020                                 | 75,000            | 51,480            | 126,480             |
| 2021                                 | 79,000            | 47,480            | 126,480             |
| 2022                                 | 84,000            | 42,480            | 126,480             |
| 2023                                 | 89,000            | 37,480            | 126,480             |
| 2024 - 2028                          | 537,000           | 95,400            | 632,400             |
| 2029 - 2030                          | <u>32,317</u>     | <u>1,200</u>      | <u>33,517</u>       |
|                                      | <u>\$ 966,317</u> | <u>\$ 332,000</u> | <u>\$ 1,298,317</u> |

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Guam Waterworks Authority (GWA):

Note payable to a local bank in the original amount of \$25,000,000, dated June 15, 2010, interest at 7.75% per annum, due in monthly installments of principal and interest of \$300,027 through June 15, 2015; refinanced principal balance of \$14,856,080, interest at 5.25% per annum, due in monthly installments of principal and interest of \$285,000 through June 15, 2020.

\$ 5,529,024

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

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|--------------------------------------------|---------------------|-------------------|---------------------|
| 2019                                       | \$ 3,203,870        | \$ 216,130        | \$ 3,420,000        |
| 2020                                       | <u>2,325,154</u>    | <u>47,826</u>     | <u>2,372,980</u>    |
|                                            | \$ <u>5,529,024</u> | \$ <u>263,956</u> | \$ <u>5,792,980</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 (BPA) Building. The loan is secured by equipment, furniture and fixtures located at the BPA Building.

\$ 11,067,561

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

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|--------------------------------------------|----------------------|---------------------|----------------------|
| 2019                                       | \$ 264,171           | \$ 485,889          | \$ 750,060           |
| 2020                                       | 276,137              | 473,923             | 750,060              |
| 2021                                       | 288,646              | 461,414             | 750,060              |
| 2022                                       | 301,721              | 448,339             | 750,060              |
| 2023                                       | 315,388              | 434,672             | 750,060              |
| 2024 - 2028                                | 1,804,627            | 1,945,673           | 3,750,300            |
| 2029 - 2033                                | 2,252,101            | 1,498,199           | 3,750,300            |
| 2034 - 2038                                | 2,810,529            | 939,771             | 3,750,300            |
| 2039 - 2043                                | <u>2,754,241</u>     | <u>257,832</u>      | <u>3,012,073</u>     |
|                                            | \$ <u>11,067,561</u> | \$ <u>6,945,712</u> | \$ <u>18,013,273</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### H. 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.

The assets acquired through capital leases are as follows:

|                               |                      |
|-------------------------------|----------------------|
| Asset:                        |                      |
| Buildings                     | \$ 163,085,831       |
| Less accumulated depreciation | <u>(66,411,697)</u>  |
|                               | \$ <u>96,674,134</u> |

The leases have effective interest rates ranging from 5% to 13.7%.

Future minimum lease obligations to maturity for principal and interest are as follows:

| <u>Year ending</u><br><u>September 30,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|--------------------------------------------|----------------------|---------------------|----------------------|
| 2019                                       | \$ 13,613,066        | \$ 916,292          | \$ 14,529,358        |
| 2020                                       | 8,582,729            | 346,471             | 8,929,200            |
| 2021                                       | <u>2,226,222</u>     | <u>18,578</u>       | <u>2,244,800</u>     |
|                                            | \$ <u>24,422,017</u> | \$ <u>1,281,341</u> | \$ <u>25,703,358</u> |

# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

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

During the year ended September 30, 2018, the following changes occurred in liabilities reported as part of the discretely presented component units' long-term liabilities in the statement of net position:

|                                          | Balance<br>October 1,<br><u>2017</u> | <u>Additions</u>      | <u>Reductions</u>       | Balance<br>September<br>30, 2018 | Due Within<br><u>One Year</u> |
|------------------------------------------|--------------------------------------|-----------------------|-------------------------|----------------------------------|-------------------------------|
| <b>Bonds Payable:</b>                    |                                      |                       |                         |                                  |                               |
| Antonio B. Won Pat International         |                                      |                       |                         |                                  |                               |
| Airport Authority                        | \$ 216,135,000                       | \$ -                  | \$ (11,430,000)         | \$ 204,705,000                   | \$ 12,010,000                 |
| Guam Power Authority                     | 566,740,000                          | 148,670,000           | (152,220,000)           | 563,190,000                      | 1,630,000                     |
| Guam Waterworks Authority                | 506,460,000                          | 107,660,000           | (114,305,000)           | 499,815,000                      | 5,715,000                     |
| Port Authority of Guam                   | -                                    | 71,445,000            | -                       | 71,445,000                       | 1,320,000                     |
| Guam Housing Corporation                 | 3,905,000                            | -                     | (190,000)               | 3,715,000                        | 220,000                       |
| Guam Economic Development Authority      | <u>40,798,618</u>                    | <u>-</u>              | <u>(45,000)</u>         | <u>40,753,618</u>                | <u>1,200,000</u>              |
|                                          | 1,334,038,618                        | 327,775,000           | (278,190,000)           | 1,383,623,618                    | 22,095,000                    |
| <b>Unamortized bond premiums:</b>        |                                      |                       |                         |                                  |                               |
| Antonio B. Won Pat International         |                                      |                       |                         |                                  |                               |
| Airport Authority                        | 2,140,059                            | -                     | (165,685)               | 1,974,374                        | -                             |
| Guam Power Authority                     | 29,002,672                           | 17,876,459            | (3,557,697)             | 43,321,434                       | -                             |
| Guam Waterworks Authority                | 22,067,668                           | 13,394,710            | (877,239)               | 34,585,139                       | -                             |
| Port Authority of Guam                   | -                                    | 5,296,754             | (44,140)                | 5,252,614                        | -                             |
| <b>Unamortized bond discounts:</b>       |                                      |                       |                         |                                  |                               |
| Guam Power Authority                     | (3,393,810)                          | -                     | 3,393,810               | -                                | -                             |
| Guam Waterworks Authority                | (3,206,275)                          | -                     | 1,921,755               | (1,284,520)                      | -                             |
| Guam Economic Development Authority      | <u>(10,607,289)</u>                  | <u>-</u>              | <u>555,664</u>          | <u>(10,051,625)</u>              | <u>-</u>                      |
|                                          | <u>1,370,041,643</u>                 | <u>364,342,923</u>    | <u>(276,963,532)</u>    | <u>1,457,421,034</u>             | <u>22,095,000</u>             |
| <b>Notes Payable:</b>                    |                                      |                       |                         |                                  |                               |
| Antonio B. Won Pat International         |                                      |                       |                         |                                  |                               |
| Airport Authority                        | 8,304,232                            | -                     | (1,119,201)             | 7,185,031                        | 1,185,279                     |
| Guam Community College                   | 3,230,709                            | -                     | (51,769)                | 3,178,940                        | 53,752                        |
| Guam Housing and Urban Renewal Authority | 1,033,128                            | -                     | (66,811)                | 966,317                          | 70,000                        |
| Guam Waterworks Authority                | 8,571,487                            | -                     | (3,042,463)             | 5,529,024                        | 3,203,870                     |
| Port Authority of Guam                   | 21,209,877                           | -                     | (21,209,877)            | -                                | -                             |
| University of Guam                       | <u>11,313,585</u>                    | <u>-</u>              | <u>(246,024)</u>        | <u>11,067,561</u>                | <u>264,171</u>                |
|                                          | <u>53,663,018</u>                    | <u>-</u>              | <u>(25,736,145)</u>     | <u>27,926,873</u>                | <u>4,777,072</u>              |
| <b>Other long-term liabilities:</b>      |                                      |                       |                         |                                  |                               |
| Compensated absences                     | 15,160,184                           | 11,586,875            | (11,342,443)            | 15,404,616                       | 7,700,497                     |
| Capital lease obligations                | 47,759,025                           | -                     | (23,337,008)            | 24,422,017                       | 13,613,066                    |
| DCRS sick leave                          | 18,737,620                           | 2,227,668             | (10,594,183)            | 10,371,105                       | -                             |
| Net pension liability                    | 532,151,863                          | 3,891,909             | (54,033,968)            | 482,009,804                      | -                             |
| OPEB liability                           | <u>789,575,571</u>                   | <u>32,617,128</u>     | <u>(64,423,160)</u>     | <u>757,769,539</u>               | <u>-</u>                      |
|                                          | <u>1,403,384,263</u>                 | <u>50,323,580</u>     | <u>(163,730,762)</u>    | <u>1,289,977,081</u>             | <u>21,313,563</u>             |
|                                          | <u>\$ 2,827,088,924</u>              | <u>\$ 414,666,503</u> | <u>\$ (466,430,439)</u> | <u>\$ 2,775,324,988</u>          | <u>\$ 48,185,635</u>          |

#### J. Commitments and Contingencies

##### Performance Management Contracts (PMCs):

Guam Power Authority (GPA) has entered into a PMC with a company for the operation and maintenance of Cabras 1 and 2 generators, which became effective on October 1, 2010 and July 1, 2010, respectively. The PMC is for a period of five years with an option to extend for another five-year term. The extension was exercised and the PMC expires on September 30, 2020. GPA has also entered into a PMC for the operations and maintenance of the Dededo, Macheche and Yigo combustion turbine power plants. The PMC is for a period of five years commencing March 1, 2016 with an option to extend for one additional three-year term and one additional two-year term.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### J. Commitments and Contingencies, Continued

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

At September 30, 2018, the minimum future fixed management fees are as follows:

| <u>Year Ending<br/>September 30,</u> |                     |
|--------------------------------------|---------------------|
| 2019                                 | \$ 2,449,963        |
| 2020                                 | 2,515,840           |
| 2021                                 | <u>293,203</u>      |
|                                      | <u>\$ 5,259,006</u> |

###### Renewable Energy Contracts:

Guam Power Authority (GPA) has entered into two agreements to purchase 20 Megawatts (MW) and 5.65 MW of solar renewable energy. The commercial operation date of the two solar plants is October 30, 2015. The agreements include escalating contract prices per MW hour until 2041 with a total minimum renewable energy purchase commitment of 1.1 million MW hour.

At September 30, 2018, the minimum future renewable energy purchases are as follows:

| <u>Year Ending<br/>September 30,</u> |                       |
|--------------------------------------|-----------------------|
| 2019                                 | \$ 9,157,338          |
| 2020                                 | 9,162,071             |
| 2021                                 | 9,171,682             |
| 2022                                 | 9,200,983             |
| 2023                                 | 9,196,204             |
| 2024 - 2028                          | 46,092,908            |
| 2029 - 2033                          | 46,086,152            |
| 2034 - 2038                          | 46,760,812            |
| 2039 - 2041                          | <u>19,572,811</u>     |
|                                      | <u>\$ 204,400,961</u> |

In August 2018, GPA executed three renewable energy purchase agreements to purchase a total of 120 MW of solar renewable energy. The commercial operation dates of the solar plants are not yet established.

###### Lease Obligations as Lessor:

In March 2013, Lotte Duty Free Guam, LLC (Lotte) was selected as the primary concessionaire for the airport terminal for a ten year term commencing July 1, 2013 and terminating on June 30, 2023. The concession agreements provide for a minimum annual guarantee rent as well as percentage rent on gross revenues exceeding certain levels.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor, Continued:

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

| <u>Year Ending</u><br><u>September 30,</u> |                      |
|--------------------------------------------|----------------------|
| 2019                                       | \$ 15,160,000        |
| 2020                                       | 15,160,000           |
| 2021                                       | 15,160,000           |
| 2022                                       | 15,160,000           |
| 2023                                       | <u>12,633,333</u>    |
|                                            | \$ <u>73,273,333</u> |

Antonio B. Won Pat International Airport Authority (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 leases expired on September 30, 2016 and the lease agreements with six rent-a-car companies expired in June 2016. These agreements are currently under month-to-month extensions pending negotiated agreements. Other ground lease agreements will expire ranging from September 2019 through September 2035.

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

| <u>Year Ending</u><br><u>September 30,</u> |                      |
|--------------------------------------------|----------------------|
| 2019                                       | \$ 2,538,000         |
| 2020                                       | 2,298,000            |
| 2021                                       | 1,802,000            |
| 2022                                       | 1,391,000            |
| 2023                                       | 271,000              |
| 2024 - 2028                                | 1,310,000            |
| 2029 - 2033                                | 1,018,000            |
| 2034 - 2038                                | 855,000              |
| 2039 - 2040                                | <u>174,000</u>       |
|                                            | \$ <u>11,657,000</u> |



# GOVERNMENT OF GUAM

## Notes to Financial Statements September 30, 2018

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

#### J. Commitments and Contingencies, Continued

##### Lease Obligations as Lessor, Continued:

Port Authority of Guam (PAG), in cooperation with the Guam Economic Development Authority, leases space to tenants under noncancellable operating leases, with options to renew, providing for future minimum rentals.

The future minimum rental receipts for the aforementioned noncancellable operating leases are as follows:

| Year Ending<br><u>September 30,</u> |                     |
|-------------------------------------|---------------------|
| 2019                                | \$ 1,122,057        |
| 2020                                | 921,338             |
| 2021                                | 314,544             |
| 2022                                | 238,164             |
| 2023                                | 238,164             |
| Thereafter                          | <u>1,468,678</u>    |
|                                     | <u>\$ 4,302,945</u> |

##### Lease Obligations as Lessee:

On November 1, 2002, the Guam Power Authority (GPA) entered a sublease agreement for vehicle, equipment, and material storage and for a power station with annual rental of \$61,261 through October 31, 2012, and was extended for ten years. In addition, GPA entered into a commercial space lease beginning July 1, 2010, with monthly rentals of \$4,495 through June 30, 2015, and was extended for five years.

On September 1, 2013, GPA entered into a lease agreement for fuel storage tanks with fixed annual fees escalating 4% every year until August 31, 2022.

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

| Year Ending<br><u>September 30,</u> |                     |
|-------------------------------------|---------------------|
| 2019                                | \$ 1,840,086        |
| 2020                                | 1,895,598           |
| 2021                                | 1,926,902           |
| 2022                                | 1,833,929           |
| 2023                                | <u>5,105</u>        |
|                                     | <u>\$ 7,501,620</u> |

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### J. Commitments and Contingencies, Continued

###### Fuel Purchase and Bulk Storage Facility Contracts:

In August 2013, the Guam Power Authority (GPA) entered into a fuel purchase contract with Hyundai Corporation. The agreement is for two years commencing on September 1, 2013 with options to extend for three additional one-year terms upon mutual agreement of both parties. Two extensions were made on the contract, the last extension expired on November 30, 2018.

In January 2015, GPA entered into diesel fuel supply contracts with IP&E Guam, Inc. and Mobil Oil Guam, Inc. The agreements are for three years ending December 31, 2017 with an option to extend for two additional one-year terms, renewable annually. In December 2017, GPA exercised the options and extended the contracts through December 31, 2018.

In September 2017, GPA entered into an agreement for the management and operations of its fuel bulk storage facility. The agreement is for two years ending September 30, 2019 with an option to extend the contract for three additional one-year terms. At September 30, 2018, the minimum future management fees for the year ending September 30, 2019 are \$532,057.

###### U.S. Environmental Protection Agency (EPA):

On May 24, 1986, the administrator of the U.S. EPA granted a continuing exemption to the Guam Power Authority (GPA) under the provisions of Section 325(b) of the Clean Air Act, as amended. The terms of the exemption require monitoring by EPA, certain commitments by GPA regarding fuel stocks, and reporting and delineation of grounds for revocation of the exemption. In February 2011, EPA finalized rules under the National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engine (RICE) Maximum Available Control Technology (MACT). Compliance under the diesel MACT was due May 3, 2013. Non-compliance under the diesel MACT could result in penalty fees of \$37,500 per unit per day. GPA applied for and received a one year extension for complying with the rules with respect to its small diesel peaking units. The required stack emission equipment was installed within the extension period. As to compliance with the other units subject to RICE MACT, GPA requested EPA to enter into a consent decree allowing time for GPA to comply with the regulations and allowing potential fines and penalties for non-compliance to be used for compliance with regulations. In January 2015, GPA submitted its compliance plan outlining the proposed timelines for inclusion in a consent decree. GPA believes results of negotiations with EPA will defer potential fines post RICE MACT deadlines for the slow speed diesel units. If the consent decree is not reached, the maximum liability for GPA would be \$243,000,000 as of September 30, 2018. No liability that may result from potential noncompliance has been recorded in the accompanying financial statements.

## GOVERNMENT OF GUAM

### Notes to Financial Statements September 30, 2018

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

##### J. Commitments and Contingencies, Continued

###### Environmental Monitoring:

In September 2000, the U.S. 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 received the final draft of the Decision Document for Operable Unit 3 which is the groundwater under the former Naval Air Station. AWPIAA's responsibilities under the draft Decision Document are limited to sampling and testing as currently performed. The new task is for AWPIAA to conduct a 5 year review to ensure the remedial action is or will be protective of human health and the environment. This new task may reduce the ongoing sampling and testing requirements or completely eliminate them. Moreover, the granular activated carbon (GAC) treatment provided under AWPIAA's new water system satisfies the GAC treatment component of future wells meeting the selected remedy. No further obligation of AWPIAA is required under the draft Decision Document.

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, 2018, AWPIAA estimated that its pollution remediation obligations amounted to \$159,315.

###### Primary Treatment Permits:

On November 29, 2011, the U.S. Environmental Protection Agency (EPA) informed GWA that its primary treatment permits for the Hagatna and Northern District Wastewater Treatment Plants had been denied and that GWA would be required to upgrade the plants to secondary treatment. The upgrades have been estimated to cost approximately \$300 million. GWA intends to negotiate with the EPA on the timelines for upgrading the plants, which may be deferring the upgrades for approximately 20 to 30 years.

###### Stipulated Order:

In 2002, the U.S. Government filed a complaint against the Guam Waterworks Authority (GWA) and GovGuam for alleged violations under the Federal Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). Because of GWA's non-compliance with the National Primary Drinking Water Regulations, the U.S. Government is seeking both civil penalties and injunctive relief to address such non-compliance. GWA and the U.S. Government of Justice, Environmental and Natural Resources Division mutually agreed in the form of a Stipulated Order to resolve the violation issues.

On June 5, 2003, a Stipulated Order for Preliminary Relief was filed before the District Court of Guam. The Stipulation requires implementation of short-term projects and initial planning measures by GWA. GWA is required to submit a final financial plan in the Master Plan that generates sufficient revenue to cover the cost of all compliance activities and deliverables required by the Stipulated Order for Preliminary Relief, as well as any other anticipated expenses, including any measures necessary to ensure compliance with the CWA and the SDWA and costs related to the infrastructure improvements identified in the Master Plan.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2018

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Stipulated Order, Continued:

In 2006, the Stipulated Order was amended which required GWA to perform approximately \$220 million worth of capital improvement projects and perform other actions to bring GWA's system into compliance. However, GWA was unable to meet all deadlines set out in the amended Stipulated Order. The District Court ordered the parties to stipulate as to scope of remaining projects and project completion dates; however, the parties were unable to reach an agreement on all items. As a result, on November 10, 2011, the District Court issued an order setting new deadlines for the unfinished projects and establishing new projects that were not part of the amended Stipulated Order. As of September 30, 2018, the financial impact of the order has not been fully determined and has been estimated to cost approximately \$450 million to \$500 million, including financing costs.

(15) Restatement

Subsequent to the issuance of GovGuam's 2017 financial statements, it was determined that GovGuam's landfill capital assets associated with the Layon Landfill, net of accumulated depreciation, were overstated by \$29,021,787. Furthermore, it was determined that the Antonio B. Won Pat International Airport Authority's capital assets associated with close-outs of construction-in-progress projects were overstated by \$1,645,765. As a result of these determinations, capital assets and beginning net position of the governmental activities and the aggregate discretely presented component units have been restated from the amounts previously reported.

**GOVERNMENT OF GUAM**

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**YEAR ENDED SEPTEMBER 30, 2018**

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

### Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual (Unaudited) General Fund (Fund 100 Only) Year Ended September 30, 2018

|                                                                                                                                                                                                                           | Budgeted Amounts |                | Actual Amounts<br>(Budgetary Basis) | Variance with<br>Final Budget - |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|-------------------------------------|---------------------------------|
|                                                                                                                                                                                                                           | Original         | Final          | (See Note 1)                        | Positive (Negative)             |
| Revenues:                                                                                                                                                                                                                 |                  |                |                                     |                                 |
| Taxes:                                                                                                                                                                                                                    |                  |                |                                     |                                 |
| Income tax:                                                                                                                                                                                                               |                  |                |                                     |                                 |
| Corporate                                                                                                                                                                                                                 | \$ 152,601,412   | \$ 152,601,412 | \$ 122,235,831                      | \$ (30,365,581)                 |
| Individual                                                                                                                                                                                                                | 78,342,876       | 78,342,876     | 90,009,650                          | 11,666,774                      |
| Withholding taxes, interest and penalties                                                                                                                                                                                 | 281,225,258      | 281,225,258    | 230,878,114                         | (50,347,144)                    |
|                                                                                                                                                                                                                           | 512,169,546      | 512,169,546    | 443,123,595                         | (69,045,951)                    |
| Provision for tax refund payments                                                                                                                                                                                         | (125,000,000)    | (125,000,000)  | (125,000,000)                       | -                               |
|                                                                                                                                                                                                                           | 387,169,546      | 387,169,546    | 318,123,595                         | (69,045,951)                    |
| Gross receipts                                                                                                                                                                                                            | 254,800,702      | 264,200,702    | 269,684,874                         | 5,484,172                       |
| Excise                                                                                                                                                                                                                    | 4,331,470        | 4,331,470      | 2,728,034                           | (1,603,436)                     |
| Section 30 Federal income tax collections                                                                                                                                                                                 | 68,603,100       | 68,603,100     | 77,795,541                          | 9,192,441                       |
| Immigration fees                                                                                                                                                                                                          | 1,854,468        | 1,854,468      | 1,746,790                           | (107,678)                       |
| Indirect cost reimbursement                                                                                                                                                                                               | -                | -              | 4,043                               | 4,043                           |
| Contributions from component units                                                                                                                                                                                        | 2,027,787        | 2,027,787      | 2,035,787                           | 8,000                           |
| Other                                                                                                                                                                                                                     | 7,977,992        | 7,977,992      | 6,850,991                           | (1,127,001)                     |
| Total revenues                                                                                                                                                                                                            | 726,765,065      | 736,165,065    | 678,969,655                         | (57,195,410)                    |
| Expenditures by Department:                                                                                                                                                                                               |                  |                |                                     |                                 |
| Executive Branch:                                                                                                                                                                                                         |                  |                |                                     |                                 |
| Office of I Maga'lahaen Guahan                                                                                                                                                                                            | 8,910,711        | 8,064,334      | 7,783,020                           | 281,314                         |
| Office of I Segundu Na Maga'lahaen Guahan                                                                                                                                                                                 | 16,077           | 1,034,904      | 1,032,426                           | 2,478                           |
| Bureau of Budget and Management Research                                                                                                                                                                                  | 1,355,866        | 1,156,438      | 1,058,876                           | 97,562                          |
| Civil Service Commission                                                                                                                                                                                                  | 1,105,843        | 1,000,620      | 956,517                             | 44,103                          |
| Department of Administration                                                                                                                                                                                              | 12,815,780       | 12,408,567     | 11,710,798                          | 697,769                         |
| Guam Election Commission                                                                                                                                                                                                  | 1,529,124        | 1,867,759      | 1,785,092                           | 82,667                          |
| Department of Revenue and Taxation                                                                                                                                                                                        | 11,760,022       | 11,779,358     | 11,640,213                          | 139,145                         |
| Bureau of Statistics and Plans                                                                                                                                                                                            | 1,252,982        | 1,218,636      | 1,191,434                           | 27,202                          |
| Department of Public Works                                                                                                                                                                                                | 373,448          | 323,448        | 118,723                             | 204,725                         |
| Office of the Attorney General                                                                                                                                                                                            | 16,799,580       | 14,518,936     | 12,853,490                          | 1,665,446                       |
| Guam Police Department                                                                                                                                                                                                    | 31,471,563       | 28,396,718     | 28,281,654                          | 115,064                         |
| Department of Corrections                                                                                                                                                                                                 | 26,346,717       | 26,771,717     | 25,741,880                          | 1,029,837                       |
| Department of Agriculture                                                                                                                                                                                                 | 3,159,386        | 2,827,799      | 2,757,457                           | 70,342                          |
| Department of Public Health and Social Services                                                                                                                                                                           | 46,074,430       | 22,070,624     | 24,263,563                          | (2,192,939)                     |
| Department of Education                                                                                                                                                                                                   | 233,902,908      | 235,438,630    | 219,267,641                         | 16,170,989                      |
| Department of Youth Affairs                                                                                                                                                                                               | 6,370,330        | 6,000,330      | 5,805,675                           | 194,655                         |
| Guam Behavioral Health and Wellness Center                                                                                                                                                                                | 3,109,181        | 2,949,147      | 2,160,574                           | 788,573                         |
| Department of Labor                                                                                                                                                                                                       | 2,020,550        | 1,745,407      | 1,727,945                           | 17,462                          |
| Department of Parks and Recreation                                                                                                                                                                                        | 405,088          | 323,622        | 894,842                             | (571,220)                       |
| Department of Integrated Services for Individuals with Disabilities                                                                                                                                                       | 1,055,593        | 538,215        | 416,833                             | 121,382                         |
| Mayors' Council of Guam                                                                                                                                                                                                   | 908,824          | 1,370,435      | 2,670,847                           | (1,300,412)                     |
| Department of Land Management                                                                                                                                                                                             | 435,049          | 572,858        | 380,464                             | 192,394                         |
| Chief Medical Examiner                                                                                                                                                                                                    | 444,191          | 437,202        | 434,634                             | 2,568                           |
| Department of Chamorro Affairs                                                                                                                                                                                            | 259,038          | 259,038        | 47,599                              | 211,439                         |
| Department of Military Affairs                                                                                                                                                                                            | 909,424          | 153,333        | 152,725                             | 608                             |
| Guam Fire Department                                                                                                                                                                                                      | 32,178,433       | 30,691,795     | 30,379,500                          | 312,295                         |
| Payments to Component Units                                                                                                                                                                                               | 57,598,394       | 75,115,060     | 62,508,261                          | 12,606,799                      |
| GovGuam Retirement Fund appropriations                                                                                                                                                                                    | 3,917,000        | 3,917,000      | 3,917,000                           | -                               |
| Miscellaneous appropriations                                                                                                                                                                                              | 52,038,191       | 51,599,676     | 52,159,979                          | (560,303)                       |
| Interest and other charges                                                                                                                                                                                                | -                | -              | 1,644,304                           | (1,644,304)                     |
| Debt service                                                                                                                                                                                                              | 70,544,262       | 70,544,262     | 70,544,262                          | -                               |
| Total expenditures                                                                                                                                                                                                        | 629,067,985      | 615,095,868    | 586,288,228                         | 28,807,640                      |
| Excess or revenues over expenditures                                                                                                                                                                                      | 97,697,080       | 121,069,197    | 92,681,427                          | (28,387,770)                    |
| Other financing sources (uses):                                                                                                                                                                                           |                  |                |                                     |                                 |
| Transfers in from other funds                                                                                                                                                                                             | 650,000          | 650,000        | 650,000                             | -                               |
| Transfers out to other funds                                                                                                                                                                                              | (93,346,726)     | (98,031,275)   | (102,144,335)                       | (4,113,060)                     |
| Total other financing sources (uses), net                                                                                                                                                                                 | (92,696,726)     | (97,381,275)   | (101,494,335)                       | (4,113,060)                     |
| Encumbrances for supplies and equipment ordered but not<br>received are reported in the year the order is placed for<br>budgetary purposes, but in the year the supplies are received<br>for financial reporting purposes | 9,051,873        | 9,051,873      | 3,706,903                           | (5,344,970)                     |
| Net change in deficit                                                                                                                                                                                                     | \$ 14,052,227    | \$ 32,739,795  | \$ (5,106,005)                      | \$ (37,845,800)                 |

See accompanying notes to required supplementary information - budgetary reporting.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Notes to Required Supplementary Information – Budgetary Reporting September 30, 2018

#### (1) Budgetary Process

As required under law (5 GCA §4103 and §4106), the Governor directs the preparation and administration of the Executive Budget for GovGuam on an annual basis. The Executive Budget represents the Governor's financial proposal with recommended priorities for allocating resources. The budget process is important and necessary for the enactment of a budget and review of government operations. The Budget Process occurs in four (4) phases: formulation, adoption, execution, and audit.

During the *formulation phase*, the economic forecast and the program and financial plans are prepared for the various departments. Economic data and statistics are utilized in developing projected revenues for the upcoming fiscal year. Once revenues have been projected, a budget call is distributed to all the line agencies. This process starts when the Bureau of Budget and Management Research (BBMR) issues guidelines to each line agency in the preparation and development of their respective budgets. The formulation phase culminates in the transmittal of the Program and Financial Plan (Executive Budget) with the Governor's Budget Message to the Legislature for its consideration.

The *adoption phase* is the process in which the Legislature considers the Governor's proposal and passes the overall revenue and spending plan under a General Appropriations Bill. The Bill usually receives more detailed hearings within the auspices of the applicable legislative committees. Usually, a series of hearings will be called during which department heads and staff members give an overview of the Governor's proposed budget and are expected to provide explanations when their department's/agency's appropriations are considered. Finally, the Legislature may pass a General Appropriations Bill. The Bill is then transmitted to the Governor for approval. Other bills to include amendments during the fiscal year may be introduced for enactment into law.

The *execution phase* involves the release of funds appropriated per the General Appropriations Act. Each department prepares allotment of appropriations and may request revisions, legislative or administrative transfers, or supplemental appropriations. BBMR must approve such revisions to allotments. The Bureau also monitors and assists agencies in carrying out the approved budget in line with the established policies of the Governor.

The *audit phase* involves the evaluation of departments/agencies to identify areas in need of improving compliance procedures with applicable laws and regulations. During the audit phase, financial transactions, accounts and reports are assessed and analyzed to improve accountability, effectiveness, and efficiency in the achievement of goals and objectives. This phase is also to assure economic use of resources to enhance achievement of public services.

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.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Notes to Required Supplementary Information – Budgetary Reporting September 30, 2018

(1) Budgetary Process, Continued

The Budget Act for fiscal year 2018, Public Law No. 34-42, was approved for the Executive branch and the Legislative branch. Budgets for Special Revenue Funds and Capital Projects Funds are generally not submitted. Accordingly, a budget to actual presentation for Special Revenue Funds and Capital Projects Funds is not required or presented. The accompanying Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund presents solely the financial activities of the General Fund administered by the Department of Administration, and does not include the financial activities of the General Fund administered by the Guam Department of Education or the impact of implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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.

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.

(2) Reconciliation of Budgetary Schedule

|                                                                            |                        |
|----------------------------------------------------------------------------|------------------------|
| Net change in deficit - budgetary basis                                    | \$ (5,106,005)         |
| Net change in deficit of GASB 54 Funds<br>included within the General Fund | <u>(5,340,226)</u>     |
| Net change in deficit - General Fund                                       | \$ <u>(10,446,231)</u> |

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Schedules of Required Supplementary Information

#### Schedule of Proportionate Share of the Net Pension Liability - Defined Benefits Plan Last Ten Fiscal Years \* (Unaudited)

|                                                                                                            | 2018           | 2017           | 2016           | 2015           | 2014           |
|------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| GovGuam's proportion of the Net Pension Liability                                                          | 66.37%         | 66.76%         | 67.12%         | 67.89%         | 65.67%         |
| GovGuam's proportionate share of the Net Pension Liability                                                 | \$ 758,224,443 | \$ 913,724,199 | \$ 964,364,934 | \$ 846,150,680 | \$ 855,888,933 |
| GovGuam's covered-employee payroll                                                                         | \$ 329,528,580 | \$ 336,105,940 | \$ 344,400,292 | \$ 345,454,482 | \$ 341,308,988 |
| GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll | 230.09%        | 271.86%        | 280.01%        | 244.94%        | 250.77%        |
| Plan fiduciary net position as a percentage of total Net Pension Liability                                 | 60.63%         | 54.62%         | 52.32%         | 56.60%         | 53.94%         |

\* Information for 2009 - 2013 is unavailable

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Schedules of Required Supplementary Information

#### Schedule of Proportionate Share of the Net Pension Liability - Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees Last Ten Fiscal Years \* (Unaudited)

|                                                                                                            | 2018           | 2017           | 2016           | 2015           |
|------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| GovGuam's proportion of the Net Pension Liability                                                          | 71.23%         | 71.03%         | 71.28%         | 71.81%         |
| GovGuam's proportionate share of the Net Pension Liability                                                 | \$ 205,215,544 | \$ 163,009,076 | \$ 168,069,808 | \$ 172,874,691 |
| GovGuam's covered-employee payroll                                                                         | \$ 362,062,434 | \$ 359,650,844 | \$ 364,484,080 | \$ 362,608,539 |
| GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll | 56.68%         | 45.32%         | 46.11%         | 47.68%         |

\* Information for 2009 - 2014 is unavailable

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Schedules of Required Supplementary Information

#### Schedule of Proportionate Share of the Net Pension Liability - Ad Hoc COLA Plan for DCRS Retirees Last Ten Fiscal Years \* (Unaudited)

|                                                                                                            | 2018           | 2017           | 2016           | 2015           |
|------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| GovGuam's proportion of the Net Pension Liability                                                          | 66.82%         | 66.58%         | 66.29%         | 62.23%         |
| GovGuam's proportionate share of the Net Pension Liability                                                 | \$ 41,731,494  | \$ 41,070,407  | \$ 34,546,678  | \$ 30,578,387  |
| GovGuam's covered-employee payroll                                                                         | \$ 251,768,389 | \$ 243,054,545 | \$ 235,917,447 | \$ 218,564,816 |
| GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll | 16.58%         | 16.90%         | 14.64%         | 13.99%         |

\* Information for 2009 - 2014 is unavailable

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Schedules of Required Supplementary Information

#### Schedule of Pension, DB Ad Hoc COLA/Supplemental Annuity and DCRS Ad Hoc COLA Contributions Last Ten Fiscal Years \* (Unaudited)

|                                                                      | 2018            | 2017               | 2016              | 2015              | 2014            |
|----------------------------------------------------------------------|-----------------|--------------------|-------------------|-------------------|-----------------|
| Statutorily required contribution                                    | \$ 100,226,211  | \$ 97,809,895      | \$ 102,697,891    | \$ 109,508,621    | \$ 91,359,170   |
| Contributions in relation to the contractually required contribution | 100,224,246     | 97,837,069         | 102,702,810       | 109,515,515       | 91,355,613      |
| Contribution deficiency (excess)                                     | <u>\$ 1,965</u> | <u>\$ (27,174)</u> | <u>\$ (4,919)</u> | <u>\$ (6,894)</u> | <u>\$ 3,557</u> |
| GovGuam's covered-employee payroll                                   | \$ 329,528,580  | \$ 336,105,940     | \$ 344,400,292    | \$ 345,454,482    | \$ 341,308,988  |
| Contributions as a percentage of covered-employee payroll            | 30.41%          | 29.11%             | 29.82%            | 31.70%            | 26.77%          |

\* Information for 2009 - 2013 is unavailable

\* Information for Ad Hoc COLA/Supplemental Annuities and Ad Hoc COLA contributions were not available for 2014.

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

### Schedule of Changes in Total OPEB Liability and Related Ratios Last Ten Fiscal Years\* (Unaudited)

|                                                              | 2018                    | 2017                    | 2016                    |
|--------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Service cost                                                 | \$ 75,604,392           | \$ 60,755,660           | Not Available           |
| Interest                                                     | 54,820,281              | 55,807,121              | Not Available           |
| Change in benefit terms                                      | -                       | -                       | Not Available           |
| Differences between expected and actual experience           | -                       | -                       | Not Available           |
| Change of assumptions                                        | (163,423,981)           | 185,450,394             | Not Available           |
| Benefit payments                                             | <u>(28,412,827)</u>     | <u>(28,412,827)</u>     | Not Available           |
| Net change in total OPEB liability                           | (61,412,135)            | 273,600,348             |                         |
| Total OPEB liability - beginning                             | <u>1,731,286,159</u>    | <u>1,457,685,811</u>    | Not Available           |
| Total OPEB liability - ending                                | <u>\$ 1,669,874,024</u> | <u>\$ 1,731,286,159</u> | <u>\$ 1,457,685,811</u> |
| Covered payroll as of valuation date                         | \$ 309,713,634          | \$ 309,713,634          | Not Available           |
| Total OPEB liability as a percentage of covered payroll      | 539.17%                 | 559.00%                 | Not Available           |
| Notes to schedule:                                           |                         |                         |                         |
| Discount rate                                                | 3.63%                   | 3.058%                  | 3.71%                   |
| Changes of benefit terms:                                    |                         |                         |                         |
| None.                                                        |                         |                         |                         |
| Changes of assumptions:                                      |                         |                         |                         |
| Discount rate has changed from respective measurement dates. |                         |                         |                         |

\* Information for 2009 - 2015 is not available

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

### Schedule of the Proportionate Share of the Total OPEB Liability Last Ten Fiscal Years \* (Unaudited)

|                                                                                                              | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      |
|--------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| GovGuam's proportion of the total OPEB Liability                                                             | 68.47%           | 68.35%           | 68.31%           |
| GovGuam's proportionate share of the total OPEB Liability                                                    | \$ 1,669,874,024 | \$ 1,731,286,159 | \$ 1,457,685,811 |
| GovGuam's covered-employee payroll                                                                           | \$ 309,713,634   | \$ 309,713,634   | Not Available    |
| GovGuam's proportionate share of the total OPEB Liability<br>as a percentage of its covered-employee payroll | 539.17%          | 559.00%          | Not Available    |
| Plan fiduciary net position as a percentage of<br>total OPEB Liability                                       | 0.00%            | 0.00%            | 0.00%            |

\* Information for 2009 - 2015 is not available

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

### Schedule of OPEB Contributions Last Ten Fiscal Years\* (Unaudited)

|                                                                         | <u>2018</u>           | <u>2017</u>           |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Actuarially determined contribution                                     | \$ 166,905,346        | \$ 144,374,924        |
| Contributions in relation to the actuarially<br>determined contribution | <u>28,412,827</u>     | <u>28,412,827</u>     |
| Contribution deficiency                                                 | <u>\$ 138,492,519</u> | <u>\$ 115,962,097</u> |
| Covered payroll as of valuation date                                    | \$ 309,713,634        | \$ 309,713,634        |
| Contributions as a percentage of covered payroll                        | 9.17%                 | 9.17%                 |

\* Information for 2009 - 2016 is not available

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

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**OTHER SUPPLEMENTARY  
INFORMATION**

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**YEAR ENDED SEPTEMBER 30, 2018**



## GOVERNMENT OF GUAM

General Fund  
September 30, 2018

The General Fund is the most significant of GovGuam's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund. The General Fund is divided into several accounts. A brief discussion of the accounts that comprise GovGuam's General Fund as of September 30, 2018, follows.

Department of Administration – the Department of Administration is responsible for maintaining the financial data of all line agencies of GovGuam with the exception of the Department of Education.

Guam Department of Education - the Guam Department of Education (GDOE), formerly known as the Guam Public School System, is a line agency of GovGuam. This fund is maintained separately by the Department of Education.

Department of Education Operations Fund - this fund was created by Public Law 28-68 to account for local appropriations to cover the operational expenses of the Guam Department of Education and any use associated with the Guam Department of Education, as determined in the Department of Education budget in accordance with 10 GCA Chapter 3, by the Guam Education Policy Board or the laws of Guam. This fund is maintained within the Department of Administration.

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.

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 (DRT) for the purpose of improving and modernizing systems used to provide DRT services, including on-line filing of taxes, renewal of licenses and permits, upgrades of computer hardware/software to improve record retrieval by members of the public, and the training of DRT staff in technical skills and customer service.

DMHSA Receiver Fund - This fund accounts for all activities of the Federal Management Team associated with the Permanent Injunction requiring GovGuam to provide treatment and develop programs to mentally ill patients residing on Guam.

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.

DPHSS Sanitary Inspection Revolving Fund - This fund was created by the Department of Public Health and Social Services to account for the overall cost of conducting sanitary inspections of temporary workforce housing and other required inspections.

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.

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.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

General Fund, Continued  
September 30, 2018

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.

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.

Guam Memorial Hospital Authority Medicaid Matching Fund - This fund was created by Public Law 32-68 for the purpose of payment of bills for services incurred by qualified Medicaid recipients provided at Guam Memorial Hospital.

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 / *Liheslaturan Guahan* to fund all pharmaceutical, drug and medicine requirements for Guam Memorial Hospital.

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.

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.

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.

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.

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.

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 Alternate Public Defender (APD) Fund - This fund was created to account for the operations of the APD within the Public Defender Service Corporation (PDSC) to provide legal services on court appointed matters of conflict cases by the PDSC.

Public Defender Service Corporation Operations 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.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **General Fund, Continued September 30, 2018**

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

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.

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.

Supplemental Appropriations Revenue Fund - This fund was created by Public Law 31-74 to ensure that various GovGuam agencies "deemed vital" would be funded, despite limited resources available.

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.

Water System Revenue Bond Fund - This fund is used to account for an assignment of Section 30 funds required by: (i) the Limited Obligation (Section 30) Bond Series A 2001 bond indenture to redeem bond principal and to pay bond interest as such becomes due; and (ii) a \$10,000,000 promissory bank note.

Limited Obligation Bond Series A 2016 Fund - This fund is used to account for funds required by the Limited Obligation Bond Series A 2016 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**  
Combining Schedule of Balance Sheet Accounts  
General Fund  
September 30, 2018

| AS/400 Fund Number                            | 100                             | 618                                | 309                                      | 628                                    | 255/643                     | 214               | 106                         | 638                | 104                                          | 299                      | 229                                  |                               |
|-----------------------------------------------|---------------------------------|------------------------------------|------------------------------------------|----------------------------------------|-----------------------------|-------------------|-----------------------------|--------------------|----------------------------------------------|--------------------------|--------------------------------------|-------------------------------|
|                                               | Department of<br>Administration | Guam<br>Department<br>of Education | Department<br>of Education<br>Operations | Agana<br>Fractional<br>Lots<br>Program | Better<br>Public<br>Service | DMHSA<br>Receiver | DOC<br>Inmates<br>Revolving | D.O.D.<br>Contract | DPHSS<br>Sanitary<br>Inspection<br>Revolving | Exxon Fuel<br>Overcharge | Financial<br>Management<br>Revolving | General<br>Services<br>Agency |
| <b>ASSETS</b>                                 |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Cash and cash equivalents                     | \$ 14,078,680                   | \$ 13,709,364                      | \$ -                                     | \$ -                                   | \$ -                        | \$ -              | \$ -                        | \$ 1,889           | \$ 529,635                                   | \$ 105,764               | \$ -                                 | \$ -                          |
| Investments                                   | 209,702                         | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Receivables, net:                             |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Taxes                                         | 55,147,775                      | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Federal agencies                              | 2,133,654                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Other                                         | 596,168                         | -                                  | -                                        | 90,169                                 | -                           | -                 | -                           | -                  | -                                            | 28,738                   | 19,661                               | -                             |
| Due from other funds                          | 61,217,963                      | 1,144,158                          | 5,028                                    | -                                      | -                           | -                 | 59,481                      | 46                 | -                                            | -                        | 125,545                              | 51,106                        |
| Due from private purpose trust funds          | -                               | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Inventories                                   | -                               | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Prepayments                                   | 4,572,692                       | 386,714                            | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Deposits and other assets                     | 1,000,000                       | 5,761,403                          | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Restricted assets:                            |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Cash and cash equivalents                     | 68,426,491                      | 732,475                            | -                                        | -                                      | -                           | 461,785           | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Total assets                                  | <b>\$ 207,383,125</b>           | <b>\$ 21,734,114</b>               | <b>\$ 5,028</b>                          | <b>\$ 90,169</b>                       | <b>\$ -</b>                 | <b>\$ 461,785</b> | <b>\$ 59,481</b>            | <b>\$ 1,935</b>    | <b>\$ 529,635</b>                            | <b>\$ 134,502</b>        | <b>\$ 145,206</b>                    | <b>\$ 51,106</b>              |
| <b>LIABILITIES AND FUND BALANCE (DEFICIT)</b> |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Accounts payable                              | \$ 59,179,320                   | \$ 8,833,815                       | \$ -                                     | \$ -                                   | \$ -                        | \$ 525,279        | \$ -                        | \$ -               | \$ -                                         | \$ 1,679                 | \$ -                                 | \$ -                          |
| Accrued payroll and other                     | 5,103,686                       | 7,266,530                          | -                                        | -                                      | -                           | -                 | -                           | -                  | 1,995                                        | -                        | -                                    | -                             |
| Due to component units                        | 13,881,863                      | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Due to other funds                            | 31,589,627                      | -                                  | -                                        | -                                      | 241,436                     | -                 | -                           | -                  | 27,338                                       | 122,063                  | -                                    | -                             |
| Unearned revenue                              | 77,046,768                      | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Provision for tax refunds                     | 118,207,777                     | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| COLA liability                                | 4,531,673                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Deposits and other liabilities                | 11,280,522                      | 3,401,717                          | -                                        | -                                      | -                           | -                 | -                           | 748                | -                                            | -                        | -                                    | -                             |
| Total liabilities                             | <b>320,821,236</b>              | <b>19,502,062</b>                  | <b>-</b>                                 | <b>-</b>                               | <b>241,436</b>              | <b>525,279</b>    | <b>-</b>                    | <b>748</b>         | <b>29,333</b>                                | <b>123,742</b>           | <b>-</b>                             | <b>-</b>                      |
| Fund balance (deficit):                       |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Non-spendable                                 | 1,000,000                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Restricted                                    | 62,632,489                      | 6,493,878                          | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Committed                                     | -                               | 100,000                            | 5,028                                    | 90,169                                 | -                           | -                 | 59,481                      | 1,187              | 500,302                                      | 10,760                   | 145,206                              | 51,106                        |
| Unassigned                                    | (177,070,600)                   | (4,361,826)                        | -                                        | -                                      | (241,436)                   | (63,494)          | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Total fund balance (deficit)                  | <b>(113,438,111)</b>            | <b>2,232,052</b>                   | <b>5,028</b>                             | <b>90,169</b>                          | <b>(241,436)</b>            | <b>(63,494)</b>   | <b>59,481</b>               | <b>1,187</b>       | <b>500,302</b>                               | <b>10,760</b>            | <b>145,206</b>                       | <b>51,106</b>                 |
| Total liabilities and fund balance (deficit)  | <b>\$ 207,383,125</b>           | <b>\$ 21,734,114</b>               | <b>\$ 5,028</b>                          | <b>\$ 90,169</b>                       | <b>\$ -</b>                 | <b>\$ 461,785</b> | <b>\$ 59,481</b>            | <b>\$ 1,935</b>    | <b>\$ 529,635</b>                            | <b>\$ 134,502</b>        | <b>\$ 145,206</b>                    | <b>\$ 51,106</b>              |

(continued)

**GOVERNMENT OF GUAM**  
Combining Schedule of Balance Sheet Accounts  
General Fund  
September 30, 2018

| AS/400 Fund Number                            | 404                           | 239                  | 659                                                   | 617                                                          | 616                                                         | 201                  | 298                                         | 303                             | 321                                 |                           | 293                                                      | 329                     |                                       |
|-----------------------------------------------|-------------------------------|----------------------|-------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------|----------------------|---------------------------------------------|---------------------------------|-------------------------------------|---------------------------|----------------------------------------------------------|-------------------------|---------------------------------------|
|                                               | GSA<br>Inventory<br>Revolving | Government<br>Claims | Guam<br>Memorial<br>Hospital<br>Authority<br>Medicaid | Guam<br>Memorial<br>Hospital<br>Authority<br>Pharmaceuticals | Guam<br>Telephone<br>Authority<br>Privatization<br>Proceeds | Housing<br>Revolving | Human<br>Resources<br>Services<br>Revolving | Income Tax<br>Refund<br>Reserve | Income Tax<br>Efficiency<br>Payment | Legislature<br>Operations | Medically<br>Indigent<br>Program<br>Payment<br>Revolving | Off-Island<br>Treatment | Office of<br>Public<br>Accountability |
| <b>ASSETS</b>                                 |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Cash and cash equivalents                     | \$ -                          | \$ -                 | \$ -                                                  | \$ -                                                         | \$ -                                                        | \$ -                 | \$ -                                        | \$ -                            | \$ 512                              | \$ 992,389                | \$ -                                                     | \$ -                    | \$ 401,724                            |
| Investments                                   | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Receivables, net:                             |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Taxes                                         | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Federal agencies                              | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Other                                         | -                             | -                    | -                                                     | -                                                            | 595,887                                                     | 301,979              | -                                           | -                               | -                                   | 260                       | -                                                        | -                       | 837                                   |
| Due from other funds                          | -                             | -                    | -                                                     | 16                                                           | 203,899                                                     | 1,870                | 94,900                                      | 5,711,247                       | 280,424                             | -                         | 2,535,959                                                | -                       | -                                     |
| Due from private purpose trust funds          | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Inventories                                   | 4,868,578                     | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Prepayments                                   | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Deposits and other assets                     | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 1,056,946                 | -                                                        | -                       | -                                     |
| Restricted assets:                            |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Cash and cash equivalents                     | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Total assets                                  | <u>\$ 4,868,578</u>           | <u>\$ -</u>          | <u>\$ -</u>                                           | <u>\$ 16</u>                                                 | <u>\$ 799,786</u>                                           | <u>\$ 303,849</u>    | <u>\$ 94,900</u>                            | <u>\$ 5,711,247</u>             | <u>\$ 280,936</u>                   | <u>\$ 2,049,595</u>       | <u>\$ 2,535,959</u>                                      | <u>\$ -</u>             | <u>\$ 402,561</u>                     |
| <b>LIABILITIES AND FUND BALANCE (DEFICIT)</b> |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Accounts payable                              | \$ -                          | \$ -                 | \$ -                                                  | \$ -                                                         | \$ -                                                        | \$ -                 | \$ -                                        | \$ -                            | \$ -                                | \$ 38,611                 | \$ 2,517,689                                             | \$ -                    | \$ 1,389                              |
| Accrued payroll and other                     | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 91,301                    | -                                                        | -                       | -                                     |
| Due to component units                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Due to other funds                            | 2,423,616                     | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 293,758                   | -                                                        | -                       | -                                     |
| Unearned revenue                              | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Provision for tax refunds                     | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | 5,192,264                       | -                                   | -                         | -                                                        | -                       | -                                     |
| COLA liability                                | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Deposits and other liabilities                | -                             | -                    | -                                                     | -                                                            | -                                                           | 8,894                | -                                           | -                               | -                                   | 726,084                   | -                                                        | 13,213                  | 132,222                               |
| Total liabilities                             | <u>2,423,616</u>              | <u>-</u>             | <u>-</u>                                              | <u>-</u>                                                     | <u>-</u>                                                    | <u>8,894</u>         | <u>-</u>                                    | <u>5,192,264</u>                | <u>-</u>                            | <u>1,149,754</u>          | <u>2,517,689</u>                                         | <u>13,213</u>           | <u>133,611</u>                        |
| Fund balance (deficit):                       |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Non-spendable                                 | 2,444,962                     | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Restricted                                    | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Committed                                     | -                             | -                    | -                                                     | 16                                                           | 799,786                                                     | 294,955              | 94,900                                      | 518,983                         | 280,936                             | 899,841                   | 18,270                                                   | -                       | 268,950                               |
| Unassigned                                    | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | (13,213)                | -                                     |
| Total fund balance (deficit)                  | <u>2,444,962</u>              | <u>-</u>             | <u>-</u>                                              | <u>16</u>                                                    | <u>799,786</u>                                              | <u>294,955</u>       | <u>94,900</u>                               | <u>518,983</u>                  | <u>280,936</u>                      | <u>899,841</u>            | <u>18,270</u>                                            | <u>(13,213)</u>         | <u>268,950</u>                        |
| Total liabilities and fund balance (deficit)  | <u>\$ 4,868,578</u>           | <u>\$ -</u>          | <u>\$ -</u>                                           | <u>\$ 16</u>                                                 | <u>\$ 799,786</u>                                           | <u>\$ 303,849</u>    | <u>\$ 94,900</u>                            | <u>\$ 5,711,247</u>             | <u>\$ 280,936</u>                   | <u>\$ 2,049,595</u>       | <u>\$ 2,535,959</u>                                      | <u>\$ -</u>             | <u>\$ 402,561</u>                     |

(continued)

**GOVERNMENT OF GUAM**  
Combining Schedule of Balance Sheet Accounts  
General Fund  
September 30, 2018

| AS/400 Fund Number                            |                                                       |                                                              | 314                                        | 103                        | 607                                 | 645                                       |                              |                                              | 355                                                    | 363               |                        |                |
|-----------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|----------------------------|-------------------------------------|-------------------------------------------|------------------------------|----------------------------------------------|--------------------------------------------------------|-------------------|------------------------|----------------|
|                                               | Public<br>Defender<br>Service<br>Corporation<br>(APD) | Public<br>Defender<br>Service<br>Corporation<br>(Operations) | State<br>Agency for<br>Surplus<br>Property | StripperWell<br>Overcharge | Supplemental<br>Annuity<br>Benefits | Supplemental<br>Appropriations<br>Revenue | Unified<br>Courts<br>of Guam | Water System<br>Revenue Bond<br>Debt Service | Limited<br>Obligation<br>Series A 2016<br>Debt Service | Combined<br>Total | Eliminating<br>Entries | Total          |
| <b>ASSETS</b>                                 |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                |
| Cash and cash equivalents                     | \$ 340,445                                            | \$ 760,498                                                   | \$ 102,001                                 | \$ 15,194                  | \$ -                                | \$ 244                                    | \$ 2,211,715                 | \$ 22,822,024                                | \$ -                                                   | \$ 56,072,078     | \$ -                   | \$ 56,072,078  |
| Investments                                   | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 209,702           | -                      | 209,702        |
| Receivables, net:                             |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                |
| Taxes                                         | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 55,147,775        | -                      | 55,147,775     |
| Federal agencies                              | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 1,031,539                    | -                                            | -                                                      | 3,165,193         | -                      | 3,165,193      |
| Other                                         | 2,612                                                 | 299,768                                                      | 19,515                                     | -                          | -                                   | -                                         | 39,839                       | -                                            | -                                                      | 1,995,433         | (858,306)              | 1,137,127      |
| Due from other funds                          | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 2,238,709                    | -                                            | -                                                      | 73,670,351        | (37,592,017)           | 36,078,334     |
| Due from private purpose trust funds          | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 2,109,846                    | -                                            | -                                                      | 2,109,846         | -                      | 2,109,846      |
| Inventories                                   | -                                                     | -                                                            | 165,412                                    | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 5,033,990         | -                      | 5,033,990      |
| Prepayments                                   | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 4,959,406         | -                      | 4,959,406      |
| Deposits and other assets                     | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 113,645                      | -                                            | -                                                      | 7,931,994         | -                      | 7,931,994      |
| Restricted assets:                            |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                |
| Cash and cash equivalents                     | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | 16,969,903                                             | 86,590,654        | -                      | 86,590,654     |
| Total assets                                  | \$ 343,057                                            | \$ 1,060,266                                                 | \$ 286,928                                 | \$ 15,194                  | \$ -                                | \$ 244                                    | \$ 7,745,293                 | \$ 22,822,024                                | \$ 16,969,903                                          | \$ 296,886,422    | \$ (38,450,323)        | \$ 258,436,099 |
| <b>LIABILITIES AND FUND BALANCE (DEFICIT)</b> |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                |
| Accounts payable                              | \$ 5,572                                              | \$ 10,314                                                    | \$ -                                       | \$ 188                     | \$ -                                | \$ -                                      | \$ 964,251                   | \$ 2,000                                     | \$ -                                                   | \$ 72,080,107     | \$ -                   | \$ 72,080,107  |
| Accrued payroll and other                     | -                                                     | 50,728                                                       | -                                          | -                          | -                                   | -                                         | 868,318                      | -                                            | -                                                      | 13,382,558        | -                      | 13,382,558     |
| Due to component units                        | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 13,881,863        | -                      | 13,881,863     |
| Due to other funds                            | -                                                     | -                                                            | 55,544                                     | -                          | -                                   | -                                         | -                            | 25,652,499                                   | -                                                      | 60,405,881        | (37,592,017)           | 22,813,864     |
| Unearned revenue                              | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 77,046,768        | -                      | 77,046,768     |
| Provision for tax refunds                     | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 123,400,041       | -                      | 123,400,041    |
| COLA liability                                | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 4,531,673         | -                      | 4,531,673      |
| Deposits and other liabilities                | -                                                     | 15,501                                                       | -                                          | -                          | -                                   | 14,012                                    | 13,481                       | -                                            | -                                                      | 15,606,394        | (858,306)              | 14,748,088     |
| Total liabilities                             | 5,572                                                 | 76,543                                                       | 55,544                                     | 188                        | -                                   | 14,012                                    | 1,846,050                    | 25,654,499                                   | -                                                      | 380,335,285       | (38,450,323)           | 341,884,962    |
| Fund balance (deficit):                       |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                |
| Non-spendable                                 | -                                                     | -                                                            | 165,412                                    | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 3,610,374         | -                      | 3,610,374      |
| Restricted                                    | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | 16,969,903                                             | 86,096,270        | -                      | 86,096,270     |
| Committed                                     | 337,485                                               | 983,723                                                      | 65,972                                     | 15,006                     | -                                   | -                                         | 5,899,243                    | -                                            | -                                                      | 11,441,305        | -                      | 11,441,305     |
| Unassigned                                    | -                                                     | -                                                            | -                                          | -                          | -                                   | (13,768)                                  | -                            | (2,832,475)                                  | -                                                      | (184,596,812)     | -                      | (184,596,812)  |
| Total fund balance (deficit)                  | 337,485                                               | 983,723                                                      | 231,384                                    | 15,006                     | -                                   | (13,768)                                  | 5,899,243                    | (2,832,475)                                  | 16,969,903                                             | (83,448,863)      | -                      | (83,448,863)   |
| Total liabilities and fund balance (deficit)  | \$ 343,057                                            | \$ 1,060,266                                                 | \$ 286,928                                 | \$ 15,194                  | \$ -                                | \$ 244                                    | \$ 7,745,293                 | \$ 22,822,024                                | \$ 16,969,903                                          | \$ 296,886,422    | \$ (38,450,323)        | \$ 258,436,099 |

**GOVERNMENT OF GUAM**  
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts  
General Fund  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 100                          | 618                          | 309                                | 628                           | 255/643               | 214            | 106                   | 638             | 104                                 | 299                   | 229                            |                         |
|-----------------------------------------------------------|------------------------------|------------------------------|------------------------------------|-------------------------------|-----------------------|----------------|-----------------------|-----------------|-------------------------------------|-----------------------|--------------------------------|-------------------------|
|                                                           | Department of Administration | Guam Department of Education | Department of Education Operations | Agana Fractional Lots Program | Better Public Service | DMHSA Receiver | DOC Inmates Revolving | D.O.D. Contract | DPHSS Sanitary Inspection Revolving | Exxon Fuel Overcharge | Financial Management Revolving | General Services Agency |
| Revenues:                                                 |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| Taxes:                                                    |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| Income                                                    | \$ 318,123,595               | \$ -                         | \$ -                               | \$ -                          | \$ -                  | \$ -           | \$ -                  | \$ -            | \$ -                                | \$ -                  | \$ -                           | \$ -                    |
| Gross receipts                                            | 269,684,874                  | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Excise                                                    | 2,728,034                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Section 30 Federal income tax collections                 | 77,795,541                   | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Intergovernmental                                         | -                            | 1,475,370                    | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Licenses and permits                                      | -                            | -                            | -                                  | -                             | 12,070                | -              | -                     | -               | 17,419                              | -                     | 130,504                        | 2,058                   |
| Charges for services                                      | 1,746,790                    | 1,680,765                    | -                                  | -                             | -                     | -              | 1,035,566             | -               | -                                   | -                     | -                              | -                       |
| Fines and forfeits                                        | -                            | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Interest and investment earnings                          | -                            | -                            | 4                                  | -                             | -                     | -              | -                     | 2               | 68                                  | 1,346                 | -                              | -                       |
| Indirect cost reimbursement                               | 4,043                        | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Contributions from component units                        | 2,035,787                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Other                                                     | 6,850,991                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Total revenues                                            | 678,969,655                  | 3,156,135                    | 4                                  | -                             | 12,070                | -              | 1,035,566             | 2               | 17,487                              | 1,346                 | 130,504                        | 2,058                   |
| Expenditures by Function:                                 |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| Current:                                                  |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| General government                                        | 34,426,969                   | -                            | -                                  | -                             | 1,800,871             | -              | -                     | -               | -                                   | 750                   | 75,429                         | 1,184                   |
| Protection of life and property                           | 102,680,250                  | -                            | -                                  | -                             | -                     | -              | 2,069,491             | -               | -                                   | -                     | -                              | -                       |
| Public health                                             | 7,637,135                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | 121,841                             | -                     | -                              | -                       |
| Community services                                        | 17,306,268                   | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Recreation                                                | 892,879                      | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Individual and collective rights                          | 6,419,590                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Public education                                          | -                            | 222,916,071                  | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Environmental protection                                  | 4,601                        | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | 57,490                | -                              | -                       |
| Economic development                                      | 3,946,208                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Payments to:                                              |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| GovGuam Retirement Fund                                   | 3,917,000                    | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Guam Community College                                    | 19,359,937                   | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Guam Memorial Hospital Authority                          | 12,399,548                   | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| University of Guam                                        | 30,748,776                   | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Miscellaneous appropriations                              | 53,041,620                   | -                            | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Debt service:                                             |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| Principal retirement                                      | 20,800,000                   | 4,039,147                    | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Interest and fiscal charges                               | 49,744,262                   | 15,576,338                   | -                                  | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Total expenditures                                        | 363,325,043                  | 242,531,556                  | -                                  | -                             | 1,800,871             | -              | 2,069,491             | -               | 121,841                             | 58,240                | 75,429                         | 1,184                   |
| Excess (deficiency) of revenues over (under) expenditures | 315,644,612                  | (239,375,421)                | 4                                  | -                             | (1,788,801)           | -              | (1,033,925)           | 2               | (104,354)                           | (56,894)              | 55,075                         | 874                     |
| Other financing sources (uses):                           |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                |                         |
| Transfers in from other funds                             | 650,000                      | 237,386,673                  | 206,704,977                        | -                             | 1,547,365             | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Transfers out to other funds                              | (321,400,617)                | (650,000)                    | (206,704,977)                      | -                             | -                     | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Total other financing sources (uses), net                 | (320,750,617)                | 236,736,673                  | -                                  | -                             | 1,547,365             | -              | -                     | -               | -                                   | -                     | -                              | -                       |
| Net change in fund balances (deficit)                     | (5,106,005)                  | (2,638,748)                  | 4                                  | -                             | (241,436)             | -              | (1,033,925)           | 2               | (104,354)                           | (56,894)              | 55,075                         | 874                     |
| Fund balances (deficit) at beginning of year              | (108,332,106)                | 4,870,800                    | 5,024                              | 90,169                        | -                     | (63,494)       | 1,093,406             | 1,185           | 604,656                             | 67,654                | 90,131                         | 50,232                  |
| Fund balances (deficit) at end of year                    | \$ (113,438,111)             | \$ 2,232,052                 | \$ 5,028                           | \$ 90,169                     | \$ (241,436)          | \$ (63,494)    | \$ 59,481             | \$ 1,187        | \$ 500,302                          | \$ 10,760             | \$ 145,206                     | \$ 51,106               |
|                                                           |                              |                              |                                    |                               |                       |                |                       |                 |                                     |                       |                                | (continued)             |

(continued)

**GOVERNMENT OF GUAM**  
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts  
General Fund  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 404                           | 239                  | 659                                                   | 617                                                          | 616                                                         | 201                  | 298                                         | 303                             | 321                                 |                           | 293                                                      | 329                     |                                       |
|-----------------------------------------------------------|-------------------------------|----------------------|-------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------|----------------------|---------------------------------------------|---------------------------------|-------------------------------------|---------------------------|----------------------------------------------------------|-------------------------|---------------------------------------|
|                                                           | GSA<br>Inventory<br>Revolving | Government<br>Claims | Guam<br>Memorial<br>Hospital<br>Authority<br>Medicaid | Guam<br>Memorial<br>Hospital<br>Authority<br>Pharmaceuticals | Guam<br>Telephone<br>Authority<br>Privatization<br>Proceeds | Housing<br>Revolving | Human<br>Resources<br>Services<br>Revolving | Income Tax<br>Refund<br>Reserve | Income Tax<br>Efficiency<br>Payment | Legislature<br>Operations | Medically<br>Indigent<br>Program<br>Payment<br>Revolving | Off-Island<br>Treatment | Office of<br>Public<br>Accountability |
| Revenues:                                                 |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Taxes:                                                    |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Income                                                    | \$ -                          | \$ -                 | \$ -                                                  | \$ -                                                         | \$ -                                                        | \$ -                 | \$ -                                        | \$ -                            | \$ -                                | \$ -                      | \$ -                                                     | \$ -                    | \$ -                                  |
| Gross receipts                                            | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Excise                                                    | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Section 30 Federal income tax collections                 | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Intergovernmental                                         | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | 69,286                                |
| Licenses and permits                                      | 246,725                       | -                    | -                                                     | -                                                            | -                                                           | -                    | 55,673                                      | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Charges for services                                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Fines and forfeits                                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Interest and investment earnings                          | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | 114                                 | 1,547                     | -                                                        | -                       | 3,515                                 |
| Indirect cost reimbursement                               | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Contributions from component units                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Other                                                     | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 50                        | -                                                        | -                       | 8,747                                 |
| Total revenues                                            | <u>246,725</u>                | <u>-</u>             | <u>-</u>                                              | <u>-</u>                                                     | <u>-</u>                                                    | <u>-</u>             | <u>55,673</u>                               | <u>-</u>                        | <u>114</u>                          | <u>1,597</u>              | <u>-</u>                                                 | <u>-</u>                | <u>81,548</u>                         |
| Expenditures by Function:                                 |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Current:                                                  |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| General government                                        | -                             | 216,068              | -                                                     | -                                                            | -                                                           | -                    | 67,973                                      | -                               | -                                   | 7,842,162                 | -                                                        | 1,478,655               | 1,661,735                             |
| Protection of life and property                           | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Public health                                             | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Community services                                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | 9,130,545                                                | -                       | -                                     |
| Recreation                                                | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Individual and collective rights                          | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Public education                                          | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Environmental protection                                  | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Economic development                                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Payments to:                                              |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| GovGuam Retirement Fund                                   | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Guam Community College                                    | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Guam Memorial Hospital Authority                          | -                             | -                    | -                                                     | 5,175,667                                                    | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| University of Guam                                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Miscellaneous appropriations                              | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Debt service:                                             |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Principal retirement                                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Interest and fiscal charges                               | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Total expenditures                                        | <u>-</u>                      | <u>216,068</u>       | <u>-</u>                                              | <u>5,175,667</u>                                             | <u>-</u>                                                    | <u>-</u>             | <u>67,973</u>                               | <u>-</u>                        | <u>-</u>                            | <u>7,842,162</u>          | <u>9,130,545</u>                                         | <u>1,478,655</u>        | <u>1,661,735</u>                      |
| Excess (deficiency) of revenues over (under) expenditures | <u>246,725</u>                | <u>(216,068)</u>     | <u>-</u>                                              | <u>(5,175,667)</u>                                           | <u>-</u>                                                    | <u>-</u>             | <u>(12,300)</u>                             | <u>-</u>                        | <u>114</u>                          | <u>(7,840,565)</u>        | <u>(9,130,545)</u>                                       | <u>(1,478,655)</u>      | <u>(1,580,187)</u>                    |
| Other financing sources (uses):                           |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Transfers in from other funds                             | -                             | 216,068              | 5,517,324                                             | 10,692,990                                                   | -                                                           | -                    | -                                           | -                               | -                                   | 8,355,301                 | 9,130,562                                                | 1,478,655               | 1,396,898                             |
| Transfers out to other funds                              | -                             | -                    | (5,517,324)                                           | (5,517,324)                                                  | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Total other financing sources (uses), net                 | <u>-</u>                      | <u>216,068</u>       | <u>-</u>                                              | <u>5,175,666</u>                                             | <u>-</u>                                                    | <u>-</u>             | <u>-</u>                                    | <u>-</u>                        | <u>-</u>                            | <u>8,355,301</u>          | <u>9,130,562</u>                                         | <u>1,478,655</u>        | <u>1,396,898</u>                      |
| Net change in fund balances (deficit)                     | <u>246,725</u>                | <u>-</u>             | <u>-</u>                                              | <u>(1)</u>                                                   | <u>-</u>                                                    | <u>-</u>             | <u>(12,300)</u>                             | <u>-</u>                        | <u>114</u>                          | <u>514,736</u>            | <u>17</u>                                                | <u>-</u>                | <u>(183,289)</u>                      |
| Fund balances (deficit) at beginning of year              | <u>2,198,237</u>              | <u>-</u>             | <u>-</u>                                              | <u>17</u>                                                    | <u>799,786</u>                                              | <u>294,955</u>       | <u>107,200</u>                              | <u>518,983</u>                  | <u>280,822</u>                      | <u>385,105</u>            | <u>18,253</u>                                            | <u>(13,213)</u>         | <u>452,239</u>                        |
| Fund balances (deficit) at end of year                    | <u>\$ 2,444,962</u>           | <u>\$ -</u>          | <u>\$ -</u>                                           | <u>\$ 16</u>                                                 | <u>\$ 799,786</u>                                           | <u>\$ 294,955</u>    | <u>\$ 94,900</u>                            | <u>\$ 518,983</u>               | <u>\$ 280,936</u>                   | <u>\$ 899,841</u>         | <u>\$ 18,270</u>                                         | <u>\$ (13,213)</u>      | <u>\$ 268,950</u>                     |

(continued)



**GOVERNMENT OF GUAM**  
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts  
General Fund  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 314                                                   |                                                              |                                            | 103                        | 607                                 | 645                                       | 355                          |                                              | 363                                                    |                   |                        |                 |
|-----------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|----------------------------|-------------------------------------|-------------------------------------------|------------------------------|----------------------------------------------|--------------------------------------------------------|-------------------|------------------------|-----------------|
|                                                           | Public<br>Defender<br>Service<br>Corporation<br>(APD) | Public<br>Defender<br>Service<br>Corporation<br>(Operations) | State<br>Agency for<br>Surplus<br>Property | StripperWell<br>Overcharge | Supplemental<br>Annuity<br>Benefits | Supplemental<br>Appropriations<br>Revenue | Unified<br>Courts<br>of Guam | Water System<br>Revenue Bond<br>Debt Service | Limited<br>Obligation<br>Series A 2016<br>Debt Service | Combined<br>Total | Eliminating<br>Entries | Total           |
| Revenues:                                                 |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Taxes:                                                    |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Income                                                    | \$ -                                                  | \$ -                                                         | \$ -                                       | \$ -                       | \$ -                                | \$ -                                      | \$ -                         | \$ -                                         | \$ -                                                   | \$ 318,123,595    | \$ -                   | \$ 318,123,595  |
| Gross receipts                                            | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 269,684,874       | -                      | 269,684,874     |
| Excise                                                    | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 2,728,034         | -                      | 2,728,034       |
| Section 30 Federal income tax collections                 | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 77,795,541        | -                      | 77,795,541      |
| Intergovernmental                                         | -                                                     | 14,422                                                       | -                                          | -                          | -                                   | -                                         | 1,967,249                    | -                                            | -                                                      | 3,526,327         | -                      | 3,526,327       |
| Licenses and permits                                      | -                                                     | -                                                            | 150                                        | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 464,599           | -                      | 464,599         |
| Charges for services                                      | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 4,463,121         | -                      | 4,463,121       |
| Fines and forfeits                                        | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 889,391                      | -                                            | -                                                      | 889,391           | -                      | 889,391         |
| Interest and investment earnings                          | -                                                     | -                                                            | 107                                        | 168                        | -                                   | -                                         | -                            | 10,081                                       | 49,603                                                 | 66,555            | -                      | 66,555          |
| Indirect cost reimbursement                               | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 4,043             | -                      | 4,043           |
| Contributions from component units                        | -                                                     | -                                                            | -                                          | -                          | 1,356,160                           | -                                         | -                            | -                                            | -                                                      | 3,391,947         | -                      | 3,391,947       |
| Other                                                     | -                                                     | -                                                            | 28,870                                     | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 6,888,658         | -                      | 6,888,658       |
| Total revenues                                            | -                                                     | 14,422                                                       | 29,127                                     | 168                        | 1,356,160                           | -                                         | 2,856,640                    | 10,081                                       | 49,603                                                 | 688,026,685       | -                      | 688,026,685     |
| Expenditures by Function:                                 |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Current:                                                  |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| General government                                        | -                                                     | -                                                            | 7,990                                      | 750                        | -                                   | -                                         | -                            | -                                            | -                                                      | 47,580,536        | -                      | 47,580,536      |
| Protection of life and property                           | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 104,749,741       | -                      | 104,749,741     |
| Public health                                             | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 7,758,976         | -                      | 7,758,976       |
| Community services                                        | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 26,436,813        | -                      | 26,436,813      |
| Recreation                                                | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 892,879           | -                      | 892,879         |
| Individual and collective rights                          | 1,190,248                                             | 4,242,505                                                    | -                                          | -                          | -                                   | -                                         | 33,796,286                   | -                                            | -                                                      | 45,648,629        | -                      | 45,648,629      |
| Public education                                          | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 222,916,071       | -                      | 222,916,071     |
| Environmental protection                                  | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 62,091            | -                      | 62,091          |
| Economic development                                      | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 3,946,208         | -                      | 3,946,208       |
| Payments to:                                              |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| GovGuam Retirement Fund                                   | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 3,917,000         | -                      | 3,917,000       |
| Guam Community College                                    | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 19,359,937        | -                      | 19,359,937      |
| Guam Memorial Hospital Authority                          | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 17,575,215        | -                      | 17,575,215      |
| University of Guam                                        | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 30,748,776        | -                      | 30,748,776      |
| Miscellaneous appropriations                              | -                                                     | -                                                            | -                                          | -                          | 9,010,000                           | -                                         | -                            | -                                            | -                                                      | 62,051,620        | -                      | 62,051,620      |
| Debt service:                                             |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Principal retirement                                      | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 24,839,147        | -                      | 24,839,147      |
| Interest and fiscal charges                               | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 65,320,600        | -                      | 65,320,600      |
| Total expenditures                                        | 1,190,248                                             | 4,242,505                                                    | 7,990                                      | 750                        | 9,010,000                           | -                                         | 33,796,286                   | -                                            | -                                                      | 683,804,239       | -                      | 683,804,239     |
| Excess (deficiency) of revenues over (under) expenditures | (1,190,248)                                           | (4,228,083)                                                  | 21,137                                     | (582)                      | (7,653,840)                         | -                                         | (30,939,646)                 | 10,081                                       | 49,603                                                 | 4,222,446         | -                      | 4,222,446       |
| Other financing sources (uses):                           |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Transfers in from other funds                             | 928,652                                               | 3,639,505                                                    | -                                          | -                          | 7,653,840                           | -                                         | 30,041,755                   | -                                            | 2,843,990                                              | 528,184,555       | (500,571,962)          | 27,612,593      |
| Transfers out to other funds                              | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | (219,000)                    | (2,843,990)                                  | -                                                      | (542,853,232)     | 500,571,962            | (42,281,270)    |
| Total other financing sources (uses), net                 | 928,652                                               | 3,639,505                                                    | -                                          | -                          | 7,653,840                           | -                                         | 29,822,755                   | (2,843,990)                                  | 2,843,990                                              | (14,668,677)      | -                      | (14,668,677)    |
| Net change in fund balances (deficit)                     | (261,596)                                             | (588,578)                                                    | 21,137                                     | (582)                      | -                                   | -                                         | (1,116,891)                  | (2,833,909)                                  | 2,893,593                                              | (10,446,231)      | -                      | (10,446,231)    |
| Fund balances (deficit) at beginning of year              | 599,081                                               | 1,572,301                                                    | 210,247                                    | 15,588                     | -                                   | (13,768)                                  | 7,016,134                    | 1,434                                        | 14,076,310                                             | (73,002,632)      | -                      | (73,002,632)    |
| Fund balances (deficit) at end of year                    | \$ 337,485                                            | \$ 983,723                                                   | \$ 231,384                                 | \$ 15,006                  | \$ -                                | \$ (13,768)                               | \$ 5,899,243                 | \$ (2,832,475)                               | \$ 16,969,903                                          | \$ (83,448,863)   | \$ -                   | \$ (83,448,863) |

**GOVERNMENT OF GUAM**  
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts  
General Fund  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 100                             | 618                                | 309                                      | 628                                    | 255/643                     | 214               | 106                         | 638                | 104                                          | 299                      | 229                                  |                               |
|-----------------------------------------------------------|---------------------------------|------------------------------------|------------------------------------------|----------------------------------------|-----------------------------|-------------------|-----------------------------|--------------------|----------------------------------------------|--------------------------|--------------------------------------|-------------------------------|
|                                                           | Department of<br>Administration | Guam<br>Department<br>of Education | Department<br>of Education<br>Operations | Agana<br>Fractional<br>Lots<br>Program | Better<br>Public<br>Service | DMHSA<br>Receiver | DOC<br>Inmates<br>Revolving | D.O.D.<br>Contract | DPHSS<br>Sanitary<br>Inspection<br>Revolving | Exxon Fuel<br>Overcharge | Financial<br>Management<br>Revolving | General<br>Services<br>Agency |
| Revenues:                                                 |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Taxes:                                                    |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Income                                                    | \$ 318,123,595                  | \$ -                               | \$ -                                     | \$ -                                   | \$ -                        | \$ -              | \$ -                        | \$ -               | \$ -                                         | \$ -                     | \$ -                                 | \$ -                          |
| Gross receipts                                            | 269,684,874                     | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Excise                                                    | 2,728,034                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Section 30 Federal income tax collections                 | 77,795,541                      | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Intergovernmental                                         | -                               | 1,475,370                          | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Licenses and permits                                      | -                               | -                                  | -                                        | -                                      | 12,070                      | -                 | -                           | -                  | 17,419                                       | -                        | 130,504                              | 2,058                         |
| Charges for services                                      | 1,746,790                       | 1,680,765                          | -                                        | -                                      | -                           | -                 | 1,035,566                   | -                  | -                                            | -                        | -                                    | -                             |
| Fines and forfeits                                        | -                               | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Interest and investment earnings                          | -                               | -                                  | 4                                        | -                                      | -                           | -                 | -                           | 2                  | 68                                           | 1,346                    | -                                    | -                             |
| Indirect cost reimbursement                               | 4,043                           | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Contributions from component units                        | 2,035,787                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Other                                                     | 6,850,991                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Total revenues                                            | 678,969,655                     | 3,156,135                          | 4                                        | -                                      | 12,070                      | -                 | 1,035,566                   | 2                  | 17,487                                       | 1,346                    | 130,504                              | 2,058                         |
| Expenditures by Object:                                   |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Salaries and wages - regular                              | 87,027,403                      | 132,943,174                        | -                                        | -                                      | -                           | -                 | -                           | -                  | 38,763                                       | 6,486                    | 619                                  | 945                           |
| Salaries and wages - overtime                             | 9,434,946                       | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | 8,784                                | -                             |
| Salaries and wages - fringe benefits                      | 29,197,778                      | 46,829,102                         | -                                        | -                                      | -                           | -                 | -                           | -                  | 13,587                                       | 3,887                    | 248                                  | 239                           |
| Travel                                                    | 231,894                         | 513,817                            | -                                        | -                                      | -                           | -                 | -                           | -                  | 8,095                                        | 11,132                   | -                                    | -                             |
| Contractual services                                      | 20,146,587                      | 18,077,501                         | -                                        | -                                      | 1,313,163                   | -                 | 1,636,645                   | -                  | 7,232                                        | 18,254                   | 19,179                               | -                             |
| Building rent                                             | 4,795,343                       | -                                  | -                                        | -                                      | 316,897                     | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Supplies                                                  | 1,374,368                       | 1,075,522                          | -                                        | -                                      | 170,811                     | -                 | 204,936                     | -                  | 1,040                                        | 8,561                    | 12,755                               | -                             |
| Equipment                                                 | 544,697                         | 571,129                            | -                                        | -                                      | -                           | -                 | 14,603                      | -                  | 17,431                                       | -                        | 33,844                               | -                             |
| Utilities - power and water                               | 5,603,337                       | 15,010,950                         | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | 9,078                    | -                                    | -                             |
| Communications                                            | 1,316,476                       | 221,664                            | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | 92                       | -                                    | -                             |
| Capital outlays                                           | 2,990,084                       | 21,491                             | -                                        | -                                      | -                           | -                 | -                           | -                  | 35,693                                       | -                        | -                                    | -                             |
| Grants and subsidies                                      | 63,887,648                      | 7,426,907                          | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| COLA/Supplemental annuity benefits                        | 13,766,000                      | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Retiree healthcare benefits                               | 37,631,316                      | -                                  | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Principal retirement                                      | 20,800,000                      | 4,039,147                          | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Interest and fiscal charges                               | 49,744,262                      | 15,576,338                         | -                                        | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Miscellaneous                                             | 14,832,904                      | 224,814                            | -                                        | -                                      | -                           | -                 | 213,307                     | -                  | -                                            | 750                      | -                                    | -                             |
| Total expenditures                                        | 363,325,043                     | 242,531,556                        | -                                        | -                                      | 1,800,871                   | -                 | 2,069,491                   | -                  | 121,841                                      | 58,240                   | 75,429                               | 1,184                         |
| Excess (deficiency) of revenues over (under) expenditures | 315,644,612                     | (239,375,421)                      | 4                                        | -                                      | (1,788,801)                 | -                 | (1,033,925)                 | 2                  | (104,354)                                    | (56,894)                 | 55,075                               | 874                           |
| Other financing sources (uses):                           |                                 |                                    |                                          |                                        |                             |                   |                             |                    |                                              |                          |                                      |                               |
| Transfers in from other funds                             | 650,000                         | 237,386,673                        | 206,704,977                              | -                                      | 1,547,365                   | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Transfers out to other funds                              | (321,400,617)                   | (650,000)                          | (206,704,977)                            | -                                      | -                           | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Total other financing sources (uses), net                 | (320,750,617)                   | 236,736,673                        | -                                        | -                                      | 1,547,365                   | -                 | -                           | -                  | -                                            | -                        | -                                    | -                             |
| Net change in fund balances (deficit)                     | (5,106,005)                     | (2,638,748)                        | 4                                        | -                                      | (241,436)                   | -                 | (1,033,925)                 | 2                  | (104,354)                                    | (56,894)                 | 55,075                               | 874                           |
| Fund balances (deficit) at beginning of year              | (108,332,106)                   | 4,870,800                          | 5,024                                    | 90,169                                 | -                           | (63,494)          | 1,093,406                   | 1,185              | 604,656                                      | 67,654                   | 90,131                               | 50,232                        |
| Fund balances (deficit) at end of year                    | \$ (113,438,111)                | \$ 2,232,052                       | \$ 5,028                                 | \$ 90,169                              | \$ (241,436)                | \$ (63,494)       | \$ 59,481                   | \$ 1,187           | \$ 500,302                                   | \$ 10,760                | \$ 145,206                           | \$ 51,106                     |

(continued)

**GOVERNMENT OF GUAM**  
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts  
General Fund  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 404                           | 239                  | 659                                                   | 617                                                          | 616                                                         | 201                  | 298                                         | 303                             | 321                                 |                           | 293                                                      | 329                     |                                       |
|-----------------------------------------------------------|-------------------------------|----------------------|-------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------|----------------------|---------------------------------------------|---------------------------------|-------------------------------------|---------------------------|----------------------------------------------------------|-------------------------|---------------------------------------|
|                                                           | GSA<br>Inventory<br>Revolving | Government<br>Claims | Guam<br>Memorial<br>Hospital<br>Authority<br>Medicaid | Guam<br>Memorial<br>Hospital<br>Authority<br>Pharmaceuticals | Guam<br>Telephone<br>Authority<br>Privatization<br>Proceeds | Housing<br>Revolving | Human<br>Resources<br>Services<br>Revolving | Income Tax<br>Refund<br>Reserve | Income Tax<br>Efficiency<br>Payment | Legislature<br>Operations | Medically<br>Indigent<br>Program<br>Payment<br>Revolving | Off-Island<br>Treatment | Office of<br>Public<br>Accountability |
| Revenues:                                                 |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Taxes:                                                    |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Income                                                    | \$ -                          | \$ -                 | \$ -                                                  | \$ -                                                         | \$ -                                                        | \$ -                 | \$ -                                        | \$ -                            | \$ -                                | \$ -                      | \$ -                                                     | \$ -                    | \$ -                                  |
| Gross receipts                                            | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Excise                                                    | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Section 30 Federal income tax collections                 | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Intergovernmental                                         | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | 69,286                                |
| Licenses and permits                                      | 246,725                       | -                    | -                                                     | -                                                            | -                                                           | -                    | 55,673                                      | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Charges for services                                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Fines and forfeits                                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Interest and investment earnings                          | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | 114                                 | 1,547                     | -                                                        | -                       | 3,515                                 |
| Indirect cost reimbursement                               | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Contributions from component units                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Other                                                     | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 50                        | -                                                        | -                       | 8,747                                 |
| Total revenues                                            | 246,725                       | -                    | -                                                     | -                                                            | -                                                           | -                    | 55,673                                      | -                               | 114                                 | 1,597                     | -                                                        | -                       | 81,548                                |
| Expenditures by Object:                                   |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Salaries and wages - regular                              | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 5,452,683                 | -                                                        | -                       | 997,250                               |
| Salaries and wages - overtime                             | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Salaries and wages - fringe benefits                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 1,142,061                 | -                                                        | -                       | 328,937                               |
| Travel                                                    | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 34,004                    | 16,143                                                   | -                       | -                                     |
| Contractual services                                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 382,209                   | -                                                        | -                       | 125,832                               |
| Building rent                                             | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 324,000                   | -                                                        | -                       | 122,259                               |
| Supplies                                                  | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | 1,446                                       | -                               | -                                   | 69,489                    | -                                                        | -                       | 929                                   |
| Equipment                                                 | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 41,859                    | -                                                        | -                       | 507                                   |
| Utilities - power and water                               | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 98,415                    | -                                                        | -                       | -                                     |
| Communications                                            | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | 71,336                    | -                                                        | -                       | 2,694                                 |
| Capital outlays                                           | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Grants and subsidies                                      | -                             | -                    | -                                                     | 5,175,667                                                    | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| COLA/Supplemental annuity benefits                        | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Retiree healthcare benefits                               | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Principal retirement                                      | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Interest and fiscal charges                               | -                             | -                    | -                                                     | -                                                            | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Miscellaneous                                             | -                             | 216,068              | -                                                     | -                                                            | -                                                           | -                    | 66,527                                      | -                               | -                                   | 226,106                   | 9,114,402                                                | 1,478,655               | 83,327                                |
| Total expenditures                                        | -                             | 216,068              | -                                                     | 5,175,667                                                    | -                                                           | -                    | 67,973                                      | -                               | -                                   | 7,842,162                 | 9,130,545                                                | 1,478,655               | 1,661,735                             |
| Excess (deficiency) of revenues over (under) expenditures | 246,725                       | (216,068)            | -                                                     | (5,175,667)                                                  | -                                                           | -                    | (12,300)                                    | -                               | 114                                 | (7,840,565)               | (9,130,545)                                              | (1,478,655)             | (1,580,187)                           |
| Other financing sources (uses):                           |                               |                      |                                                       |                                                              |                                                             |                      |                                             |                                 |                                     |                           |                                                          |                         |                                       |
| Transfers in from other funds                             | -                             | 216,068              | 5,517,324                                             | 10,692,990                                                   | -                                                           | -                    | -                                           | -                               | -                                   | 8,355,301                 | 9,130,562                                                | 1,478,655               | 1,396,898                             |
| Transfers out to other funds                              | -                             | -                    | (5,517,324)                                           | (5,517,324)                                                  | -                                                           | -                    | -                                           | -                               | -                                   | -                         | -                                                        | -                       | -                                     |
| Total other financing sources (uses), net                 | -                             | 216,068              | -                                                     | 5,175,666                                                    | -                                                           | -                    | -                                           | -                               | -                                   | 8,355,301                 | 9,130,562                                                | 1,478,655               | 1,396,898                             |
| Net change in fund balances (deficit)                     | 246,725                       | -                    | -                                                     | (1)                                                          | -                                                           | -                    | (12,300)                                    | -                               | 114                                 | 514,736                   | 17                                                       | -                       | (183,289)                             |
| Fund balances (deficit) at beginning of year              | 2,198,237                     | -                    | -                                                     | 17                                                           | 799,786                                                     | 294,955              | 107,200                                     | 518,983                         | 280,822                             | 385,105                   | 18,253                                                   | (13,213)                | 452,239                               |
| Fund balances (deficit) at end of year                    | \$ 2,444,962                  | \$ -                 | \$ -                                                  | \$ 16                                                        | \$ 799,786                                                  | \$ 294,955           | \$ 94,900                                   | \$ 518,983                      | \$ 280,936                          | \$ 899,841                | \$ 18,270                                                | \$ (13,213)             | \$ 268,950                            |

(continued)

**GOVERNMENT OF GUAM**  
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts  
General Fund  
Year Ended September 30, 2018

| AS/400 Fund Number                                        |                                                       |                                                              | 314                                        | 103                        | 607                                 | 645                                       |                              |                                              | 355                                                    | 363               |                        |                 |
|-----------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------|----------------------------|-------------------------------------|-------------------------------------------|------------------------------|----------------------------------------------|--------------------------------------------------------|-------------------|------------------------|-----------------|
|                                                           | Public<br>Defender<br>Service<br>Corporation<br>(APD) | Public<br>Defender<br>Service<br>Corporation<br>(Operations) | State<br>Agency for<br>Surplus<br>Property | StripperWell<br>Overcharge | Supplemental<br>Annuity<br>Benefits | Supplemental<br>Appropriations<br>Revenue | Unified<br>Courts<br>of Guam | Water System<br>Revenue Bond<br>Debt Service | Limited<br>Obligation<br>Series A 2009<br>Debt Service | Combined<br>Total | Eliminating<br>Entries | Total           |
| Revenues:                                                 |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Taxes:                                                    |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Income                                                    | \$ -                                                  | \$ -                                                         | \$ -                                       | \$ -                       | \$ -                                | \$ -                                      | \$ -                         | \$ -                                         | \$ -                                                   | \$ 318,123,595    | \$ -                   | \$ 318,123,595  |
| Gross receipts                                            | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 269,684,874       | -                      | 269,684,874     |
| Excise                                                    | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 2,728,034         | -                      | 2,728,034       |
| Section 30 Federal income tax collections                 | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 77,795,541        | -                      | 77,795,541      |
| Intergovernmental                                         | -                                                     | 14,422                                                       | -                                          | -                          | -                                   | -                                         | 1,967,249                    | -                                            | -                                                      | 3,526,327         | -                      | 3,526,327       |
| Licenses and permits                                      | -                                                     | -                                                            | 150                                        | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 464,599           | -                      | 464,599         |
| Charges for services                                      | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 4,463,121         | -                      | 4,463,121       |
| Fines and forfeits                                        | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 889,391                      | -                                            | -                                                      | 889,391           | -                      | 889,391         |
| Interest and investment earnings                          | -                                                     | -                                                            | 107                                        | 168                        | -                                   | -                                         | -                            | 10,081                                       | 49,603                                                 | 66,555            | -                      | 66,555          |
| Indirect cost reimbursement                               | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 4,043             | -                      | 4,043           |
| Contributions from component units                        | -                                                     | -                                                            | -                                          | -                          | 1,356,160                           | -                                         | -                            | -                                            | -                                                      | 3,391,947         | -                      | 3,391,947       |
| Other                                                     | -                                                     | -                                                            | 28,870                                     | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 6,888,658         | -                      | 6,888,658       |
| Total revenues                                            | -                                                     | 14,422                                                       | 29,127                                     | 168                        | 1,356,160                           | -                                         | 2,856,640                    | 10,081                                       | 49,603                                                 | 688,026,685       | -                      | 688,026,685     |
| Expenditures by Object:                                   |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Salaries and wages - regular                              | 762,146                                               | 2,823,813                                                    | 9                                          | -                          | -                                   | -                                         | 20,908,707                   | -                                            | -                                                      | 250,961,998       | -                      | 250,961,998     |
| Salaries and wages - overtime                             | -                                                     | -                                                            | 132                                        | -                          | -                                   | -                                         | 589,398                      | -                                            | -                                                      | 10,033,260        | -                      | 10,033,260      |
| Salaries and wages - fringe benefits                      | 260,325                                               | 969,297                                                      | 36                                         | -                          | -                                   | -                                         | 7,441,529                    | -                                            | -                                                      | 86,187,026        | -                      | 86,187,026      |
| Travel                                                    | -                                                     | 14,422                                                       | -                                          | -                          | -                                   | -                                         | 243,552                      | -                                            | -                                                      | 1,073,059         | -                      | 1,073,059       |
| Contractual services                                      | 57,688                                                | 107,155                                                      | 4,084                                      | -                          | -                                   | -                                         | 1,800,961                    | -                                            | -                                                      | 43,696,490        | -                      | 43,696,490      |
| Building rent                                             | 66,096                                                | 273,600                                                      | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 5,898,195         | -                      | 5,898,195       |
| Supplies                                                  | 4,694                                                 | 12,375                                                       | 2,184                                      | -                          | -                                   | -                                         | 131,024                      | -                                            | -                                                      | 3,070,134         | -                      | 3,070,134       |
| Equipment                                                 | 26,502                                                | 2,349                                                        | 1,545                                      | -                          | -                                   | -                                         | 42,158                       | -                                            | -                                                      | 1,296,624         | -                      | 1,296,624       |
| Utilities - power and water                               | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 966,021                      | -                                            | -                                                      | 21,687,801        | -                      | 21,687,801      |
| Communications                                            | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 115,147                      | -                                            | -                                                      | 1,727,409         | -                      | 1,727,409       |
| Capital outlays                                           | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | 1,424,265                    | -                                            | -                                                      | 4,471,533         | -                      | 4,471,533       |
| Grants and subsidies                                      | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 76,490,222        | -                      | 76,490,222      |
| COLA/Supplemental annuity benefits                        | -                                                     | -                                                            | -                                          | -                          | 9,010,000                           | -                                         | -                            | -                                            | -                                                      | 22,776,000        | -                      | 22,776,000      |
| Retiree healthcare benefits                               | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 37,631,316        | -                      | 37,631,316      |
| Principal retirement                                      | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 24,839,147        | -                      | 24,839,147      |
| Interest and fiscal charges                               | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | -                            | -                                            | -                                                      | 65,320,600        | -                      | 65,320,600      |
| Miscellaneous                                             | 12,797                                                | 39,494                                                       | -                                          | 750                        | -                                   | -                                         | 133,524                      | -                                            | -                                                      | 26,643,425        | -                      | 26,643,425      |
| Total expenditures                                        | 1,190,248                                             | 4,242,505                                                    | 7,990                                      | 750                        | 9,010,000                           | -                                         | 33,796,286                   | -                                            | -                                                      | 683,804,239       | -                      | 683,804,239     |
| Excess (deficiency) of revenues over (under) expenditures | (1,190,248)                                           | (4,228,083)                                                  | 21,137                                     | (582)                      | (7,653,840)                         | -                                         | (30,939,646)                 | 10,081                                       | 49,603                                                 | 4,222,446         | -                      | 4,222,446       |
| Other financing sources (uses):                           |                                                       |                                                              |                                            |                            |                                     |                                           |                              |                                              |                                                        |                   |                        |                 |
| Transfers in from other funds                             | 928,652                                               | 3,639,505                                                    | -                                          | -                          | 7,653,840                           | -                                         | 30,041,755                   | -                                            | 2,843,990                                              | 528,184,555       | (500,571,962)          | 27,612,593      |
| Transfers out to other funds                              | -                                                     | -                                                            | -                                          | -                          | -                                   | -                                         | (219,000)                    | (2,843,990)                                  | -                                                      | (542,853,232)     | 500,571,962            | (42,281,270)    |
| Total other financing sources (uses), net                 | 928,652                                               | 3,639,505                                                    | -                                          | -                          | 7,653,840                           | -                                         | 29,822,755                   | (2,843,990)                                  | 2,843,990                                              | (14,668,677)      | -                      | (14,668,677)    |
| Net change in fund balances (deficit)                     | (261,596)                                             | (588,578)                                                    | 21,137                                     | (582)                      | -                                   | -                                         | (1,116,891)                  | (2,833,909)                                  | 2,893,593                                              | (10,446,231)      | -                      | (10,446,231)    |
| Fund balances (deficit) at beginning of year              | 599,081                                               | 1,572,301                                                    | 210,247                                    | 15,588                     | -                                   | (13,768)                                  | 7,016,134                    | 1,434                                        | 14,076,310                                             | (73,002,632)      | -                      | (73,002,632)    |
| Fund balances (deficit) at end of year                    | \$ 337,485                                            | \$ 983,723                                                   | \$ 231,384                                 | \$ 15,006                  | \$ -                                | \$ (13,768)                               | \$ 5,899,243                 | \$ (2,832,475)                               | \$ 16,969,903                                          | \$ (83,448,863)   | \$ -                   | \$ (83,448,863) |

# GOVERNMENT OF GUAM

## Statement of Revenues, Expenditures by Department, and Changes in Deficit - General Fund Year Ended September 30, 2018 (With comparatives for the year ended September 30, 2017)

|                                              | 2018               | 2017               |
|----------------------------------------------|--------------------|--------------------|
| Revenues:                                    |                    |                    |
| Taxes:                                       |                    |                    |
| Income                                       | \$ 318,123,595     | \$ 354,709,313     |
| Gross receipts                               | 269,684,874        | 237,133,647        |
| Excise                                       | 2,728,034          | 2,835,998          |
| Section 30 Federal income tax collections    | 77,795,541         | 87,154,735         |
| Intergovernmental                            | 3,526,327          | 6,925,146          |
| Licenses and permits                         | 464,599            | 5,475,813          |
| Charges for services                         | 4,463,121          | 4,078,639          |
| Fines and forfeits                           | 889,391            | 804,361            |
| Interest and investment earnings             | 66,555             | 179,649            |
| Indirect cost reimbursement                  | 4,043              | 298,822            |
| Contributions from component units           | 3,391,947          | 3,398,928          |
| Other                                        | 6,888,658          | 6,020,618          |
| Total revenues                               | <u>688,026,685</u> | <u>709,015,669</u> |
| Expenditures by Department:                  |                    |                    |
| General Government:                          |                    |                    |
| Office of I Maga'lahaen Guahan:              |                    |                    |
| Office of the Governor                       | 4,548,324          | 4,628,825          |
| Office of the Governor - Guam Liaison Office | 175,653            | 219,451            |
| Government House                             | 791,499            | 822,933            |
| Medical Referral Offices                     | 897,114            | 601,124            |
| Office of Civil Defense                      | 388,121            | -                  |
| Office of Veteran's Affairs                  | 446,278            | 579,902            |
|                                              | <u>7,246,989</u>   | <u>6,852,235</u>   |
| Office of I Segundu Na Maga'lahaen Guahan:   |                    |                    |
| Office of the Lieutenant Governor            | <u>1,018,484</u>   | <u>1,044,603</u>   |
| Bureau of Budget and Management Research:    |                    |                    |
| Office of the Director                       | 296,804            | 387,230            |
| Internal Audit Division                      | 720,792            | 801,820            |
|                                              | <u>1,017,596</u>   | <u>1,189,050</u>   |
| Civil Service Commission:                    |                    |                    |
| Office of the Director                       | 450,248            | 440,618            |
| Board of Commissioners                       | 31,717             | 58,440             |
| Legal Office                                 | 166,721            | 204,121            |
| Personnel Management                         | 302,982            | 279,603            |
|                                              | <u>951,668</u>     | <u>982,782</u>     |
| Department of Administration:                |                    |                    |
| Office of the Director                       | 3,909,872          | 4,316,527          |
| Office of the Director - Child Support       | 522,693            | 787,588            |
| Personnel Management                         | 1,942,975          | 1,732,389          |
| Financial Management                         | 75,429             | 51,535             |
| Data Processing                              | 3,058,613          | 2,868,340          |
| General Services Agency                      | 996,322            | 1,113,453          |
| Division of Accounts                         | 2,761,762          | 2,687,328          |
|                                              | <u>13,267,666</u>  | <u>13,557,160</u>  |

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, 2018 (With comparatives for the year ended September 30, 2017)

|                                                            | 2018              | 2017              |
|------------------------------------------------------------|-------------------|-------------------|
| Expenditures by Department, continued:                     |                   |                   |
| General Government, continued:                             |                   |                   |
| Department of Public Works:                                |                   |                   |
| Office of the Director                                     | 30,368            | 1,651,645         |
| Capital Improvement Projects                               | 54,138            | 12,535            |
| Bus Maintenance                                            | -                 | 485,755           |
| Building Construction and Facilities Maintenance           | 5,388             | 908,182           |
|                                                            | <u>89,894</u>     | <u>3,058,117</u>  |
| Department of Revenue and Taxation:                        |                   |                   |
| Office of the Director                                     | 4,656,047         | 3,838,067         |
| Office of the Director - Vacancies and Overtime            | 2,201,355         | 1,860,695         |
| Tax Enforcement Division                                   | 2,537,244         | 2,061,788         |
| Real Property Tax Division                                 | 754,260           | 794,801           |
| Taxpayer Services Division                                 | 1,476,459         | 1,562,757         |
| Regulatory Division                                        | 1,075,772         | 1,122,459         |
| Motor Vehicle Division                                     | 644,679           | 674,093           |
|                                                            | <u>13,345,816</u> | <u>11,914,660</u> |
| Department of Land Management:                             |                   |                   |
| Office of the Director                                     | 298,236           | 424,968           |
| Ancestral Land Trust Commission                            | 82,228            | 86,588            |
|                                                            | <u>380,464</u>    | <u>511,556</u>    |
| Legislative Branch:                                        |                   |                   |
| Guam Legislature                                           | 7,842,162         | 8,899,858         |
| Public Auditor:                                            |                   |                   |
| Office of Public Accountability                            | 1,661,735         | 1,571,243         |
| Total General Government                                   | <u>46,822,474</u> | <u>49,581,264</u> |
| Protection of Life and Property:                           |                   |                   |
| Department of Corrections:                                 |                   |                   |
| Office of the Director                                     | 5,361,754         | 5,624,816         |
| Office of the Director - Bureau of Prisons                 | 503,500           | 473,921           |
| Office of the Director - Food Contract                     | 1,468,100         | 2,930,636         |
| Office of the Director - Vacancy Pool                      | -                 | 1,011,972         |
| Office of the Director - Electronic Locking System         | 1,590,000         | 82,500            |
| Office of the Director - GMHA                              | 650,000           | 839,720           |
| Office of the Director - CJIS                              | 89,730            | -                 |
| Adult Correctional Facility                                | 13,862,835        | 12,030,935        |
| Rosario Detention Center                                   | 2,913,023         | 2,627,952         |
| Casework and Counseling Service Division                   | 369,758           | 369,968           |
| Forensic Division                                          | 189,927           | 243,688           |
| Parole Service Division                                    | 610,081           | 756,490           |
|                                                            | <u>27,608,708</u> | <u>26,992,598</u> |
| Department of Youth Affairs:                               |                   |                   |
| Office of the Director                                     | 219,130           | 215,672           |
| Division of Youth Development                              | 1,176,369         | 1,057,517         |
| Division of Youth Corrections                              | 3,305,344         | 3,164,243         |
| Division of Vocational Rehabilitation and Support Services | 1,071,810         | 1,110,165         |
|                                                            | <u>5,772,653</u>  | <u>5,547,597</u>  |

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, 2018  
(With comparatives for the year ended September 30, 2017)

|                                                        | 2018               | 2017               |
|--------------------------------------------------------|--------------------|--------------------|
| Expenditures by Department, continued:                 |                    |                    |
| Protection of Life and Property, continued:            |                    |                    |
| Guam Fire Department:                                  |                    |                    |
| Office of the Fire Chief                               | 290,474            | 225,890            |
| Administrative and Logistical Support                  | 444,378            | 1,187,251          |
| Emergency Medical Service/Rescue Operations Bureau     | 9,696,336          | 10,876,679         |
| Fire Suppression Bureau                                | 19,946,502         | 19,676,592         |
|                                                        | <u>30,377,690</u>  | <u>31,966,412</u>  |
| Guam Police Department:                                |                    |                    |
| Office of the Chief                                    | 4,817,604          | 4,833,876          |
| Office of the Chief - Police Commander                 | 3,407,678          | 3,496,993          |
| Office of the Chief - Administration Division          | 1,278,995          | 1,303,617          |
| Office of the Chief - Overtime                         | 1,002,017          | 1,438,957          |
| Office of the Chief - Workers' Compensation Disability | 11,279             | 11,279             |
| Office of the Chief - Vacancy Pool                     | 76,095             | 142,577            |
| Office of the Chief - Fuel                             | 377,078            | 267,940            |
| Criminal Investigation Division                        | 3,039,793          | 3,479,048          |
| Neighborhood Patrol Division                           | 10,240,954         | 11,246,786         |
| Support Division                                       | 1,566,396          | 1,486,277          |
| Forensic Science Division                              | 2,142,600          | 2,176,541          |
| Highway Patrol Division                                | -                  | 1,456,872          |
|                                                        | <u>27,960,489</u>  | <u>31,340,763</u>  |
| Office of the Attorney-General:                        |                    |                    |
| Attorney-General's Office                              | 12,595,567         | 13,202,865         |
| Chief Medical Examiner:                                |                    |                    |
| Medical Examiner's Office                              | 434,634            | 415,488            |
| Total Protection of Life and Property                  | <u>104,749,741</u> | <u>109,465,723</u> |
| Public Health:                                         |                    |                    |
| Guam Behavioral Health and Wellness Center:            |                    |                    |
| Office of the Director                                 | 1,406,100          | 3,070,761          |
| Clinical Services Division                             | 251,943            | -                  |
| Child and Adolescent Services Division                 | 141,755            | 1,243,378          |
| Nursing Services Division                              | 43,287             | -                  |
|                                                        | <u>1,843,085</u>   | <u>4,314,139</u>   |
| Department of Public Health and Social Services:       |                    |                    |
| Office of the Director                                 | 814,971            | 770,392            |
| Chief Public Health Office                             | 392,729            | -                  |
| Nutrition Services                                     | 213,244            | 73,790             |
| Communicable Disease Control                           | 859,246            | 1,629,299          |
| Primary Care Services                                  | 522,164            | -                  |
| Family Health and Nursing                              | 324,744            | 513,264            |
| Physical Activity Action Team                          | -                  | 34,969             |
| Division of Environmental Health                       | 743,311            | 74,240             |
| Financial Management Services                          | 221,599            | 215,628            |
| Supply Section                                         | 100,108            | 117,776            |
| Management Support Services                            | 206,231            | 166,779            |
| Facilities and Maintenance                             | 1,326,168          | 1,070,120          |
| Systems Group                                          | 191,376            | 140,547            |
|                                                        | <u>5,915,891</u>   | <u>4,806,804</u>   |
| Total Public Health                                    | <u>7,758,976</u>   | <u>9,120,943</u>   |

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, 2018  
(With comparatives for the year ended September 30, 2017)

|                                                                      | 2018              | 2017              |
|----------------------------------------------------------------------|-------------------|-------------------|
| Expenditures by Department, continued:                               |                   |                   |
| Community Services:                                                  |                   |                   |
| Department of Public Health and Social Services:                     |                   |                   |
| Medically Indigent Program                                           | 9,181,105         | 9,365,695         |
| Medicaid local match                                                 | 4,500,622         | -                 |
| Public Assistance Program                                            | 1,689,856         | 1,571,920         |
| Foster Care                                                          | 3,426,289         | 3,025,280         |
| Division of Senior Citizens                                          | 6,568,807         | 7,528,045         |
| Adult Protective Services                                            | 654,394           | 644,317           |
|                                                                      | <u>26,021,073</u> | <u>22,135,257</u> |
| Department of Integrated Services for Individuals with Disabilities: |                   |                   |
| Office of the Director                                               | 414,215           | 508,479           |
| Fiscal Support                                                       | 1,525             | 2,584             |
|                                                                      | <u>415,740</u>    | <u>511,063</u>    |
| Total Community Services                                             | <u>26,436,813</u> | <u>22,646,320</u> |
| Recreation:                                                          |                   |                   |
| Department of Parks and Recreation:                                  |                   |                   |
| Office of the Director                                               | 606,858           | -                 |
| Historic Resources Division                                          | 286,021           | -                 |
| Territorial Park Protection                                          | -                 | 309,755           |
| Total Recreation                                                     | <u>892,879</u>    | <u>309,755</u>    |
| Individual and Collective Rights:                                    |                   |                   |
| Office of I Maga'lahaen Guahan:                                      |                   |                   |
| Commission on Decolonization                                         | <u>224,716</u>    | <u>225,661</u>    |
| Department of Chamorro Affairs:                                      |                   |                   |
| Office of the Director                                               | 1,659             | 658,739           |
| Guam Public Library                                                  | 17,762            | 1,063,550         |
| Guam Council on the Arts and Humanities                              | 24,185            | 78,924            |
| Research Publication and Training                                    | -                 | 62,433            |
| Guam Educational Telecommunications Corporation                      | 3,993             | 574,088           |
| Guam Museum                                                          | -                 | 117,791           |
|                                                                      | <u>47,599</u>     | <u>2,555,525</u>  |
| Department of Labor:                                                 |                   |                   |
| Office of the Director                                               | 565,627           | 509,143           |
| Alien Labor Processing and Certification Division                    | 273,662           | -                 |
| Wage and Hour Division                                               | 108,406           | 217,696           |
| Bureau of Labor Statistics                                           | 259,631           | 248,304           |
| Fair Employment Practice Office                                      | 77,044            | 60,726            |
| Worker's Compensation Commission                                     | 274,553           | 263,439           |
| Fiscal and Support Office                                            | 143,494           | 270,439           |
|                                                                      | <u>1,702,417</u>  | <u>1,569,747</u>  |
| Department of Military Affairs:                                      |                   |                   |
| Office of the Adjutant General                                       | <u>151,752</u>    | <u>179,101</u>    |
| Other:                                                               |                   |                   |
| Unified Courts of Guam                                               | 33,796,286        | 34,061,917        |
| Public Defender Services Corporation                                 | 5,432,753         | 5,269,880         |
| Guam Election Commission                                             | 1,742,964         | 1,487,834         |
| Mayor's Council of Guam                                              | 2,550,142         | 5,894,188         |
|                                                                      | <u>43,522,145</u> | <u>46,713,819</u> |
| Total Individual and Collective Rights                               | <u>45,648,629</u> | <u>51,243,853</u> |

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, 2018  
(With comparatives for the year ended September 30, 2017)

|                                                        | 2018        | 2017        |
|--------------------------------------------------------|-------------|-------------|
| Expenditures by Department, continued:                 |             |             |
| Public Education:                                      |             |             |
| Guam Commission for Educator Certification             | -           | 222,937     |
| Department of Education:                               |             |             |
| Guam Public School System                              | 222,916,071 | 242,269,886 |
| Department of Public Works:                            |             |             |
| Bus Operations                                         | -           | 3,077,843   |
| Total Public Education                                 | 222,916,071 | 245,570,666 |
| Environmental Protection:                              |             |             |
| Guam Energy Office                                     | 62,091      | 35,170      |
| Total Environmental Protection                         | 62,091      | 35,170      |
| Economic Development:                                  |             |             |
| Bureau of Statistics and Plans:                        |             |             |
| Administration                                         | 291,649     | 341,421     |
| Planning Information                                   | 244,146     | 264,144     |
| Socio-Economic Planning                                | 137,699     | 156,779     |
| Business and Economic Statistics Division              | 515,257     | 429,375     |
|                                                        | 1,188,751   | 1,191,719   |
| Department of Agriculture:                             |             |             |
| Office of the Director                                 | 722,837     | 732,105     |
| Forestry and Soil Resources                            | 842,750     | 770,709     |
| Aquatic and Wildlife Resources Division                | 134,640     | 149,770     |
| Animal and Plant Industry Division                     | 411,968     | 426,446     |
| Plant Inspection Station                               | 234,966     | 231,706     |
| Animal Health Section                                  | 410,296     | 751,007     |
|                                                        | 2,757,457   | 3,061,743   |
| Total Economic Development                             | 3,946,208   | 4,253,462   |
| Payments to Component Units:                           |             |             |
| Government of Guam Retirement Fund:                    |             |             |
| Medicare Reimbursement                                 | 3,300,000   | 2,100,000   |
| Governor and Lieutenant Governor Pension Contributions | 252,000     | 252,000     |
| Judge and Justice Retirement Annuities                 | 365,000     | 363,000     |
|                                                        | 3,917,000   | 2,715,000   |
| Guam Community College                                 | 19,359,937  | 17,122,713  |
| Guam Memorial Hospital Authority                       | 17,575,215  | 22,652,248  |
| University of Guam                                     | 30,748,776  | 26,333,645  |
| Total Payments to Component Units                      | 71,600,928  | 68,823,606  |
| Miscellaneous Appropriations:                          |             |             |
| Retiree Healthcare Premiums                            | 37,631,316  | 38,748,017  |
| Retiree COLA payments                                  | 13,766,000  | 13,476,000  |
| Retiree supplemental annuity benefit payments          | 9,010,000   | 9,490,000   |
| Landfill Tax Credits - Principal                       | 564,479     | 317,952     |
| Landfill Tax Credits - Interest                        | 193,583     | 365,465     |
| Tiyan Collateral Equipment Tax Credits                 | -           | 2,492,391   |
| Guam Basketball Federation Tax Credits                 | -           | 756,071     |
| Total Miscellaneous Appropriations                     | 61,165,378  | 65,645,896  |

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, 2018  
(With comparatives for the year ended September 30, 2017)

|                                                     | 2018               | 2017               |
|-----------------------------------------------------|--------------------|--------------------|
| Expenditures by Department, continued:              |                    |                    |
| Interest and Other Charges:                         |                    |                    |
| Interest on tax refunds                             | 1,698,593          | 1,583,990          |
| Other                                               | (54,289)           | 769,619            |
| Total Interest and Other Charges                    | <u>1,644,304</u>   | <u>2,353,609</u>   |
| Debt Service:                                       |                    |                    |
| Principal retirement                                | 24,839,147         | 20,834,648         |
| Interest and fiscal charges                         | 65,320,600         | 64,760,430         |
| Total Debt Service                                  | <u>90,159,747</u>  | <u>85,595,078</u>  |
| Total expenditures                                  | <u>683,804,239</u> | <u>714,645,345</u> |
| Deficiency of revenues under expenditures           | <u>4,222,446</u>   | <u>(5,629,676)</u> |
| Other financing sources (uses):                     |                    |                    |
| Capital leases                                      | <u>-</u>           | <u>26,995,762</u>  |
|                                                     | <u>-</u>           | <u>26,995,762</u>  |
| Transfers in from other funds:                      |                    |                    |
| Capitol District Fund                               | -                  | 430,000            |
| Chamorro Land Trust Survey and Infrastructure Fund  | -                  | 321,263            |
| Chamorro Loan Guarantee Fund                        | -                  | 320,105            |
| Controlled Substance Diversion Fund                 | -                  | 131,806            |
| Customs, Agriculture and Quarantine Inspection Fund | -                  | 1,852,949          |
| DLM Building Construction Fund                      | -                  | 588,520            |
| Enhanced 911 Emergency Reporting System Fund        | -                  | 839,583            |
| GFD Capital Revolving Fund                          | -                  | 331,345            |
| Guam Charter Schools Fund                           | 7,426,907          | 8,005,562          |
| Guam Environmental Trust Fund                       | 44,870             | 104,475            |
| Guam Highway Fund                                   | 975,023            | 2,996,739          |
| Guam Invasive Species Inspection Fee Fund           | -                  | 780,195            |
| Health Professional Licensure Fund                  | -                  | 391,694            |
| Healthy Futures Fund                                | 891,754            | 891,754            |
| Land Survey Revolving Fund                          | -                  | 87,351             |
| Limited Gaming Fund                                 | 456,389            | 544,468            |
| Office of Vital Statistics Revolving Fund           | -                  | 284,546            |
| Pesticide Management Fund                           | -                  | 123,274            |
| Police Patrol Vehicle and Equipment Revolving Fund  | -                  | 166,970            |
| Public Library System Fund                          | 996,946            | 928,467            |
| Rabies Prevention Fund                              | -                  | 92,517             |
| Recycling Revolving Fund                            | -                  | 2,528,529          |
| Safe Streets, Safe Homes Fund                       | 162,875            | -                  |
| Street Light Fund                                   | -                  | 255,962            |
| Tax Collection Fund                                 | -                  | 190,417            |
| Territorial Education Facilities Fund               | 15,785,302         | 30,862,347         |
| Unified Courts of Guam Trust Fund                   | <u>872,527</u>     | <u>-</u>           |
|                                                     | <u>27,612,593</u>  | <u>54,050,838</u>  |

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, 2018  
(With comparatives for the year ended September 30, 2017)

|                                            | 2018                          | 2017                          |
|--------------------------------------------|-------------------------------|-------------------------------|
| Other financing sources (uses), continued: |                               |                               |
| Transfers out to other funds:              |                               |                               |
| Federal Grants Assistance Fund             | 33,949,553                    | 31,832,100                    |
| First Generation Trust Fund                | -                             | 450,000                       |
| Guam Charter Schools Fund                  | 7,426,907                     | 8,005,562                     |
| Indirect Cost Fund                         | -                             | 322,943                       |
| Manpower Development Fund                  | -                             | 396,317                       |
| Public Recreation Services Fund            | -                             | 127,536                       |
| Safe Streets Fund                          | -                             | 126,637                       |
| Unified Courts of Guam Trust Fund          | 162,875                       | 740,561                       |
| Worker's Compensation Fund                 | 741,935                       | 684,401                       |
|                                            | <u>42,281,270</u>             | <u>42,686,057</u>             |
| Total other financing sources (uses), net  | <u>(14,668,677)</u>           | <u>38,360,543</u>             |
| Net change in deficit                      | (10,446,231)                  | 32,730,867                    |
| Deficit at the beginning of the year       | <u>(73,002,632)</u>           | <u>(105,733,499)</u>          |
| Deficit at the end of the year             | \$ <u><u>(83,448,863)</u></u> | \$ <u><u>(73,002,632)</u></u> |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100 Only) Year Ended September 30, 2018

|                                              | Budgeted Amounts |                | Actual<br>Amounts | Variance        |
|----------------------------------------------|------------------|----------------|-------------------|-----------------|
|                                              | Original         | Final          |                   |                 |
| Revenues:                                    |                  |                |                   |                 |
| Taxes:                                       |                  |                |                   |                 |
| Income tax:                                  |                  |                |                   |                 |
| Corporate                                    | \$ 152,601,412   | \$ 152,601,412 | \$ 122,235,831    | \$ (30,365,581) |
| Individual                                   | 78,342,876       | 78,342,876     | 90,009,650        | 11,666,774      |
| Withholding taxes, interest and penalties    | 281,225,258      | 281,225,258    | 230,878,114       | (50,347,144)    |
|                                              | 512,169,546      | 512,169,546    | 443,123,595       | (69,045,951)    |
| Provision for tax refund payments            | (125,000,000)    | (125,000,000)  | (125,000,000)     | -               |
| Total income taxes                           | 387,169,546      | 387,169,546    | 318,123,595       | (69,045,951)    |
| Gross receipts                               | 254,800,702      | 264,200,702    | 269,684,874       | 5,484,172       |
| Excise                                       | 4,331,470        | 4,331,470      | 2,728,034         | (1,603,436)     |
| Section 30 Federal income tax collections    | 68,603,100       | 68,603,100     | 77,795,541        | 9,192,441       |
| Immigration fees                             | 1,854,468        | 1,854,468      | 1,746,790         | (107,678)       |
| Indirect cost reimbursement                  | -                | -              | 4,043             | 4,043           |
| Contributions from component units           | 2,027,787        | 2,027,787      | 2,035,787         | 8,000           |
| Other                                        | 7,977,992        | 7,977,992      | 6,850,991         | (1,127,001)     |
| Total revenues                               | 726,765,065      | 736,165,065    | 678,969,655       | (57,195,410)    |
| Expenditures by Department:                  |                  |                |                   |                 |
| Executive Branch:                            |                  |                |                   |                 |
| Office of I Maga'lahaen Guahan:              |                  |                |                   |                 |
| Office of the Governor                       | 7,859,225        | 4,646,841      | 4,638,411         | 8,430           |
| Office of the Governor - Guam Liaison Office | -                | 175,656        | 175,653           | 3               |
| Commission on Decolonization                 | 389,475          | 356,524        | 299,182           | 57,342          |
| Government House                             | 15,705           | 840,608        | 839,181           | 1,427           |
| Medical Referral Offices                     | -                | 957,455        | 897,651           | 59,804          |
| Office of Civil Defense                      | 1,485            | 501,485        | 464,356           | 37,129          |
| Office of Veteran's Affairs                  | 644,821          | 585,765        | 468,586           | 117,179         |
|                                              | 8,910,711        | 8,064,334      | 7,783,020         | 281,314         |
| Office of I Segundu Na Maga'lahaen Guahan:   |                  |                |                   |                 |
| Office of the Lieutenant Governor            | 16,077           | 1,034,904      | 1,032,426         | 2,478           |
| Bureau of Budget and Management Research:    |                  |                |                   |                 |
| Office of the Director                       | 1,355,866        | 345,581        | 338,084           | 7,497           |
| Internal Audit Division                      | -                | 810,857        | 720,792           | 90,065          |
|                                              | 1,355,866        | 1,156,438      | 1,058,876         | 97,562          |
| Civil Service Commission:                    |                  |                |                   |                 |
| Office of the Director                       | 1,084,983        | 470,533        | 451,568           | 18,965          |
| Board of Commissioners                       | -                | 33,168         | 31,717            | 1,451           |
| Legal Office                                 | 20,860           | 193,863        | 170,250           | 23,613          |
| Personnel Management                         | -                | 303,056        | 302,982           | 74              |
|                                              | 1,105,843        | 1,000,620      | 956,517           | 44,103          |
| Department of Administration:                |                  |                |                   |                 |
| Office of the Director                       | 11,323,294       | 2,537,503      | 2,307,569         | 229,934         |
| Office of the Director - Child Support       | 946,969          | 804,923        | 522,693           | 282,230         |
| Personnel Management                         | -                | 1,858,013      | 1,875,002         | (16,989)        |
| Data Processing                              | 545,517          | 3,460,184      | 3,258,124         | 202,060         |
| General Services Agency                      | -                | 985,765        | 987,148           | (1,383)         |
| Division of Accounts                         | -                | 2,762,179      | 2,760,262         | 1,917           |
|                                              | 12,815,780       | 12,408,567     | 11,710,798        | 697,769         |
| Guam Election Commission                     | 1,529,124        | 1,867,759      | 1,785,092         | 82,667          |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100 Only), Continued Year Ended September 30, 2018

|                                                         | Budgeted Amounts  |                   | Actual<br>Amounts | Variance       |
|---------------------------------------------------------|-------------------|-------------------|-------------------|----------------|
|                                                         | Original          | Final             |                   |                |
| Expenditures by Department, continued:                  |                   |                   |                   |                |
| Executive Branch, continued:                            |                   |                   |                   |                |
| Department of Revenue and Taxation:                     |                   |                   |                   |                |
| Office of the Director                                  | 11,464,378        | 2,946,979         | 2,942,993         | 3,986          |
| Office of the Director - Vacancies and Overtime         | 289,018           | 2,331,196         | 2,203,519         | 127,677        |
| Office of the Director - Vacancies and Tax Attorney     | 3,522             | 3,522             | 2,183             | 1,339          |
| Office of the Director - Stimulus Tax Rebates           | -                 | 2                 | -                 | 2              |
| Office of the Director - Real Property Assessment Bond  | 3,104             | 3,104             | 3,104             | -              |
| Tax Enforcement Division                                | -                 | 2,561,431         | 2,537,244         | 24,187         |
| Real Property Tax Division                              | -                 | 754,143           | 754,260           | (117)          |
| Taxpayer Services Division                              | -                 | 1,449,567         | 1,476,459         | (26,892)       |
| Regulatory Division                                     | -                 | 1,080,740         | 1,075,772         | 4,968          |
| Motor Vehicle Division                                  | -                 | 648,674           | 644,679           | 3,995          |
|                                                         | <u>11,760,022</u> | <u>11,779,358</u> | <u>11,640,213</u> | <u>139,145</u> |
| Bureau of Statistics and Plans:                         |                   |                   |                   |                |
| Administration                                          | 1,252,726         | 320,466           | 294,247           | 26,219         |
| Chief Economist's Office                                | 256               | 259               | 85                | 174            |
| Planning Information                                    | -                 | 244,146           | 244,146           | -              |
| Socio-Economic Planning                                 | -                 | 138,360           | 137,699           | 661            |
| Business and Economic Statistics Division               | -                 | 515,405           | 515,257           | 148            |
|                                                         | <u>1,252,982</u>  | <u>1,218,636</u>  | <u>1,191,434</u>  | <u>27,202</u>  |
| Department of Public Works:                             |                   |                   |                   |                |
| Office of the Director                                  | 31,734            | 31,734            | 30,368            | 1,366          |
| Capital Improvement Projects                            | 241,573           | 191,573           | 54,138            | 137,435        |
| Bus Maintenance                                         | 28,829            | 28,829            | 28,829            | -              |
| Bus Operations Division                                 | 3                 | 3                 | -                 | 3              |
| Building Construction and Facilities Maintenance        | 71,309            | 71,309            | 5,388             | 65,921         |
|                                                         | <u>373,448</u>    | <u>323,448</u>    | <u>118,723</u>    | <u>204,725</u> |
| Office of the Attorney-General:                         |                   |                   |                   |                |
| Attorney-General's Office                               | 16,799,580        | 14,518,936        | 12,853,490        | 1,665,446      |
| Guam Police Department:                                 |                   |                   |                   |                |
| Office of the Chief                                     | 31,337,938        | 5,454,557         | 5,138,769         | 315,788        |
| Office of the Chief - Equipment and Training            | 3,201             | 3,201             | -                 | 3,201          |
| Office of the Chief - Workers' Compensation Disability  | -                 | 11,279            | 11,279            | -              |
| Office of the Chief - Portable Radios                   | -                 | 8,563             | -                 | 8,563          |
| Office of the Chief - Vacancy Pool                      | -                 | -                 | 76,095            | (76,095)       |
| Office of the Chief - Civilian Volunteer Police Reserve | -                 | 100,000           | -                 | 100,000        |
| Office of the Chief - Overtime                          | -                 | 919,715           | 1,002,017         | (82,302)       |
| Office of the Chief - Administration Division           | -                 | 1,247,482         | 1,278,995         | (31,513)       |
| Office of the Chief - Fuel                              | -                 | 377,078           | 377,078           | -              |
| Office of the Chief - Police Commander                  | -                 | 3,406,531         | 3,407,678         | (1,147)        |
| Criminal Investigation Division                         | -                 | 3,038,465         | 3,039,793         | (1,328)        |
| Neighborhood Patrol Division                            | -                 | 10,100,703        | 10,240,954        | (140,251)      |
| Support Division                                        | -                 | 1,566,137         | 1,566,396         | (259)          |
| Recreational Boating Safety                             | -                 | -                 | -                 | -              |
| Forensic Science Division                               | 130,424           | 2,163,007         | 2,142,600         | 20,407         |
| COPS Hiring Program                                     | -                 | -                 | -                 | -              |
|                                                         | <u>31,471,563</u> | <u>28,396,718</u> | <u>28,281,654</u> | <u>115,064</u> |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100 Only), Continued Year Ended September 30, 2018

|                                                    | Budgeted Amounts  |                   | Actual<br>Amounts | Variance           |
|----------------------------------------------------|-------------------|-------------------|-------------------|--------------------|
|                                                    | Original          | Final             |                   |                    |
| Expenditures by Department, continued:             |                   |                   |                   |                    |
| Executive Branch, continued:                       |                   |                   |                   |                    |
| Department of Corrections:                         |                   |                   |                   |                    |
| Office of the Director                             | 24,225,706        | 4,079,549         | 3,467,426         | 612,123            |
| Office of the Director - Bureau of Prisons         | -                 | 503,500           | 503,500           | -                  |
| Office of the Director - Food Service Contract     | -                 | 1,468,100         | 1,468,100         | -                  |
| Office of the Director - Electronic Locking System | 1,617,500         | 1,617,500         | 1,617,500         | -                  |
| Office of the Director - GMHA                      | -                 | 650,000           | 650,000           | -                  |
| Office of the Director - CJIS                      | -                 | 89,730            | 89,730            | -                  |
| Adult Correctional Facility                        | 503,511           | 13,892,516        | 13,862,835        | 29,681             |
| Rosario Detention Center                           | -                 | 2,997,755         | 2,913,023         | 84,732             |
| Casework and Counseling Service Division           | -                 | 455,003           | 369,758           | 85,245             |
| Forensic Division                                  | -                 | 324,075           | 189,927           | 134,148            |
| Parole Service Division                            | -                 | 693,989           | 610,081           | 83,908             |
|                                                    | <u>26,346,717</u> | <u>26,771,717</u> | <u>25,741,880</u> | <u>1,029,837</u>   |
| Department of Agriculture:                         |                   |                   |                   |                    |
| Office of the Director                             | 3,159,386         | 741,649           | 722,837           | 18,812             |
| Forestry and Soil Resources                        | -                 | 841,227           | 842,750           | (1,523)            |
| Aquatic and Wildlife Resources Division            | -                 | 158,678           | 134,640           | 24,038             |
| Animal and Plant Industry Division                 | -                 | 411,969           | 411,968           | 1                  |
| Plant Inspection Station                           | -                 | 234,424           | 234,966           | (542)              |
| Animal Health Section                              | -                 | 439,852           | 410,296           | 29,556             |
|                                                    | <u>3,159,386</u>  | <u>2,827,799</u>  | <u>2,757,457</u>  | <u>70,342</u>      |
| Department of Public Health and Social Services:   |                   |                   |                   |                    |
| Office of the Director                             | 23,202,175        | 956,837           | 908,967           | 47,870             |
| Chief Public Health Office                         | 90,509            | 492,143           | 410,715           | 81,428             |
| Nutrition Services                                 | 1,323             | 687,557           | 213,805           | 473,752            |
| Communicable Disease Control                       | 66,637            | 1,021,068         | 991,473           | 29,595             |
| Community Health Services                          | 1,020             | 1,020             | -                 | 1,020              |
| Primary Care Services                              | 198,178           | 789,419           | 640,570           | 148,849            |
| Family Health and Nursing                          | 17,170            | 328,983           | 324,744           | 4,239              |
| Physical Activity Action Team                      | 8,031             | 66,788            | 8,031             | 58,757             |
| Division of Environmental Health                   | 11,686            | 642,032           | 633,322           | 8,710              |
| Financial Management Services                      | 407               | 222,554           | 222,145           | 409                |
| Supply Section                                     | -                 | 100,110           | 100,108           | 2                  |
| Management Support Services                        | 17,809            | 229,946           | 212,700           | 17,246             |
| Facilities and Maintenance                         | 360,113           | 1,807,083         | 1,453,768         | 353,315            |
| Systems Group                                      | 184,356           | 437,904           | 309,447           | 128,457            |
| Medically Indigent Program                         | -                 | 699,289           | 50,895            | 648,394            |
| Medicaid Assistance Program                        | 17,502,020        | -                 | -                 | -                  |
| Medicaid Local Match                               | -                 | -                 | 4,500,622         | (4,500,622)        |
| Employment and Training Program                    | -                 | -                 | -                 | -                  |
| Foster Care                                        | 24,105            | 3,450,397         | 3,426,289         | 24,108             |
| Public Assistance Program                          | 3,384,305         | 1,691,341         | 1,717,856         | (26,515)           |
| Food Stamps                                        | -                 | -                 | -                 | -                  |
| Division of Senior Citizens                        | 897,051           | 7,587,185         | 7,378,193         | 208,992            |
| Adult Protective Services                          | 107,535           | 858,968           | 759,913           | 99,055             |
|                                                    | <u>46,074,430</u> | <u>22,070,624</u> | <u>24,263,563</u> | <u>(2,192,939)</u> |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100 Only), Continued Year Ended September 30, 2018

|                                                                         | Budgeted Amounts   |                    | Actual<br>Amounts  | Variance          |
|-------------------------------------------------------------------------|--------------------|--------------------|--------------------|-------------------|
|                                                                         | Original           | Final              |                    |                   |
| Expenditures by Department, continued:                                  |                    |                    |                    |                   |
| Executive Branch, continued:                                            |                    |                    |                    |                   |
| Department of Education:                                                |                    |                    |                    |                   |
| Charter school operations                                               | 8,060,000          | 7,426,908          | 7,426,907          | 1                 |
| GDOE COPS 2010                                                          | 5,128,200          | 5,128,200          | 5,128,200          | -                 |
| GDOE COPS 2013                                                          | 2,936,685          | 2,936,685          | 2,936,685          | -                 |
| Simon Sanchez High School                                               | -                  | 1,500,000          | -                  | 1,500,000         |
| Operations                                                              | 214,810,861        | 214,310,861        | 201,354,656        | 12,956,205        |
| Pre-Kindergarten Pilot Program                                          | 1,054,596          | 1,054,596          | -                  | 1,054,596         |
| Chamorro Studies                                                        | 401,207            | 401,207            | 401,207            | -                 |
| Secure Our School Act                                                   | -                  | 49,425             | 8,627              | 40,798            |
| Textbooks                                                               | 1,500,000          | 1,500,000          | 1,500,000          | -                 |
| GPSS A/C maintenance                                                    | -                  | 619,389            | -                  | 619,389           |
| GPSS school maintenance                                                 | -                  | 500,000            | 500,000            | -                 |
| GPSS facility repairs                                                   | 11,359             | 11,359             | 11,359             | -                 |
|                                                                         | <u>233,902,908</u> | <u>235,438,630</u> | <u>219,267,641</u> | <u>16,170,989</u> |
| Department of Youth Affairs:                                            |                    |                    |                    |                   |
| Office of the Director                                                  | 6,239,538          | 225,416            | 219,130            | 6,286             |
| Division of Youth Development                                           | -                  | 1,225,240          | 1,176,369          | 48,871            |
| Division of Youth Corrections                                           | -                  | 3,312,878          | 3,305,344          | 7,534             |
| Division of Vocational Rehabilitation<br>and Support Services           | 130,792            | 1,236,796          | 1,104,832          | 131,964           |
|                                                                         | <u>6,370,330</u>   | <u>6,000,330</u>   | <u>5,805,675</u>   | <u>194,655</u>    |
| Guam Behavioral Health and Wellness Center:                             |                    |                    |                    |                   |
| Office of the Director                                                  | 3,009,654          | 2,346,000          | 1,668,045          | 677,955           |
| Office of the Director - Permanent Injunction                           | 11,299             | 11,299             | 3,850              | 7,449             |
| Clinical Services Division                                              | 47,722             | 359,879            | 302,919            | 56,960            |
| Child and Adolescent Services Division                                  | -                  | 142,890            | 142,473            | 417               |
| Nursing Services Division                                               | 40,506             | 89,079             | 43,287             | 45,792            |
|                                                                         | <u>3,109,181</u>   | <u>2,949,147</u>   | <u>2,160,574</u>   | <u>788,573</u>    |
| Department of Labor:                                                    |                    |                    |                    |                   |
| Office of the Director                                                  | 2,020,550          | 596,587            | 591,155            | 5,432             |
| Alien Labor Processing and Certification Division                       | -                  | 273,662            | 273,662            | -                 |
| Wage and Hour Division                                                  | -                  | 108,406            | 108,406            | -                 |
| Bureau of Labor Statistics                                              | -                  | 259,631            | 259,631            | -                 |
| Fair Employment Practice Office                                         | -                  | 77,044             | 77,044             | -                 |
| Worker's Compensation Commission                                        | -                  | 274,553            | 274,553            | -                 |
| Fiscal and Support Office                                               | -                  | 155,524            | 143,494            | 12,030            |
|                                                                         | <u>2,020,550</u>   | <u>1,745,407</u>   | <u>1,727,945</u>   | <u>17,462</u>     |
| Department of Parks and Recreation:                                     |                    |                    |                    |                   |
| Office of the Director                                                  | 403,545            | 8,677              | 606,858            | (598,181)         |
| Guam Basketball Confederation Tax Credits                               | -                  | -                  | -                  | -                 |
| Historic Resources Division                                             | 1,543              | 314,945            | 287,984            | 26,961            |
|                                                                         | <u>405,088</u>     | <u>323,622</u>     | <u>894,842</u>     | <u>(571,220)</u>  |
| Department of Integrated Services for Individuals<br>with Disabilities: |                    |                    |                    |                   |
| Office of the Director                                                  | 1,055,593          | 536,689            | 415,308            | 121,381           |
| Fiscal Support                                                          | -                  | 1,526              | 1,525              | 1                 |
|                                                                         | <u>1,055,593</u>   | <u>538,215</u>     | <u>416,833</u>     | <u>121,382</u>    |
| Mayor's Council of Guam:                                                |                    |                    |                    |                   |
| Mayors' Council Consolidated Accounts                                   | 908,824            | 1,370,435          | 2,670,847          | (1,300,412)       |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100 Only), Continued Year Ended September 30, 2018

|                                                        | Budgeted Amounts |             | Actual<br>Amounts | Variance   |
|--------------------------------------------------------|------------------|-------------|-------------------|------------|
|                                                        | Original         | Final       |                   |            |
| Expenditures by Department, continued:                 |                  |             |                   |            |
| Executive Branch, continued:                           |                  |             |                   |            |
| Department of Land Management:                         |                  |             |                   |            |
| Office of the Director                                 | 343,292          | 481,101     | 298,236           | 182,865    |
| Ancestral Land Trust Commission                        | 91,757           | 91,757      | 82,228            | 9,529      |
|                                                        | 435,049          | 572,858     | 380,464           | 192,394    |
| Chief Medical Examiner:                                |                  |             |                   |            |
| Medical Examiner's Office                              | 444,191          | 437,202     | 434,634           | 2,568      |
| Department of Chamorro Affairs:                        |                  |             |                   |            |
| Office of the Director                                 | 5,114            | 5,114       | 1,659             | 3,455      |
| Guam Public Library                                    | 205,491          | 205,491     | 17,762            | 187,729    |
| Guam Council on the Arts and Humanities Agency         | -                | -           | 24,185            | (24,185)   |
| Guam Educational Telecommunications Corporation        | 16,502           | 16,502      | 3,993             | 12,509     |
| Guam Museum                                            | 31,931           | 31,931      | -                 | 31,931     |
|                                                        | 259,038          | 259,038     | 47,599            | 211,439    |
| Department of Military Affairs:                        |                  |             |                   |            |
| Office of the Adjutant General                         | 909,424          | 153,333     | 152,725           | 608        |
| Guam Fire Department:                                  |                  |             |                   |            |
| Office of the Fire Chief                               | 31,885,115       | 297,078     | 290,474           | 6,604      |
| Administrative and Logistical Support                  | 293,318          | 747,518     | 446,188           | 301,330    |
| Emergency Medical Service/Rescue Operations Bureau     | -                | 9,704,257   | 9,696,336         | 7,921      |
| Fire Suppression Bureau                                | -                | 19,942,942  | 19,946,502        | (3,560)    |
|                                                        | 32,178,433       | 30,691,795  | 30,379,500        | 312,295    |
| Payments to Component Units:                           |                  |             |                   |            |
| Guam Community College                                 | 19,750,031       | 21,170,846  | 19,359,937        | 1,810,909  |
| Guam Memorial Hospital Authority                       | 2,770,616        | 12,652,792  | 12,399,548        | 253,244    |
| University of Guam                                     | 35,077,747       | 41,291,422  | 30,748,776        | 10,542,646 |
|                                                        | 57,598,394       | 75,115,060  | 62,508,261        | 12,606,799 |
| Government of Guam Retirement Fund Appropriations:     |                  |             |                   |            |
| Medicare Reimbursement                                 | 3,300,000        | 3,300,000   | 3,300,000         | -          |
| Governor and Lieutenant Governor Pension Contributions | 252,000          | 252,000     | 252,000           | -          |
| Judge and Justice Retirement Annuities                 | 365,000          | 365,000     | 365,000           | -          |
|                                                        | 3,917,000        | 3,917,000   | 3,917,000         | -          |
| Total Executive Branch                                 | 506,485,532      | 492,951,930 | 461,939,683       | 31,012,247 |
| Miscellaneous Appropriations:                          |                  |             |                   |            |
| Retiree Healthcare Premiums                            | 32,384,180       | 37,639,360  | 37,631,316        | 8,044      |
| Retiree Cost of Living Adjustments                     | 13,902,000       | 13,902,000  | 13,766,000        | 136,000    |
| Landfill Tax Credits - Principal                       | -                | -           | 564,479           | (564,479)  |
| Landfill Tax Credits - Interest                        | -                | -           | 193,583           | (193,583)  |
| Tiyan Collateral Equipment Tax Credits                 | -                | -           | -                 | -          |
| Make Work Pay Tax Credit repayment                     | 5,500,000        | -           | -                 | -          |
| Guam Energy Office                                     | -                | 56,305      | 4,601             | 51,704     |
| Harmon Industrial Park roadway                         | 250,000          | -           | -                 | -          |
| Guam Commission for Educator Certification             | 2,011            | 2,011       | -                 | 2,011      |
| Total Miscellaneous Appropriations                     | 52,038,191       | 51,599,676  | 52,159,979        | (560,303)  |

See Accompanying Independent Auditors' Report.



# GOVERNMENT OF GUAM

## Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100 Only), Continued Year Ended September 30, 2018

|                                                                                                                                                                                                                           | Budgeted Amounts |               | Actual<br>Amounts | Variance        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|-------------------|-----------------|
|                                                                                                                                                                                                                           | Original         | Final         |                   |                 |
| Expenditures by Department, continued:                                                                                                                                                                                    |                  |               |                   |                 |
| Interest and other charges:                                                                                                                                                                                               |                  |               |                   |                 |
| Interest on tax refunds                                                                                                                                                                                                   | -                | -             | 1,698,593         | (1,698,593)     |
| Nonappropriated expenditures                                                                                                                                                                                              | -                | -             | 11,250            | (11,250)        |
| Other                                                                                                                                                                                                                     | -                | -             | (65,539)          | 65,539          |
| Total Interest and other charges                                                                                                                                                                                          | -                | -             | 1,644,304         | (1,644,304)     |
| Debt Service:                                                                                                                                                                                                             |                  |               |                   |                 |
| Principal retirement                                                                                                                                                                                                      | 20,800,000       | 20,800,000    | 20,800,000        | -               |
| Interest and fiscal charges                                                                                                                                                                                               | 49,744,262       | 49,744,262    | 49,744,262        | -               |
|                                                                                                                                                                                                                           | 70,544,262       | 70,544,262    | 70,544,262        | -               |
| Total expenditures                                                                                                                                                                                                        | 629,067,985      | 615,095,868   | 586,288,228       | 28,807,640      |
| Excess of revenues over expenditures                                                                                                                                                                                      | 97,697,080       | 121,069,197   | 92,681,427        | (28,387,770)    |
| Other financing sources (uses):                                                                                                                                                                                           |                  |               |                   |                 |
| Transfers in from other funds:                                                                                                                                                                                            |                  |               |                   |                 |
| Guam Department of Education Fund                                                                                                                                                                                         | 650,000          | 650,000       | 650,000           | -               |
|                                                                                                                                                                                                                           | 650,000          | 650,000       | 650,000           | -               |
| Transfers out to other funds:                                                                                                                                                                                             |                  |               |                   |                 |
| Better Public Service Fund                                                                                                                                                                                                | 603,785          | -             | 527,472           | (527,472)       |
| Federal Grants Assistance Fund                                                                                                                                                                                            | -                | 33,410,015    | 28,432,229        | 4,977,786       |
| Government Claims Fund                                                                                                                                                                                                    | 250,000          | 250,000       | 216,068           | 33,932          |
| GMHA Medicaid Fund                                                                                                                                                                                                        | -                | 90,036        | -                 | 90,036          |
| GMHA Pharmaceuticals Fund                                                                                                                                                                                                 | 15,772,163       | -             | 10,692,990        | (10,692,990)    |
| Guam Legislature Fund                                                                                                                                                                                                     | 8,966,564        | 8,962,573     | 8,355,301         | 607,272         |
| MIP Payment Revolving Fund                                                                                                                                                                                                | 16,628,907       | 9,356,976     | 9,130,562         | 226,414         |
| Office of Public Accountability                                                                                                                                                                                           | 1,396,898        | 1,396,898     | 1,396,898         | -               |
| Off-island Treatment Fund                                                                                                                                                                                                 | 1,600,000        | 1,600,000     | 1,478,655         | 121,345         |
| Public Defender Service Corporation Fund                                                                                                                                                                                  | 4,341,373        | 4,002,354     | 3,639,505         | 362,849         |
| Supplemental Annuity Benefits Fund                                                                                                                                                                                        | 8,392,000        | 8,392,000     | 7,653,840         | 738,160         |
| Unified Courts of Guam Fund                                                                                                                                                                                               | 34,696,443       | 29,878,880    | 29,878,880        | -               |
| Worker's Compensation Fund                                                                                                                                                                                                | 698,593          | 691,543       | 741,935           | (50,392)        |
|                                                                                                                                                                                                                           | 93,346,726       | 98,031,275    | 102,144,335       | (4,113,060)     |
| Total other financing sources (uses), net                                                                                                                                                                                 | (92,696,726)     | (97,381,275)  | (101,494,335)     | 4,113,060       |
| Encumbrances for supplies and equipment ordered<br>but not received are reported in the year the order<br>is placed for budgetary purposes, but in the year the<br>supplies are received for financial reporting purposes | 9,051,873        | 9,051,873     | 3,706,903         | (5,344,970)     |
| Net change in deficit                                                                                                                                                                                                     | \$ 14,052,227    | \$ 32,739,795 | \$ (5,106,005)    | \$ (37,845,800) |

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds September 30, 2018**

The Nonmajor Governmental Funds statements include the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for nonmajor special revenue funds, nonmajor capital projects funds, and nonmajor debt service funds that comprise the other governmental funds column in the basic financial statements. The combining nonmajor special revenue funds statements, the combining nonmajor capital projects funds statements, and the combining nonmajor debt service funds are detailed behind the special revenue funds, capital project funds and debt service funds dividers.

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Nonmajor Governmental Funds Combining Balance Sheet September 30, 2018

| <u>ASSETS</u>                            | Other<br>Special Revenue | Other<br>Capital Project | Other<br>Debt Service | Total                 |
|------------------------------------------|--------------------------|--------------------------|-----------------------|-----------------------|
| Cash and cash equivalents                | \$ 42,422,282            | \$ 1,570,016             | \$ -                  | \$ 43,992,298         |
| Investments                              | 4,544,532                | -                        | -                     | 4,544,532             |
| Receivables, net:                        |                          |                          |                       |                       |
| Taxes                                    | 6,964,874                | -                        | -                     | 6,964,874             |
| Other                                    | 4,602,006                | -                        | -                     | 4,602,006             |
| Due from component units                 | 2,215,251                | -                        | -                     | 2,215,251             |
| Due from other funds                     | 22,637,965               | 175,899                  | -                     | 22,813,864            |
| Prepayments                              | 85,350                   | -                        | -                     | 85,350                |
| Deposits and other assets                | -                        | 1,118                    | -                     | 1,118                 |
| Restricted assets:                       |                          |                          |                       |                       |
| Cash and cash equivalents                | 8,417,382                | 22,096                   | -                     | 8,439,478             |
| Investments                              | 300,000                  | 11,051,716               | 12,526,664            | 23,878,380            |
| Total assets                             | <u>\$ 92,189,642</u>     | <u>\$ 12,820,845</u>     | <u>\$ 12,526,664</u>  | <u>\$ 117,537,151</u> |
| <br><u>LIABILITIES AND FUND BALANCES</u> |                          |                          |                       |                       |
| Liabilities:                             |                          |                          |                       |                       |
| Accounts payable                         | \$ 4,888,115             | \$ 1,337,180             | \$ -                  | \$ 6,225,295          |
| Accrued payroll and other                | 3,063,394                | -                        | -                     | 3,063,394             |
| Due to component units                   | 3,141,950                | -                        | -                     | 3,141,950             |
| Due to other funds                       | 11,092,143               | 2,608,839                | -                     | 13,700,982            |
| Unearned revenue                         | 1,184,346                | -                        | -                     | 1,184,346             |
| Deposits and other liabilities           | 1,358,425                | -                        | -                     | 1,358,425             |
| Total liabilities                        | <u>24,728,373</u>        | <u>3,946,019</u>         | <u>-</u>              | <u>28,674,392</u>     |
| Fund balances:                           |                          |                          |                       |                       |
| Restricted                               | 17,705,473               | 9,400,485                | 12,526,664            | 39,632,622            |
| Committed                                | 51,031,938               | -                        | -                     | 51,031,938            |
| Unassigned                               | (1,276,142)              | (525,659)                | -                     | (1,801,801)           |
| Total fund balances                      | <u>67,461,269</u>        | <u>8,874,826</u>         | <u>12,526,664</u>     | <u>88,862,759</u>     |
| Total liabilities and fund balances      | <u>\$ 92,189,642</u>     | <u>\$ 12,820,845</u>     | <u>\$ 12,526,664</u>  | <u>\$ 117,537,151</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, 2018

|                                                              | Other<br>Special Revenue | Other<br>Capital Project | Other<br>Debt Service | Total                |
|--------------------------------------------------------------|--------------------------|--------------------------|-----------------------|----------------------|
| Revenues:                                                    |                          |                          |                       |                      |
| Taxes:                                                       |                          |                          |                       |                      |
| Property                                                     | \$ 29,932,932            | \$ -                     | \$ -                  | \$ 29,932,932        |
| Hotel                                                        | 43,181,165               | -                        | -                     | 43,181,165           |
| Liquid fuel                                                  | 13,297,415               | -                        | -                     | 13,297,415           |
| Tobacco                                                      | 28,562,068               | -                        | -                     | 28,562,068           |
| Alcoholic beverages                                          | 3,676,775                | -                        | -                     | 3,676,775            |
| Limited gaming                                               | 4,140,378                | -                        | -                     | 4,140,378            |
| Licenses and permits                                         | 54,133,205               | 857,931                  | -                     | 54,991,136           |
| Charges for services                                         | 21,644,169               | -                        | -                     | 21,644,169           |
| Fines and forfeits                                           | -                        | 603,383                  | -                     | 603,383              |
| Interest and investment earnings                             | 91,746                   | (7,160)                  | 112,588               | 197,174              |
| Intergovernmental                                            | 2,122,703                | -                        | -                     | 2,122,703            |
| Other                                                        | 2,765,591                | -                        | -                     | 2,765,591            |
| Total revenues                                               | <u>203,548,147</u>       | <u>1,454,154</u>         | <u>112,588</u>        | <u>205,114,889</u>   |
| Expenditures by Function:                                    |                          |                          |                       |                      |
| Current:                                                     |                          |                          |                       |                      |
| General government                                           | 18,436,895               | -                        | -                     | 18,436,895           |
| Protection of life and property                              | 23,455,718               | -                        | -                     | 23,455,718           |
| Public health                                                | 26,113,430               | -                        | -                     | 26,113,430           |
| Community services                                           | 1,667                    | -                        | -                     | 1,667                |
| Recreation                                                   | 3,704,300                | -                        | -                     | 3,704,300            |
| Individual and collective rights                             | 14,874,218               | 743,732                  | -                     | 15,617,950           |
| Transportation                                               | 13,159,030               | -                        | -                     | 13,159,030           |
| Public education                                             | 6,834,114                | -                        | -                     | 6,834,114            |
| Environmental protection                                     | 26,268,351               | -                        | -                     | 26,268,351           |
| Economic development                                         | 737,611                  | -                        | -                     | 737,611              |
| Payments to:                                                 |                          |                          |                       |                      |
| Guam Community College                                       | 649,668                  | -                        | -                     | 649,668              |
| Guam Memorial Hospital Authority                             | 5,044,340                | -                        | -                     | 5,044,340            |
| Guam Preservation Trust                                      | 475,000                  | -                        | -                     | 475,000              |
| Guam Visitors Bureau                                         | 26,703,484               | -                        | -                     | 26,703,484           |
| University of Guam                                           | 4,338,619                | -                        | -                     | 4,338,619            |
| Miscellaneous appropriations                                 | 206,496                  | -                        | -                     | 206,496              |
| Capital projects                                             | -                        | 3,479,723                | -                     | 3,479,723            |
| Debt service:                                                |                          |                          |                       |                      |
| Principal retirement                                         | 92,473                   | 680,901                  | 2,110,000             | 2,883,374            |
| Interest and fiscal charges                                  | 226,727                  | 312,104                  | 4,885,775             | 5,424,606            |
| Total expenditures                                           | <u>171,322,141</u>       | <u>5,216,460</u>         | <u>6,995,775</u>      | <u>183,534,376</u>   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>32,226,006</u>        | <u>(3,762,306)</u>       | <u>(6,883,187)</u>    | <u>21,580,513</u>    |
| Other financing sources (uses):                              |                          |                          |                       |                      |
| Transfers in from other funds                                | 10,077,758               | -                        | 7,145,927             | 17,223,685           |
| Transfers out to other funds                                 | (35,794,909)             | -                        | -                     | (35,794,909)         |
| Total other financing sources (uses), net                    | <u>(25,717,151)</u>      | <u>-</u>                 | <u>7,145,927</u>      | <u>(18,571,224)</u>  |
| Net change in fund balances                                  | 6,508,855                | (3,762,306)              | 262,740               | 3,009,289            |
| Fund balances at beginning of year                           | 60,952,414               | 12,637,132               | 12,263,924            | 85,853,470           |
| Fund balances at end of year                                 | <u>\$ 67,461,269</u>     | <u>\$ 8,874,826</u>      | <u>\$ 12,526,664</u>  | <u>\$ 88,862,759</u> |

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, 2018

|                                                              | Other<br>Special Revenue | Other<br>Capital Project | Other<br>Debt Service | Total                |
|--------------------------------------------------------------|--------------------------|--------------------------|-----------------------|----------------------|
| Revenues:                                                    |                          |                          |                       |                      |
| Taxes:                                                       |                          |                          |                       |                      |
| Property                                                     | \$ 29,932,932            | \$ -                     | \$ -                  | \$ 29,932,932        |
| Hotel                                                        | 43,181,165               | -                        | -                     | 43,181,165           |
| Liquid fuel                                                  | 13,297,415               | -                        | -                     | 13,297,415           |
| Tobacco                                                      | 28,562,068               | -                        | -                     | 28,562,068           |
| Alcoholic beverages                                          | 3,676,775                | -                        | -                     | 3,676,775            |
| Limited gaming                                               | 4,140,378                | -                        | -                     | 4,140,378            |
| Licenses and permits                                         | 54,133,205               | 857,931                  | -                     | 54,991,136           |
| Charges for services                                         | 21,644,169               | -                        | -                     | 21,644,169           |
| Fines and forfeits                                           | -                        | 603,383                  | -                     | 603,383              |
| Interest and investment earnings                             | 91,746                   | (7,160)                  | 112,588               | 197,174              |
| Intergovernmental                                            | 2,122,703                | -                        | -                     | 2,122,703            |
| Other                                                        | 2,765,591                | -                        | -                     | 2,765,591            |
| Total revenues                                               | <u>203,548,147</u>       | <u>1,454,154</u>         | <u>112,588</u>        | <u>205,114,889</u>   |
| Expenditures by Object:                                      |                          |                          |                       |                      |
| Salaries and wages - regular                                 | 49,121,545               | -                        | -                     | 49,121,545           |
| Salaries and wages - overtime                                | 1,801,829                | -                        | -                     | 1,801,829            |
| Salaries and wages - fringe benefits                         | 18,004,028               | -                        | -                     | 18,004,028           |
| Travel                                                       | 275,839                  | -                        | -                     | 275,839              |
| Contractual services                                         | 38,024,039               | 1,021,643                | -                     | 39,045,682           |
| Building rent                                                | 4,009,084                | 510,183                  | -                     | 4,519,267            |
| Supplies                                                     | 4,854,838                | -                        | -                     | 4,854,838            |
| Equipment                                                    | 698,978                  | 62,508                   | -                     | 761,486              |
| Utilities - power and water                                  | 8,551,337                | -                        | -                     | 8,551,337            |
| Communications                                               | 473,163                  | -                        | -                     | 473,163              |
| Capital outlays                                              | 4,945,552                | 2,599,004                | -                     | 7,544,556            |
| Grants and subsidies                                         | 37,611,111               | -                        | -                     | 37,611,111           |
| Principal retirement                                         | 92,473                   | 680,901                  | 2,110,000             | 2,883,374            |
| Interest and fiscal charges                                  | 226,727                  | 312,104                  | 4,885,775             | 5,424,606            |
| Other                                                        | 2,631,598                | 30,117                   | -                     | 2,661,715            |
| Total expenditures                                           | <u>171,322,141</u>       | <u>5,216,460</u>         | <u>6,995,775</u>      | <u>183,534,376</u>   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>32,226,006</u>        | <u>(3,762,306)</u>       | <u>(6,883,187)</u>    | <u>21,580,513</u>    |
| Other financing sources (uses):                              |                          |                          |                       |                      |
| Transfers in from other funds                                | 10,077,758               | -                        | 7,145,927             | 17,223,685           |
| Transfers out to other funds                                 | (35,794,909)             | -                        | -                     | (35,794,909)         |
| Total other financing sources (uses), net                    | <u>(25,717,151)</u>      | <u>-</u>                 | <u>7,145,927</u>      | <u>(18,571,224)</u>  |
| Net change in fund balances                                  | 6,508,855                | (3,762,306)              | 262,740               | 3,009,289            |
| Fund balances at beginning of year                           | <u>60,952,414</u>        | <u>12,637,132</u>        | <u>12,263,924</u>     | <u>85,853,470</u>    |
| Fund balances at end of year                                 | <u>\$ 67,461,269</u>     | <u>\$ 8,874,826</u>      | <u>\$ 12,526,664</u>  | <u>\$ 88,862,759</u> |

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds September 30, 2018**

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, 2018, 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.

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.

Arts in Public Buildings Fund - This fund was created by Public Law 31-118 to assist in the promotion of local art on display in government public buildings.

Banking and Insurance Enforcement Fund - This fund was created by Public Law 33-91 for the purpose of monitoring and enforcing regulations associated with the banking and insurance industries.

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.

Capitol District Fund - This fund was created by Public Law 29-69 for the sole purpose of funding the repair, restoration, renovation, or refurbishment of the Guam Congress Building or other Capitol District properties. Income received pursuant to any lease of property within the Capitol District shall be deposited into this fund.

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.

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 (CLTC).

Chamorro Loan Guarantee Fund - This fund was created by Public Law 12-226 to account for loans made by governmental agencies or lending institutions to those holding leases or licenses issued by the Chamorro Land Trust Commission that may be guaranteed. This guarantee may be for home or commercial loan purposes. The loan guarantees shall be subject to certain restrictions.

Chamorro Land Trust Survey and Infrastructure Fund - This fund was created for the purpose of accounting for the receipt of all proceeds from the sale of bull cart trails and land remnants and proceeds from the sale of land under the Land for the Landless program that will be used solely for the surveying of unsurveyed CLTC land and for the operational needs in support thereof.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018**

Child Care Revolving Fund - This fund was created by Public Law 31-73 to account for all funds received under the Child Welfare Services Act.

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 - This fund was created by Public Law 21-18 to account for fees collected by the Attorney General's Office under the 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 Compensation Fund - The Criminal Injuries Compensation 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.

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.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018**

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.

Equitable Sharing Program Fund - This fund accounts for proceeds received from the U.S. Department of Justice Asset Forfeiture Program, which encompasses the seizure and forfeiture of assets that represent the proceeds of, or were used to facilitate federal crimes.

Examiner Off-Duty Services Fund - This fund was created by Public Law 30-140 to account for hourly charges for services required by Department of Revenue and Taxation examiners outside of normal working hours.

Government Ethics Fund - This fund was created for the purpose of accounting for transactions associated with enforcement by the Guam Ethics Commission.

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.

GMHA Healthcare Trust and Development Fund - This fund was created by Public Law 32-60 to account for license fees, business privilege tax, and income tax collected from companies involved in gaming to be used by designated public healthcare agencies of GovGuam.

Guam Ancestral Lands Commission (GALC) Operations Fund - This fund was established by Public Law 25-45 for the purpose of accounting for the payment of operational costs associated with the GALC.

Guam Ancestral Land Bank Fund - This fund was created for the purpose of accounting for all assets and revenues of the Land Bank, which consists of former Spanish Crown Lands and other non-ancestral lands conveyed by the United States federal government to GovGuam. The GALC acts as a developer of the lands with resulting lease rental income used to provide just compensation for those dispossessed landowners whose properties cannot be returned.

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018

Guam Landowner's Recovery Fund - This fund was created for the purpose of accounting for the purpose of granting loans, loan guarantees or grant-in-aid to landowners, or to defer costs or fees for professional services required by those landowners or class of landowners who have ancestral land claims.

Guam Ancestral Lands Commission Survey Infrastructure and Development Fund - this fund was created for the purpose of accounting for the proceeds of lease revenues earned from all leases of Apra Harbor Reservation F-12 and Parcel N14-1 (the Polaris Point parcels) under the jurisdiction of the GALC. This fund shall be used for the surveying and mapping, purchase and installation of infrastructure, including paved access roads and commercial development, of the GALC properties, and for the administrative, operational, and financial support of these efforts.

Guam Cancer Trust Fund - This fund was created to provide financial assistance to organizations that provide patient directed services for the prevention of cancers, its treatment, diagnosis, and other services that *may* be required to access treatment, including, but *not limited to*, off-island transportation and temporary housing.

Guam Charter Schools Fund - This fund was created by Public Law 29-140 to account for all funds received under the Guam Academy Charter Schools Act of 2009.

GCC Capital Improvements Fund - This fund was created by Public Law 31-229 to account for lease rental payments payable pursuant to the lease-back agreement entered into to secure financing for the construction, expansion, renovation, and/or hardening of the Gregorio G. Perez Crime Lab Building, and GCC Building # 100 and # 200.

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 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 Invasive Species Inspection Fee Fund - This fund was created by Public Law 31-43 to account for fees collected by the Guam Department of Agriculture for the inspection, quarantine, and eradication of invasive species contained in any freight brought into Guam.

Guam Museum Fund - This fund was created by Public Law 25-69 to account for funds received separate and apart from other funds of the Guam Museum to fund the operations of the Guam Museum Board of Advisors.

Guam Preservation Trust Fund - This fund was created by Public Law 20-151 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.

Guam Procurement Advisory Council Support Fund - This fund was created by Public Law 31-93 to account for the operations of the Guam Procurement Advisory Council.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018**

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.

Host Community Benefits Fund - This fund was created by Public Law 30-165 to recognize the impact on the villages of Inarajan and Ordot as host communities to the Leyon landfill and the Ordot Dump and funded by revenue from tipping fees.

Hotel Occupancy Tax Surplus Fund - This fund was created by Public Law 32-68 to account for hotel occupancy tax collections received by the Tourist Attraction Fund in excess of Bureau of Budget and Management Research revenue estimates.

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.

Land Acquisition Fund - This fund was created by Public Law 9-170 to account for all costs of acquiring private land for public purposes.

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.

Limited Gaming Fund - This fund was created by Public Law 26-52 to account for activities under the Gaming Control Act.

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.

Medical Use of Cannabis Fund - This fund was created by Public Law 32-134 to account for activities associated with the legal use of cannabis for medicinal purposes.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018

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.

MHSA Services Fund - This fund was created by Public Law 31-233 to account for proceeds from the collection of any fees by the Department of Mental Health and Substance Abuse.

Notary Public Revolving Fund - This fund was created by Public Law 21-106 to account for revenues received under the Model Notary Law.

Office of the Attorney General Fund - This fund was created to account for collections received by the Office of the Attorney General.

Office of Vital Statistics Revolving Fund - This fund was created by Public Law 31-213 to account for revenues received by the Territorial Registrar, Office of Vital Statistics, within the Department of Public Health and Social Services.

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.

Police Patrol Vehicle and Equipment Revolving Fund - This fund was created by Public Law 32-205 to account for the collection of vehicle safety inspection fees to be used for the acquisition of vehicles and associated equipment by the Guam Police Department.

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.

Prison Industries Revolving Fund - This fund was created by Public Law 29-94 to account for all revenues collected under the Department of Correction's Prison Industries program that was established as a means for inmates to receive job training and skills development.

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.

Public Library System Fund - 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 Market Revolving Fund - This fund was created by Public Law 28-68 to account for fees paid by producers or sellers for the use of space at public markets under the control of the Department of Chamorro Affairs.

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.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018**

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.

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 Drinking Water Fund – This fund was created to account for fees, monetary charges and other funds collected or received by the Guam Environmental Protection Agency pursuant to the Safe Drinking Water Act to be used for the administration and implementation of the Safe Drinking Water Program; for public education and similar outreach programs; and promotions aimed at increasing awareness of the dangers of using pipes, plumbing fittings or fixtures containing lead over the acceptable limit set by this Act or regulations.

Safe Homes, Safe Streets Fund - This fund was created by Public Law 27-104 to account for public safety and social programs that enforce alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-related violence and abuse, an/or support community-based drug and substance abuse prevention programs at the Guam Police Department, the Guam Public School System, the Department of Public Health and Social Services, the Department of Youth Affairs, the Department of Mental Health & Substance Abuse

Safe Streets Fund - This fund was created by Public Law 22-41 to account for fines collected for certain offenses involving alcohol and controlled substances, convictions involving children, vehicular negligence and homicide, and drinking while driving a motor vehicle. 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 abovementioned offenses.

Section 2718 Fund - This fund was created by Public Law 31-77 to account for all proceeds from rebates paid to and entitled to GovGuam pursuant to Section 2718(b)(1)(A) of the Public Health Services Act, as amended by the Patient Protection and Affordable Care Act (PPACA), Public Law 111-148.

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.

Stray Dog Revolving Fund - This fund was created by Public Law 28-108 to account for the imposition of mandatory fines on owners of impounded dogs.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018**

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

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.

Truck Enforcement Screening Station Facility Fund - This fund was created by Public Law 33-106 to account for fees collected from the monitoring of size, weight and load limitations and restriction of certain vehicles operating on Guam roads.

Underground Storage Tank Management Fund – This fund was created by Public Law 20-106 to account for collections received under the Underground Storage of Regulated Substances Act.

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.

Victim/Witness Travelling-Housing Fund – This fund was created by Public Law 30-60 to account for fees received by the Office of the Attorney General for requested statements issued about the disposition of a person's criminal arrest or criminal case.

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.

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2018**

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 - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 236                   | 265                         | 661                            | 611                                     | 266                     |                     | 282                                          | 624                                     | 669                                                    | 415                           | 646                     | 105                            | 250                    |
|-----------------------------------------------|-----------------------|-----------------------------|--------------------------------|-----------------------------------------|-------------------------|---------------------|----------------------------------------------|-----------------------------------------|--------------------------------------------------------|-------------------------------|-------------------------|--------------------------------|------------------------|
|                                               | Accessible<br>Parking | Air<br>Pollution<br>Control | Arts in<br>Public<br>Buildings | Banking<br>and Insurance<br>Enforcement | Board of<br>Accountancy | Capitol<br>District | Carrier<br>Off-duty<br>Services<br>Revolving | Chamorro<br>Land<br>Trust<br>Operations | Chamorro<br>Land Trust<br>Survey and<br>Infrastructure | Chamorro<br>Loan<br>Guarantee | Child Care<br>Revolving | Community<br>Health<br>Centers | Consumer<br>Protection |
| <b>ASSETS</b>                                 |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Cash and cash equivalents                     | \$ -                  | \$ -                        | \$ -                           | \$ 667,623                              | \$ 1,059,598            | \$ 135,363          | \$ -                                         | \$ 2,610,948                            | \$ 1,414                                               | \$ -                          | \$ -                    | \$ 7,313,457                   | \$ -                   |
| Investments                                   | -                     | -                           | -                              | -                                       | 752,261                 | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Receivables, net:                             |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Taxes                                         | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | 3,262                         | -                       | -                              | -                      |
| Other                                         | -                     | -                           | -                              | -                                       | 47,110                  | -                   | -                                            | 511,474                                 | 1,830                                                  | 3,600                         | -                       | -                              | -                      |
| Due from component units                      | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Due from other funds                          | 12,534                | 360,281                     | 192                            | -                                       | -                       | 293,758             | 77,905                                       | -                                       | 5,911                                                  | 2,942                         | 39,957                  | -                              | 4,273                  |
| Prepayments                                   | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Restricted assets:                            |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Cash and cash equivalents                     | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | 340,576                       | -                       | -                              | -                      |
| Investments                                   | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | 300,000                       | -                       | -                              | -                      |
| Total assets                                  | <u>\$ 12,534</u>      | <u>\$ 360,281</u>           | <u>\$ 192</u>                  | <u>\$ 667,623</u>                       | <u>\$ 1,858,969</u>     | <u>\$ 429,121</u>   | <u>\$ 77,905</u>                             | <u>\$ 3,122,422</u>                     | <u>\$ 9,155</u>                                        | <u>\$ 650,380</u>             | <u>\$ 39,957</u>        | <u>\$ 7,313,457</u>            | <u>\$ 4,273</u>        |
| <b>LIABILITIES AND FUND BALANCES</b>          |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| <b>(DEFICIT)</b>                              |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Liabilities:                                  |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Accounts payable                              | \$ -                  | \$ -                        | \$ -                           | \$ -                                    | \$ 31,178               | \$ -                | \$ -                                         | \$ 286                                  | \$ 700                                                 | \$ -                          | \$ -                    | \$ 106,250                     | \$ -                   |
| Accrued payroll and other                     | -                     | 6,340                       | -                              | -                                       | -                       | -                   | 69,828                                       | 23,650                                  | -                                                      | -                             | -                       | 80,587                         | -                      |
| Due to component units                        | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Due to other funds                            | -                     | -                           | -                              | 22,493                                  | -                       | -                   | -                                            | 435,475                                 | -                                                      | -                             | -                       | 210,605                        | -                      |
| Unearned revenue                              | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | 556,825                                 | 455                                                    | -                             | -                       | -                              | -                      |
| Deposits and other liabilities                | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Total liabilities                             | <u>-</u>              | <u>6,340</u>                | <u>-</u>                       | <u>22,493</u>                           | <u>31,178</u>           | <u>-</u>            | <u>69,828</u>                                | <u>1,016,236</u>                        | <u>1,155</u>                                           | <u>-</u>                      | <u>-</u>                | <u>397,442</u>                 | <u>-</u>               |
| Fund balances (deficit):                      |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Restricted                                    | -                     | -                           | -                              | -                                       | -                       | 429,121             | -                                            | -                                       | -                                                      | 640,576                       | -                       | -                              | -                      |
| Committed                                     | 12,534                | 353,941                     | 192                            | 645,130                                 | 1,827,791               | -                   | 8,077                                        | 2,106,186                               | 8,000                                                  | 9,804                         | 39,957                  | 6,916,015                      | 4,273                  |
| Unassigned                                    | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Total fund balances (deficit)                 | <u>12,534</u>         | <u>353,941</u>              | <u>192</u>                     | <u>645,130</u>                          | <u>1,827,791</u>        | <u>429,121</u>      | <u>8,077</u>                                 | <u>2,106,186</u>                        | <u>8,000</u>                                           | <u>650,380</u>                | <u>39,957</u>           | <u>6,916,015</u>               | <u>4,273</u>           |
| Total liabilities and fund balances (deficit) | <u>\$ 12,534</u>      | <u>\$ 360,281</u>           | <u>\$ 192</u>                  | <u>\$ 667,623</u>                       | <u>\$ 1,858,969</u>     | <u>\$ 429,121</u>   | <u>\$ 77,905</u>                             | <u>\$ 3,122,422</u>                     | <u>\$ 9,155</u>                                        | <u>\$ 650,380</u>             | <u>\$ 39,957</u>        | <u>\$ 7,313,457</u>            | <u>\$ 4,273</u>        |

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 213                              | 272                                  | 325                                  | 209<br>Customs,<br>Agriculture and<br>Quarantine<br>Inspection<br>Services | 267<br>Dededo<br>Buffer Strip<br>Revolving | 630<br>DLM<br>Building<br>Construction | 235<br>DPW<br>Building<br>and Design | 246<br>Drivers'<br>Education | 281<br>Enhanced 911<br>Emergency<br>Reporting<br>System | 600<br>Environmental<br>Health | 642<br>Equitable<br>Sharing<br>Program | 640<br>Examiner<br>Off-Duty<br>Services | 614<br>Government<br>Ethics |
|-----------------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------|----------------------------------------|--------------------------------------|------------------------------|---------------------------------------------------------|--------------------------------|----------------------------------------|-----------------------------------------|-----------------------------|
|                                               | Contractors'<br>License<br>Board | Controlled<br>Substance<br>Diversion | Criminal<br>Injuries<br>Compensation |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| <b>ASSETS</b>                                 |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Cash and cash equivalents                     | \$ 736,014                       | \$ -                                 | \$ 1,494,143                         | \$ 470,444                                                                 | \$ -                                       | \$ 2,938                               | \$ -                                 | \$ -                         | \$ 1,120,178                                            | \$ 788,584                     | \$ -                                   | \$ -                                    | \$ 1,008                    |
| Investments                                   | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Receivables, net:                             |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Taxes                                         | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Other                                         | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Due from component units                      | -                                | -                                    | -                                    | 2,215,251                                                                  | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Due from other funds                          | -                                | 197,359                              | 365                                  | -                                                                          | 256,410                                    | -                                      | 1,607,953                            | 23,310                       | -                                                       | -                              | 93,833                                 | -                                       | -                           |
| Prepayments                                   | -                                | -                                    | -                                    | 85,350                                                                     | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Restricted assets:                            |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Cash and cash equivalents                     | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Investments                                   | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Total assets                                  | <u>\$ 736,014</u>                | <u>\$ 197,359</u>                    | <u>\$ 1,494,508</u>                  | <u>\$ 2,771,045</u>                                                        | <u>\$ 256,410</u>                          | <u>\$ 2,938</u>                        | <u>\$ 1,607,953</u>                  | <u>\$ 23,310</u>             | <u>\$ 1,120,178</u>                                     | <u>\$ 788,584</u>              | <u>\$ 93,833</u>                       | <u>\$ -</u>                             | <u>\$ 1,008</u>             |
| <b>LIABILITIES AND FUND BALANCES</b>          |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| <b>(DEFICIT)</b>                              |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Liabilities:                                  |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Accounts payable                              | \$ -                             | \$ -                                 | \$ 169                               | \$ -                                                                       | \$ -                                       | \$ -                                   | \$ -                                 | \$ -                         | \$ -                                                    | \$ -                           | \$ -                                   | \$ -                                    | \$ -                        |
| Accrued payroll and other                     | 15,347                           | -                                    | -                                    | 355,315                                                                    | -                                          | -                                      | 17,792                               | -                            | 44,117                                                  | 33,221                         | -                                      | 897                                     | -                           |
| Due to component units                        | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Due to other funds                            | 41,473                           | -                                    | -                                    | 1,654,438                                                                  | -                                          | -                                      | -                                    | -                            | 226,460                                                 | 101,420                        | -                                      | 28,349                                  | -                           |
| Unearned revenue                              | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Deposits and other liabilities                | -                                | -                                    | 210,161                              | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Total liabilities                             | <u>56,820</u>                    | <u>-</u>                             | <u>210,330</u>                       | <u>2,009,753</u>                                                           | <u>-</u>                                   | <u>-</u>                               | <u>17,792</u>                        | <u>-</u>                     | <u>270,577</u>                                          | <u>134,641</u>                 | <u>-</u>                               | <u>29,246</u>                           | <u>-</u>                    |
| Fund balances (deficit):                      |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Restricted                                    | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Committed                                     | 679,194                          | 197,359                              | 1,284,178                            | 761,292                                                                    | 256,410                                    | 2,938                                  | 1,590,161                            | 23,310                       | 849,601                                                 | 653,943                        | 93,833                                 | -                                       | 1,008                       |
| Unassigned                                    | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | (29,246)                                | -                           |
| Total fund balances (deficit)                 | <u>679,194</u>                   | <u>197,359</u>                       | <u>1,284,178</u>                     | <u>761,292</u>                                                             | <u>256,410</u>                             | <u>2,938</u>                           | <u>1,590,161</u>                     | <u>23,310</u>                | <u>849,601</u>                                          | <u>653,943</u>                 | <u>93,833</u>                          | <u>(29,246)</u>                         | <u>1,008</u>                |
| Total liabilities and fund balances (deficit) | <u>\$ 736,014</u>                | <u>\$ 197,359</u>                    | <u>\$ 1,494,508</u>                  | <u>\$ 2,771,045</u>                                                        | <u>\$ 256,410</u>                          | <u>\$ 2,938</u>                        | <u>\$ 1,607,953</u>                  | <u>\$ 23,310</u>             | <u>\$ 1,120,178</u>                                     | <u>\$ 788,584</u>              | <u>\$ 93,833</u>                       | <u>\$ -</u>                             | <u>\$ 1,008</u>             |

(continued)



**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 231                         | 656                                            |                                          |                                   |                                             |                                                | 641                     | 639                        | 657                                                     | 245                            | 608                                    | 662                                              | 244               |
|-----------------------------------------------|-----------------------------|------------------------------------------------|------------------------------------------|-----------------------------------|---------------------------------------------|------------------------------------------------|-------------------------|----------------------------|---------------------------------------------------------|--------------------------------|----------------------------------------|--------------------------------------------------|-------------------|
|                                               | GFD<br>Capital<br>Revolving | GMHA<br>Healthcare<br>Trust and<br>Development | Guam<br>Ancestral<br>Lands<br>Operations | Guam<br>Ancestral<br>Land<br>Bank | Guam<br>Ancestral<br>Landowners<br>Recovery | Survey<br>Infrastructure<br>and<br>Development | Guam<br>Cancer<br>Trust | Guam<br>Charter<br>Schools | Guam<br>Community<br>College<br>Capital<br>Improvements | Guam<br>Environmental<br>Trust | Guam Plant<br>Inspection<br>and Permit | Guam<br>Invasive<br>Species<br>Inspection<br>Fee | Guam<br>Museum    |
| <b>ASSETS</b>                                 |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| Cash and cash equivalents                     | \$ -                        | \$ 614,554                                     | \$ 950                                   | \$ 8,349,377                      | \$ 7,487                                    | \$ 24,918                                      | \$ 330                  | \$ 1,502                   | \$ -                                                    | \$ 473,009                     | \$ 156,482                             | \$ 330,623                                       | \$ -              |
| Investments                                   | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Receivables, net:                             |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| Taxes                                         | -                           | 65,700                                         | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Other                                         | -                           | -                                              | 1,865                                    | 783,036                           | -                                           | 124,183                                        | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Due from component units                      | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Due from other funds                          | 284,107                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | 1,000                      | -                                                       | -                              | -                                      | -                                                | 171,857           |
| Prepayments                                   | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Restricted assets:                            |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| Cash and cash equivalents                     | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Investments                                   | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Total assets                                  | <u>\$ 284,107</u>           | <u>\$ 680,254</u>                              | <u>\$ 2,815</u>                          | <u>\$ 9,132,413</u>               | <u>\$ 7,487</u>                             | <u>\$ 149,101</u>                              | <u>\$ 330</u>           | <u>\$ 2,502</u>            | <u>\$ -</u>                                             | <u>\$ 473,009</u>              | <u>\$ 156,482</u>                      | <u>\$ 330,623</u>                                | <u>\$ 171,857</u> |
| <b>LIABILITIES AND FUND BALANCES</b>          |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| <b>(DEFICIT)</b>                              |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| Liabilities:                                  |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| Accounts payable                              | \$ -                        | \$ -                                           | \$ -                                     | \$ 23,347                         | \$ -                                        | \$ 4,308                                       | \$ -                    | \$ 12,945                  | \$ -                                                    | \$ -                           | \$ -                                   | \$ -                                             | \$ -              |
| Accrued payroll and other                     | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 437                            | -                                      | 8,406                                            | -                 |
| Due to component units                        | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Due to other funds                            | -                           | 144,334                                        | -                                        | -                                 | -                                           | -                                              | 345                     | -                          | 23,244                                                  | 12,280                         | 2,579                                  | 12,521                                           | -                 |
| Unearned revenue                              | -                           | -                                              | -                                        | 532,469                           | -                                           | 94,597                                         | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Deposits and other liabilities                | -                           | -                                              | -                                        | 75,310                            | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Total liabilities                             | <u>-</u>                    | <u>144,334</u>                                 | <u>-</u>                                 | <u>631,126</u>                    | <u>-</u>                                    | <u>98,905</u>                                  | <u>345</u>              | <u>12,945</u>              | <u>23,244</u>                                           | <u>12,717</u>                  | <u>2,579</u>                           | <u>20,927</u>                                    | <u>-</u>          |
| Fund balances (deficit):                      |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                   |
| Restricted                                    | -                           | -                                              | -                                        | 8,501,287                         | 7,487                                       | 50,196                                         | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -                 |
| Committed                                     | 284,107                     | 535,920                                        | 2,815                                    | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 460,292                        | 153,903                                | 309,696                                          | 171,857           |
| Unassigned                                    | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | (15)                    | (10,443)                   | (23,244)                                                | -                              | -                                      | -                                                | -                 |
| Total fund balances (deficit)                 | <u>284,107</u>              | <u>535,920</u>                                 | <u>2,815</u>                             | <u>8,501,287</u>                  | <u>7,487</u>                                | <u>50,196</u>                                  | <u>(15)</u>             | <u>(10,443)</u>            | <u>(23,244)</u>                                         | <u>460,292</u>                 | <u>153,903</u>                         | <u>309,696</u>                                   | <u>171,857</u>    |
| Total liabilities and fund balances (deficit) | <u>\$ 284,107</u>           | <u>\$ 680,254</u>                              | <u>\$ 2,815</u>                          | <u>\$ 9,132,413</u>               | <u>\$ 7,487</u>                             | <u>\$ 149,101</u>                              | <u>\$ 330</u>           | <u>\$ 2,502</u>            | <u>\$ -</u>                                             | <u>\$ 473,009</u>              | <u>\$ 156,482</u>                      | <u>\$ 330,623</u>                                | <u>\$ 171,857</u> |

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 326                           | 651                                                | 270                             | 602                  | 241                                 | 311                             | 652               | 658                               | 632              | 351                 | 222                      | 655                 | 232                     |
|-----------------------------------------------|-------------------------------|----------------------------------------------------|---------------------------------|----------------------|-------------------------------------|---------------------------------|-------------------|-----------------------------------|------------------|---------------------|--------------------------|---------------------|-------------------------|
|                                               | Guam<br>Preservation<br>Trust | Guam<br>Procurement<br>Advisory<br>Council Support | Health and<br>Human<br>Services | Healthy<br>Futures   | Health<br>Professional<br>Licensure | Health and<br>Security<br>Trust | Host<br>Community | Hotel<br>Occupancy<br>Tax Surplus | Indirect<br>Cost | Land<br>Acquisition | Land Survey<br>Revolving | Limited<br>Gaming   | Manpower<br>Development |
| <b>ASSETS</b>                                 |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| Cash and cash equivalents                     | \$ 357,161                    | \$ -                                               | \$ 340,773                      | \$ 2,349,451         | \$ 221,671                          | \$ 21,326                       | \$ -              | \$ 438,677                        | \$ 43            | \$ 181              | \$ -                     | \$ 212,352          | \$ 597,074              |
| Investments                                   | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Receivables, net:                             |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| Taxes                                         | -                             | -                                                  | -                               | 1,480,144            | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | 129,814             | -                       |
| Other                                         | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Due from component units                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Due from other funds                          | -                             | 1,931                                              | 4,136                           | 7,407,237            | -                                   | -                               | 53                | 1,847,398                         | -                | 70                  | 394,631                  | 2,331,083           | -                       |
| Prepayments                                   | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Restricted assets:                            |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| Cash and cash equivalents                     | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Investments                                   | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Total assets                                  | <u>\$ 357,161</u>             | <u>\$ 1,931</u>                                    | <u>\$ 344,909</u>               | <u>\$ 11,236,832</u> | <u>\$ 221,671</u>                   | <u>\$ 21,326</u>                | <u>\$ 53</u>      | <u>\$ 2,286,075</u>               | <u>\$ 43</u>     | <u>\$ 251</u>       | <u>\$ 394,631</u>        | <u>\$ 2,673,249</u> | <u>\$ 597,074</u>       |
| <b>LIABILITIES AND FUND BALANCES</b>          |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| <b>(DEFICIT)</b>                              |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| Liabilities:                                  |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| Accounts payable                              | \$ -                          | \$ -                                               | \$ -                            | \$ 181,957           | \$ -                                | \$ -                            | \$ -              | \$ -                              | \$ 9             | \$ -                | \$ -                     | \$ -                | \$ -                    |
| Accrued payroll and other                     | -                             | -                                                  | -                               | 860,049              | -                                   | -                               | -                 | -                                 | 74,930           | -                   | 113,519                  | -                   | 8,157                   |
| Due to component units                        | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Due to other funds                            | 1,968                         | -                                                  | -                               | -                    | 18,722                              | 10,907                          | -                 | -                                 | 194,217          | -                   | -                        | -                   | 192,745                 |
| Unearned revenue                              | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Deposits and other liabilities                | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | 500,348                 |
| Total liabilities                             | <u>1,968</u>                  | <u>-</u>                                           | <u>-</u>                        | <u>1,042,006</u>     | <u>18,722</u>                       | <u>10,907</u>                   | <u>-</u>          | <u>-</u>                          | <u>269,156</u>   | <u>-</u>            | <u>113,519</u>           | <u>-</u>            | <u>701,250</u>          |
| Fund balances (deficit):                      |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                  |                     |                          |                     |                         |
| Restricted                                    | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                | -                   | -                        | -                   | -                       |
| Committed                                     | 355,193                       | 1,931                                              | 344,909                         | 10,194,826           | 202,949                             | 10,419                          | 53                | 2,286,075                         | -                | 251                 | 281,112                  | 2,673,249           | -                       |
| Unassigned                                    | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | (269,113)        | -                   | -                        | -                   | (104,176)               |
| Total fund balances (deficit)                 | <u>355,193</u>                | <u>1,931</u>                                       | <u>344,909</u>                  | <u>10,194,826</u>    | <u>202,949</u>                      | <u>10,419</u>                   | <u>53</u>         | <u>2,286,075</u>                  | <u>(269,113)</u> | <u>251</u>          | <u>281,112</u>           | <u>2,673,249</u>    | <u>(104,176)</u>        |
| Total liabilities and fund balances (deficit) | <u>\$ 357,161</u>             | <u>\$ 1,931</u>                                    | <u>\$ 344,909</u>               | <u>\$ 11,236,832</u> | <u>\$ 221,671</u>                   | <u>\$ 21,326</u>                | <u>\$ 53</u>      | <u>\$ 2,286,075</u>               | <u>\$ 43</u>     | <u>\$ 251</u>       | <u>\$ 394,631</u>        | <u>\$ 2,673,249</u> | <u>\$ 597,074</u>       |

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 671                           | 294                                        | 653              | 261                           | 648                              | 650                                        | 629                     | 211                           | 663                                                       | 263                | 644                               | 215                                                          | 604                         |
|-----------------------------------------------|-------------------------------|--------------------------------------------|------------------|-------------------------------|----------------------------------|--------------------------------------------|-------------------------|-------------------------------|-----------------------------------------------------------|--------------------|-----------------------------------|--------------------------------------------------------------|-----------------------------|
|                                               | Medical<br>Use of<br>Cannabis | Mental<br>Health and<br>Substance<br>Abuse | MHSA<br>Services | Notary<br>Public<br>Revolving | Office of<br>Attorney<br>General | Office of<br>Vital Statistics<br>Revolving | Pesticide<br>Management | Plant<br>Nursery<br>Revolving | Police<br>Patrol<br>Vehicle and<br>Equipment<br>Revolving | Police<br>Services | Prison<br>Industries<br>Revolving | Professional<br>Engineers',<br>Architects' and<br>Surveyors' | Public<br>Library<br>System |
| <b>ASSETS</b>                                 |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Cash and cash equivalents                     | \$ -                          | \$ -                                       | \$ -             | \$ -                          | \$ -                             | 154,529                                    | \$ -                    | \$ -                          | 291,522                                                   | \$ -               | \$ -                              | 197,911                                                      | \$ 268,116                  |
| Investments                                   | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Receivables, net:                             |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Taxes                                         | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Other                                         | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Due from component units                      | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Due from other funds                          | 8                             | -                                          | 22,471           | 179,498                       | 2,409                            | -                                          | 14,692                  | 16,259                        | -                                                         | 78,935             | 1,569                             | -                                                            | -                           |
| Prepayments                                   | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Restricted assets:                            |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Cash and cash equivalents                     | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Investments                                   | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Total assets                                  | <u>\$ 8</u>                   | <u>\$ -</u>                                | <u>\$ 22,471</u> | <u>\$ 179,498</u>             | <u>\$ 2,409</u>                  | <u>\$ 154,529</u>                          | <u>\$ 14,692</u>        | <u>\$ 16,259</u>              | <u>\$ 291,522</u>                                         | <u>\$ 78,935</u>   | <u>\$ 1,569</u>                   | <u>\$ 197,911</u>                                            | <u>\$ 268,116</u>           |
| <b>LIABILITIES AND FUND BALANCES</b>          |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| <b>(DEFICIT)</b>                              |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Liabilities:                                  |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Accounts payable                              | \$ -                          | \$ -                                       | \$ -             | \$ -                          | \$ -                             | \$ -                                       | \$ -                    | \$ -                          | \$ -                                                      | \$ -               | \$ -                              | \$ -                                                         | \$ -                        |
| Accrued payroll and other                     | -                             | -                                          | -                | -                             | -                                | 3,576                                      | -                       | -                             | -                                                         | 8,402              | -                                 | 7,668                                                        | -                           |
| Due to component units                        | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Due to other funds                            | -                             | 989                                        | -                | -                             | -                                | 16,253                                     | -                       | -                             | 29,223                                                    | -                  | -                                 | 44,769                                                       | 250,591                     |
| Unearned revenue                              | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Deposits and other liabilities                | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Total liabilities                             | <u>-</u>                      | <u>989</u>                                 | <u>-</u>         | <u>-</u>                      | <u>-</u>                         | <u>19,829</u>                              | <u>-</u>                | <u>-</u>                      | <u>29,223</u>                                             | <u>8,402</u>       | <u>-</u>                          | <u>52,437</u>                                                | <u>250,591</u>              |
| Fund balances (deficit):                      |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Restricted                                    | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Committed                                     | 8                             | -                                          | 22,471           | 179,498                       | 2,409                            | 134,700                                    | 14,692                  | 16,259                        | 262,299                                                   | 70,533             | 1,569                             | 145,474                                                      | 17,525                      |
| Unassigned                                    | -                             | (989)                                      | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Total fund balances (deficit)                 | <u>8</u>                      | <u>(989)</u>                               | <u>22,471</u>    | <u>179,498</u>                | <u>2,409</u>                     | <u>134,700</u>                             | <u>14,692</u>           | <u>16,259</u>                 | <u>262,299</u>                                            | <u>70,533</u>      | <u>1,569</u>                      | <u>145,474</u>                                               | <u>17,525</u>               |
| Total liabilities and fund balances (deficit) | <u>\$ 8</u>                   | <u>\$ -</u>                                | <u>\$ 22,471</u> | <u>\$ 179,498</u>             | <u>\$ 2,409</u>                  | <u>\$ 154,529</u>                          | <u>\$ 14,692</u>        | <u>\$ 16,259</u>              | <u>\$ 291,522</u>                                         | <u>\$ 78,935</u>   | <u>\$ 1,569</u>                   | <u>\$ 197,911</u>                                            | <u>\$ 268,116</u>           |

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 666                           | 620                              | 317               | 285                  | 619                    | 289                       | 601                              | 217              | 647              | 284                               | 416                       | 605                             | 625                    | 202            |
|-----------------------------------------------|-------------------------------|----------------------------------|-------------------|----------------------|------------------------|---------------------------|----------------------------------|------------------|------------------|-----------------------------------|---------------------------|---------------------------------|------------------------|----------------|
|                                               | Public<br>Market<br>Revolving | Public<br>Recreation<br>Services | Public<br>Transit | Rabies<br>Prevention | Recycling<br>Revolving | Safe<br>Drinking<br>Water | Safe<br>Homes<br>Safe<br>Streets | Safe<br>Streets  | Section 2718     | Solid Waste<br>Management<br>Plan | Solid Waste<br>Operations | Special<br>Assets<br>Forfeiture | Stray Dog<br>Revolving | Street Light   |
| <b>ASSETS</b>                                 |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| Cash and cash equivalents                     | \$ -                          | \$ 57,058                        | \$ -              | \$ -                 | \$ 952,159             | \$ -                      | \$ -                             | \$ 33,191        | \$ -             | \$ -                              | \$ 7,908,706              | \$ 560,273                      | \$ -                   | \$ -           |
| Investments                                   | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Receivables, net:                             |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| Taxes                                         | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Other                                         | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | 3,128,908                 | -                               | -                      | -              |
| Due from component units                      | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Due from other funds                          | -                             | -                                | -                 | 28,591               | 563,365                | 7,649                     | 200                              | -                | 21,480           | 57,705                            | -                         | 458,734                         | 1,208                  | -              |
| Prepayments                                   | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Restricted assets:                            |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| Cash and cash equivalents                     | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | 8,076,806                 | -                               | -                      | -              |
| Investments                                   | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Total assets                                  | <u>\$ -</u>                   | <u>\$ 57,058</u>                 | <u>\$ -</u>       | <u>\$ 28,591</u>     | <u>\$ 1,515,524</u>    | <u>\$ 7,649</u>           | <u>\$ 200</u>                    | <u>\$ 33,191</u> | <u>\$ 21,480</u> | <u>\$ 57,705</u>                  | <u>\$ 19,114,420</u>      | <u>\$ 1,019,007</u>             | <u>\$ 1,208</u>        | <u>\$ -</u>    |
| <b>LIABILITIES AND FUND BALANCES</b>          |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| <b>(DEFICIT)</b>                              |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| Liabilities:                                  |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| Accounts payable                              | \$ -                          | \$ -                             | \$ -              | \$ -                 | \$ -                   | \$ -                      | \$ -                             | \$ -             | \$ -             | \$ -                              | \$ 4,278,921              | \$ -                            | \$ -                   | \$ -           |
| Accrued payroll and other                     | -                             | -                                | -                 | -                    | 2,299                  | -                         | -                                | -                | -                | -                                 | 102,707                   | -                               | -                      | -              |
| Due to component units                        | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Due to other funds                            | 4,576                         | 144,942                          | 180,606           | -                    | -                      | -                         | -                                | 269,978          | -                | -                                 | 1,588,396                 | -                               | -                      | 8,478          |
| Unearned revenue                              | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Deposits and other liabilities                | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | -                         | -                               | -                      | -              |
| Total liabilities                             | <u>4,576</u>                  | <u>144,942</u>                   | <u>180,606</u>    | <u>-</u>             | <u>2,299</u>           | <u>-</u>                  | <u>-</u>                         | <u>269,978</u>   | <u>-</u>         | <u>-</u>                          | <u>5,970,024</u>          | <u>-</u>                        | <u>-</u>               | <u>8,478</u>   |
| Fund balances (deficit):                      |                               |                                  |                   |                      |                        |                           |                                  |                  |                  |                                   |                           |                                 |                        |                |
| Restricted                                    | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -                | -                | -                                 | 8,076,806                 | -                               | -                      | -              |
| Committed                                     | -                             | -                                | -                 | 28,591               | 1,513,225              | 7,649                     | 200                              | -                | 21,480           | 57,705                            | 5,067,590                 | 1,019,007                       | 1,208                  | -              |
| Unassigned                                    | (4,576)                       | (87,884)                         | (180,606)         | -                    | -                      | -                         | -                                | (236,787)        | -                | -                                 | -                         | -                               | -                      | (8,478)        |
| Total fund balances (deficit)                 | <u>(4,576)</u>                | <u>(87,884)</u>                  | <u>(180,606)</u>  | <u>28,591</u>        | <u>1,513,225</u>       | <u>7,649</u>              | <u>200</u>                       | <u>(236,787)</u> | <u>21,480</u>    | <u>57,705</u>                     | <u>13,144,396</u>         | <u>1,019,007</u>                | <u>1,208</u>           | <u>(8,478)</u> |
| Total liabilities and fund balances (deficit) | <u>\$ -</u>                   | <u>\$ 57,058</u>                 | <u>\$ -</u>       | <u>\$ 28,591</u>     | <u>\$ 1,515,524</u>    | <u>\$ 7,649</u>           | <u>\$ 200</u>                    | <u>\$ 33,191</u> | <u>\$ 21,480</u> | <u>\$ 57,705</u>                  | <u>\$ 19,114,420</u>      | <u>\$ 1,019,007</u>             | <u>\$ 1,208</u>        | <u>\$ -</u>    |

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet  
September 30, 2018

| AS/400 Fund Number                            | 603               | 205                                      | 208                    | 206                   | 257<br>Truck<br>Enforcement<br>Screening<br>Station<br>Facility | 636<br>Under-<br>ground<br>Storage<br>Tank<br>Management | 297<br>University<br>of Guam<br>Capital<br>Improve-<br>ments | 637<br>Victim/<br>Witness<br>Travel-<br>Housing | 283<br>Water<br>Protection | 300<br>Water<br>Research<br>and<br>Development | 203<br>Wildlife<br>Conservation | 310<br>Workman's<br>Compensation | 276<br>Youth<br>Tobacco<br>Education<br>and<br>Prevention | Total                |
|-----------------------------------------------|-------------------|------------------------------------------|------------------------|-----------------------|-----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------------------|----------------------|
|                                               | Tax<br>Collection | Territorial<br>Educational<br>Facilities | Territorial<br>Highway | Tourist<br>Attraction |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| <b>ASSETS</b>                                 |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Cash and cash equivalents                     | \$ -              | \$ 102,975                               | \$ 885,648             | \$ -                  | \$ -                                                            | \$ 105,354                                               | \$ -                                                         | \$ -                                            | \$ -                       | \$ -                                           | \$ -                            | \$ -                             | \$ 5,187                                                  | \$ 42,422,282        |
| Investments                                   | -                 | -                                        | -                      | 3,792,271             | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 4,544,532            |
| Receivables, net:                             |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Taxes                                         | -                 | 639,569                                  | 1,163,115              | 3,483,270             | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 6,964,874            |
| Other                                         | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 4,602,006            |
| Due from component units                      | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 2,215,251            |
| Due from other funds                          | 306,863           | 2,875,404                                | 1,014,276              | -                     | 150,780                                                         | -                                                        | 1,086,563                                                    | 20,110                                          | 25,346                     | 45,657                                         | 70,298                          | 167,409                          | -                                                         | 22,637,965           |
| Prepayments                                   | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 85,350               |
| Restricted assets:                            |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Cash and cash equivalents                     | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 8,417,382            |
| Investments                                   | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 300,000              |
| Total assets                                  | <u>\$ 306,863</u> | <u>\$ 3,617,948</u>                      | <u>\$ 3,063,039</u>    | <u>\$ 7,275,541</u>   | <u>\$ 150,780</u>                                               | <u>\$ 105,354</u>                                        | <u>\$ 1,086,563</u>                                          | <u>\$ 20,110</u>                                | <u>\$ 25,346</u>           | <u>\$ 45,657</u>                               | <u>\$ 70,298</u>                | <u>\$ 167,409</u>                | <u>\$ 5,187</u>                                           | <u>\$ 92,189,642</u> |
| <b>LIABILITIES AND FUND BALANCES</b>          |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| <b>(DEFICIT)</b>                              |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Liabilities:                                  |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Accounts payable                              | \$ -              | \$ -                                     | \$ 115,511             | \$ 1,600              | \$ -                                                            | \$ -                                                     | \$ 130,934                                                   | \$ -                                            | \$ -                       | \$ -                                           | \$ -                            | \$ -                             | \$ -                                                      | \$ 4,888,115         |
| Accrued payroll and other                     | 15,284            | 317,046                                  | 668,893                | 222,864               | -                                                               | -                                                        | -                                                            | -                                               | -                          | 2,063                                          | -                               | -                                | -                                                         | 3,063,394            |
| Due to component units                        | -                 | -                                        | -                      | 2,039,601             | -                                                               | -                                                        | 1,102,349                                                    | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 3,141,950            |
| Due to other funds                            | -                 | -                                        | -                      | 5,185,341             | -                                                               | 33,426                                                   | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 11,092,143           |
| Unearned revenue                              | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 1,184,346            |
| Deposits and other liabilities                | -                 | -                                        | 572,606                | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 1,358,425            |
| Total liabilities                             | <u>15,284</u>     | <u>317,046</u>                           | <u>1,357,010</u>       | <u>7,449,406</u>      | <u>-</u>                                                        | <u>33,426</u>                                            | <u>1,233,283</u>                                             | <u>-</u>                                        | <u>-</u>                   | <u>2,063</u>                                   | <u>-</u>                        | <u>-</u>                         | <u>-</u>                                                  | <u>24,728,373</u>    |
| Fund balances (deficit):                      |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Restricted                                    | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 17,705,473           |
| Committed                                     | 291,579           | 3,300,902                                | 1,706,029              | -                     | 150,780                                                         | 71,928                                                   | -                                                            | 20,110                                          | 25,346                     | 43,594                                         | 70,298                          | 167,409                          | 5,187                                                     | 51,031,938           |
| Unassigned                                    | -                 | -                                        | -                      | (173,865)             | -                                                               | -                                                        | (146,720)                                                    | -                                               | -                          | -                                              | -                               | -                                | -                                                         | (1,276,142)          |
| Total fund balances (deficit)                 | <u>291,579</u>    | <u>3,300,902</u>                         | <u>1,706,029</u>       | <u>(173,865)</u>      | <u>150,780</u>                                                  | <u>71,928</u>                                            | <u>(146,720)</u>                                             | <u>20,110</u>                                   | <u>25,346</u>              | <u>43,594</u>                                  | <u>70,298</u>                   | <u>167,409</u>                   | <u>5,187</u>                                              | <u>67,461,269</u>    |
| Total liabilities and fund balances (deficit) | <u>\$ 306,863</u> | <u>\$ 3,617,948</u>                      | <u>\$ 3,063,039</u>    | <u>\$ 7,275,541</u>   | <u>\$ 150,780</u>                                               | <u>\$ 105,354</u>                                        | <u>\$ 1,086,563</u>                                          | <u>\$ 20,110</u>                                | <u>\$ 25,346</u>           | <u>\$ 45,657</u>                               | <u>\$ 70,298</u>                | <u>\$ 167,409</u>                | <u>\$ 5,187</u>                                           | <u>\$ 92,189,642</u> |

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 236                   | 265                         | 661                            | 611                                     | 266                     |                     | 282                                          | 624                                     | 669                                                    | 415                           | 646                     | 105                            | 250                    |
|-----------------------------------------------------------|-----------------------|-----------------------------|--------------------------------|-----------------------------------------|-------------------------|---------------------|----------------------------------------------|-----------------------------------------|--------------------------------------------------------|-------------------------------|-------------------------|--------------------------------|------------------------|
|                                                           | Accessible<br>Parking | Air<br>Pollution<br>Control | Arts in<br>Public<br>Buildings | Banking<br>and Insurance<br>Enforcement | Board of<br>Accountancy | Capitol<br>District | Carrier<br>Off-duty<br>Services<br>Revolving | Chamorro<br>Land<br>Trust<br>Operations | Chamorro<br>Land Trust<br>Survey and<br>Infrastructure | Chamorro<br>Loan<br>Guarantee | Child Care<br>Revolving | Community<br>Health<br>Centers | Consumer<br>Protection |
| <b>Revenues:</b>                                          |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Taxes:                                                    |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Property                                                  | \$ -                  | \$ -                        | \$ -                           | \$ -                                    | \$ -                    | \$ -                | \$ -                                         | \$ -                                    | \$ -                                                   | 132,010                       | \$ -                    | \$ -                           | \$ -                   |
| Hotel                                                     | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Liquid fuel                                               | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Tobacco                                                   | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Alcoholic beverages                                       | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Limited gaming                                            | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Licenses and permits                                      | 1,920                 | 149,195                     | -                              | 459,263                                 | 922,935                 | -                   | 882,959                                      | 811,102                                 | 18,214                                                 | -                             | 5,335                   | 2,782,256                      | 1,000                  |
| Charges for services                                      | -                     | -                           | -                              | -                                       | -                       | 258,018             | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Interest and investment earnings                          | -                     | -                           | -                              | 464                                     | -                       | 129                 | -                                            | 7,229                                   | -                                                      | 645                           | -                       | -                              | -                      |
| Intergovernmental                                         | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | 2,122,703                      | -                      |
| Other                                                     | -                     | -                           | -                              | -                                       | 22,556                  | 126,000             | -                                            | 17,209                                  | 23,640                                                 | -                             | -                       | -                              | -                      |
| <b>Total revenues</b>                                     | <b>1,920</b>          | <b>149,195</b>              | <b>-</b>                       | <b>459,727</b>                          | <b>945,491</b>          | <b>384,147</b>      | <b>882,959</b>                               | <b>835,540</b>                          | <b>41,854</b>                                          | <b>132,655</b>                | <b>5,335</b>            | <b>4,904,959</b>               | <b>1,000</b>           |
| <b>Expenditures by Function:</b>                          |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Current:                                                  |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| General government                                        | -                     | -                           | -                              | 187,820                                 | 839,965                 | 43,557              | -                                            | 929,855                                 | 34,312                                                 | -                             | -                       | -                              | -                      |
| Protection of life and property                           | -                     | -                           | -                              | -                                       | -                       | -                   | 885,548                                      | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Public health                                             | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | 3,656,351                      | -                      |
| Community services                                        | 1,667                 | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Recreation                                                | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Individual and collective rights                          | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Transportation                                            | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Public education                                          | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Environmental protection                                  | -                     | 54,934                      | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Economic development                                      | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Payments to:                                              |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Guam Community College                                    | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Guam Memorial Hospital Authority                          | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Guam Preservation Trust                                   | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Guam Visitors Bureau                                      | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| University of Guam                                        | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Miscellaneous appropriations                              | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Debt service:                                             |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Principal retirement                                      | -                     | -                           | -                              | -                                       | -                       | 92,473              | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Interest and fiscal charges                               | -                     | -                           | -                              | -                                       | -                       | 226,727             | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| <b>Total expenditures</b>                                 | <b>1,667</b>          | <b>54,934</b>               | <b>-</b>                       | <b>187,820</b>                          | <b>839,965</b>          | <b>362,757</b>      | <b>885,548</b>                               | <b>929,855</b>                          | <b>34,312</b>                                          | <b>-</b>                      | <b>-</b>                | <b>3,656,351</b>               | <b>-</b>               |
| Excess (deficiency) of revenues over (under) expenditures | 253                   | 94,261                      | -                              | 271,907                                 | 105,526                 | 21,390              | (2,589)                                      | (94,315)                                | 7,542                                                  | 132,655                       | 5,335                   | 1,248,608                      | 1,000                  |
| <b>Other financing sources (uses):</b>                    |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Transfers in from other funds                             | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Transfers out to other funds                              | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| <b>Total other financing sources (uses), net</b>          | <b>-</b>              | <b>-</b>                    | <b>-</b>                       | <b>-</b>                                | <b>-</b>                | <b>-</b>            | <b>-</b>                                     | <b>-</b>                                | <b>-</b>                                               | <b>-</b>                      | <b>-</b>                | <b>-</b>                       | <b>-</b>               |
| <b>Net change in fund balances (deficit)</b>              | <b>253</b>            | <b>94,261</b>               | <b>-</b>                       | <b>271,907</b>                          | <b>105,526</b>          | <b>21,390</b>       | <b>(2,589)</b>                               | <b>(94,315)</b>                         | <b>7,542</b>                                           | <b>132,655</b>                | <b>5,335</b>            | <b>1,248,608</b>               | <b>1,000</b>           |
| <b>Fund balances (deficit) at beginning of year</b>       | <b>12,281</b>         | <b>259,680</b>              | <b>192</b>                     | <b>373,223</b>                          | <b>1,722,265</b>        | <b>407,731</b>      | <b>10,666</b>                                | <b>2,200,501</b>                        | <b>458</b>                                             | <b>517,725</b>                | <b>34,622</b>           | <b>5,667,407</b>               | <b>3,273</b>           |
| <b>Fund balances (deficit) at end of year</b>             | <b>\$ 12,534</b>      | <b>\$ 353,941</b>           | <b>\$ 192</b>                  | <b>\$ 645,130</b>                       | <b>\$ 1,827,791</b>     | <b>\$ 429,121</b>   | <b>\$ 8,077</b>                              | <b>\$ 2,106,186</b>                     | <b>\$ 8,000</b>                                        | <b>\$ 650,380</b>             | <b>\$ 39,957</b>        | <b>\$ 6,916,015</b>            | <b>\$ 4,273</b>        |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 213                              | 272                                  | 325                                  | 209<br>Customs,<br>Agriculture and<br>Quarantine<br>Inspection | 267                                 | 630                             | 235                           | 246                   | 281                                              | 600                     | 642                             | 640                              | 614                  |
|-----------------------------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|----------------------------------------------------------------|-------------------------------------|---------------------------------|-------------------------------|-----------------------|--------------------------------------------------|-------------------------|---------------------------------|----------------------------------|----------------------|
|                                                           | Contractors'<br>License<br>Board | Controlled<br>Substance<br>Diversion | Criminal<br>Injuries<br>Compensation | Services                                                       | Dededo<br>Buffer Strip<br>Revolving | DLM<br>Building<br>Construction | DPW<br>Building<br>and Design | Drivers'<br>Education | Enhanced 911<br>Emergency<br>Reporting<br>System | Environmental<br>Health | Equitable<br>Sharing<br>Program | Examiner<br>Off-Duty<br>Services | Government<br>Ethics |
| <b>Revenues:</b>                                          |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| <b>Taxes:</b>                                             |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| Property                                                  | \$ -                             | \$ -                                 | \$ -                                 | \$ -                                                           | \$ -                                | \$ -                            | \$ -                          | \$ -                  | \$ -                                             | \$ -                    | \$ -                            | \$ -                             | \$ -                 |
| Hotel                                                     | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Liquid fuel                                               | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Tobacco                                                   | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Alcoholic beverages                                       | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Limited gaming                                            | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Licenses and permits                                      | 708,979                          | 194,240                              | 20,138                               | 13,515,492                                                     | 204,090                             | -                               | 1,255,216                     | 7,955                 | 2,183,716                                        | 1,388,902               | -                               | 13,200                           | -                    |
| Charges for services                                      | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Interest and investment earnings                          | 376                              | -                                    | 1,507                                | 519                                                            | -                                   | 4                               | -                             | -                     | 359                                              | 66                      | -                               | -                                | 6                    |
| Intergovernmental                                         | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Other                                                     | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | 82,321                          | -                                | -                    |
| <b>Total revenues</b>                                     | <b>709,355</b>                   | <b>194,240</b>                       | <b>21,645</b>                        | <b>13,516,011</b>                                              | <b>204,090</b>                      | <b>4</b>                        | <b>1,255,216</b>              | <b>7,955</b>          | <b>2,184,075</b>                                 | <b>1,388,968</b>        | <b>82,321</b>                   | <b>13,200</b>                    | <b>6</b>             |
| <b>Expenditures by Function:</b>                          |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| <b>Current:</b>                                           |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| General government                                        | 501,694                          | -                                    | -                                    | -                                                              | -                                   | -                               | 501,009                       | -                     | -                                                | -                       | -                               | 28,408                           | -                    |
| Protection of life and property                           | -                                | -                                    | 179,119                              | 12,832,553                                                     | -                                   | -                               | -                             | -                     | 1,493,307                                        | -                       | -                               | -                                | -                    |
| Public health                                             | -                                | 6,705                                | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | 1,124,664               | -                               | -                                | -                    |
| Community services                                        | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Recreation                                                | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Individual and collective rights                          | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Transportation                                            | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Public education                                          | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Environmental protection                                  | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Economic development                                      | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| <b>Payments to:</b>                                       |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| Guam Community College                                    | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Guam Memorial Hospital Authority                          | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Guam Preservation Trust                                   | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Guam Visitors Bureau                                      | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| University of Guam                                        | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Miscellaneous appropriations                              | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| <b>Debt service:</b>                                      |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| Principal retirement                                      | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Interest and fiscal charges                               | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| <b>Total expenditures</b>                                 | <b>501,694</b>                   | <b>6,705</b>                         | <b>179,119</b>                       | <b>12,832,553</b>                                              | <b>-</b>                            | <b>-</b>                        | <b>501,009</b>                | <b>-</b>              | <b>1,493,307</b>                                 | <b>1,124,664</b>        | <b>-</b>                        | <b>28,408</b>                    | <b>-</b>             |
| Excess (deficiency) of revenues over (under) expenditures | 207,661                          | 187,535                              | (157,474)                            | 683,458                                                        | 204,090                             | 4                               | 754,207                       | 7,955                 | 690,768                                          | 264,304                 | 82,321                          | (15,208)                         | 6                    |
| <b>Other financing sources (uses):</b>                    |                                  |                                      |                                      |                                                                |                                     |                                 |                               |                       |                                                  |                         |                                 |                                  |                      |
| Transfers in from other funds                             | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| Transfers out to other funds                              | -                                | -                                    | -                                    | -                                                              | -                                   | -                               | -                             | -                     | -                                                | -                       | -                               | -                                | -                    |
| <b>Total other financing sources (uses), net</b>          | <b>-</b>                         | <b>-</b>                             | <b>-</b>                             | <b>-</b>                                                       | <b>-</b>                            | <b>-</b>                        | <b>-</b>                      | <b>-</b>              | <b>-</b>                                         | <b>-</b>                | <b>-</b>                        | <b>-</b>                         | <b>-</b>             |
| <b>Net change in fund balances (deficit)</b>              | <b>207,661</b>                   | <b>187,535</b>                       | <b>(157,474)</b>                     | <b>683,458</b>                                                 | <b>204,090</b>                      | <b>4</b>                        | <b>754,207</b>                | <b>7,955</b>          | <b>690,768</b>                                   | <b>264,304</b>          | <b>82,321</b>                   | <b>(15,208)</b>                  | <b>6</b>             |
| <b>Fund balances (deficit) at beginning of year</b>       | <b>471,533</b>                   | <b>9,824</b>                         | <b>1,441,652</b>                     | <b>77,834</b>                                                  | <b>52,320</b>                       | <b>2,934</b>                    | <b>835,954</b>                | <b>15,355</b>         | <b>158,833</b>                                   | <b>389,639</b>          | <b>11,512</b>                   | <b>(14,038)</b>                  | <b>1,002</b>         |
| <b>Fund balances (deficit) at end of year</b>             | <b>\$ 679,194</b>                | <b>\$ 197,359</b>                    | <b>\$ 1,284,178</b>                  | <b>\$ 761,292</b>                                              | <b>\$ 256,410</b>                   | <b>\$ 2,938</b>                 | <b>\$ 1,590,161</b>           | <b>\$ 23,310</b>      | <b>\$ 849,601</b>                                | <b>\$ 653,943</b>       | <b>\$ 93,833</b>                | <b>\$ (29,246)</b>               | <b>\$ 1,008</b>      |

(continued)

**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 231                         | 656                                            |                                          |                                   |                                             |                                                | 641                     | 639                        | 657                                                     | 245                            | 608                                    | 662                                              | 244            |
|-----------------------------------------------------------|-----------------------------|------------------------------------------------|------------------------------------------|-----------------------------------|---------------------------------------------|------------------------------------------------|-------------------------|----------------------------|---------------------------------------------------------|--------------------------------|----------------------------------------|--------------------------------------------------|----------------|
|                                                           | GFD<br>Capital<br>Revolving | GMHA<br>Healthcare<br>Trust and<br>Development | Guam<br>Ancestral<br>Lands<br>Operations | Guam<br>Ancestral<br>Land<br>Bank | Guam<br>Ancestral<br>Landowners<br>Recovery | Survey<br>Infrastructure<br>and<br>Development | Guam<br>Cancer<br>Trust | Guam<br>Charter<br>Schools | Guam<br>Community<br>College<br>Capital<br>Improvements | Guam<br>Environmental<br>Trust | Guam Plant<br>Inspection<br>and Permit | Guam<br>Invasive<br>Species<br>Inspection<br>Fee | Guam<br>Museum |
| Revenues:                                                 |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Taxes:                                                    |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Property                                                  | \$ -                        | \$ -                                           | \$ -                                     | \$ -                              | \$ -                                        | \$ -                                           | \$ -                    | \$ -                       | \$ -                                                    | \$ -                           | \$ -                                   | \$ -                                             | \$ -           |
| Hotel                                                     | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Liquid fuel                                               | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Tobacco                                                   | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Alcoholic beverages                                       | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Limited gaming                                            | -                           | 2,406,460                                      | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Licenses and permits                                      | 853,485                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 448,703                        | 96,566                                 | 520,410                                          | 305,638        |
| Charges for services                                      | -                           | -                                              | -                                        | 670,557                           | -                                           | 58,509                                         | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Interest and investment earnings                          | -                           | 84                                             | 3                                        | 22,204                            | 23                                          | 10                                             | -                       | 1                          | -                                                       | 503                            | 224                                    | 33                                               | -              |
| Intergovernmental                                         | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Other                                                     | -                           | -                                              | 1,810                                    | 2,492,000                         | 5                                           | 50                                             | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Total revenues                                            | 853,485                     | 2,406,544                                      | 1,813                                    | 3,184,761                         | 28                                          | 58,569                                         | -                       | 1                          | -                                                       | 449,206                        | 96,790                                 | 520,443                                          | 305,638        |
| Expenditures by Function:                                 |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Current:                                                  |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| General government                                        | -                           | -                                              | -                                        | 97,332                            | -                                           | 8,373                                          | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Protection of life and property                           | 843,022                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Public health                                             | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Community services                                        | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Recreation                                                | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Individual and collective rights                          | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | 1,004,251      |
| Transportation                                            | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Public education                                          | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | 12,945                     | -                                                       | -                              | -                                      | -                                                | -              |
| Environmental protection                                  | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 160,193                        | -                                      | -                                                | -              |
| Economic development                                      | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | 55,283                                 | 286,768                                          | -              |
| Payments to:                                              |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Guam Community College                                    | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | 278,922                                                 | -                              | -                                      | -                                                | -              |
| Guam Memorial Hospital Authority                          | -                           | 1,979,454                                      | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Guam Preservation Trust                                   | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Guam Visitors Bureau                                      | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| University of Guam                                        | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Miscellaneous appropriations                              | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Debt service:                                             |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Principal retirement                                      | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Interest and fiscal charges                               | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Total expenditures                                        | 843,022                     | 1,979,454                                      | -                                        | 97,332                            | -                                           | 8,373                                          | -                       | 12,945                     | 278,922                                                 | 160,193                        | 55,283                                 | 286,768                                          | 1,004,251      |
| Excess (deficiency) of revenues over (under) expenditures | 10,463                      | 427,090                                        | 1,813                                    | 3,087,429                         | 28                                          | 50,196                                         | -                       | (12,944)                   | (278,922)                                               | 289,013                        | 41,507                                 | 233,675                                          | (698,613)      |
| Other financing sources (uses):                           |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Transfers in from other funds                             | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | 7,426,907                  | 255,678                                                 | -                              | -                                      | -                                                | -              |
| Transfers out to other funds                              | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | (7,426,907)                | -                                                       | (44,870)                       | -                                      | -                                                | -              |
| Total other financing sources (uses), net                 | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | 255,678                                                 | (44,870)                       | -                                      | -                                                | -              |
| Net change in fund balances (deficit)                     | 10,463                      | 427,090                                        | 1,813                                    | 3,087,429                         | 28                                          | 50,196                                         | -                       | (12,944)                   | (23,244)                                                | 244,143                        | 41,507                                 | 233,675                                          | (698,613)      |
| Fund balances (deficit) at beginning of year              | 273,644                     | 108,830                                        | 1,002                                    | 5,413,858                         | 7,459                                       | -                                              | (15)                    | 2,501                      | -                                                       | 216,149                        | 112,396                                | 76,021                                           | 870,470        |
| Fund balances (deficit) at end of year                    | \$ 284,107                  | \$ 535,920                                     | \$ 2,815                                 | \$ 8,501,287                      | \$ 7,487                                    | \$ 50,196                                      | \$ (15)                 | \$ (10,443)                | \$ (23,244)                                             | \$ 460,292                     | \$ 153,903                             | \$ 309,696                                       | \$ 171,857     |

(continued)



**GOVERNMENT OF GUAM**  
Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)  
Year Ended September 30, 2018

| AS/400 Fund Number                                        | 326                           | 651                                                | 270                             | 602                  | 241                                 | 311                             | 652               | 658                               | 632                 | 351                 | 222                      | 655                 | 232                     |
|-----------------------------------------------------------|-------------------------------|----------------------------------------------------|---------------------------------|----------------------|-------------------------------------|---------------------------------|-------------------|-----------------------------------|---------------------|---------------------|--------------------------|---------------------|-------------------------|
|                                                           | Guam<br>Preservation<br>Trust | Guam<br>Procurement<br>Advisory<br>Council Support | Health and<br>Human<br>Services | Healthy<br>Futures   | Health<br>Professional<br>Licensure | Health and<br>Security<br>Trust | Host<br>Community | Hotel<br>Occupancy<br>Tax Surplus | Indirect<br>Cost    | Land<br>Acquisition | Land Survey<br>Revolving | Limited<br>Gaming   | Manpower<br>Development |
| <b>Revenues:</b>                                          |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Taxes:                                                    |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Property                                                  | \$ -                          | \$ -                                               | \$ -                            | \$ -                 | \$ -                                | \$ -                            | \$ -              | \$ -                              | \$ -                | \$ -                | \$ -                     | \$ -                | \$ -                    |
| Hotel                                                     | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Liquid fuel                                               | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Tobacco                                                   | -                             | -                                                  | -                               | 28,562,068           | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Alcoholic beverages                                       | -                             | -                                                  | -                               | 3,676,775            | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Limited gaming                                            | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | 1,733,918           | -                       |
| Licenses and permits                                      | 611,287                       | -                                                  | -                               | -                    | 246,396                             | -                               | -                 | -                                 | -                   | -                   | 3,318,233                | -                   | 219,118                 |
| Charges for services                                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | 1,328,036           | -                   | -                        | -                   | -                       |
| Interest and investment earnings                          | 148                           | -                                                  | 3,807                           | 5,012                | 34                                  | 234                             | -                 | 36                                | -                   | -                   | -                        | 29                  | 66                      |
| Intergovernmental                                         | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Other                                                     | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| <b>Total revenues</b>                                     | <b>611,435</b>                | <b>-</b>                                           | <b>3,807</b>                    | <b>32,243,855</b>    | <b>246,430</b>                      | <b>234</b>                      | <b>-</b>          | <b>36</b>                         | <b>1,328,036</b>    | <b>-</b>            | <b>3,318,233</b>         | <b>1,733,947</b>    | <b>219,184</b>          |
| <b>Expenditures by Function:</b>                          |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Current:                                                  |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| General government                                        | -                             | -                                                  | -                               | 844,191              | -                                   | -                               | -                 | -                                 | 1,597,149           | -                   | 3,083,432                | 187,136             | -                       |
| Protection of life and property                           | -                             | -                                                  | -                               | 104,223              | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Public health                                             | -                             | -                                                  | -                               | 21,105,368           | 88,010                              | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Community services                                        | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Recreation                                                | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | 456,808             | -                       |
| Individual and collective rights                          | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | 202,416             | 176,768                 |
| Transportation                                            | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Public education                                          | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Environmental protection                                  | -                             | -                                                  | -                               | -                    | -                                   | -                               | 347,194           | -                                 | -                   | -                   | -                        | -                   | -                       |
| Economic development                                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Payments to:                                              |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Guam Community College                                    | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | 146,592                 |
| Guam Memorial Hospital Authority                          | -                             | -                                                  | -                               | 3,064,886            | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Guam Preservation Trust                                   | 475,000                       | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Guam Visitors Bureau                                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | 1,918,268                         | -                   | -                   | -                        | -                   | -                       |
| University of Guam                                        | -                             | -                                                  | -                               | 2,786,270            | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Miscellaneous appropriations                              | -                             | -                                                  | -                               | 169,996              | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Debt service:                                             |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Principal retirement                                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Interest and fiscal charges                               | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| <b>Total expenditures</b>                                 | <b>475,000</b>                | <b>-</b>                                           | <b>-</b>                        | <b>28,074,934</b>    | <b>88,010</b>                       | <b>-</b>                        | <b>347,194</b>    | <b>1,918,268</b>                  | <b>1,597,149</b>    | <b>-</b>            | <b>3,083,432</b>         | <b>846,360</b>      | <b>323,360</b>          |
| Excess (deficiency) of revenues over (under) expenditures | 136,435                       | -                                                  | 3,807                           | 4,168,921            | 158,420                             | 234                             | (347,194)         | (1,918,232)                       | (269,113)           | -                   | 234,801                  | 887,587             | (104,176)               |
| <b>Other financing sources (uses):</b>                    |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Transfers in from other funds                             | -                             | -                                                  | -                               | -                    | -                                   | -                               | 347,194           | -                                 | -                   | -                   | -                        | -                   | -                       |
| Transfers out to other funds                              | -                             | -                                                  | -                               | (891,754)            | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | (456,389)           | -                       |
| <b>Total other financing sources (uses), net</b>          | <b>-</b>                      | <b>-</b>                                           | <b>-</b>                        | <b>(891,754)</b>     | <b>-</b>                            | <b>-</b>                        | <b>347,194</b>    | <b>-</b>                          | <b>-</b>            | <b>-</b>            | <b>-</b>                 | <b>(456,389)</b>    | <b>-</b>                |
| <b>Net change in fund balances (deficit)</b>              | <b>136,435</b>                | <b>-</b>                                           | <b>3,807</b>                    | <b>3,277,167</b>     | <b>158,420</b>                      | <b>234</b>                      | <b>-</b>          | <b>(1,918,232)</b>                | <b>(269,113)</b>    | <b>-</b>            | <b>234,801</b>           | <b>431,198</b>      | <b>(104,176)</b>        |
| <b>Fund balances (deficit) at beginning of year</b>       | <b>218,758</b>                | <b>1,931</b>                                       | <b>341,102</b>                  | <b>6,917,659</b>     | <b>44,529</b>                       | <b>10,185</b>                   | <b>53</b>         | <b>4,204,307</b>                  | <b>-</b>            | <b>251</b>          | <b>46,311</b>            | <b>2,242,051</b>    | <b>-</b>                |
| <b>Fund balances (deficit) at end of year</b>             | <b>\$ 355,193</b>             | <b>\$ 1,931</b>                                    | <b>\$ 344,909</b>               | <b>\$ 10,194,826</b> | <b>\$ 202,949</b>                   | <b>\$ 10,419</b>                | <b>\$ 53</b>      | <b>\$ 2,286,075</b>               | <b>\$ (269,113)</b> | <b>\$ 251</b>       | <b>\$ 281,112</b>        | <b>\$ 2,673,249</b> | <b>\$ (104,176)</b>     |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                               | 671                           | 294                                        | 653              | 261                           | 648                              | 650                                        | 629                     | 211                           | 663                                                       | 263                | 644                               | 215                                                          | 604                         |
|------------------------------------------------------------------|-------------------------------|--------------------------------------------|------------------|-------------------------------|----------------------------------|--------------------------------------------|-------------------------|-------------------------------|-----------------------------------------------------------|--------------------|-----------------------------------|--------------------------------------------------------------|-----------------------------|
|                                                                  | Medical<br>Use of<br>Cannabis | Mental<br>Health and<br>Substance<br>Abuse | MHSA<br>Services | Notary<br>Public<br>Revolving | Office of<br>Attorney<br>General | Office of<br>Vital Statistics<br>Revolving | Pesticide<br>Management | Plant<br>Nursery<br>Revolving | Police<br>Patrol<br>Vehicle and<br>Equipment<br>Revolving | Police<br>Services | Prison<br>Industries<br>Revolving | Professional<br>Engineers',<br>Architects' and<br>Surveyors' | Public<br>Library<br>System |
| <b>Revenues:</b>                                                 |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| <b>Taxes:</b>                                                    |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Property                                                         | \$ -                          | \$ -                                       | \$ -             | \$ -                          | \$ -                             | \$ -                                       | \$ -                    | \$ -                          | \$ -                                                      | \$ -               | \$ -                              | \$ -                                                         | \$ -                        |
| Hotel                                                            | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Liquid fuel                                                      | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Tobacco                                                          | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Alcoholic beverages                                              | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Limited gaming                                                   | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Licenses and permits                                             | 1                             | -                                          | 17,027           | 38,575                        | 2,409                            | 254,587                                    | 123,163                 | 6,029                         | 320,910                                                   | 1,020,595          | -                                 | 292,185                                                      | 920,550                     |
| Charges for services                                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Interest and investment earnings                                 | -                             | -                                          | -                | -                             | -                                | 26                                         | -                       | -                             | 31                                                        | -                  | -                                 | -                                                            | 86                          |
| Intergovernmental                                                | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Other                                                            | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| <b>Total revenues</b>                                            | <b>1</b>                      | <b>-</b>                                   | <b>17,027</b>    | <b>38,575</b>                 | <b>2,409</b>                     | <b>254,613</b>                             | <b>123,163</b>          | <b>6,029</b>                  | <b>320,941</b>                                            | <b>1,020,595</b>   | <b>-</b>                          | <b>292,185</b>                                               | <b>920,636</b>              |
| <b>Expenditures by Function:</b>                                 |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| <b>Current:</b>                                                  |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| General government                                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | 256,302                                                      | -                           |
| Protection of life and property                                  | -                             | -                                          | -                | 169                           | -                                | -                                          | -                       | -                             | 200,676                                                   | 1,271,725          | -                                 | -                                                            | -                           |
| Public health                                                    | -                             | -                                          | -                | -                             | -                                | 132,332                                    | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Community services                                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Recreation                                                       | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Individual and collective rights                                 | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Transportation                                                   | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Public education                                                 | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Environmental protection                                         | -                             | -                                          | -                | -                             | -                                | -                                          | 114,070                 | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Economic development                                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | 3,831                         | -                                                         | -                  | -                                 | -                                                            | -                           |
| <b>Payments to:</b>                                              |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Guam Community College                                           | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Guam Memorial Hospital Authority                                 | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Guam Preservation Trust                                          | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Guam Visitors Bureau                                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| University of Guam                                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Miscellaneous appropriations                                     | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| <b>Debt service:</b>                                             |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Principal retirement                                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Interest and fiscal charges                                      | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| <b>Total expenditures</b>                                        | <b>-</b>                      | <b>-</b>                                   | <b>-</b>         | <b>169</b>                    | <b>-</b>                         | <b>132,332</b>                             | <b>114,070</b>          | <b>3,831</b>                  | <b>200,676</b>                                            | <b>1,271,725</b>   | <b>-</b>                          | <b>256,302</b>                                               | <b>-</b>                    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>1</b>                      | <b>-</b>                                   | <b>17,027</b>    | <b>38,406</b>                 | <b>2,409</b>                     | <b>122,281</b>                             | <b>9,093</b>            | <b>2,198</b>                  | <b>120,265</b>                                            | <b>(251,130)</b>   | <b>-</b>                          | <b>35,883</b>                                                | <b>920,636</b>              |
| <b>Other financing sources (uses):</b>                           |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Transfers in from other funds                                    | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Transfers out to other funds                                     | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | (996,946)                   |
| <b>Total other financing sources (uses), net</b>                 | <b>-</b>                      | <b>-</b>                                   | <b>-</b>         | <b>-</b>                      | <b>-</b>                         | <b>-</b>                                   | <b>-</b>                | <b>-</b>                      | <b>-</b>                                                  | <b>-</b>           | <b>-</b>                          | <b>-</b>                                                     | <b>(996,946)</b>            |
| <b>Net change in fund balances (deficit)</b>                     | <b>1</b>                      | <b>-</b>                                   | <b>17,027</b>    | <b>38,406</b>                 | <b>2,409</b>                     | <b>122,281</b>                             | <b>9,093</b>            | <b>2,198</b>                  | <b>120,265</b>                                            | <b>(251,130)</b>   | <b>-</b>                          | <b>35,883</b>                                                | <b>(76,310)</b>             |
| <b>Fund balances (deficit) at beginning of year</b>              | <b>7</b>                      | <b>(989)</b>                               | <b>5,444</b>     | <b>141,092</b>                | <b>-</b>                         | <b>12,419</b>                              | <b>5,599</b>            | <b>14,061</b>                 | <b>142,034</b>                                            | <b>321,663</b>     | <b>1,569</b>                      | <b>109,591</b>                                               | <b>93,835</b>               |
| <b>Fund balances (deficit) at end of year</b>                    | <b>\$ 8</b>                   | <b>\$ (989)</b>                            | <b>\$ 22,471</b> | <b>\$ 179,498</b>             | <b>\$ 2,409</b>                  | <b>\$ 134,700</b>                          | <b>\$ 14,692</b>        | <b>\$ 16,259</b>              | <b>\$ 262,299</b>                                         | <b>\$ 70,533</b>   | <b>\$ 1,569</b>                   | <b>\$ 145,474</b>                                            | <b>\$ 17,525</b>            |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 666                           | 620                              | 317                 | 285                  | 619                    | 289                       | 601                              | 217                 | 647              | 284                               | 416                       | 605                             | 625                    | 202               |
|-----------------------------------------------------------|-------------------------------|----------------------------------|---------------------|----------------------|------------------------|---------------------------|----------------------------------|---------------------|------------------|-----------------------------------|---------------------------|---------------------------------|------------------------|-------------------|
|                                                           | Public<br>Market<br>Revolving | Public<br>Recreation<br>Services | Public<br>Transit   | Rabies<br>Prevention | Recycling<br>Revolving | Safe<br>Drinking<br>Water | Safe<br>Homes<br>Safe<br>Streets | Safe<br>Streets     | Section 2718     | Solid Waste<br>Management<br>Plan | Solid Waste<br>Operations | Special<br>Assets<br>Forfeiture | Stray Dog<br>Revolving | Street Light      |
| <b>Revenues:</b>                                          |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| Taxes:                                                    |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| Property                                                  | \$ -                          | \$ -                             | \$ -                | \$ -                 | \$ -                   | \$ -                      | \$ -                             | \$ -                | \$ -             | \$ -                              | \$ -                      | \$ -                            | \$ -                   | \$ -              |
| Hotel                                                     | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Liquid fuel                                               | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Tobacco                                                   | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Alcoholic beverages                                       | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Limited gaming                                            | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Licenses and permits                                      | -                             | 119,801                          | -                   | 45,875               | 2,822,793              | 2,820                     | 125                              | 24,000              | -                | 13,250                            | -                         | 399,842                         | -                      | 4,242,025         |
| Charges for services                                      | -                             | -                                | 4,744               | -                    | -                      | -                         | -                                | -                   | -                | -                                 | 19,324,305                | -                               | -                      | -                 |
| Interest and investment earnings                          | -                             | 46                               | -                   | -                    | 561                    | -                         | -                                | 44                  | 1                | -                                 | 21,233                    | 406                             | -                      | -                 |
| Intergovernmental                                         | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Other                                                     | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| <b>Total revenues</b>                                     | <b>-</b>                      | <b>119,847</b>                   | <b>4,744</b>        | <b>45,875</b>        | <b>2,823,354</b>       | <b>2,820</b>              | <b>125</b>                       | <b>24,044</b>       | <b>1</b>         | <b>13,250</b>                     | <b>19,345,538</b>         | <b>400,248</b>                  | <b>-</b>               | <b>4,242,025</b>  |
| <b>Expenditures by Function:</b>                          |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| Current:                                                  |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| General government                                        | -                             | -                                | -                   | -                    | 8,000                  | -                         | -                                | -                   | -                | -                                 | 1,675,985                 | -                               | -                      | 4,291,520         |
| Protection of life and property                           | -                             | -                                | -                   | -                    | -                      | -                         | -                                | 97,956              | -                | -                                 | -                         | 80,574                          | -                      | -                 |
| Public health                                             | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Community services                                        | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Recreation                                                | -                             | 207,731                          | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Individual and collective rights                          | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Transportation                                            | -                             | -                                | 414,305             | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Public education                                          | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Environmental protection                                  | -                             | -                                | -                   | -                    | 1,370,390              | -                         | -                                | -                   | -                | 405                               | 23,985,502                | -                               | -                      | -                 |
| Economic development                                      | -                             | -                                | -                   | 17,534               | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Payments to:                                              |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| Guam Community College                                    | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Guam Memorial Hospital Authority                          | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Guam Preservation Trust                                   | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Guam Visitors Bureau                                      | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| University of Guam                                        | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Miscellaneous appropriations                              | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Debt service:                                             |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| Principal retirement                                      | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Interest and fiscal charges                               | -                             | -                                | -                   | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| <b>Total expenditures</b>                                 | <b>-</b>                      | <b>207,731</b>                   | <b>414,305</b>      | <b>17,534</b>        | <b>1,378,390</b>       | <b>-</b>                  | <b>-</b>                         | <b>97,956</b>       | <b>-</b>         | <b>405</b>                        | <b>25,661,487</b>         | <b>80,574</b>                   | <b>-</b>               | <b>4,291,520</b>  |
| Excess (deficiency) of revenues over (under) expenditures | -                             | (87,884)                         | (409,561)           | 28,341               | 1,444,964              | 2,820                     | 125                              | (73,912)            | 1                | 12,845                            | (6,315,949)               | 319,674                         | -                      | (49,495)          |
| <b>Other financing sources (uses):</b>                    |                               |                                  |                     |                      |                        |                           |                                  |                     |                  |                                   |                           |                                 |                        |                   |
| Transfers in from other funds                             | -                             | -                                | 253,891             | -                    | -                      | -                         | -                                | -                   | -                | -                                 | -                         | -                               | -                      | -                 |
| Transfers out to other funds                              | -                             | -                                | -                   | -                    | -                      | -                         | -                                | (162,875)           | -                | -                                 | (347,194)                 | -                               | -                      | -                 |
| <b>Total other financing sources (uses), net</b>          | <b>-</b>                      | <b>-</b>                         | <b>253,891</b>      | <b>-</b>             | <b>-</b>               | <b>-</b>                  | <b>-</b>                         | <b>(162,875)</b>    | <b>-</b>         | <b>-</b>                          | <b>(347,194)</b>          | <b>-</b>                        | <b>-</b>               | <b>-</b>          |
| <b>Net change in fund balances (deficit)</b>              | <b>-</b>                      | <b>(87,884)</b>                  | <b>(155,670)</b>    | <b>28,341</b>        | <b>1,444,964</b>       | <b>2,820</b>              | <b>125</b>                       | <b>(236,787)</b>    | <b>1</b>         | <b>12,845</b>                     | <b>(6,663,143)</b>        | <b>319,674</b>                  | <b>-</b>               | <b>(49,495)</b>   |
| <b>Fund balances (deficit) at beginning of year</b>       | <b>(4,576)</b>                | <b>-</b>                         | <b>(24,936)</b>     | <b>250</b>           | <b>68,261</b>          | <b>4,829</b>              | <b>75</b>                        | <b>-</b>            | <b>21,479</b>    | <b>44,860</b>                     | <b>19,807,539</b>         | <b>699,333</b>                  | <b>1,208</b>           | <b>41,017</b>     |
| <b>Fund balances (deficit) at end of year</b>             | <b>\$ (4,576)</b>             | <b>\$ (87,884)</b>               | <b>\$ (180,606)</b> | <b>\$ 28,591</b>     | <b>\$ 1,513,225</b>    | <b>\$ 7,649</b>           | <b>\$ 200</b>                    | <b>\$ (236,787)</b> | <b>\$ 21,480</b> | <b>\$ 57,705</b>                  | <b>\$ 13,144,396</b>      | <b>\$ 1,019,007</b>             | <b>\$ 1,208</b>        | <b>\$ (8,478)</b> |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 603               | 205                                      | 208                    | 206                   | 257<br>Truck<br>Enforcement<br>Screening<br>Station<br>Facility | 636<br>Under-<br>ground<br>Storage<br>Tank<br>Management | 297<br>University<br>of Guam<br>Capital<br>Improve-<br>ments | 637<br>Victim/<br>Witness<br>Travel-<br>Housing | 283<br>Water<br>Protection | 300<br>Water<br>Research<br>and<br>Development | 203<br>Wildlife<br>Conservation | 310<br>Workman's<br>Compensation | 276<br>Youth<br>Tobacco<br>Education<br>and<br>Prevention | Total         |
|-----------------------------------------------------------|-------------------|------------------------------------------|------------------------|-----------------------|-----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------------------|---------------|
|                                                           | Tax<br>Collection | Territorial<br>Educational<br>Facilities | Territorial<br>Highway | Tourist<br>Attraction |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Revenues:                                                 |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Taxes:                                                    |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Property                                                  | \$ -              | \$ 29,800,922                            | \$ -                   | \$ -                  | \$ -                                                            | \$ -                                                     | \$ -                                                         | \$ -                                            | \$ -                       | \$ -                                           | \$ -                            | \$ -                             | \$ -                                                      | 29,932,932    |
| Hotel                                                     | -                 | -                                        | -                      | 43,181,165            | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 43,181,165    |
| Liquid fuel                                               | -                 | -                                        | 13,297,415             | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 13,297,415    |
| Tobacco                                                   | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 28,562,068    |
| Alcoholic beverages                                       | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 3,676,775     |
| Limited gaming                                            | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 4,140,378     |
| Licenses and permits                                      | 921,688           | -                                        | 9,821,893              | -                     | 140,040                                                         | 86,963                                                   | -                                                            | 6,045                                           | 88,976                     | 61,650                                         | 22,324                          | 171,121                          | -                                                         | 54,133,205    |
| Charges for services                                      | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 21,644,169    |
| Interest and investment earnings                          | -                 | 619                                      | 1,370                  | 23,335                | -                                                               | 176                                                      | -                                                            | -                                               | -                          | -                                              | -                               | -                                | 57                                                        | 91,746        |
| Intergovernmental                                         | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 2,122,703     |
| Other                                                     | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 2,765,591     |
| Total revenues                                            | 921,688           | 29,801,541                               | 23,120,678             | 43,204,500            | 140,040                                                         | 87,139                                                   | -                                                            | 6,045                                           | 88,976                     | 61,650                                         | 22,324                          | 171,121                          | 57                                                        | 203,548,147   |
| Expenditures by Function:                                 |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Current:                                                  |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| General government                                        | 795,504           | 844,929                                  | 1,499,680              | 180,742               | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 18,436,895    |
| Protection of life and property                           | -                 | -                                        | 1,488,283              | 3,978,563             | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 23,455,718    |
| Public health                                             | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 26,113,430    |
| Community services                                        | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 1,667         |
| Recreation                                                | -                 | -                                        | -                      | 3,039,761             | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 3,704,300     |
| Individual and collective rights                          | -                 | 1,904,187                                | 5,801,201              | 5,039,748             | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | 745,647                          | -                                                         | 14,874,218    |
| Transportation                                            | -                 | -                                        | 12,744,725             | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 13,159,030    |
| Public education                                          | -                 | 6,821,169                                | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 6,834,114     |
| Environmental protection                                  | -                 | -                                        | -                      | 64,956                | -                                                               | 63,740                                                   | -                                                            | -                                               | 63,904                     | 43,063                                         | -                               | -                                | -                                                         | 26,268,351    |
| Economic development                                      | -                 | -                                        | -                      | 366,033               | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | 8,162                           | -                                | -                                                         | 737,611       |
| Payments to:                                              |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Guam Community College                                    | -                 | 200,000                                  | -                      | 24,154                | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 649,668       |
| Guam Memorial Hospital Authority                          | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 5,044,340     |
| Guam Preservation Trust                                   | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 475,000       |
| Guam Visitors Bureau                                      | -                 | -                                        | -                      | 24,785,216            | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 26,703,484    |
| University of Guam                                        | -                 | 250,000                                  | -                      | 200,000               | -                                                               | -                                                        | 1,102,349                                                    | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 4,338,619     |
| Miscellaneous appropriations                              | -                 | -                                        | 36,500                 | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 206,496       |
| Debt service:                                             |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Principal retirement                                      | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 92,473        |
| Interest and fiscal charges                               | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 226,727       |
| Total expenditures                                        | 795,504           | 10,020,285                               | 21,570,389             | 37,679,173            | -                                                               | 63,740                                                   | 1,102,349                                                    | -                                               | 63,904                     | 43,063                                         | 8,162                           | 745,647                          | -                                                         | 171,322,141   |
| Excess (deficiency) of revenues over (under) expenditures | 126,184           | 19,781,256                               | 1,550,289              | 5,525,327             | 140,040                                                         | 23,399                                                   | (1,102,349)                                                  | 6,045                                           | 25,072                     | 18,587                                         | 14,162                          | (574,526)                        | 57                                                        | 32,226,006    |
| Other financing sources (uses):                           |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |               |
| Transfers in from other funds                             | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | 1,052,153                                                    | -                                               | -                          | -                                              | -                               | 741,935                          | -                                                         | 10,077,758    |
| Transfers out to other funds                              | -                 | (17,093,133)                             | (1,228,914)            | (7,145,927)           | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | (35,794,909)  |
| Total other financing sources (uses), net                 | -                 | (17,093,133)                             | (1,228,914)            | (7,145,927)           | -                                                               | -                                                        | 1,052,153                                                    | -                                               | -                          | -                                              | -                               | 741,935                          | -                                                         | (25,717,151)  |
| Net change in fund balances (deficit)                     | 126,184           | 2,688,123                                | 321,375                | (1,620,600)           | 140,040                                                         | 23,399                                                   | (50,196)                                                     | 6,045                                           | 25,072                     | 18,587                                         | 14,162                          | 167,409                          | 57                                                        | 6,508,855     |
| Fund balances (deficit) at beginning of year              | 165,395           | 612,779                                  | 1,384,654              | 1,446,735             | 10,740                                                          | 48,529                                                   | (96,524)                                                     | 14,065                                          | 274                        | 25,007                                         | 56,136                          | -                                | 5,130                                                     | 60,952,414    |
| Fund balances (deficit) at end of year                    | \$ 291,579        | \$ 3,300,902                             | \$ 1,706,029           | \$ (173,865)          | \$ 150,780                                                      | \$ 71,928                                                | \$ (146,720)                                                 | \$ 20,110                                       | \$ 25,346                  | \$ 43,594                                      | \$ 70,298                       | \$ 167,409                       | \$ 5,187                                                  | \$ 67,461,269 |

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 236                   | 265                         | 661                            | 611                                     | 266                     |                     | 282                                          | 624                                     | 669                                                    | 415                           | 646                     | 105                            | 250                    |
|-----------------------------------------------------------|-----------------------|-----------------------------|--------------------------------|-----------------------------------------|-------------------------|---------------------|----------------------------------------------|-----------------------------------------|--------------------------------------------------------|-------------------------------|-------------------------|--------------------------------|------------------------|
|                                                           | Accessible<br>Parking | Air<br>Pollution<br>Control | Arts in<br>Public<br>Buildings | Banking<br>and Insurance<br>Enforcement | Board of<br>Accountancy | Capitol<br>District | Carrier<br>Off-duty<br>Services<br>Revolving | Chamorro<br>Land<br>Trust<br>Operations | Chamorro<br>Land Trust<br>Survey and<br>Infrastructure | Chamorro<br>Loan<br>Guarantee | Child Care<br>Revolving | Community<br>Health<br>Centers | Consumer<br>Protection |
| Revenues:                                                 |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Taxes:                                                    |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Property                                                  | \$ -                  | \$ -                        | \$ -                           | \$ -                                    | \$ -                    | \$ -                | \$ -                                         | \$ -                                    | \$ -                                                   | 132,010                       | \$ -                    | \$ -                           | \$ -                   |
| Hotel                                                     | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Liquid fuel                                               | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Tobacco                                                   | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Alcoholic beverages                                       | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Limited gaming                                            | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Licenses and permits                                      | 1,920                 | 149,195                     | -                              | 459,263                                 | 922,935                 | -                   | 882,959                                      | 811,102                                 | 18,214                                                 | -                             | 5,335                   | 2,782,256                      | 1,000                  |
| Charges for services                                      | -                     | -                           | -                              | -                                       | -                       | 258,018             | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Interest and investment earnings                          | -                     | -                           | -                              | 464                                     | -                       | 129                 | -                                            | 7,229                                   | -                                                      | 645                           | -                       | -                              | -                      |
| Intergovernmental                                         | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | 2,122,703                      | -                      |
| Other                                                     | -                     | -                           | -                              | -                                       | 22,556                  | 126,000             | -                                            | 17,209                                  | 23,640                                                 | -                             | -                       | -                              | -                      |
| Total revenues                                            | 1,920                 | 149,195                     | -                              | 459,727                                 | 945,491                 | 384,147             | 882,959                                      | 835,540                                 | 41,854                                                 | 132,655                       | 5,335                   | 4,904,959                      | 1,000                  |
| Expenditures by Object:                                   |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Salaries and wages - regular                              | -                     | 7,610                       | -                              | -                                       | -                       | -                   | 544,838                                      | 470,595                                 | -                                                      | -                             | -                       | 1,947,916                      | -                      |
| Salaries and wages - overtime                             | -                     | -                           | -                              | -                                       | -                       | -                   | 307,593                                      | -                                       | -                                                      | -                             | -                       | 22,657                         | -                      |
| Salaries and wages - fringe benefits                      | -                     | 3,033                       | -                              | -                                       | -                       | -                   | 33,117                                       | 171,480                                 | -                                                      | -                             | -                       | 675,760                        | -                      |
| Travel                                                    | -                     | 2,291                       | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | 88,946                         | -                      |
| Contractual services                                      | -                     | -                           | -                              | 177,471                                 | 328,662                 | 38,500              | -                                            | 147,807                                 | -                                                      | -                             | -                       | 328,154                        | -                      |
| Building rent                                             | -                     | 32,000                      | -                              | -                                       | 23,868                  | -                   | -                                            | 124,390                                 | -                                                      | -                             | -                       | -                              | -                      |
| Supplies                                                  | 1,667                 | -                           | -                              | 10,349                                  | 19,865                  | -                   | -                                            | 2,421                                   | -                                                      | -                             | -                       | 411,835                        | -                      |
| Equipment                                                 | -                     | -                           | -                              | -                                       | 5,084                   | -                   | -                                            | -                                       | -                                                      | -                             | -                       | 34,956                         | -                      |
| Utilities - power and water                               | -                     | 10,000                      | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Communications                                            | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Capital outlays                                           | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | 34,312                                                 | -                             | -                       | 13,700                         | -                      |
| Payments to component units                               | -                     | -                           | -                              | -                                       | 400,000                 | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Principal retirement                                      | -                     | -                           | -                              | -                                       | -                       | 92,473              | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Interest and fiscal charges                               | -                     | -                           | -                              | -                                       | -                       | 226,727             | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Miscellaneous                                             | -                     | -                           | -                              | -                                       | 62,486                  | 5,057               | -                                            | 13,162                                  | -                                                      | -                             | -                       | 132,427                        | -                      |
| Total expenditures                                        | 1,667                 | 54,934                      | -                              | 187,820                                 | 839,965                 | 362,757             | 885,548                                      | 929,855                                 | 34,312                                                 | -                             | -                       | 3,656,351                      | -                      |
| Excess (deficiency) of revenues over (under) expenditures | 253                   | 94,261                      | -                              | 271,907                                 | 105,526                 | 21,390              | (2,589)                                      | (94,315)                                | 7,542                                                  | 132,655                       | 5,335                   | 1,248,608                      | 1,000                  |
| Other financing sources (uses):                           |                       |                             |                                |                                         |                         |                     |                                              |                                         |                                                        |                               |                         |                                |                        |
| Transfers in from other funds                             | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Transfers out to other funds                              | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Total other financing sources (uses), net                 | -                     | -                           | -                              | -                                       | -                       | -                   | -                                            | -                                       | -                                                      | -                             | -                       | -                              | -                      |
| Net change in fund balances (deficit)                     | 253                   | 94,261                      | -                              | 271,907                                 | 105,526                 | 21,390              | (2,589)                                      | (94,315)                                | 7,542                                                  | 132,655                       | 5,335                   | 1,248,608                      | 1,000                  |
| Fund balances (deficit) at beginning of year              | 12,281                | 259,680                     | 192                            | 373,223                                 | 1,722,265               | 407,731             | 10,666                                       | 2,200,501                               | 458                                                    | 517,725                       | 34,622                  | 5,667,407                      | 3,273                  |
| Fund balances (deficit) at end of year                    | \$ 12,534             | \$ 353,941                  | \$ 192                         | \$ 645,130                              | \$ 1,827,791            | \$ 429,121          | \$ 8,077                                     | \$ 2,106,186                            | \$ 8,000                                               | \$ 650,380                    | \$ 39,957               | \$ 6,916,015                   | \$ 4,273               |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 213                              | 272                                  | 325                                  | 209<br>Customs,<br>Agriculture and<br>Quarantine<br>Inspection<br>Services | 267<br>Dededo<br>Buffer Strip<br>Revolving | 630<br>DLM<br>Building<br>Construction | 235<br>DPW<br>Building<br>and Design | 246<br>Drivers'<br>Education | 281<br>Enhanced 911<br>Emergency<br>Reporting<br>System | 600<br>Environmental<br>Health | 642<br>Equitable<br>Sharing<br>Program | 640<br>Examiner<br>Off-Duty<br>Services | 614<br>Government<br>Ethics |
|-----------------------------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------|----------------------------------------|--------------------------------------|------------------------------|---------------------------------------------------------|--------------------------------|----------------------------------------|-----------------------------------------|-----------------------------|
|                                                           | Contractors'<br>License<br>Board | Controlled<br>Substance<br>Diversion | Criminal<br>Injuries<br>Compensation |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Revenues:                                                 |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Taxes:                                                    |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Property                                                  | \$ -                             | \$ -                                 | \$ -                                 | \$ -                                                                       | \$ -                                       | \$ -                                   | \$ -                                 | \$ -                         | \$ -                                                    | \$ -                           | \$ -                                   | \$ -                                    | \$ -                        |
| Hotel                                                     | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Liquid fuel                                               | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Tobacco                                                   | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Alcoholic beverages                                       | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Limited gaming                                            | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Licenses and permits                                      | 708,979                          | 194,240                              | 20,138                               | 13,515,492                                                                 | 204,090                                    | -                                      | 1,255,216                            | 7,955                        | 2,183,716                                               | 1,388,902                      | -                                      | 13,200                                  | -                           |
| Charges for services                                      | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Interest and investment earnings                          | 376                              | -                                    | 1,507                                | 519                                                                        | -                                          | 4                                      | -                                    | -                            | 359                                                     | 66                             | -                                      | -                                       | 6                           |
| Intergovernmental                                         | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Other                                                     | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | 82,321                                 | -                                       | -                           |
| Total revenues                                            | <u>709,355</u>                   | <u>194,240</u>                       | <u>21,645</u>                        | <u>13,516,011</u>                                                          | <u>204,090</u>                             | <u>4</u>                               | <u>1,255,216</u>                     | <u>7,955</u>                 | <u>2,184,075</u>                                        | <u>1,388,968</u>               | <u>82,321</u>                          | <u>13,200</u>                           | <u>6</u>                    |
| Expenditures by Object:                                   |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Salaries and wages - regular                              | 317,252                          | -                                    | -                                    | 6,767,708                                                                  | -                                          | -                                      | 334,945                              | -                            | 833,534                                                 | 601,259                        | -                                      | -                                       | -                           |
| Salaries and wages - overtime                             | -                                | -                                    | -                                    | 189,456                                                                    | -                                          | -                                      | -                                    | -                            | 35,422                                                  | -                              | -                                      | 21,242                                  | -                           |
| Salaries and wages - fringe benefits                      | 110,556                          | -                                    | -                                    | 2,328,261                                                                  | -                                          | -                                      | 114,505                              | -                            | 304,896                                                 | 216,590                        | -                                      | 7,166                                   | -                           |
| Travel                                                    | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | 19,699                         | -                                      | -                                       | -                           |
| Contractual services                                      | 39,737                           | -                                    | -                                    | 275,632                                                                    | -                                          | -                                      | 23,836                               | -                            | 54,422                                                  | 102,787                        | -                                      | -                                       | -                           |
| Building rent                                             | -                                | -                                    | -                                    | 3,081,418                                                                  | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Supplies                                                  | 9,032                            | -                                    | 130                                  | 50,025                                                                     | -                                          | -                                      | 9,817                                | -                            | 13,342                                                  | 40,251                         | -                                      | -                                       | -                           |
| Equipment                                                 | 5,175                            | 6,705                                | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | 29,539                                                  | 35,504                         | -                                      | -                                       | -                           |
| Utilities - power and water                               | 13,409                           | -                                    | -                                    | 63,950                                                                     | -                                          | -                                      | 12,424                               | -                            | 20,561                                                  | 91,074                         | -                                      | -                                       | -                           |
| Communications                                            | 4,347                            | -                                    | -                                    | 30,133                                                                     | -                                          | -                                      | 5,282                                | -                            | 50,874                                                  | 17,500                         | -                                      | -                                       | -                           |
| Capital outlays                                           | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | 150,717                                                 | -                              | -                                      | -                                       | -                           |
| Payments to component units                               | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Principal retirement                                      | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Interest and fiscal charges                               | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Miscellaneous                                             | 2,186                            | -                                    | 178,989                              | 45,970                                                                     | -                                          | -                                      | 200                                  | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Total expenditures                                        | <u>501,694</u>                   | <u>6,705</u>                         | <u>179,119</u>                       | <u>12,832,553</u>                                                          | <u>-</u>                                   | <u>-</u>                               | <u>501,009</u>                       | <u>-</u>                     | <u>1,493,307</u>                                        | <u>1,124,664</u>               | <u>-</u>                               | <u>28,408</u>                           | <u>-</u>                    |
| Excess (deficiency) of revenues over (under) expenditures | <u>207,661</u>                   | <u>187,535</u>                       | <u>(157,474)</u>                     | <u>683,458</u>                                                             | <u>204,090</u>                             | <u>4</u>                               | <u>754,207</u>                       | <u>7,955</u>                 | <u>690,768</u>                                          | <u>264,304</u>                 | <u>82,321</u>                          | <u>(15,208)</u>                         | <u>6</u>                    |
| Other financing sources (uses):                           |                                  |                                      |                                      |                                                                            |                                            |                                        |                                      |                              |                                                         |                                |                                        |                                         |                             |
| Transfers in from other funds                             | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Transfers out to other funds                              | -                                | -                                    | -                                    | -                                                                          | -                                          | -                                      | -                                    | -                            | -                                                       | -                              | -                                      | -                                       | -                           |
| Total other financing sources (uses), net                 | <u>-</u>                         | <u>-</u>                             | <u>-</u>                             | <u>-</u>                                                                   | <u>-</u>                                   | <u>-</u>                               | <u>-</u>                             | <u>-</u>                     | <u>-</u>                                                | <u>-</u>                       | <u>-</u>                               | <u>-</u>                                | <u>-</u>                    |
| Net change in fund balances (deficit)                     | 207,661                          | 187,535                              | (157,474)                            | 683,458                                                                    | 204,090                                    | 4                                      | 754,207                              | 7,955                        | 690,768                                                 | 264,304                        | 82,321                                 | (15,208)                                | 6                           |
| Fund balances (deficit) at beginning of year              | 471,533                          | 9,824                                | 1,441,652                            | 77,834                                                                     | 52,320                                     | 2,934                                  | 835,954                              | 15,355                       | 158,833                                                 | 389,639                        | 11,512                                 | (14,038)                                | 1,002                       |
| Fund balances (deficit) at end of year                    | <u>\$ 679,194</u>                | <u>\$ 197,359</u>                    | <u>\$ 1,284,178</u>                  | <u>\$ 761,292</u>                                                          | <u>\$ 256,410</u>                          | <u>\$ 2,938</u>                        | <u>\$ 1,590,161</u>                  | <u>\$ 23,310</u>             | <u>\$ 849,601</u>                                       | <u>\$ 653,943</u>              | <u>\$ 93,833</u>                       | <u>\$ (29,246)</u>                      | <u>\$ 1,008</u>             |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 231                         | 656                                            |                                          |                                   |                                             |                                                | 641                     | 639                        | 657                                                     | 245                            | 608                                    | 662                                              | 244            |
|-----------------------------------------------------------|-----------------------------|------------------------------------------------|------------------------------------------|-----------------------------------|---------------------------------------------|------------------------------------------------|-------------------------|----------------------------|---------------------------------------------------------|--------------------------------|----------------------------------------|--------------------------------------------------|----------------|
|                                                           | GFD<br>Capital<br>Revolving | GMHA<br>Healthcare<br>Trust and<br>Development | Guam<br>Ancestral<br>Lands<br>Operations | Guam<br>Ancestral<br>Land<br>Bank | Guam<br>Ancestral<br>Landowners<br>Recovery | Survey<br>Infrastructure<br>and<br>Development | Guam<br>Cancer<br>Trust | Guam<br>Charter<br>Schools | Guam<br>Community<br>College<br>Capital<br>Improvements | Guam<br>Environmental<br>Trust | Guam Plant<br>Inspection<br>and Permit | Guam<br>Invasive<br>Species<br>Inspection<br>Fee | Guam<br>Museum |
| Revenues:                                                 |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Taxes:                                                    |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Property                                                  | \$ -                        | \$ -                                           | \$ -                                     | \$ -                              | \$ -                                        | \$ -                                           | \$ -                    | \$ -                       | \$ -                                                    | \$ -                           | \$ -                                   | \$ -                                             | \$ -           |
| Hotel                                                     | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Liquid fuel                                               | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Tobacco                                                   | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Alcoholic beverages                                       | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Limited gaming                                            | -                           | 2,406,460                                      | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Licenses and permits                                      | 853,485                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 448,703                        | 96,566                                 | 520,410                                          | 305,638        |
| Charges for services                                      | -                           | -                                              | -                                        | 670,557                           | -                                           | 58,509                                         | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Interest and investment earnings                          | -                           | 84                                             | 3                                        | 22,204                            | 23                                          | 10                                             | -                       | 1                          | -                                                       | 503                            | 224                                    | 33                                               | -              |
| Intergovernmental                                         | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Other                                                     | -                           | -                                              | 1,810                                    | 2,492,000                         | 5                                           | 50                                             | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Total revenues                                            | 853,485                     | 2,406,544                                      | 1,813                                    | 3,184,761                         | 28                                          | 58,569                                         | -                       | 1                          | -                                                       | 449,206                        | 96,790                                 | 520,443                                          | 305,638        |
| Expenditures by Object:                                   |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Salaries and wages - regular                              | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 67,107                         | -                                      | 161,436                                          | -              |
| Salaries and wages - overtime                             | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Salaries and wages - fringe benefits                      | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 22,413                         | -                                      | 47,665                                           | -              |
| Travel                                                    | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | 3,967                                            | -              |
| Contractual services                                      | 149,890                     | -                                              | -                                        | 97,332                            | -                                           | -                                              | -                       | -                          | -                                                       | -                              | 2,493                                  | 59,477                                           | 996,336        |
| Building rent                                             | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Supplies                                                  | 349,753                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | 3,014                                  | 10,375                                           | -              |
| Equipment                                                 | 156,896                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | 3,848                                            | -              |
| Utilities - power and water                               | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 52,684                         | 48,619                                 | -                                                | 7,915          |
| Communications                                            | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | 17,989                         | 1,157                                  | -                                                | -              |
| Capital outlays                                           | 186,483                     | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Payments to component units                               | -                           | 1,979,454                                      | -                                        | -                                 | -                                           | -                                              | -                       | -                          | 278,922                                                 | -                              | -                                      | -                                                | -              |
| Principal retirement                                      | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Interest and fiscal charges                               | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | -                                                       | -                              | -                                      | -                                                | -              |
| Miscellaneous                                             | -                           | -                                              | -                                        | -                                 | -                                           | 8,373                                          | -                       | 12,945                     | -                                                       | -                              | -                                      | -                                                | -              |
| Total expenditures                                        | 843,022                     | 1,979,454                                      | -                                        | 97,332                            | -                                           | 8,373                                          | -                       | 12,945                     | 278,922                                                 | 160,193                        | 55,283                                 | 286,768                                          | 1,004,251      |
| Excess (deficiency) of revenues over (under) expenditures | 10,463                      | 427,090                                        | 1,813                                    | 3,087,429                         | 28                                          | 50,196                                         | -                       | (12,944)                   | (278,922)                                               | 289,013                        | 41,507                                 | 233,675                                          | (698,613)      |
| Other financing sources (uses):                           |                             |                                                |                                          |                                   |                                             |                                                |                         |                            |                                                         |                                |                                        |                                                  |                |
| Transfers in from other funds                             | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | 7,426,907                  | 255,678                                                 | -                              | -                                      | -                                                | -              |
| Transfers out to other funds                              | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | (7,426,907)                | -                                                       | (44,870)                       | -                                      | -                                                | -              |
| Total other financing sources (uses), net                 | -                           | -                                              | -                                        | -                                 | -                                           | -                                              | -                       | -                          | 255,678                                                 | (44,870)                       | -                                      | -                                                | -              |
| Net change in fund balances (deficit)                     | 10,463                      | 427,090                                        | 1,813                                    | 3,087,429                         | 28                                          | 50,196                                         | -                       | (12,944)                   | (23,244)                                                | 244,143                        | 41,507                                 | 233,675                                          | (698,613)      |
| Fund balances (deficit) at beginning of year              | 273,644                     | 108,830                                        | 1,002                                    | 5,413,858                         | 7,459                                       | -                                              | (15)                    | 2,501                      | -                                                       | 216,149                        | 112,396                                | 76,021                                           | 870,470        |
| Fund balances (deficit) at end of year                    | \$ 284,107                  | \$ 535,920                                     | \$ 2,815                                 | \$ 8,501,287                      | \$ 7,487                                    | \$ 50,196                                      | \$ (15)                 | \$ (10,443)                | \$ (23,244)                                             | \$ 460,292                     | \$ 153,903                             | \$ 309,696                                       | \$ 171,857     |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 326                           | 651                                                | 270                             | 602                  | 241                                 | 311                             | 652               | 658                               | 632                 | 351                 | 222                      | 655                 | 232                     |
|-----------------------------------------------------------|-------------------------------|----------------------------------------------------|---------------------------------|----------------------|-------------------------------------|---------------------------------|-------------------|-----------------------------------|---------------------|---------------------|--------------------------|---------------------|-------------------------|
|                                                           | Guam<br>Preservation<br>Trust | Guam<br>Procurement<br>Advisory<br>Council Support | Health and<br>Human<br>Services | Healthy<br>Futures   | Health<br>Professional<br>Licensure | Health and<br>Security<br>Trust | Host<br>Community | Hotel<br>Occupancy<br>Tax Surplus | Indirect<br>Cost    | Land<br>Acquisition | Land Survey<br>Revolving | Limited<br>Gaming   | Manpower<br>Development |
| Revenues:                                                 |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Taxes:                                                    |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Property                                                  | \$ -                          | \$ -                                               | \$ -                            | \$ -                 | \$ -                                | \$ -                            | \$ -              | \$ -                              | \$ -                | \$ -                | \$ -                     | \$ -                | \$ -                    |
| Hotel                                                     | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Liquid fuel                                               | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Tobacco                                                   | -                             | -                                                  | -                               | 28,562,068           | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Alcoholic beverages                                       | -                             | -                                                  | -                               | 3,676,775            | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Limited gaming                                            | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | 1,733,918           | -                       |
| Licenses and permits                                      | 611,287                       | -                                                  | -                               | -                    | 246,396                             | -                               | -                 | -                                 | -                   | -                   | 3,318,233                | -                   | 219,118                 |
| Charges for services                                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | 1,328,036           | -                   | -                        | -                   | -                       |
| Interest and investment earnings                          | 148                           | -                                                  | 3,807                           | 5,012                | 34                                  | 234                             | -                 | 36                                | -                   | -                   | -                        | 29                  | 66                      |
| Intergovernmental                                         | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Other                                                     | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Total revenues                                            | <u>611,435</u>                | <u>-</u>                                           | <u>3,807</u>                    | <u>32,243,855</u>    | <u>246,430</u>                      | <u>234</u>                      | <u>-</u>          | <u>36</u>                         | <u>1,328,036</u>    | <u>-</u>            | <u>3,318,233</u>         | <u>1,733,947</u>    | <u>219,184</u>          |
| Expenditures by Object:                                   |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Salaries and wages - regular                              | -                             | -                                                  | -                               | 11,471,764           | 27,091                              | -                               | -                 | -                                 | 1,127,464           | -                   | 1,926,501                | -                   | 114,101                 |
| Salaries and wages - overtime                             | -                             | -                                                  | -                               | 422,585              | -                                   | -                               | -                 | -                                 | 3,626               | -                   | -                        | -                   | -                       |
| Salaries and wages - fringe benefits                      | -                             | -                                                  | -                               | 3,978,554            | 9,679                               | -                               | -                 | -                                 | 392,173             | -                   | 694,426                  | -                   | 39,027                  |
| Travel                                                    | -                             | -                                                  | -                               | 3,913                | 3,059                               | -                               | -                 | -                                 | 9,637               | -                   | -                        | -                   | -                       |
| Contractual services                                      | -                             | -                                                  | -                               | 5,795,665            | 10,193                              | -                               | -                 | -                                 | 38,954              | -                   | 104,882                  | 103,036             | 9,652                   |
| Building rent                                             | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | 315,699                  | -                   | -                       |
| Supplies                                                  | -                             | -                                                  | -                               | 119,929              | 5,586                               | -                               | -                 | -                                 | 15,539              | -                   | 18,321                   | 34,087              | 13,988                  |
| Equipment                                                 | -                             | -                                                  | -                               | 24,540               | 32,402                              | -                               | -                 | -                                 | -                   | -                   | 3,488                    | 53,033              | -                       |
| Utilities - power and water                               | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Communications                                            | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | 9,756               | -                   | 18,135                   | -                   | -                       |
| Capital outlays                                           | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Payments to component units                               | 475,000                       | -                                                  | -                               | 5,851,156            | -                                   | -                               | -                 | 1,918,268                         | -                   | -                   | -                        | -                   | 146,592                 |
| Principal retirement                                      | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Interest and fiscal charges                               | -                             | -                                                  | -                               | -                    | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | -                   | -                       |
| Miscellaneous                                             | -                             | -                                                  | -                               | 406,828              | -                                   | -                               | 347,194           | -                                 | -                   | -                   | 1,980                    | 656,204             | -                       |
| Total expenditures                                        | <u>475,000</u>                | <u>-</u>                                           | <u>-</u>                        | <u>28,074,934</u>    | <u>88,010</u>                       | <u>-</u>                        | <u>347,194</u>    | <u>1,918,268</u>                  | <u>1,597,149</u>    | <u>-</u>            | <u>3,083,432</u>         | <u>846,360</u>      | <u>323,360</u>          |
| Excess (deficiency) of revenues over (under) expenditures | <u>136,435</u>                | <u>-</u>                                           | <u>3,807</u>                    | <u>4,168,921</u>     | <u>158,420</u>                      | <u>234</u>                      | <u>(347,194)</u>  | <u>(1,918,232)</u>                | <u>(269,113)</u>    | <u>-</u>            | <u>234,801</u>           | <u>887,587</u>      | <u>(104,176)</u>        |
| Other financing sources (uses):                           |                               |                                                    |                                 |                      |                                     |                                 |                   |                                   |                     |                     |                          |                     |                         |
| Transfers in from other funds                             | -                             | -                                                  | -                               | -                    | -                                   | -                               | 347,194           | -                                 | -                   | -                   | -                        | -                   | -                       |
| Transfers out to other funds                              | -                             | -                                                  | -                               | (891,754)            | -                                   | -                               | -                 | -                                 | -                   | -                   | -                        | (456,389)           | -                       |
| Total other financing sources (uses), net                 | <u>-</u>                      | <u>-</u>                                           | <u>-</u>                        | <u>(891,754)</u>     | <u>-</u>                            | <u>-</u>                        | <u>347,194</u>    | <u>-</u>                          | <u>-</u>            | <u>-</u>            | <u>-</u>                 | <u>(456,389)</u>    | <u>-</u>                |
| Net change in fund balances (deficit)                     | 136,435                       | -                                                  | 3,807                           | 3,277,167            | 158,420                             | 234                             | -                 | (1,918,232)                       | (269,113)           | -                   | 234,801                  | 431,198             | (104,176)               |
| Fund balances (deficit) at beginning of year              | 218,758                       | 1,931                                              | 341,102                         | 6,917,659            | 44,529                              | 10,185                          | 53                | 4,204,307                         | -                   | 251                 | 46,311                   | 2,242,051           | -                       |
| Fund balances (deficit) at end of year                    | <u>\$ 355,193</u>             | <u>\$ 1,931</u>                                    | <u>\$ 344,909</u>               | <u>\$ 10,194,826</u> | <u>\$ 202,949</u>                   | <u>\$ 10,419</u>                | <u>\$ 53</u>      | <u>\$ 2,286,075</u>               | <u>\$ (269,113)</u> | <u>\$ 251</u>       | <u>\$ 281,112</u>        | <u>\$ 2,673,249</u> | <u>\$ (104,176)</u>     |

(continued)



**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 671                           | 294                                        | 653              | 261                           | 648                              | 650                                        | 629                     | 211                           | 663                                                       | 263                | 644                               | 215                                                          | 604                         |
|-----------------------------------------------------------|-------------------------------|--------------------------------------------|------------------|-------------------------------|----------------------------------|--------------------------------------------|-------------------------|-------------------------------|-----------------------------------------------------------|--------------------|-----------------------------------|--------------------------------------------------------------|-----------------------------|
|                                                           | Medical<br>Use of<br>Cannabis | Mental<br>Health and<br>Substance<br>Abuse | MHSA<br>Services | Notary<br>Public<br>Revolving | Office of<br>Attorney<br>General | Office of<br>Vital Statistics<br>Revolving | Pesticide<br>Management | Plant<br>Nursery<br>Revolving | Police<br>Patrol<br>Vehicle and<br>Equipment<br>Revolving | Police<br>Services | Prison<br>Industries<br>Revolving | Professional<br>Engineers',<br>Architects' and<br>Surveyors' | Public<br>Library<br>System |
| Revenues:                                                 |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Taxes:                                                    |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Property                                                  | \$ -                          | \$ -                                       | \$ -             | \$ -                          | \$ -                             | \$ -                                       | \$ -                    | \$ -                          | \$ -                                                      | \$ -               | \$ -                              | \$ -                                                         | \$ -                        |
| Hotel                                                     | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Liquid fuel                                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Tobacco                                                   | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Alcoholic beverages                                       | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Limited gaming                                            | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Licenses and permits                                      | 1                             | -                                          | 17,027           | 38,575                        | 2,409                            | 254,587                                    | 123,163                 | 6,029                         | 320,910                                                   | 1,020,595          | -                                 | 292,185                                                      | 920,550                     |
| Charges for services                                      | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Interest and investment earnings                          | -                             | -                                          | -                | -                             | -                                | 26                                         | -                       | -                             | 31                                                        | -                  | -                                 | -                                                            | 86                          |
| Intergovernmental                                         | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Other                                                     | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Total revenues                                            | <u>1</u>                      | <u>-</u>                                   | <u>17,027</u>    | <u>38,575</u>                 | <u>2,409</u>                     | <u>254,613</u>                             | <u>123,163</u>          | <u>6,029</u>                  | <u>320,941</u>                                            | <u>1,020,595</u>   | <u>-</u>                          | <u>292,185</u>                                               | <u>920,636</u>              |
| Expenditures by Object:                                   |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Salaries and wages - regular                              | -                             | -                                          | -                | -                             | -                                | 52,415                                     | 95,038                  | -                             | -                                                         | 113,468            | -                                 | 145,851                                                      | -                           |
| Salaries and wages - overtime                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Salaries and wages - fringe benefits                      | -                             | -                                          | -                | -                             | -                                | 29,820                                     | 14,015                  | -                             | -                                                         | 44,714             | -                                 | 50,655                                                       | -                           |
| Travel                                                    | -                             | -                                          | -                | -                             | -                                | 8,138                                      | 5,017                   | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Contractual services                                      | -                             | -                                          | -                | 21                            | -                                | 24,589                                     | -                       | -                             | 34,857                                                    | 605,026            | -                                 | 32,494                                                       | -                           |
| Building rent                                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | 18,060                                                       | -                           |
| Supplies                                                  | -                             | -                                          | -                | 148                           | -                                | 4,269                                      | -                       | 3,831                         | 118,427                                                   | 131,590            | -                                 | 3,913                                                        | -                           |
| Equipment                                                 | -                             | -                                          | -                | -                             | -                                | 13,021                                     | -                       | -                             | 900                                                       | 104,938            | -                                 | -                                                            | -                           |
| Utilities - power and water                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Communications                                            | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | 2,109                                                        | -                           |
| Capital outlays                                           | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | 46,492                                                    | 268,239            | -                                 | -                                                            | -                           |
| Payments to component units                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Principal retirement                                      | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Interest and fiscal charges                               | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Miscellaneous                                             | -                             | -                                          | -                | -                             | -                                | 80                                         | -                       | -                             | -                                                         | 3,750              | -                                 | 3,220                                                        | -                           |
| Total expenditures                                        | <u>-</u>                      | <u>-</u>                                   | <u>-</u>         | <u>169</u>                    | <u>-</u>                         | <u>132,332</u>                             | <u>114,070</u>          | <u>3,831</u>                  | <u>200,676</u>                                            | <u>1,271,725</u>   | <u>-</u>                          | <u>256,302</u>                                               | <u>-</u>                    |
| Excess (deficiency) of revenues over (under) expenditures | <u>1</u>                      | <u>-</u>                                   | <u>17,027</u>    | <u>38,406</u>                 | <u>2,409</u>                     | <u>122,281</u>                             | <u>9,093</u>            | <u>2,198</u>                  | <u>120,265</u>                                            | <u>(251,130)</u>   | <u>-</u>                          | <u>35,883</u>                                                | <u>920,636</u>              |
| Other financing sources (uses):                           |                               |                                            |                  |                               |                                  |                                            |                         |                               |                                                           |                    |                                   |                                                              |                             |
| Transfers in from other funds                             | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | -                           |
| Transfers out to other funds                              | -                             | -                                          | -                | -                             | -                                | -                                          | -                       | -                             | -                                                         | -                  | -                                 | -                                                            | (996,946)                   |
| Total other financing sources (uses), net                 | <u>-</u>                      | <u>-</u>                                   | <u>-</u>         | <u>-</u>                      | <u>-</u>                         | <u>-</u>                                   | <u>-</u>                | <u>-</u>                      | <u>-</u>                                                  | <u>-</u>           | <u>-</u>                          | <u>-</u>                                                     | <u>(996,946)</u>            |
| Net change in fund balances (deficit)                     | 1                             | -                                          | 17,027           | 38,406                        | 2,409                            | 122,281                                    | 9,093                   | 2,198                         | 120,265                                                   | (251,130)          | -                                 | 35,883                                                       | (76,310)                    |
| Fund balances (deficit) at beginning of year              | 7                             | (989)                                      | 5,444            | 141,092                       | -                                | 12,419                                     | 5,599                   | 14,061                        | 142,034                                                   | 321,663            | 1,569                             | 109,591                                                      | 93,835                      |
| Fund balances (deficit) at end of year                    | <u>\$ 8</u>                   | <u>\$ (989)</u>                            | <u>\$ 22,471</u> | <u>\$ 179,498</u>             | <u>\$ 2,409</u>                  | <u>\$ 134,700</u>                          | <u>\$ 14,692</u>        | <u>\$ 16,259</u>              | <u>\$ 262,299</u>                                         | <u>\$ 70,533</u>   | <u>\$ 1,569</u>                   | <u>\$ 145,474</u>                                            | <u>\$ 17,525</u>            |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 666                           | 620                              | 317               | 285                  | 619                    | 289                       | 601                              | 217             | 647          | 284                               | 416                       | 605                             | 625                    | 202          |
|-----------------------------------------------------------|-------------------------------|----------------------------------|-------------------|----------------------|------------------------|---------------------------|----------------------------------|-----------------|--------------|-----------------------------------|---------------------------|---------------------------------|------------------------|--------------|
|                                                           | Public<br>Market<br>Revolving | Public<br>Recreation<br>Services | Public<br>Transit | Rabies<br>Prevention | Recycling<br>Revolving | Safe<br>Drinking<br>Water | Safe<br>Homes<br>Safe<br>Streets | Safe<br>Streets | Section 2718 | Solid Waste<br>Management<br>Plan | Solid Waste<br>Operations | Special<br>Assets<br>Forfeiture | Stray Dog<br>Revolving | Street Light |
| Revenues:                                                 |                               |                                  |                   |                      |                        |                           |                                  |                 |              |                                   |                           |                                 |                        |              |
| Taxes:                                                    |                               |                                  |                   |                      |                        |                           |                                  |                 |              |                                   |                           |                                 |                        |              |
| Property                                                  | \$ -                          | \$ -                             | \$ -              | \$ -                 | \$ -                   | \$ -                      | \$ -                             | \$ -            | \$ -         | \$ -                              | \$ -                      | \$ -                            | \$ -                   | \$ -         |
| Hotel                                                     | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Liquid fuel                                               | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Tobacco                                                   | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Alcoholic beverages                                       | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Limited gaming                                            | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Licenses and permits                                      | -                             | 119,801                          | -                 | 45,875               | 2,822,793              | 2,820                     | 125                              | 24,000          | -            | 13,250                            | -                         | 399,842                         | -                      | 4,242,025    |
| Charges for services                                      | -                             | -                                | 4,744             | -                    | -                      | -                         | -                                | -               | -            | -                                 | 19,324,305                | -                               | -                      | -            |
| Interest and investment earnings                          | -                             | 46                               | -                 | -                    | 561                    | -                         | -                                | 44              | 1            | -                                 | 21,233                    | 406                             | -                      | -            |
| Intergovernmental                                         | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Other                                                     | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Total revenues                                            | -                             | 119,847                          | 4,744             | 45,875               | 2,823,354              | 2,820                     | 125                              | 24,044          | 1            | 13,250                            | 19,345,538                | 400,248                         | -                      | 4,242,025    |
| Expenditures by Object:                                   |                               |                                  |                   |                      |                        |                           |                                  |                 |              |                                   |                           |                                 |                        |              |
| Salaries and wages - regular                              | -                             | -                                | -                 | -                    | 45,011                 | -                         | -                                | -               | -            | -                                 | 1,355,143                 | -                               | -                      | -            |
| Salaries and wages - overtime                             | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | 65,713                    | -                               | -                      | -            |
| Salaries and wages - fringe benefits                      | -                             | -                                | -                 | -                    | 14,049                 | -                         | -                                | -               | -            | -                                 | 506,121                   | -                               | -                      | -            |
| Travel                                                    | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | 405                               | -                         | 71,179                          | -                      | -            |
| Contractual services                                      | -                             | 47,564                           | 414,305           | 10,068               | 1,319,330              | -                         | -                                | -               | -            | -                                 | 18,706,529                | -                               | -                      | -            |
| Building rent                                             | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Supplies                                                  | -                             | 45,116                           | -                 | 7,466                | -                      | -                         | -                                | 97,956          | -            | -                                 | 652,348                   | 6,055                           | -                      | -            |
| Equipment                                                 | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | 31,186                    | 3,340                           | -                      | -            |
| Utilities - power and water                               | -                             | 115,051                          | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | 92,238                    | -                               | -                      | 4,291,520    |
| Communications                                            | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | 66,255                    | -                               | -                      | -            |
| Capital outlays                                           | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | 4,060,537                 | -                               | -                      | -            |
| Payments to component units                               | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Principal retirement                                      | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Interest and fiscal charges                               | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Miscellaneous                                             | -                             | -                                | -                 | -                    | -                      | -                         | -                                | -               | -            | -                                 | 125,417                   | -                               | -                      | -            |
| Total expenditures                                        | -                             | 207,731                          | 414,305           | 17,534               | 1,378,390              | -                         | -                                | 97,956          | -            | 405                               | 25,661,487                | 80,574                          | -                      | 4,291,520    |
| Excess (deficiency) of revenues over (under) expenditures | -                             | (87,884)                         | (409,561)         | 28,341               | 1,444,964              | 2,820                     | 125                              | (73,912)        | 1            | 12,845                            | (6,315,949)               | 319,674                         | -                      | (49,495)     |
| Other financing sources (uses):                           |                               |                                  |                   |                      |                        |                           |                                  |                 |              |                                   |                           |                                 |                        |              |
| Transfers in from other funds                             | -                             | -                                | 253,891           | -                    | -                      | -                         | -                                | -               | -            | -                                 | -                         | -                               | -                      | -            |
| Transfers out to other funds                              | -                             | -                                | -                 | -                    | -                      | -                         | -                                | (162,875)       | -            | -                                 | (347,194)                 | -                               | -                      | -            |
| Total other financing sources (uses), net                 | -                             | -                                | 253,891           | -                    | -                      | -                         | -                                | (162,875)       | -            | -                                 | (347,194)                 | -                               | -                      | -            |
| Net change in fund balances (deficit)                     | -                             | (87,884)                         | (155,670)         | 28,341               | 1,444,964              | 2,820                     | 125                              | (236,787)       | 1            | 12,845                            | (6,663,143)               | 319,674                         | -                      | (49,495)     |
| Fund balances (deficit) at beginning of year              | (4,576)                       | -                                | (24,936)          | 250                  | 68,261                 | 4,829                     | 75                               | -               | 21,479       | 44,860                            | 19,807,539                | 699,333                         | 1,208                  | 41,017       |
| Fund balances (deficit) at end of year                    | \$ (4,576)                    | \$ (87,884)                      | \$ (180,606)      | \$ 28,591            | \$ 1,513,225           | \$ 7,649                  | \$ 200                           | \$ (236,787)    | \$ 21,480    | \$ 57,705                         | \$ 13,144,396             | \$ 1,019,007                    | \$ 1,208               | \$ (8,478)   |

(continued)

**GOVERNMENT OF GUAM**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)**  
**Year Ended September 30, 2018**

| AS/400 Fund Number                                        | 603               | 205                                      | 208                    | 206                   | 257<br>Truck<br>Enforcement<br>Screening<br>Station<br>Facility | 636<br>Under-<br>ground<br>Storage<br>Tank<br>Management | 297<br>University<br>of Guam<br>Capital<br>Improve-<br>ments | 637<br>Victim/<br>Witness<br>Travel-<br>Housing | 283<br>Water<br>Protection | 300<br>Water<br>Research<br>and<br>Development | 203<br>Wildlife<br>Conservation | 310<br>Workman's<br>Compensation | 276<br>Youth<br>Tobacco<br>Education<br>and<br>Prevention | Total                |
|-----------------------------------------------------------|-------------------|------------------------------------------|------------------------|-----------------------|-----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------------------|----------------------|
|                                                           | Tax<br>Collection | Territorial<br>Educational<br>Facilities | Territorial<br>Highway | Tourist<br>Attraction |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Revenues:                                                 |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Taxes:                                                    |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Property                                                  | \$ -              | \$ 29,800,922                            | \$ -                   | \$ -                  | \$ -                                                            | \$ -                                                     | \$ -                                                         | \$ -                                            | \$ -                       | \$ -                                           | \$ -                            | \$ -                             | \$ -                                                      | \$ 29,932,932        |
| Hotel                                                     | -                 | -                                        | -                      | 43,181,165            | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 43,181,165           |
| Liquid fuel                                               | -                 | -                                        | 13,297,415             | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 13,297,415           |
| Tobacco                                                   | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 28,562,068           |
| Alcoholic beverages                                       | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 3,676,775            |
| Limited gaming                                            | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 4,140,378            |
| Licenses and permits                                      | 921,688           | -                                        | 9,821,893              | -                     | 140,040                                                         | 86,963                                                   | -                                                            | 6,045                                           | 88,976                     | 61,650                                         | 22,324                          | 171,121                          | -                                                         | 54,133,205           |
| Charges for services                                      | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 21,644,169           |
| Interest and investment earnings                          | -                 | 619                                      | 1,370                  | 23,335                | -                                                               | 176                                                      | -                                                            | -                                               | -                          | -                                              | -                               | -                                | 57                                                        | 91,746               |
| Intergovernmental                                         | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 2,122,703            |
| Other                                                     | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 2,765,591            |
| Total revenues                                            | <u>921,688</u>    | <u>29,801,541</u>                        | <u>23,120,678</u>      | <u>43,204,500</u>     | <u>140,040</u>                                                  | <u>87,139</u>                                            | <u>-</u>                                                     | <u>6,045</u>                                    | <u>88,976</u>              | <u>61,650</u>                                  | <u>22,324</u>                   | <u>171,121</u>                   | <u>57</u>                                                 | <u>203,548,147</u>   |
| Expenditures by Object:                                   |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Salaries and wages - regular                              | 295,706           | 5,588,296                                | 9,322,525              | 5,346,778             | -                                                               | 13,125                                                   | -                                                            | -                                               | 25,478                     | 1,590                                          | -                               | -                                | -                                                         | 49,121,545           |
| Salaries and wages - overtime                             | -                 | 45,234                                   | 187,478                | 500,823               | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 1,801,829            |
| Salaries and wages - fringe benefits                      | 119,793           | 2,181,165                                | 4,364,069              | 1,515,131             | -                                                               | 5,296                                                    | -                                                            | -                                               | 9,426                      | 473                                            | -                               | -                                | -                                                         | 18,004,028           |
| Travel                                                    | 13,049            | -                                        | 8,253                  | 25,292                | -                                                               | 9,855                                                    | -                                                            | -                                               | -                          | -                                              | 3,139                           | -                                | -                                                         | 275,839              |
| Contractual services                                      | 266,788           | 386,210                                  | 4,784,590              | 1,727,079             | -                                                               | 35,464                                                   | -                                                            | -                                               | -                          | -                                              | 2,273                           | 741,934                          | -                                                         | 38,024,039           |
| Building rent                                             | -                 | 6,000                                    | -                      | 351,649               | -                                                               | -                                                        | -                                                            | 351,649                                         | 24,000                     | 32,000                                         | -                               | -                                | -                                                         | 4,009,084            |
| Supplies                                                  | 5,329             | 995,726                                  | 825,289                | 815,299               | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | 2,750                           | -                                | -                                                         | 4,854,838            |
| Equipment                                                 | -                 | 19,375                                   | 36,972                 | 98,076                | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 698,978              |
| Utilities - power and water                               | -                 | 204,881                                  | 1,884,967              | 1,628,044             | -                                                               | -                                                        | -                                                            | -                                               | 5,000                      | 9,000                                          | -                               | -                                | -                                                         | 8,551,337            |
| Communications                                            | 94,839            | 39,411                                   | 42,547                 | 72,829                | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 473,163              |
| Capital outlays                                           | -                 | -                                        | 105,932                | 79,140                | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 4,945,552            |
| Payments to component units                               | -                 | 450,000                                  | -                      | 25,009,370            | -                                                               | -                                                        | 1,102,349                                                    | 25,009,370                                      | -                          | -                                              | -                               | -                                | -                                                         | 37,611,111           |
| Principal retirement                                      | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 92,473               |
| Interest and fiscal charges                               | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | 226,727              |
| Miscellaneous                                             | -                 | 103,987                                  | 7,767                  | 509,663               | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | 3,713                            | -                                                         | 2,631,598            |
| Total expenditures                                        | <u>795,504</u>    | <u>10,020,285</u>                        | <u>21,570,389</u>      | <u>37,679,173</u>     | <u>-</u>                                                        | <u>63,740</u>                                            | <u>1,102,349</u>                                             | <u>-</u>                                        | <u>63,904</u>              | <u>43,063</u>                                  | <u>8,162</u>                    | <u>745,647</u>                   | <u>-</u>                                                  | <u>171,322,141</u>   |
| Excess (deficiency) of revenues over (under) expenditures | <u>126,184</u>    | <u>19,781,256</u>                        | <u>1,550,289</u>       | <u>5,525,327</u>      | <u>140,040</u>                                                  | <u>23,399</u>                                            | <u>(1,102,349)</u>                                           | <u>6,045</u>                                    | <u>25,072</u>              | <u>18,587</u>                                  | <u>14,162</u>                   | <u>(574,526)</u>                 | <u>57</u>                                                 | <u>32,226,006</u>    |
| Other financing sources (uses):                           |                   |                                          |                        |                       |                                                                 |                                                          |                                                              |                                                 |                            |                                                |                                 |                                  |                                                           |                      |
| Transfers in from other funds                             | -                 | -                                        | -                      | -                     | -                                                               | -                                                        | 1,052,153                                                    | -                                               | -                          | -                                              | -                               | 741,935                          | -                                                         | 10,077,758           |
| Transfers out to other funds                              | -                 | (17,093,133)                             | (1,228,914)            | (7,145,927)           | -                                                               | -                                                        | -                                                            | -                                               | -                          | -                                              | -                               | -                                | -                                                         | (35,794,909)         |
| Total other financing sources (uses), net                 | <u>-</u>          | <u>(17,093,133)</u>                      | <u>(1,228,914)</u>     | <u>(7,145,927)</u>    | <u>-</u>                                                        | <u>-</u>                                                 | <u>1,052,153</u>                                             | <u>-</u>                                        | <u>-</u>                   | <u>-</u>                                       | <u>-</u>                        | <u>741,935</u>                   | <u>-</u>                                                  | <u>(25,717,151)</u>  |
| Net change in fund balances (deficit)                     | 126,184           | 2,688,123                                | 321,375                | (1,620,600)           | 140,040                                                         | 23,399                                                   | (50,196)                                                     | 6,045                                           | 25,072                     | 18,587                                         | 14,162                          | 167,409                          | 57                                                        | 6,508,855            |
| Fund balances (deficit) at beginning of year              | 165,395           | 612,779                                  | 1,384,654              | 1,446,735             | 10,740                                                          | 48,529                                                   | (96,524)                                                     | 14,065                                          | 274                        | 25,007                                         | 56,136                          | -                                | 5,130                                                     | 60,952,414           |
| Fund balances (deficit) at end of year                    | <u>\$ 291,579</u> | <u>\$ 3,300,902</u>                      | <u>\$ 1,706,029</u>    | <u>\$ (173,865)</u>   | <u>\$ 150,780</u>                                               | <u>\$ 71,928</u>                                         | <u>\$ (146,720)</u>                                          | <u>\$ 20,110</u>                                | <u>\$ 25,346</u>           | <u>\$ 43,594</u>                               | <u>\$ 70,298</u>                | <u>\$ 167,409</u>                | <u>\$ 5,187</u>                                           | <u>\$ 67,461,269</u> |

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Capital Project Funds September 30, 2018**

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, 2018, 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.

Layon Landfill Fund – This fund is used to account for bond proceeds issued by GovGuam for the purpose of financing facilities of the Solid Waste Management System of Guam.

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 - Capital Projects Funds Combining Balance Sheet September 30, 2018

| AS/400 Fund Number                   | 224         | 251            | 254       |              |               |
|--------------------------------------|-------------|----------------|-----------|--------------|---------------|
|                                      | Limited     | Limited        |           |              |               |
|                                      | Obligation  | Obligation     |           |              |               |
|                                      | Highway     | Infrastructure |           |              |               |
|                                      | Improvement | Improvement    | Layon     | Judicial     |               |
|                                      | Bonds       | Bonds          | Landfill  | Building     | Total         |
|                                      |             |                |           |              |               |
| <b>ASSETS:</b>                       |             |                |           |              |               |
| Cash and cash equivalents            | \$ -        | \$ -           | \$ -      | \$ 1,570,016 | \$ 1,570,016  |
| Due from other funds                 | 175,899     | -              | -         | -            | 175,899       |
| Deposits and other assets            | -           | -              | -         | 1,118        | 1,118         |
| Restricted assets:                   |             |                |           |              |               |
| Cash and cash equivalents            | -           | -              | 22,096    | -            | 22,096        |
| Investments                          | -           | 10,149,612     | -         | 902,104      | 11,051,716    |
| Total assets                         | \$ 175,899  | \$ 10,149,612  | \$ 22,096 | \$ 2,473,238 | \$ 12,820,845 |
| <b>LIABILITIES AND FUND BALANCES</b> |             |                |           |              |               |
| Liabilities:                         |             |                |           |              |               |
| Accounts payable                     | \$ -        | \$ 1,303,197   | \$ -      | \$ 33,983    | \$ 1,337,180  |
| Due to other funds                   | -           | 348,334        | 21,796    | 2,238,709    | 2,608,839     |
| Total liabilities                    | -           | 1,651,531      | 21,796    | 2,272,692    | 3,946,019     |
| Fund balances:                       |             |                |           |              |               |
| Restricted                           | -           | 8,498,081      | 300       | 902,104      | 9,400,485     |
| Unassigned                           | 175,899     | -              | -         | (701,558)    | (525,659)     |
|                                      | 175,899     | 8,498,081      | 300       | 200,546      | 8,874,826     |
| Total liabilities and fund balances  | \$ 175,899  | \$ 10,149,612  | \$ 22,096 | \$ 2,473,238 | \$ 12,820,845 |

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, 2018

| AS/400 Fund Number                 | 224<br>Limited<br>Obligation<br>Highway<br>Improvement<br>Bonds | 251<br>Limited<br>Obligation<br>Infrastructure<br>Improvement<br>Bonds | 254<br>Layon<br>Landfill | Judicial<br>Building | Total        |
|------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|--------------------------|----------------------|--------------|
| Revenues:                          |                                                                 |                                                                        |                          |                      |              |
| Licenses and permits               | \$ -                                                            | \$ -                                                                   | \$ -                     | \$ 857,931           | \$ 857,931   |
| Fines and forfeits                 | -                                                               | -                                                                      | -                        | 603,383              | 603,383      |
| Interest and investment earnings   | -                                                               | (7,460)                                                                | 300                      | -                    | (7,160)      |
| Total revenues                     | -                                                               | (7,460)                                                                | 300                      | 1,461,314            | 1,454,154    |
| Expenditures by function:          |                                                                 |                                                                        |                          |                      |              |
| Current:                           |                                                                 |                                                                        |                          |                      |              |
| Individual and collective rights   | -                                                               | -                                                                      | -                        | 743,732              | 743,732      |
| Capital projects                   | -                                                               | 3,479,723                                                              | -                        | -                    | 3,479,723    |
| Debt service:                      |                                                                 |                                                                        |                          |                      |              |
| Principal retirement               | -                                                               | -                                                                      | -                        | 680,901              | 680,901      |
| Interest and fiscal charges        | -                                                               | -                                                                      | -                        | 312,104              | 312,104      |
| Total expenditures                 | -                                                               | 3,479,723                                                              | -                        | 1,736,737            | 5,216,460    |
| Net change in fund balances        | -                                                               | (3,487,183)                                                            | 300                      | (275,423)            | (3,762,306)  |
| Fund balances at beginning of year | 175,899                                                         | 11,985,264                                                             | -                        | 475,969              | 12,637,132   |
| Fund balances at end of year       | \$ 175,899                                                      | \$ 8,498,081                                                           | \$ 300                   | \$ 200,546           | \$ 8,874,826 |

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, 2018

| AS/400 Fund Number                 | 224<br>Limited<br>Obligation<br>Highway<br>Improvement<br>Bonds | 251<br>Limited<br>Obligation<br>Infrastructure<br>Improvement<br>Bonds | 254<br>Layon<br>Landfill | Judicial<br>Building | Total        |
|------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------|--------------------------|----------------------|--------------|
| Revenues:                          |                                                                 |                                                                        |                          |                      |              |
| Licenses and permits               | \$ -                                                            | \$ -                                                                   | \$ -                     | \$ 857,931           | \$ 857,931   |
| Fines and forfeits                 | -                                                               | -                                                                      | -                        | 603,383              | 603,383      |
| Interest and investment earnings   | -                                                               | (7,460)                                                                | 300                      | -                    | (7,160)      |
| Total revenues                     | -                                                               | (7,460)                                                                | 300                      | 1,461,314            | 1,454,154    |
| Expenditures by object:            |                                                                 |                                                                        |                          |                      |              |
| Contractual services               | -                                                               | 974,255                                                                | -                        | 47,388               | 1,021,643    |
| Building rent                      | -                                                               | -                                                                      | -                        | 510,183              | 510,183      |
| Equipment                          | -                                                               | -                                                                      | -                        | 62,508               | 62,508       |
| Capital outlays                    | -                                                               | 2,505,468                                                              | -                        | 93,536               | 2,599,004    |
| Principal retirement               | -                                                               | -                                                                      | -                        | 680,901              | 680,901      |
| Interest and fiscal charges        | -                                                               | -                                                                      | -                        | 312,104              | 312,104      |
| Miscellaneous                      | -                                                               | -                                                                      | -                        | 30,117               | 30,117       |
| Total expenditures                 | -                                                               | 3,479,723                                                              | -                        | 1,736,737            | 5,216,460    |
| Net change in fund balances        | -                                                               | (3,487,183)                                                            | 300                      | (275,423)            | (3,762,306)  |
| Fund balances at beginning of year | 175,899                                                         | 11,985,264                                                             | -                        | 475,969              | 12,637,132   |
| Fund balances at end of year       | \$ 175,899                                                      | \$ 8,498,081                                                           | \$ 300                   | \$ 200,546           | \$ 8,874,826 |

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Nonmajor Governmental Funds - Debt Service Funds September 30, 2018**

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, 2018, follows:

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**

### **Fiduciary Funds - Pension Trusts September 30, 2018**

Pension trusts are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and defined contribution plans. A brief discussion of GovGuam's fiduciary funds - pension trusts as of September 30, 2018, follows:

Defined Benefits Plan - GovGuam participates in the GovGuam Defined Benefit (DB) Plan, a single-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.

Defined Contributions Plan - 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) administered by GGRF.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Fiduciary Net Position  
Fiduciary Funds - Pension Trusts  
September 30, 2018

|                                              | Defined<br>Benefit      | Defined<br>Contribution | Total                   |
|----------------------------------------------|-------------------------|-------------------------|-------------------------|
| <u>ASSETS</u>                                |                         |                         |                         |
| Cash and cash equivalents                    | \$ 4,803,854            | \$ 3,936,893            | \$ 8,740,747            |
| Investments at fair value:                   |                         |                         |                         |
| Common stocks                                | 1,363,025,724           | -                       | 1,363,025,724           |
| U.S. Government securities                   | 207,209,221             | -                       | 207,209,221             |
| Corporate bonds and notes                    | 341,684,213             | -                       | 341,684,213             |
| Money market funds                           | 26,130,425              | -                       | 26,130,425              |
| Mutual funds                                 | 73,297,212              | 340,071,663             | 413,368,875             |
| DC plan forfeitures                          | -                       | 6,495,957               | 6,495,957               |
| Total investments                            | <u>2,011,346,795</u>    | <u>346,567,620</u>      | <u>2,357,914,415</u>    |
| Accounts receivable:                         |                         |                         |                         |
| Employer contributions, net                  | 7,608,850               | 573,756                 | 8,182,606               |
| Member contributions                         | 1,699,660               | 572,275                 | 2,271,935               |
| Interest and penalties on contributions      | 202,039                 | -                       | 202,039                 |
| Accrued investment income                    | 5,882,874               | -                       | 5,882,874               |
| Due from brokers for unsettled trades        | 4,096,366               | -                       | 4,096,366               |
| Service credits                              | 3,185,369               | -                       | 3,185,369               |
| Supplemental/Insurance benefits advanced     | 1,996,097               | -                       | 1,996,097               |
| Other                                        | 632,643                 | 133,399                 | 766,042                 |
| Due from DC plan                             | 726,713                 | -                       | 726,713                 |
| Total receivables                            | <u>26,030,611</u>       | <u>1,279,430</u>        | <u>27,310,041</u>       |
| Capital assets                               | <u>651,708</u>          | <u>14,948</u>           | <u>666,656</u>          |
| Total assets                                 | <u>2,042,832,968</u>    | <u>351,798,891</u>      | <u>2,394,631,859</u>    |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>        |                         |                         |                         |
| Deferred supplemental COLA payments          | 20,456,178              | -                       | 20,456,178              |
| Deferred outflows of resources from pensions | 635,543                 | 156,007                 | 791,550                 |
| Deferred outflows of resources from OPEB     | 835,567                 | -                       | 835,567                 |
| Total deferred outflows of resources         | <u>21,927,288</u>       | <u>156,007</u>          | <u>22,083,295</u>       |
| <u>LIABILITIES</u>                           |                         |                         |                         |
| Unearned revenue                             | 3,444,429               | -                       | 3,444,429               |
| Accounts payable and accrued expenses        | 3,579,149               | 786,032                 | 4,365,181               |
| Due to DB plan                               | -                       | 726,713                 | 726,713                 |
| Due to brokers for unsettled trades          | 6,908,827               | -                       | 6,908,827               |
| Net pension liability                        | 5,281,342               | 379,377                 | 5,660,719               |
| OPEB liability                               | 11,237,415              | -                       | 11,237,415              |
| Total liabilities                            | <u>30,451,162</u>       | <u>1,892,122</u>        | <u>32,343,284</u>       |
| <u>DEFERRED INFLOWS OF RESOURCES</u>         |                         |                         |                         |
| Deferred inflows of resources from pensions  | 211,970                 | 74,644                  | 286,614                 |
| Deferred inflows of resources from OPEB      | 1,218,849               | -                       | 1,218,849               |
| Total deferred inflows of resources          | <u>1,430,819</u>        | <u>74,644</u>           | <u>1,505,463</u>        |
| <u>NET POSITION</u>                          |                         |                         |                         |
| Restricted for:                              |                         |                         |                         |
| Employees' pension benefits                  | \$ <u>2,032,878,275</u> | \$ <u>349,988,132</u>   | \$ <u>2,382,866,407</u> |

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds - Pension Trusts  
Year Ended September 30, 2018

|                                                                      | Defined<br>Benefit | Defined<br>Contribution | Total            |
|----------------------------------------------------------------------|--------------------|-------------------------|------------------|
| Additions:                                                           |                    |                         |                  |
| Contributions:                                                       |                    |                         |                  |
| Employer                                                             | \$ 127,072,864     | \$ 15,917,364           | \$ 142,990,228   |
| Member                                                               | 28,895,275         | 15,824,443              | 44,719,718       |
| Total contributions                                                  | 155,968,139        | 31,741,807              | 187,709,946      |
| Net investment income:                                               |                    |                         |                  |
| Net increase in fair value of investments                            | 70,558,548         | 18,863,481              | 89,422,029       |
| Interest                                                             | 24,644,319         | 24,667,894              | 49,312,213       |
| Dividends                                                            | 14,442,841         | -                       | 14,442,841       |
| Other                                                                | 410,460            | 584,959                 | 995,419          |
| Total investment income                                              | 110,056,168        | 44,116,334              | 154,172,502      |
| Less: investment expenses                                            | 5,574,493          | 124,098                 | 5,698,591        |
| Net investment income                                                | 104,481,675        | 43,992,236              | 148,473,911      |
| Transfers in from DC Plan to DB 1.75 Plan                            | 229,076,137        | -                       | 229,076,137      |
| Total additions                                                      | 489,525,951        | 75,734,043              | 565,259,994      |
| Deductions:                                                          |                    |                         |                  |
| Benefits                                                             | 219,043,804        | -                       | 219,043,804      |
| Refunds                                                              | 1,793,906          | 31,159,183              | 32,953,089       |
| Interest on refunded contributions                                   | 516,037            | -                       | 516,037          |
| Administrative and general expenses                                  | 4,143,251          | 2,076,658               | 6,219,909        |
| Transfers out to DB 1.75 Plan from DC Plan                           | -                  | 229,076,137             | 229,076,137      |
| Total deductions                                                     | 225,496,998        | 262,311,978             | 487,808,976      |
| Change in net position held in trust for employees' pension benefits | 264,028,953        | (186,577,935)           | 77,451,018       |
| Net position at beginning of year, as previously reported            | 1,779,776,849      | 536,566,067             | 2,316,342,916    |
| Implementation of GASB Statement No. 75                              | (10,927,527)       | -                       | (10,927,527)     |
| Net position at beginning of year, as restated                       | 1,768,849,322      | 536,566,067             | 2,305,415,389    |
| Net position at end of year                                          | \$ 2,032,878,275   | \$ 349,988,132          | \$ 2,382,866,407 |

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

### **Fiduciary Funds - Private Purpose Trusts September 30, 2018**

Private purpose trusts are used to report any trust arrangement not properly reported in a pension trust fund or an investment trust fund under which principal and income benefit individuals, private organizations, or other governments. A brief discussion of GovGuam's fiduciary funds - private purpose trusts as of September 30, 2018, follows:

Trust Fund - this fund was established to account for judgments compelling individuals to award payments arising from various civil and criminal cases.

Traffic Court Trust Fund - this fund was established to account for deposits made by accused traffic offenders who are contesting charges against them.

Guardianship Trust Fund - this fund was established by Public Law 25-103 to account for the financial affairs of individuals for whom the Court has been petitioned to act as a guardian.

Land Condemnation Trust Fund - this fund was established as an escrow account for governmental land acquisitions.

Jury Trust Fund - this fund was established by Public Law 19-28 to account for funds awarded and to be awarded to citizens who serve on juries. Funding is derived from local appropriations.

Judicial Client Service Trust Fund - this fund was established by Public Law 27-55 to account for funds collected for: (i) the appointment of Counsel of Indigent Defendants including, but not limited to, attorney fees, investigator fees, interpreter fees, expert fees, jury fees, and any other related expenses approved by the Superior Court of Guam or the Supreme Court of Guam; (ii) Law Enforcement Escort Costs; and (iii) operations of Erica's House.

Safe Streets Trust Fund - this fund was established by Public Law 34-107 to account for the operations of the Driving While Intoxicated Court program.

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Fiduciary Funds - Private Purpose Trusts Combining Statement of Fiduciary Net Position September 30, 2018

|                                                      | 20                | 21                        | 22                    | 23                            | 24               | 25                                     | 26                       |                     |                        |                     |
|------------------------------------------------------|-------------------|---------------------------|-----------------------|-------------------------------|------------------|----------------------------------------|--------------------------|---------------------|------------------------|---------------------|
|                                                      | Trust             | Traffic<br>Court<br>Trust | Guardianship<br>Trust | Land<br>Condemnation<br>Trust | Jury<br>Trust    | Judicial<br>Client<br>Service<br>Trust | Safe<br>Streets<br>Trust | Combined<br>Total   | Eliminating<br>Entries | Total               |
| <b>ASSETS:</b>                                       |                   |                           |                       |                               |                  |                                        |                          |                     |                        |                     |
| Cash and cash equivalents                            | \$ 9,121,396      | \$ 9,300                  | \$ 1,645,552          | \$ 1,521,306                  | \$ 444,953       | \$ 2,882,571                           | \$ -                     | \$ 15,625,078       | \$ -                   | \$ 15,625,078       |
| Time certificates of deposit                         | 1,000,000         | -                         | -                     | -                             | -                | -                                      | -                        | 1,000,000           | -                      | 1,000,000           |
| Due from other funds                                 | -                 | 704                       | -                     | 66                            | -                | -                                      | 226,868                  | 227,638             | (227,638)              | -                   |
| Total assets                                         | <u>10,121,396</u> | <u>10,004</u>             | <u>1,645,552</u>      | <u>1,521,372</u>              | <u>444,953</u>   | <u>2,882,571</u>                       | <u>226,868</u>           | <u>16,852,716</u>   | <u>(227,638)</u>       | <u>16,625,078</u>   |
| <b>LIABILITIES</b>                                   |                   |                           |                       |                               |                  |                                        |                          |                     |                        |                     |
| Due to other funds                                   | 1,402,378         | -                         | 45,313                | -                             | 362,559          | 527,234                                | -                        | 2,337,484           | (227,638)              | 2,109,846           |
| Deposits and other liabilities                       | <u>8,719,018</u>  | <u>10,004</u>             | <u>1,600,239</u>      | <u>1,521,372</u>              | <u>68,006</u>    | <u>188,094</u>                         | <u>180,318</u>           | <u>12,287,051</u>   | <u>-</u>               | <u>12,287,051</u>   |
| Total liabilities                                    | <u>10,121,396</u> | <u>10,004</u>             | <u>1,645,552</u>      | <u>1,521,372</u>              | <u>430,565</u>   | <u>715,328</u>                         | <u>180,318</u>           | <u>14,624,535</u>   | <u>(227,638)</u>       | <u>14,396,897</u>   |
| <b>NET POSITION</b>                                  |                   |                           |                       |                               |                  |                                        |                          |                     |                        |                     |
| Restricted for:                                      |                   |                           |                       |                               |                  |                                        |                          |                     |                        |                     |
| Individuals, organizations, and<br>other governments | <u>\$ -</u>       | <u>\$ -</u>               | <u>\$ -</u>           | <u>\$ -</u>                   | <u>\$ 14,388</u> | <u>\$ 2,167,243</u>                    | <u>\$ 46,550</u>         | <u>\$ 2,228,181</u> | <u>\$ -</u>            | <u>\$ 2,228,181</u> |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Fiduciary Funds - Private Purpose Trusts Combining Statement of Changes in Fiduciary Net Position Year Ended September 30, 2018

|                                                                                                  | 20    | 21                        | 22                    | 23                            | 24            | 25                                     | 26                       |                   |                        |              |
|--------------------------------------------------------------------------------------------------|-------|---------------------------|-----------------------|-------------------------------|---------------|----------------------------------------|--------------------------|-------------------|------------------------|--------------|
|                                                                                                  | Trust | Traffic<br>Court<br>Trust | Guardianship<br>Trust | Land<br>Condemnation<br>Trust | Jury<br>Trust | Judicial<br>Client<br>Service<br>Trust | Safe<br>Streets<br>Trust | Combined<br>Total | Eliminating<br>Entries | Total        |
| <b>Additions:</b>                                                                                |       |                           |                       |                               |               |                                        |                          |                   |                        |              |
| Use of money and property                                                                        | \$ -  | \$ -                      | \$ -                  | \$ -                          | \$ 335        | \$ 1,872,315                           | \$ 198,252               | \$ 2,070,902      | \$ -                   | \$ 2,070,902 |
| Transfers in from other funds                                                                    | -     | -                         | -                     | -                             | 442,465       | -                                      | 162,875                  | 605,340           | (442,465)              | 162,875      |
| Total additions                                                                                  | -     | -                         | -                     | -                             | 442,800       | 1,872,315                              | 361,127                  | 2,676,242         | (442,465)              | 2,233,777    |
| <b>Deductions:</b>                                                                               |       |                           |                       |                               |               |                                        |                          |                   |                        |              |
| Individual and collective rights                                                                 | -     | -                         | -                     | -                             | 442,465       | 1,338,881                              | 314,577                  | 2,095,923         | -                      | 2,095,923    |
| Transfers out to other funds                                                                     | -     | -                         | -                     | -                             | -             | 1,314,992                              | -                        | 1,314,992         | (442,465)              | 872,527      |
| Total deductions                                                                                 | -     | -                         | -                     | -                             | 442,465       | 2,653,873                              | 314,577                  | 3,410,915         | (442,465)              | 2,968,450    |
| Change in net position held in trust<br>for individuals, organizations,<br>and other governments | -     | -                         | -                     | -                             | 335           | (781,558)                              | 46,550                   | (734,673)         | -                      | (734,673)    |
| Net position at beginning of year                                                                | -     | -                         | -                     | -                             | 14,053        | 2,948,801                              | -                        | 2,962,854         | -                      | 2,962,854    |
| Net position at end of year                                                                      | \$ -  | \$ -                      | \$ -                  | \$ -                          | \$ 14,388     | \$ 2,167,243                           | \$ 46,550                | \$ 2,228,181      | \$ -                   | \$ 2,228,181 |

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Fiduciary Funds - Agency  
September 30, 2018

Agency funds are used to report resources held by GovGuam in a purely custodial capacity (assets equal liabilities).

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**Statement of Changes in Assets and Liabilities  
Fiduciary Funds - Agency  
September 30, 2018

|                                | Balance<br>October 1,<br>2017 | Additions   | Deductions            | Balance<br>September 30,<br>2018 |
|--------------------------------|-------------------------------|-------------|-----------------------|----------------------------------|
| <u>ASSETS</u>                  |                               |             |                       |                                  |
| Deposits and other assets      | \$ 17,517,256                 | \$ -        | \$ (4,199,390)        | \$ 13,317,866                    |
| Total assets                   | <u>\$ 17,517,256</u>          | <u>\$ -</u> | <u>\$ (4,199,390)</u> | <u>\$ 13,317,866</u>             |
| <u>LIABILITIES</u>             |                               |             |                       |                                  |
| Deposits and other liabilities | \$ 17,517,256                 | \$ -        | \$ (4,199,390)        | \$ 13,317,866                    |
| Total liabilities              | <u>\$ 17,517,256</u>          | <u>\$ -</u> | <u>\$ (4,199,390)</u> | <u>\$ 13,317,866</u>             |

See Accompanying Independent Auditors' Report.



## GOVERNMENT OF GUAM

### Nonmajor Component Units September 30, 2018

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. Generally accepted accounting principles are generally those applicable to similar businesses in the private sector: the measurement focus is on determination of the change in net position, financial position and cash flows. A brief discussion of GovGuam's nonmajor component units as of September 30, 2018, follows:

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. GovGuam has the ability to impose its will on GHC.

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 of, invest in, provide loans to, operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain Government of Guam land; purchase mortgages; and recommend to the Governor of Guam businesses qualifying for tax rebates and abatements. GEDA utilizes certain Trust Funds, such as the Guam Development Fund Act and the Agricultural Development Fund to accomplish certain of the stated purposes.

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

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. GovGuam provides financial support to GVB through legislative appropriations.

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. GovGuam provides financial support to GETC through legislative appropriations.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**  
**Nonmajor Component Units**  
**Combining Statement of Net Position**  
**September 30, 2018**

|                                                 | Guam<br>Housing<br>Corporation | Guam<br>Economic<br>Development<br>Authority | Guam<br>Preservation<br>Trust | Guam<br>Visitors<br>Bureau | Guam<br>Educational<br>Telecomm-<br>unications<br>Corporation | Total         |
|-------------------------------------------------|--------------------------------|----------------------------------------------|-------------------------------|----------------------------|---------------------------------------------------------------|---------------|
| <b><u>ASSETS</u></b>                            |                                |                                              |                               |                            |                                                               |               |
| Cash and cash equivalents                       | \$ 4,729,101                   | \$ 9,946,377                                 | \$ 765,712                    | \$ 13,885,027              | \$ 124,395                                                    | \$ 29,450,612 |
| Investments                                     | -                              | 7,219,250                                    | 1,212,885                     | 2,567,898                  | -                                                             | 11,000,033    |
| Receivables, net                                | 28,213,486                     | 228,423                                      | 122,889                       | 702,717                    | 13,587                                                        | 29,281,102    |
| Due from primary government                     | -                              | -                                            | -                             | 2,039,601                  | -                                                             | 2,039,601     |
| Inventories                                     | -                              | 7,706                                        | -                             | -                          | -                                                             | 7,706         |
| Prepayments                                     | 73,714                         | 2,801                                        | -                             | 18,725                     | -                                                             | 95,240        |
| Deposits and other assets                       | 477,450                        | 25,256                                       | -                             | 133,230                    | -                                                             | 635,936       |
| Restricted assets:                              |                                |                                              |                               |                            |                                                               |               |
| Cash and cash equivalents                       | 2,971,478                      | 4,434,923                                    | -                             | 2,056,308                  | -                                                             | 9,462,709     |
| Investments                                     | 2,251,317                      | -                                            | -                             | -                          | -                                                             | 2,251,317     |
| Capital assets:                                 |                                |                                              |                               |                            |                                                               |               |
| Nondepreciable capital assets                   | 2,934,227                      | -                                            | 10,223,748                    | 5,992,415                  | 18,000                                                        | 19,168,390    |
| Capital assets, net of accumulated depreciation | 3,281,812                      | 428,689                                      | 59,111                        | 486,112                    | 1,628,034                                                     | 5,883,758     |
| Total assets                                    | 44,932,585                     | 22,293,425                                   | 12,384,345                    | 27,882,033                 | 1,784,016                                                     | 109,276,404   |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>    |                                |                                              |                               |                            |                                                               |               |
| Deferred outflows from pensions                 | 449,481                        | 584,353                                      | -                             | 642,778                    | 95,329                                                        | 1,771,941     |
| Deferred outflows from OPEB                     | 998,858                        | 598,001                                      | -                             | 620,916                    | 201,917                                                       | 2,419,692     |
| Total deferred outflows of resources            | 1,448,339                      | 1,182,354                                    | -                             | 1,263,694                  | 297,246                                                       | 4,191,633     |
| <b><u>LIABILITIES</u></b>                       |                                |                                              |                               |                            |                                                               |               |
| Accounts payable                                | 280,165                        | 1,249,624                                    | 28,825                        | 3,753,405                  | 2,631                                                         | 5,314,650     |
| Accrued interest payable                        | 17,202                         | 439,738                                      | -                             | -                          | -                                                             | 456,940       |
| Accrued payroll and other                       | -                              | 322,917                                      | -                             | -                          | 11,376                                                        | 334,293       |
| Unearned revenue                                | 150,132                        | 100,523                                      | -                             | 44,300                     | 82,269                                                        | 377,224       |
| Deposits and other liabilities                  | 898,916                        | 95,732                                       | 8,000                         | -                          | -                                                             | 1,002,648     |
| Long-term liabilities:                          |                                |                                              |                               |                            |                                                               |               |
| Due within one year                             | 311,913                        | 1,200,000                                    | 7,706                         | 154,718                    | 13,592                                                        | 1,687,929     |
| Due in more than one year                       | 18,317,453                     | 38,142,922                                   | 37,940                        | 10,260,004                 | 3,069,664                                                     | 69,827,983    |
| Total liabilities                               | 19,975,781                     | 41,551,456                                   | 82,471                        | 14,212,427                 | 3,179,532                                                     | 79,001,667    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>     |                                |                                              |                               |                            |                                                               |               |
| Deferred inflows from pensions                  | 209,703                        | 258,850                                      | -                             | 239,149                    | 55,350                                                        | 763,052       |
| Deferred inflows from OPEB                      | 1,298,390                      | 332,090                                      | -                             | 486,129                    | 213,792                                                       | 2,330,401     |
| Total deferred inflows of resources             | 1,508,093                      | 590,940                                      | -                             | 725,278                    | 269,142                                                       | 3,093,453     |
| <b><u>NET POSITION</u></b>                      |                                |                                              |                               |                            |                                                               |               |
| Net investment in capital assets                | 6,216,039                      | 428,689                                      | 374,159                       | 6,478,527                  | 1,646,034                                                     | 15,143,448    |
| Restricted:                                     |                                |                                              |                               |                            |                                                               |               |
| Other purposes                                  | 3,903,672                      | 15,779,056                                   | 9,908,700                     | 2,292,927                  | -                                                             | 31,884,355    |
| Unrestricted (deficit)                          | 14,777,339                     | (34,874,362)                                 | 2,019,015                     | 5,436,568                  | (3,013,446)                                                   | (15,654,886)  |
| Total net position                              | \$ 24,897,050                  | \$ (18,666,617)                              | \$ 12,301,874                 | \$ 14,208,022              | \$ (1,367,412)                                                | \$ 31,372,917 |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Nonmajor Component Units Combining Statement of Revenues, Expenses, and Changes in Net Position Year Ended September 30, 2018

|                                                              | Guam<br>Housing<br>Corporation | Guam<br>Economic<br>Development<br>Authority | Guam<br>Preservation<br>Trust | Guam<br>Visitors<br>Bureau | Guam<br>Educational<br>Telecomm-<br>unications<br>Corporation | Total         |
|--------------------------------------------------------------|--------------------------------|----------------------------------------------|-------------------------------|----------------------------|---------------------------------------------------------------|---------------|
| Expenses                                                     | \$ 3,011,805                   | \$ 4,896,537                                 | \$ 1,141,355                  | \$ 27,772,590              | \$ 1,400,569                                                  | \$ 38,222,856 |
| Program revenues:                                            |                                |                                              |                               |                            |                                                               |               |
| Charges for services                                         | 2,407,163                      | 3,506,022                                    | 611,435                       | 2,272,218                  | 352,540                                                       | 9,149,378     |
| Operating grants and contributions                           | -                              | -                                            | 109,600                       | -                          | 604,323                                                       | 713,923       |
| Total program revenues                                       | 2,407,163                      | 3,506,022                                    | 721,035                       | 2,272,218                  | 956,863                                                       | 9,863,301     |
| Net program revenues (expenses)                              | (604,642)                      | (1,390,515)                                  | (420,320)                     | (25,500,372)               | (443,706)                                                     | (28,359,555)  |
| General revenues:                                            |                                |                                              |                               |                            |                                                               |               |
| Payments from GovGuam                                        | -                              | -                                            | -                             | 26,993,484                 | 574,578                                                       | 27,568,062    |
| Investment earnings                                          | 35,341                         | 389,525                                      | 84,199                        | 48,426                     | 401                                                           | 557,892       |
| Other                                                        | -                              | 210,669                                      | -                             | 181,216                    | -                                                             | 391,885       |
| Total general revenues                                       | 35,341                         | 600,194                                      | 84,199                        | 27,223,126                 | 574,979                                                       | 28,517,839    |
| Change in net position                                       | (569,301)                      | (790,321)                                    | (336,121)                     | 1,722,754                  | 131,273                                                       | 158,284       |
| Net position at beginning of year, as<br>previously reported | 36,425,898                     | (14,500,595)                                 | 12,637,995                    | 17,607,185                 | 822,749                                                       | 52,993,232    |
| Implementation of GASB Statement No. 75                      | (10,959,547)                   | (3,375,701)                                  | -                             | (5,121,917)                | (2,321,434)                                                   | (21,778,599)  |
| Net position at beginning of year, as restated               | 25,466,351                     | (17,876,296)                                 | 12,637,995                    | 12,485,268                 | (1,498,685)                                                   | 31,214,633    |
| Net position at the end of the year                          | \$ 24,897,050                  | \$ (18,666,617)                              | \$ 12,301,874                 | \$ 14,208,022              | \$ (1,367,412)                                                | \$ 31,372,917 |

See Accompanying Independent Auditors' Report.

## **GOVERNMENT OF GUAM**

Other Information  
September 30, 2018

A brief discussion of other information presented for additional analysis as of September 30, 2018, follows:

Combining Schedule of Expenditures By Object:  
All Governmental Funds

Schedule of Outstanding Debt:  
Primary Government  
Component Units

Schedule of Personnel Count:  
Primary Government

Schedule of Continuing Appropriations:  
Primary Government

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

All Governmental Funds  
Combining Schedule of Expenditures By Object  
Year Ended September 30, 2018

|                               | Special Revenue       |                                 |                           | Permanent         | Other<br>Governmental<br>Funds | Total                   |
|-------------------------------|-----------------------|---------------------------------|---------------------------|-------------------|--------------------------------|-------------------------|
|                               | General               | Federal<br>Grants<br>Assistance | GDOE<br>Federal<br>Grants | Chamorro<br>Lands |                                |                         |
| Expenditures by Object:       |                       |                                 |                           |                   |                                |                         |
| Salaries and wages:           |                       |                                 |                           |                   |                                |                         |
| Regular                       | \$ 250,961,998        | \$ 27,798,554                   | \$ 22,642,589             | \$ -              | \$ 49,121,545                  | \$ 350,524,686          |
| Overtime                      | 10,033,260            | 373,177                         | -                         | -                 | 1,801,829                      | 12,208,266              |
| Fringe benefits               | 86,187,026            | 9,764,200                       | 8,079,465                 | -                 | 18,004,028                     | 122,034,719             |
| Travel                        | 1,073,059             | 2,273,538                       | 825,809                   | -                 | 275,839                        | 4,448,245               |
| Contractual services          | 43,696,490            | 46,588,280                      | 20,519,250                | -                 | 39,045,682                     | 149,849,702             |
| Building rent                 | 5,898,195             | 2,256,565                       | -                         | -                 | 4,519,267                      | 12,674,027              |
| Supplies                      | 3,070,134             | 1,753,885                       | 3,734,451                 | -                 | 4,854,838                      | 13,413,308              |
| Equipment                     | 1,296,624             | 714,836                         | 3,076,517                 | -                 | 761,486                        | 5,849,463               |
| Utilities - power and water   | 21,687,801            | 1,603,775                       | -                         | -                 | 8,551,337                      | 31,842,913              |
| Communications                | 1,727,409             | 312,870                         | -                         | -                 | 473,163                        | 2,513,442               |
| Capital outlays               | 4,471,533             | 2,506,972                       | 57,290                    | -                 | 7,544,556                      | 14,580,351              |
| Grants and subsidies          | 76,490,222            | 107,977,550                     | -                         | -                 | 37,611,111                     | 222,078,883             |
| Supplemental annuity benefits | 22,776,000            | -                               | -                         | -                 | -                              | 22,776,000              |
| Retiree healthcare benefits   | 37,631,316            | -                               | -                         | -                 | -                              | 37,631,316              |
| Principal retirement          | 24,839,147            | -                               | 3,935,000                 | -                 | 2,883,374                      | 31,657,521              |
| Interest and fiscal charges   | 65,320,600            | -                               | 3,690,900                 | -                 | 5,424,606                      | 74,436,106              |
| Miscellaneous                 | 26,643,425            | 135,005,478                     | 975,245                   | -                 | 2,661,715                      | 165,285,863             |
|                               | <u>\$ 683,804,239</u> | <u>\$ 338,929,680</u>           | <u>\$ 67,536,516</u>      | <u>\$ -</u>       | <u>\$ 183,534,376</u>          | <u>\$ 1,273,804,811</u> |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Outstanding Debt September 30, 2018

|                                                         | Outstanding<br>Principal<br>Amount | Fiscal Year 2019 Debt Service |                       |                       | Final Maturity<br>(Year Ending<br>September 30) |
|---------------------------------------------------------|------------------------------------|-------------------------------|-----------------------|-----------------------|-------------------------------------------------|
|                                                         |                                    | Principal                     | Interest              | Total                 |                                                 |
| Primary Government:                                     |                                    |                               |                       |                       |                                                 |
| General Obligation Bonds:                               |                                    |                               |                       |                       |                                                 |
| 2009 Series A                                           | \$ 10,445,000                      | \$ 5,070,000                  | \$ 474,600            | \$ 5,544,600          | 2020                                            |
| Limited Obligation Bonds:                               |                                    |                               |                       |                       |                                                 |
| 2011 Series A Hotel Tax Revenue Bonds                   | 77,585,000                         | 2,220,000                     | 4,774,750             | 6,994,750             | 2041                                            |
| 2011 Series A Business Privilege Tax Revenue Bonds      | 225,755,000                        | 4,965,000                     | 11,386,387            | 16,351,387            | 2042                                            |
| 2012 Series B Business Privilege Tax Revenue Bonds      | 104,025,000                        | 2,450,000                     | 5,057,320             | 7,507,320             | 2042                                            |
| 2013 Series C Business Privilege Tax Revenue Bonds      | 4,675,000                          | 4,675,000                     | 116,875               | 4,791,875             | 2019                                            |
| 2015 Series D Business Privilege Tax Revenue Bonds      | 408,405,000                        | 1,790,000                     | 20,116,550            | 21,906,550            | 2040                                            |
| 2016 Series A Section 30 Bonds                          | 232,595,000                        | 5,410,000                     | 11,494,500            | 16,904,500            | 2047                                            |
| Other Loans Payable:                                    |                                    |                               |                       |                       |                                                 |
| 2006 and 2014 Bank loans                                | 9,583,944                          | 5,795,189                     | 630,944               | 6,426,133             | 2019/2020                                       |
|                                                         | <u>1,073,068,944</u>               | <u>32,375,189</u>             | <u>54,051,926</u>     | <u>86,427,115</u>     |                                                 |
| Component Units:                                        |                                    |                               |                       |                       |                                                 |
| Antonio B. Won Pat International Airport Authority:     |                                    |                               |                       |                       |                                                 |
| 2012 Bank loan                                          | 7,185,031                          | 1,185,279                     | 382,221               | 1,567,500             | 2024                                            |
| 2013 Series A, B and C Revenue Bonds                    | 204,705,000                        | 12,010,000                    | 11,568,250            | 23,578,250            | 2044                                            |
| Guam Community College:                                 |                                    |                               |                       |                       |                                                 |
| Rural development loan                                  | 3,178,940                          | 53,752                        | 99,968                | 153,720               | 2053                                            |
| Guam Housing and Urban Renewal Authority:               |                                    |                               |                       |                       |                                                 |
| Rural development loan                                  | 966,317                            | 70,000                        | 56,480                | 126,480               | 2030                                            |
| Guam Power Authority:                                   |                                    |                               |                       |                       |                                                 |
| 2012 Series A Revenue Bonds                             | 339,360,000                        | 120,000                       | 16,963,800            | 17,083,800            | 2035                                            |
| 2014 Series A Revenue Bonds                             | 75,160,000                         | 1,375,000                     | 3,673,689             | 5,048,689             | 2045                                            |
| 2017 Series A Revenue Bonds                             | 148,670,000                        | 135,000                       | 7,429,450             | 7,564,450             | 2041                                            |
| Guam Waterworks Authority:                              |                                    |                               |                       |                       |                                                 |
| 2010 Series A Revenue Bonds                             | 3,695,000                          | 1,800,000                     | 184,750               | 1,984,750             | 2020                                            |
| 2010 Bank loan                                          | 5,529,024                          | 3,203,870                     | 216,130               | 3,420,000             | 2020                                            |
| 2013 Series A Revenue Bonds                             | 172,630,000                        | -                             | 9,331,688             | 9,331,688             | 2043                                            |
| 2014 Series A and B Revenue Bonds                       | 72,520,000                         | 3,620,000                     | 3,588,477             | 7,208,477             | 2035                                            |
| 2016 Series A Revenue Bonds                             | 143,310,000                        | -                             | 7,165,500             | 7,165,500             | 2046                                            |
| 2017 Series A Revenue Bonds                             | 107,660,000                        | 295,000                       | 5,383,000             | 5,678,000             | 2040                                            |
| Port Authority of Guam:                                 |                                    |                               |                       |                       |                                                 |
| 2018 Series A Revenue Bonds                             | 71,445,000                         | 1,320,000                     | 3,349,829             | 4,669,829             | 2048                                            |
| University of Guam:                                     |                                    |                               |                       |                       |                                                 |
| Rural development loan                                  | 11,067,561                         | 264,171                       | 485,889               | 750,060               | 2043                                            |
| Guam Housing Corporation:                               |                                    |                               |                       |                       |                                                 |
| 1998 Series A Mortgage-Backed Revenue Bonds             | 3,715,000                          | 220,000                       | 203,835               | 423,835               | 2031                                            |
| Guam Economic Development Authority:                    |                                    |                               |                       |                       |                                                 |
| 2007 Series A and B Tobacco Settlement<br>Revenue Bonds | 40,753,618                         | 1,200,000                     | 805,219               | 2,005,219             | 2034                                            |
|                                                         | <u>1,411,550,491</u>               | <u>26,872,072</u>             | <u>70,888,175</u>     | <u>97,760,247</u>     |                                                 |
|                                                         | <u>\$ 2,484,619,435</u>            | <u>\$ 59,247,261</u>          | <u>\$ 124,940,101</u> | <u>\$ 184,187,362</u> |                                                 |

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

**Schedule of Personnel Count - Primary Government  
Year Ended September 30, 2018**

| <u>Fund</u>      | <u>DEPT</u> | <u>DESCRIPTION</u>                                         | <u>NO. OF EMP</u> | <u>AMOUNT</u>      |
|------------------|-------------|------------------------------------------------------------|-------------------|--------------------|
| 100              | 02          | Office of I Maga'lahren Guahan                             | 79                | 5,682,256          |
| 100              | 03          | Office of I Segundu Na Maga'lahren Guahan                  | 12                | 1,009,442          |
| 100              | 04          | Bureau of Budget and Management Research                   | 15                | 993,801            |
| 100              | 05          | Civil Service Commission                                   | 9                 | 663,707            |
| 100              | 06          | Department of Administration                               | 106               | 7,107,863          |
| 100              | 07          | Guam Election Commission                                   | 17                | 961,924            |
| 100              | 08          | Department of Revenue and Taxation                         | 160               | 9,123,951          |
| 100              | 09          | Bureau of Statistics and Plans                             | 18                | 1,165,734          |
| 100              | 11          | Office of the Attorney General                             | 145               | 10,758,447         |
| 100              | 12          | Guam Police Department                                     | 288               | 24,327,198         |
| 100              | 13          | Department of Corrections                                  | 201               | 18,175,314         |
| 100              | 16          | Department of Agriculture                                  | 46                | 2,619,507          |
| 100              | 17          | Department of Public Health and Social Services            | 56                | 3,701,279          |
| 100              | 20          | Department of Youth Affairs                                | 79                | 4,845,063          |
| 100              | 23          | Department of Mental Health and Substance Abuse            | 0                 | 10,688             |
| 100              | 24          | Department of Labor                                        | 13                | 1,296,657          |
| 100              | 25          | Department of Parks and Recreation                         | 3                 | 270,871            |
| 100              | 26          | Department of Integrated Services for Individuals with Dis | 5                 | 330,840            |
| 100              | 28          | Mayors' Council of Guam                                    | 93                | 1,076              |
| 100              | 29          | Department of Land Management                              | 1                 | 58,444             |
| 100              | 30          | Chief Medical Examiner                                     | 3                 | 389,123            |
| 100              | 36          | Department of Chamorro Affairs                             | 0                 | 4,839              |
| 100              | 37          | Department of Military Affairs                             | 2                 | 148,703            |
| 100              | 42          | Guam Fire Department                                       | 243               | 30,376,993         |
| 100              | 59          | Office of the Public Auditor                               | 17                | 1,193,964          |
| 100              | AA          | Miscellaneous                                              | 0                 | (15,684)           |
| <b>101 Total</b> |             |                                                            | <b>1611</b>       | <b>125,202,002</b> |
| 101              | 02          | Office of I Maga'lahren Guahan                             | 33                | 2,013,527          |
| 101              | 08          | Department of Revenue and Taxation                         | 5                 | 265,432            |
| 101              | 09          | Bureau of Statistics and Plans                             | 14                | 1,037,410          |
| 101              | 10          | Department of Public Works                                 | 21                | 1,531,288          |
| 101              | 11          | Office of the Attorney General                             | 62                | 4,038,945          |
| 101              | 12          | Guam Police Department                                     | 2                 | 513,011            |
| 101              | 15          | Agency for Human Resource Development                      | 0                 | 284,251            |
| 101              | 16          | Department of Agriculture                                  | 23                | 1,504,001          |
| 101              | 17          | Department of Public Health and Social Services            | 267               | 15,472,504         |
| 101              | 19          | Department of Education                                    | 0                 | 18,388             |
| 101              | 22          | Guam Environmental Protection Agency                       | 43                | 3,146,007          |
| 101              | 23          | Department of Mental Health and Substance Abuse            | 17                | 1,160,370          |
| 101              | 24          | Department of Labor                                        | 126               | 3,406,590          |
| 101              | 25          | Department of Parks and Recreation                         | 4                 | 224,816            |
| 101              | 26          | Department of Integrated Services for Individuals with Dis | 12                | 731,065            |
| 101              | 34          | Guam Energy Office                                         | 5                 | 263,756            |
| 101              | 36          | Department of Chamorro Affairs                             | 6                 | 364,410            |
| 101              | 37          | Department of Military Affairs                             | 39                | 1,873,605          |
| 101              | 77          | Guam Regional Transit Authority                            | 0                 | 86,556             |
| <b>101 Total</b> |             |                                                            | <b>679</b>        | <b>37,935,932</b>  |
| 104              | 34          | Guam Energy Office                                         | 1                 | 10,373             |
| <b>104 Total</b> |             |                                                            | <b>1</b>          | <b>10,373</b>      |
| 105              | 17          | Department of Public Health and Social Services            | 42                | 2,646,332          |
| <b>105 Total</b> |             |                                                            | <b>42</b>         | <b>2,646,332</b>   |
| 205              | 10          | Department of Public Works                                 | 134               | 6,344,064          |
| 205              | 36          | Department of Chamorro Affairs                             | 19                | 1,266,760          |
| 205              | 76          | Guam Commission for Educator Certification                 | 3                 | 203,870            |
| <b>205 Total</b> |             |                                                            | <b>156</b>        | <b>7,814,693</b>   |

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

**Schedule of Personnel Count - Primary Government, Continued  
Year Ended September 30, 2018**

| <u>Fund</u>      | <u>DEPT</u> | <u>DESCRIPTION</u>                              | <u>NO. OF EMP</u> | <u>AMOUNT</u>     |
|------------------|-------------|-------------------------------------------------|-------------------|-------------------|
| 206              | 06          | Department of Administration                    | 0                 | 4,782             |
| 206              | 12          | Guam Police Department                          | 35                | 2,698,585         |
| 206              | 16          | Department of Agriculture                       | 4                 | 235,075           |
| 206              | 22          | Guam Environmental Protection Agency            | 0                 | 40,598            |
| 206              | 25          | Department of Parks and Recreation              | 44                | 2,085,239         |
| 206              | 28          | Mayors' Council of Guam                         | 0                 | 3,067             |
| 206              | 36          | Department of Chamorro Affairs                  | 14                | 828,024           |
| 206              | 42          | Guam Fire Department                            | 0                 | 500,499           |
| <b>206 Total</b> |             |                                                 | <b>97</b>         | <b>6,395,867</b>  |
| 208              | 10          | Department of Public Works                      | 113               | 6,039,780         |
| 208              | 12          | Guam Police Department                          | 15                | 1,488,283         |
| 208              | 28          | Mayors' Council of Guam                         | 203               | 5,801,200         |
| 208              | 77          | Guam Regional Transit Authority                 | 8                 | 544,807           |
| <b>208 Total</b> |             |                                                 | <b>339</b>        | <b>13,874,071</b> |
| 209              | 32          | Customs and Quarantine                          | 124               | 9,285,425         |
| <b>209 Total</b> |             |                                                 | <b>124</b>        | <b>9,285,425</b>  |
| 215              | 10          | Department of Public Works                      | 3                 | 624,313           |
| <b>215 Total</b> |             |                                                 | <b>3</b>          | <b>624,313</b>    |
| 222              | 29          | Department of Land Management                   | 41                | 2,620,928         |
| <b>222 Total</b> |             |                                                 | <b>41</b>         | <b>2,620,928</b>  |
| 229              | 06          | Department of Administration                    | 0                 | 1,184             |
| <b>229 Total</b> |             |                                                 | <b>0</b>          | <b>1,184</b>      |
| 232              | 24          | Department of Labor                             | 7                 | 153,128           |
| <b>232 Total</b> |             |                                                 | <b>7</b>          | <b>153,128</b>    |
| 235              | 10          | Department of Public Works                      | 8                 | 449,449           |
| <b>235 Total</b> |             |                                                 | <b>8</b>          | <b>449,449</b>    |
| 241              | 17          | Department of Public Health and Social Services | 0                 | 36,770            |
| <b>241 Total</b> |             |                                                 | <b>0</b>          | <b>36,770</b>     |
| 245              | 22          | Guam Environmental Protection Agency            | 1                 | 89,520            |
| <b>245 Total</b> |             |                                                 | <b>1</b>          | <b>89,520</b>     |
| 263              | 12          | Guam Police Department                          | 4                 | 158,182           |
| <b>263 Total</b> |             |                                                 | <b>4</b>          | <b>158,182</b>    |
| 265              | 22          | Guam Environmental Protection Agency            | 2                 | 10,643            |
| <b>265 Total</b> |             |                                                 | <b>2</b>          | <b>10,643</b>     |
| 281              | 42          | Guam Fire Department                            | 23                | 1,173,852         |
| <b>281 Total</b> |             |                                                 | <b>23</b>         | <b>1,173,852</b>  |
| 282              | 32          | Customs and Quarantine                          | 0                 | 885,548           |
| <b>282 Total</b> |             |                                                 | <b>0</b>          | <b>885,548</b>    |
| 283              | 22          | Guam Environmental Protection Agency            | 1                 | 34,904            |
| <b>283 Total</b> |             |                                                 | <b>1</b>          | <b>34,904</b>     |
| 299              | 06          | Department of Administration                    | 0                 | 9,651             |
| <b>299 Total</b> |             |                                                 | <b>0</b>          | <b>9,651</b>      |
| 300              | 22          | Guam Environmental Protection Agency            | 1                 | 2,063             |
| <b>300 Total</b> |             |                                                 | <b>1</b>          | <b>2,063</b>      |
| 314              | 06          | Department of Administration                    | 0                 | 177               |
| <b>314 Total</b> |             |                                                 | <b>0</b>          | <b>177</b>        |
| 416              | 10          | Department of Public Works                      | 35                | 1,926,978         |
| <b>416 Total</b> |             |                                                 | <b>35</b>         | <b>1,926,978</b>  |
| 600              | 17          | Department of Public Health and Social Services | 12                | 817,849           |
| <b>600 Total</b> |             |                                                 | <b>12</b>         | <b>817,849</b>    |
| 602              | 02          | Office of I Maga'lahaen Guahan                  | 0                 | 729,190           |
| 602              | 17          | Department of Public Health and Social Services | 48                | 3,217,623         |
| 602              | 20          | Department of Youth Affairs                     | 2                 | 77,958            |
| 602              | 23          | Department of Mental Health and Substance Abuse | 186               | 11,848,131        |
| <b>602 Total</b> |             |                                                 | <b>236</b>        | <b>15,872,902</b> |
| 603              | 08          | Department of Revenue and Taxation              | 9                 | 415,498           |
| <b>603 Total</b> |             |                                                 | <b>9</b>          | <b>415,498</b>    |
| 619              | 22          | Guam Environmental Protection Agency            | 1                 | 59,060            |
| <b>619 Total</b> |             |                                                 | <b>1</b>          | <b>59,060</b>     |

See Accompanying Independent Auditors' Report.



**GOVERNMENT OF GUAM**

**Schedule of Personnel Count - Primary Government, Continued  
Year Ended September 30, 2018**

| <u>Fund</u>        | <u>DEPT</u> | <u>DESCRIPTION</u>                              | <u>NO. OF EMP</u> | <u>AMOUNT</u>      |
|--------------------|-------------|-------------------------------------------------|-------------------|--------------------|
| 624                | 29          | Department of Land Management                   | 12                | 642,075            |
| <b>624 Total</b>   |             |                                                 | <b>12</b>         | <b>642,075</b>     |
| 629                | 22          | Guam Environmental Protection Agency            | 0                 | 109,053            |
| <b>629 Total</b>   |             |                                                 | <b>0</b>          | <b>109,053</b>     |
| 632                | 03          | Office of I Segundu Na Maga'lahaen Guahan       | 5                 | 259,459            |
| 632                | 04          | Bureau of Budget and Management Research        | 4                 | 293,182            |
| 632                | 06          | Department of Administration                    | 16                | 970,622            |
| <b>632 Total</b>   |             |                                                 | <b>25</b>         | <b>1,523,263</b>   |
| 636                | 22          | Guam Environmental Protection Agency            | 1                 | 18,421             |
| <b>636 Total</b>   |             |                                                 | <b>1</b>          | <b>18,421</b>      |
| 638                | 17          | Department of Public Health and Social Services | 1                 | 52,350             |
| <b>638 Total</b>   |             |                                                 | <b>1</b>          | <b>52,350</b>      |
| 640                | 08          | Department of Revenue and Taxation              | 0                 | 28,408             |
| <b>640 Total</b>   |             |                                                 | <b>0</b>          | <b>28,408</b>      |
| 650                | 17          | Department of Public Health and Social Services | 3                 | 82,235             |
| <b>650 Total</b>   |             |                                                 | <b>3</b>          | <b>82,235</b>      |
| 662                | 16          | Department of Agriculture                       | 4                 | 209,102            |
| <b>662 Total</b>   |             |                                                 | <b>4</b>          | <b>209,102</b>     |
| <b>Grand Total</b> |             |                                                 | <b>3382</b>       | <b>224,776,333</b> |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations September 30, 2018

| Department/Fund/Obj Class                       | Sum of AMOUNT    |
|-------------------------------------------------|------------------|
| <b>Agency for Human Resource Development</b>    | <b>2,254</b>     |
| <b>FEDERAL GRANT FUND</b>                       | <b>2,254</b>     |
| 220 - TRAVEL                                    | 1,925            |
| 363 - COMMUNICATIONS                            | 329              |
| <b>Bureau of Budget and Management Research</b> | <b>50,243</b>    |
| <b>GENERAL FUND</b>                             | <b>41,280</b>    |
| 220 - TRAVEL                                    | 5,893            |
| 230 - CONTRACTUAL SERVICES                      | 569              |
| 240 - SUPPLIES                                  | 191              |
| 250 - EQUIPMENT                                 | 34,628           |
| <b>INDIRECT COST FUND</b>                       | <b>8,963</b>     |
| 220 - TRAVEL                                    | 848              |
| 230 - CONTRACTUAL SERVICES                      | 8,101            |
| 363 - COMMUNICATIONS                            | 15               |
| <b>Bureau of Statistics and Plans</b>           | <b>4,252,627</b> |
| <b>FEDERAL GRANT FUND</b>                       | <b>4,249,771</b> |
| 111 - SALARIES AND WAGES - REGULAR              | 217,894          |
| 113 - SALARIES AND WAGES - BENEFITS             | 141,718          |
| 220 - TRAVEL                                    | 70,383           |
| 230 - CONTRACTUAL SERVICES                      | 540,552          |
| 233 - BUILDING RENT                             | 24,912           |
| 240 - SUPPLIES                                  | 26,667           |
| 250 - EQUIPMENT                                 | 49,261           |
| 280 - SUB-RECIPIENT/GRANTS                      | 3,155,229        |
| 290 - MISCELLANEOUS                             | 6,520            |
| 363 - COMMUNICATIONS                            | 12,360           |
| 701 - INDIRECT COST - FEDERAL                   | 4,275            |
| <b>GENERAL FUND</b>                             | <b>2,856</b>     |
| 230 - CONTRACTUAL SERVICES                      | 1,237            |
| 363 - COMMUNICATIONS                            | 1,619            |
| <b>Chief Medical Examiner</b>                   | <b>3,563</b>     |
| <b>FEDERAL GRANT FUND</b>                       | <b>3,563</b>     |
| 240 - SUPPLIES                                  | 145              |
| 250 - EQUIPMENT                                 | 3,418            |
| <b>Civil Service Commission</b>                 | <b>4,849</b>     |
| <b>GENERAL FUND</b>                             | <b>4,849</b>     |
| 230 - CONTRACTUAL SERVICES                      | 4,849            |
| <b>Customs and Quarantine</b>                   | <b>787,069</b>   |
| <b>CARRIER OFF-DUTY SERVICES REV</b>            | <b>8,577</b>     |
| 111 - SALARIES AND WAGES - REGULAR              | 3,457            |
| 112 - SALARIES AND WAGES - OVERTIME             | 4,001            |
| 113 - SALARIES AND WAGES - BENEFITS             | 1,119            |
| <b>CUSTOMS, AGRIC &amp; QUARANTN INSP</b>       | <b>145,461</b>   |
| 230 - CONTRACTUAL SERVICES                      | 103,116          |
| 240 - SUPPLIES                                  | 17,506           |
| 361 - UTILITIES - POWER                         | 1,555            |
| 362 - UTILITIES - WATER                         | 20               |
| 363 - COMMUNICATIONS                            | 23,263           |
| <b>FEDERAL GRANT FUND</b>                       | <b>633,031</b>   |
| 230 - CONTRACTUAL SERVICES                      | 7,031            |
| 450 - CAPITAL OUTLAYS                           | 626,000          |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class             | Sum of AMOUNT    |
|---------------------------------------|------------------|
| <b>Department of Administration</b>   | <b>2,510,835</b> |
| <b>AIR POLLUTION CONTROL</b>          | <b>4,741</b>     |
| 280 - SUB-RECIPIENT/GRANTS            | 4,741            |
| <b>FEDERAL GRANT FUND</b>             | <b>1,667,260</b> |
| 111 - SALARIES AND WAGES - REGULAR    | 52,500           |
| 113 - SALARIES AND WAGES - BENEFITS   | 22,500           |
| 220 - TRAVEL                          | 42,500           |
| 230 - CONTRACTUAL SERVICES            | 802,760          |
| 240 - SUPPLIES                        | 10,000           |
| 250 - EQUIPMENT                       | 737,000          |
| <b>FINANCIAL MGMT DIVISION RELVNG</b> | <b>86,837</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 1,623            |
| 112 - SALARIES AND WAGES - OVERTIME   | 1,473            |
| 113 - SALARIES AND WAGES - BENEFITS   | 1,440            |
| 220 - TRAVEL                          | 3,100            |
| 230 - CONTRACTUAL SERVICES            | 25,054           |
| 240 - SUPPLIES                        | 7,015            |
| 250 - EQUIPMENT                       | 47,132           |
| <b>GENERAL FUND</b>                   | <b>294,431</b>   |
| 230 - CONTRACTUAL SERVICES            | 254,990          |
| 240 - SUPPLIES                        | 4,170            |
| 361 - UTILITIES - POWER               | 11,323           |
| 362 - UTILITIES - WATER               | 13,033           |
| 363 - COMMUNICATIONS                  | 10,915           |
| <b>GENERAL SERVICES AGENCY FUND</b>   | <b>20,210</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 2,055            |
| 113 - SALARIES AND WAGES - BENEFITS   | 13,070           |
| 220 - TRAVEL                          | 1,112            |
| 230 - CONTRACTUAL SERVICES            | 165              |
| 240 - SUPPLIES                        | 3,809            |
| <b>GUAM HIGHWAY FUND</b>              | <b>108,162</b>   |
| 230 - CONTRACTUAL SERVICES            | 10,000           |
| 361 - UTILITIES - POWER               | 98,162           |
| <b>GUAM REGIONAL TRANST AUTHORITY</b> | <b>2,667</b>     |
| 220 - TRAVEL                          | 2,351            |
| 230 - CONTRACTUAL SERVICES            | 316              |
| <b>HUMAN RESOURCES SERVICES REVLV</b> | <b>70,519</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 251              |
| 112 - SALARIES AND WAGES - OVERTIME   | 97               |
| 113 - SALARIES AND WAGES - BENEFITS   | 21               |
| 230 - CONTRACTUAL SERVICES            | 698              |
| 240 - SUPPLIES                        | 3,096            |
| 250 - EQUIPMENT                       | 1,849            |
| 271 - DRUG TESTING                    | 64,373           |
| 290 - MISCELLANEOUS                   | 133              |
| <b>LIMITED GAMING FUND</b>            | <b>78</b>        |
| 240 - SUPPLIES                        | 78               |
| <b>RESIDENTIAL TREATMENT FUND</b>     | <b>134,786</b>   |
| 220 - TRAVEL                          | 807              |
| 290 - MISCELLANEOUS                   | 133,979          |
| <b>SPECIAL SURPLUS PROPERTY FUND</b>  | <b>81,530</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 6,003            |
| 112 - SALARIES AND WAGES - OVERTIME   | 7,266            |
| 113 - SALARIES AND WAGES - BENEFITS   | 10,012           |
| 220 - TRAVEL                          | 860              |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                 | Sum of AMOUNT    |
|-------------------------------------------|------------------|
| 230 - CONTRACTUAL SERVICES                | 34,390           |
| 240 - SUPPLIES                            | 19,418           |
| 250 - EQUIPMENT                           | 3,581            |
| <b>STREET LIGHT FUND</b>                  | <b>1,007</b>     |
| 361 - UTILITIES - POWER                   | 1,007            |
| <b>TOURIST ATTRACTION</b>                 | <b>38,608</b>    |
| 220 - TRAVEL                              | 1,310            |
| 230 - CONTRACTUAL SERVICES                | 29,308           |
| 250 - EQUIPMENT                           | 7,990            |
| <b>Department of Agriculture</b>          | <b>3,894,449</b> |
| <b>FEDERAL GRANT FUND</b>                 | <b>3,360,031</b> |
| 111 - SALARIES AND WAGES - REGULAR        | 493,255          |
| 112 - SALARIES AND WAGES - OVERTIME       | 5,512            |
| 113 - SALARIES AND WAGES - BENEFITS       | 193,558          |
| 220 - TRAVEL                              | 77,604           |
| 230 - CONTRACTUAL SERVICES                | 1,380,674        |
| 240 - SUPPLIES                            | 118,496          |
| 250 - EQUIPMENT                           | 69,227           |
| 280 - SUB-RECIPIENT/GRANTS                | 671,303          |
| 361 - UTILITIES - POWER                   | 173              |
| 362 - UTILITIES - WATER                   | 64               |
| 363 - COMMUNICATIONS                      | 29,122           |
| 450 - CAPITAL OUTLAYS                     | 302,615          |
| 701 - INDIRECT COST - FEDERAL             | 18,425           |
| <b>GUAM INVASIVE SPECIES INSPECT</b>      | <b>380,919</b>   |
| 111 - SALARIES AND WAGES - REGULAR        | 20,277           |
| 112 - SALARIES AND WAGES - OVERTIME       | 6,910            |
| 113 - SALARIES AND WAGES - BENEFITS       | 27,043           |
| 230 - CONTRACTUAL SERVICES                | 300,319          |
| 240 - SUPPLIES                            | 8,793            |
| 250 - EQUIPMENT                           | 12,566           |
| 271 - DRUG TESTING                        | 380              |
| 290 - MISCELLANEOUS                       | 1,131            |
| 450 - CAPITAL OUTLAYS                     | 3,500            |
| <b>GUAM PLANT INSPECTION &amp; PERMIT</b> | <b>2,750</b>     |
| 230 - CONTRACTUAL SERVICES                | 175              |
| 240 - SUPPLIES                            | 676              |
| 362 - UTILITIES - WATER                   | 851              |
| 363 - COMMUNICATIONS                      | 1,048            |
| <b>PLANT NURSERY REVOLVING FUND</b>       | <b>17,294</b>    |
| 240 - SUPPLIES                            | 2,038            |
| 250 - EQUIPMENT                           | 15,256           |
| <b>PLANT PROTECTION &amp; QUARANTINE</b>  | <b>8,469</b>     |
| 230 - CONTRACTUAL SERVICES                | 2,893            |
| 250 - EQUIPMENT                           | 576              |
| 450 - CAPITAL OUTLAYS                     | 5,000            |
| <b>RABIES PREVENTION FUND</b>             | <b>35,568</b>    |
| 230 - CONTRACTUAL SERVICES                | 6,873            |
| 240 - SUPPLIES                            | 359              |
| 250 - EQUIPMENT                           | 4,337            |
| 450 - CAPITAL OUTLAYS                     | 24,000           |
| <b>TOURIST ATTRACTION</b>                 | <b>24,909</b>    |
| 230 - CONTRACTUAL SERVICES                | 14,465           |
| 240 - SUPPLIES                            | 5,662            |
| 361 - UTILITIES - POWER                   | 4,056            |

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Schedule of Continuing Appropriations, Continued  
September 30, 2018

| Department/Fund/Obj Class             | Sum of AMOUNT    |
|---------------------------------------|------------------|
| 362 - UTILITIES - WATER               | 193              |
| 363 - COMMUNICATIONS                  | 533              |
| <b>WILDLIFE CONSERVATION FUND</b>     | <b>64,509</b>    |
| 113 - SALARIES AND WAGES - BENEFITS   | 31,192           |
| 230 - CONTRACTUAL SERVICES            | 14,245           |
| 240 - SUPPLIES                        | 7,089            |
| 250 - EQUIPMENT                       | 6,225            |
| 290 - MISCELLANEOUS                   | 2,750            |
| 363 - COMMUNICATIONS                  | 3,007            |
| <b>Department of Chamorro Affairs</b> | <b>952,661</b>   |
| <b>FEDERAL GRANT FUND</b>             | <b>178,821</b>   |
| 111 - SALARIES AND WAGES - REGULAR    | 34,297           |
| 113 - SALARIES AND WAGES - BENEFITS   | 17,755           |
| 220 - TRAVEL                          | 10,500           |
| 230 - CONTRACTUAL SERVICES            | 15,725           |
| 240 - SUPPLIES                        | 10,754           |
| 250 - EQUIPMENT                       | 76,468           |
| 271 - DRUG TESTING                    | 80               |
| 280 - SUB-RECIPIENT/GRANTS            | 12,500           |
| 363 - COMMUNICATIONS                  | 741              |
| <b>GUAM MUSEUM FUND</b>               | <b>565,601</b>   |
| 230 - CONTRACTUAL SERVICES            | 545,210          |
| 233 - BUILDING RENT                   | 5,075            |
| 361 - UTILITIES - POWER               | 13,462           |
| 363 - COMMUNICATIONS                  | 1,854            |
| <b>PUBLIC MARKET REVOLVING FUND</b>   | <b>2,807</b>     |
| 111 - SALARIES AND WAGES - REGULAR    | 1,389            |
| 113 - SALARIES AND WAGES - BENEFITS   | 1,418            |
| <b>TERRITORIAL EDUCATION FACILITY</b> | <b>28,508</b>    |
| 230 - CONTRACTUAL SERVICES            | 8,893            |
| 240 - SUPPLIES                        | 391              |
| 361 - UTILITIES - POWER               | 8,532            |
| 362 - UTILITIES - WATER               | 2,655            |
| 363 - COMMUNICATIONS                  | 8,038            |
| <b>TOURIST ATTRACTION</b>             | <b>176,924</b>   |
| 230 - CONTRACTUAL SERVICES            | 159,892          |
| 240 - SUPPLIES                        | 89               |
| 362 - UTILITIES - WATER               | 16,944           |
| <b>Department of Corrections</b>      | <b>1,094,040</b> |
| <b>DOC REVOLVING</b>                  | <b>120,939</b>   |
| 230 - CONTRACTUAL SERVICES            | 33,563           |
| 240 - SUPPLIES                        | 62,149           |
| 250 - EQUIPMENT                       | 25,227           |
| <b>FEDERAL GRANT FUND</b>             | <b>345,014</b>   |
| 230 - CONTRACTUAL SERVICES            | 325,500          |
| 240 - SUPPLIES                        | 10,270           |
| 250 - EQUIPMENT                       | 9,245            |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                                         | Sum of AMOUNT    |
|-------------------------------------------------------------------|------------------|
| <b>GENERAL FUND</b>                                               | <b>627,663</b>   |
| 220 - TRAVEL                                                      | 3,497            |
| 230 - CONTRACTUAL SERVICES                                        | 529,523          |
| 240 - SUPPLIES                                                    | 3,050            |
| 250 - EQUIPMENT                                                   | 14,287           |
| 362 - UTILITIES - WATER                                           | 77,306           |
| <b>SAFE STREETS ACT</b>                                           | <b>424</b>       |
| 240 - SUPPLIES                                                    | 424              |
| <b>Department of Integrated Services for Individuals with Dis</b> | <b>897,237</b>   |
| <b>ACCESSIBLE PARKING FUND</b>                                    | <b>87,148</b>    |
| 220 - TRAVEL                                                      | 9,035            |
| 230 - CONTRACTUAL SERVICES                                        | 48,642           |
| 240 - SUPPLIES                                                    | 5,171            |
| 250 - EQUIPMENT                                                   | 15,000           |
| 290 - MISCELLANEOUS                                               | 9,300            |
| <b>FEDERAL GRANT FUND</b>                                         | <b>808,996</b>   |
| 111 - SALARIES AND WAGES - REGULAR                                | 213,299          |
| 113 - SALARIES AND WAGES - BENEFITS                               | 91,109           |
| 220 - TRAVEL                                                      | 9,393            |
| 230 - CONTRACTUAL SERVICES                                        | 481,452          |
| 240 - SUPPLIES                                                    | 1,274            |
| 250 - EQUIPMENT                                                   | 10,298           |
| 290 - MISCELLANEOUS                                               | 2,170            |
| <b>GENERAL FUND</b>                                               | <b>1,093</b>     |
| 230 - CONTRACTUAL SERVICES                                        | 1,093            |
| <b>Department of Labor</b>                                        | <b>6,692,300</b> |
| <b>FEDERAL GRANT FUND</b>                                         | <b>6,645,327</b> |
| 111 - SALARIES AND WAGES - REGULAR                                | 1,675,757        |
| 113 - SALARIES AND WAGES - BENEFITS                               | 574,462          |
| 220 - TRAVEL                                                      | 121,330          |
| 230 - CONTRACTUAL SERVICES                                        | 2,736,003        |
| 233 - BUILDING RENT                                               | 160,985          |
| 240 - SUPPLIES                                                    | 56,738           |
| 250 - EQUIPMENT                                                   | 30,667           |
| 280 - SUB-RECIPIENT/GRANTS                                        | 1,234,351        |
| 363 - COMMUNICATIONS                                              | 55,033           |
| <b>GENERAL FUND</b>                                               | <b>25,528</b>    |
| 230 - CONTRACTUAL SERVICES                                        | 12,874           |
| 363 - COMMUNICATIONS                                              | 12,653           |
| <b>MANPOWER DEVELOPMENT FUND</b>                                  | <b>21,445</b>    |
| 220 - TRAVEL                                                      | 1,300            |
| 230 - CONTRACTUAL SERVICES                                        | 6,674            |
| 240 - SUPPLIES                                                    | 4,387            |
| 250 - EQUIPMENT                                                   | 5,182            |
| 363 - COMMUNICATIONS                                              | 3,900            |
| <b>Department of Land Management</b>                              | <b>891,452</b>   |
| <b>CHAMORRO LAND TRUST OPERATIONS</b>                             | <b>60,164</b>    |
| 111 - SALARIES AND WAGES - REGULAR                                | 31,076           |
| 113 - SALARIES AND WAGES - BENEFITS                               | 24,904           |
| 230 - CONTRACTUAL SERVICES                                        | 4,152            |
| 240 - SUPPLIES                                                    | 32               |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                              | Sum of AMOUNT    |
|--------------------------------------------------------|------------------|
| <b>CLT SURVEY &amp; INFRASTRUCTURE</b>                 | <b>2,408</b>     |
| 230 - CONTRACTUAL SERVICES                             | 2,408            |
| <b>DLM BUILDING CONSTRUCTION FUND</b>                  | <b>582,612</b>   |
| 230 - CONTRACTUAL SERVICES                             | 557,354          |
| 290 - MISCELLANEOUS                                    | 25,258           |
| <b>FEDERAL GRANT FUND</b>                              | <b>5,784</b>     |
| 112 - SALARIES AND WAGES - OVERTIME                    | 3,036            |
| 113 - SALARIES AND WAGES - BENEFITS                    | 2,748            |
| <b>GENERAL FUND</b>                                    | <b>171,300</b>   |
| 290 - MISCELLANEOUS                                    | 171,300          |
| <b>GUAM GEODETIC NETWORK FUND</b>                      | <b>1,600</b>     |
| 250 - EQUIPMENT                                        | 1,600            |
| <b>LAND SURVEY REVOLVING FUND</b>                      | <b>67,583</b>    |
| 230 - CONTRACTUAL SERVICES                             | 65,376           |
| 240 - SUPPLIES                                         | 2,055            |
| 363 - COMMUNICATIONS                                   | 152              |
| <b>Department of Mental Health and Substance Abuse</b> | <b>6,193,092</b> |
| <b>FEDERAL GRANT FUND</b>                              | <b>5,457,487</b> |
| 111 - SALARIES AND WAGES - REGULAR                     | 1,458,934        |
| 113 - SALARIES AND WAGES - BENEFITS                    | 633,092          |
| 220 - TRAVEL                                           | 142,720          |
| 230 - CONTRACTUAL SERVICES                             | 2,103,005        |
| 233 - BUILDING RENT                                    | 203,440          |
| 240 - SUPPLIES                                         | 70,505           |
| 250 - EQUIPMENT                                        | 569,665          |
| 280 - SUB-RECIPIENT/GRANTS                             | 10,308           |
| 290 - MISCELLANEOUS                                    | 114,303          |
| 361 - UTILITIES - POWER                                | 12,042           |
| 362 - UTILITIES - WATER                                | 2,577            |
| 363 - COMMUNICATIONS                                   | 843              |
| 450 - CAPITAL OUTLAYS                                  | 79,500           |
| 701 - INDIRECT COST - FEDERAL                          | 56,554           |
| <b>FMT - DMHSA/DISID FUND</b>                          | <b>61,950</b>    |
| 450 - CAPITAL OUTLAYS                                  | 61,950           |
| <b>GENERAL FUND</b>                                    | <b>364,903</b>   |
| 220 - TRAVEL                                           | 8,524            |
| 230 - CONTRACTUAL SERVICES                             | 65,262           |
| 240 - SUPPLIES                                         | 2,255            |
| 250 - EQUIPMENT                                        | 2,198            |
| 280 - SUB-RECIPIENT/GRANTS                             | 7,081            |
| 361 - UTILITIES - POWER                                | 235,406          |
| 362 - UTILITIES - WATER                                | 21,478           |
| 363 - COMMUNICATIONS                                   | 901              |
| 450 - CAPITAL OUTLAYS                                  | 21,799           |
| <b>HEALTHY FUTURES FUND</b>                            | <b>304,759</b>   |
| 230 - CONTRACTUAL SERVICES                             | 170,165          |
| 240 - SUPPLIES                                         | 134,594          |
| <b>MHSA FUND</b>                                       | <b>3,994</b>     |
| 250 - EQUIPMENT                                        | 3,994            |
| <b>Department of Military Affairs</b>                  | <b>144,185</b>   |
| <b>FEDERAL GRANT FUND</b>                              | <b>143,212</b>   |
| 230 - CONTRACTUAL SERVICES                             | 19,158           |
| 240 - SUPPLIES                                         | 23,723           |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                              | Sum of AMOUNT     |
|--------------------------------------------------------|-------------------|
| 361 - UTILITIES - POWER                                | 68,213            |
| 362 - UTILITIES - WATER                                | 31,999            |
| 363 - COMMUNICATIONS                                   | 118               |
| <b>GENERAL FUND</b>                                    | <b>973</b>        |
| 230 - CONTRACTUAL SERVICES                             | 973               |
| <b>Department of Parks and Recreation</b>              | <b>709,768</b>    |
| <b>FEDERAL GRANT FUND</b>                              | <b>464,724</b>    |
| 111 - SALARIES AND WAGES - REGULAR                     | 23,051            |
| 112 - SALARIES AND WAGES - OVERTIME                    | 34,393            |
| 113 - SALARIES AND WAGES - BENEFITS                    | 24,170            |
| 220 - TRAVEL                                           | 10,000            |
| 230 - CONTRACTUAL SERVICES                             | 264,797           |
| 240 - SUPPLIES                                         | 4,451             |
| 250 - EQUIPMENT                                        | 1,539             |
| 290 - MISCELLANEOUS                                    | 1,753             |
| 450 - CAPITAL OUTLAYS                                  | 56,764            |
| 701 - INDIRECT COST - FEDERAL                          | 43,806            |
| <b>GENERAL FUND</b>                                    | <b>1,964</b>      |
| 230 - CONTRACTUAL SERVICES                             | 1,964             |
| <b>GU PRESERV TRUST FUND</b>                           | <b>136,000</b>    |
| 290 - MISCELLANEOUS                                    | 136,000           |
| <b>LIMITED GAMING FUND</b>                             | <b>2,602</b>      |
| 290 - MISCELLANEOUS                                    | 2,602             |
| <b>PUBLIC RECREATION SERVICES FND</b>                  | <b>9,136</b>      |
| 230 - CONTRACTUAL SERVICES                             | 5,480             |
| 240 - SUPPLIES                                         | 379               |
| 363 - COMMUNICATIONS                                   | 3,154             |
| 450 - CAPITAL OUTLAYS                                  | 123               |
| <b>RECREATION REVOLVING FUND</b>                       | <b>48</b>         |
| 240 - SUPPLIES                                         | 48                |
| <b>TOURIST ATTRACTION</b>                              | <b>95,295</b>     |
| 230 - CONTRACTUAL SERVICES                             | 87,394            |
| 361 - UTILITIES - POWER                                | 949               |
| 362 - UTILITIES - WATER                                | 4,816             |
| 363 - COMMUNICATIONS                                   | 2,136             |
| <b>Department of Public Health and Social Services</b> | <b>45,432,039</b> |
| <b>COMMUNITY HEALTH CENTERS</b>                        | <b>6,823,654</b>  |
| 111 - SALARIES AND WAGES - REGULAR                     | 2,453,151         |
| 112 - SALARIES AND WAGES - OVERTIME                    | 119,744           |
| 113 - SALARIES AND WAGES - BENEFITS                    | 900,838           |
| 220 - TRAVEL                                           | 128,125           |
| 230 - CONTRACTUAL SERVICES                             | 1,194,778         |
| 240 - SUPPLIES                                         | 1,355,458         |
| 250 - EQUIPMENT                                        | 162,017           |
| 271 - DRUG TESTING                                     | 5,140             |
| 280 - SUB-RECIPIENT/GRANTS                             | 473,139           |
| 290 - MISCELLANEOUS                                    | 473               |
| 363 - COMMUNICATIONS                                   | 312               |
| 450 - CAPITAL OUTLAYS                                  | 30,478            |
| <b>CONTROLLED SUBSTANCE DIVERSION</b>                  | <b>134,925</b>    |
| 220 - TRAVEL                                           | 1,195             |
| 230 - CONTRACTUAL SERVICES                             | 131,815           |
| 240 - SUPPLIES                                         | 510               |
| 250 - EQUIPMENT                                        | 1,405             |



# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class             | Sum of AMOUNT     |
|---------------------------------------|-------------------|
| <b>DPHSS SANITARY INSPECTION REVL</b> | <b>42,535</b>     |
| 230 - CONTRACTUAL SERVICES            | 18,028            |
| 240 - SUPPLIES                        | 3,121             |
| 250 - EQUIPMENT                       | 7,939             |
| 450 - CAPITAL OUTLAYS                 | 13,447            |
| <b>ENVIRONMENTAL HEALTH FUND</b>      | <b>163,669</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 50,528            |
| 113 - SALARIES AND WAGES - BENEFITS   | 32,325            |
| 220 - TRAVEL                          | 6,704             |
| 230 - CONTRACTUAL SERVICES            | 44,936            |
| 240 - SUPPLIES                        | 18,141            |
| 250 - EQUIPMENT                       | 2,686             |
| 363 - COMMUNICATIONS                  | 2,849             |
| 450 - CAPITAL OUTLAYS                 | 5,500             |
| <b>FEDERAL GRANT FUND</b>             | <b>34,476,905</b> |
| 111 - SALARIES AND WAGES - REGULAR    | 4,959,302         |
| 112 - SALARIES AND WAGES - OVERTIME   | 3,049             |
| 113 - SALARIES AND WAGES - BENEFITS   | 2,079,795         |
| 220 - TRAVEL                          | 696,634           |
| 230 - CONTRACTUAL SERVICES            | 9,400,006         |
| 233 - BUILDING RENT                   | 645,895           |
| 240 - SUPPLIES                        | 1,656,581         |
| 250 - EQUIPMENT                       | 893,191           |
| 271 - DRUG TESTING                    | 775               |
| 280 - SUB-RECIPIENT/GRANTS            | 243,055           |
| 290 - MISCELLANEOUS                   | 12,509,332        |
| 361 - UTILITIES - POWER               | 6,000             |
| 362 - UTILITIES - WATER               | 630               |
| 363 - COMMUNICATIONS                  | 51,109            |
| 450 - CAPITAL OUTLAYS                 | 944,370           |
| 701 - INDIRECT COST - FEDERAL         | 387,181           |
| <b>GENERAL FUND</b>                   | <b>2,853,444</b>  |
| 111 - SALARIES AND WAGES - REGULAR    | 106,497           |
| 113 - SALARIES AND WAGES - BENEFITS   | 45,262            |
| 230 - CONTRACTUAL SERVICES            | 1,757,322         |
| 240 - SUPPLIES                        | 139,420           |
| 250 - EQUIPMENT                       | 8,129             |
| 280 - SUB-RECIPIENT/GRANTS            | 8,031             |
| 290 - MISCELLANEOUS                   | 648,393           |
| 361 - UTILITIES - POWER               | 56,918            |
| 362 - UTILITIES - WATER               | 27,277            |
| 363 - COMMUNICATIONS                  | 56,194            |
| <b>GUAM CANCER TRUST FUND</b>         | <b>2,148</b>      |
| 290 - MISCELLANEOUS                   | 2,148             |
| <b>HEALTH PROF LICENSING</b>          | <b>187,274</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 18,448            |
| 113 - SALARIES AND WAGES - BENEFITS   | 8,104             |
| 220 - TRAVEL                          | 12,713            |
| 230 - CONTRACTUAL SERVICES            | 120,373           |
| 240 - SUPPLIES                        | 1,832             |
| 250 - EQUIPMENT                       | 25,772            |
| 271 - DRUG TESTING                    | 33                |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class             | Sum of AMOUNT      |
|---------------------------------------|--------------------|
| <b>HEALTHY FUTURES FUND</b>           | <b>500,746</b>     |
| 111 - SALARIES AND WAGES - REGULAR    | 40,762             |
| 113 - SALARIES AND WAGES - BENEFITS   | 19,076             |
| 230 - CONTRACTUAL SERVICES            | 18,282             |
| 240 - SUPPLIES                        | 22,626             |
| 290 - MISCELLANEOUS                   | 400,000            |
| <b>MEDICALLY INDIGENT PROGRAM PAY</b> | <b>30</b>          |
| 220 - TRAVEL                          | 30                 |
| <b>OFFICE OF VITAL STATISTICS FND</b> | <b>246,710</b>     |
| 111 - SALARIES AND WAGES - REGULAR    | 26,330             |
| 113 - SALARIES AND WAGES - BENEFITS   | 17,495             |
| 220 - TRAVEL                          | 1,982              |
| 230 - CONTRACTUAL SERVICES            | 186,317            |
| 240 - SUPPLIES                        | 2,015              |
| 250 - EQUIPMENT                       | 12,169             |
| 271 - DRUG TESTING                    | 400                |
| <b>Department of Public Works</b>     | <b>120,177,230</b> |
| <b>DPW BUILDING &amp; DESIGN FUND</b> | <b>1,485,637</b>   |
| 111 - SALARIES AND WAGES - REGULAR    | 787,670            |
| 113 - SALARIES AND WAGES - BENEFITS   | 295,619            |
| 220 - TRAVEL                          | 22,000             |
| 230 - CONTRACTUAL SERVICES            | 91,452             |
| 240 - SUPPLIES                        | 79,379             |
| 250 - EQUIPMENT                       | 71,324             |
| 270 - WORKERS COMP BENEFITS           | 5,000              |
| 271 - DRUG TESTING                    | 280                |
| 361 - UTILITIES - POWER               | 32,576             |
| 363 - COMMUNICATIONS                  | 50,338             |
| 450 - CAPITAL OUTLAYS                 | 50,000             |
| <b>FEDERAL GRANT FUND</b>             | <b>111,504,429</b> |
| 111 - SALARIES AND WAGES - REGULAR    | 1,128,258          |
| 112 - SALARIES AND WAGES - OVERTIME   | 526,329            |
| 113 - SALARIES AND WAGES - BENEFITS   | 592,681            |
| 220 - TRAVEL                          | 86,635             |
| 230 - CONTRACTUAL SERVICES            | 106,418,848        |
| 240 - SUPPLIES                        | 245,446            |
| 250 - EQUIPMENT                       | 31,766             |
| 280 - SUB-RECIPIENT/GRANTS            | 4,483              |
| 363 - COMMUNICATIONS                  | 30,786             |
| 450 - CAPITAL OUTLAYS                 | 2,439,197          |
| <b>GENERAL FUND</b>                   | <b>28,829</b>      |
| 230 - CONTRACTUAL SERVICES            | 14,884             |
| 240 - SUPPLIES                        | 13,945             |
| <b>GUAM CONTRACTORS</b>               | <b>76,321</b>      |
| 230 - CONTRACTUAL SERVICES            | 60,115             |
| 240 - SUPPLIES                        | 12,030             |
| 290 - MISCELLANEOUS                   | 1,904              |
| 363 - COMMUNICATIONS                  | 2,270              |
| <b>GUAM HIGHWAY FUND</b>              | <b>3,282,452</b>   |
| 112 - SALARIES AND WAGES - OVERTIME   | 43,537             |
| 113 - SALARIES AND WAGES - BENEFITS   | 14,338             |
| 220 - TRAVEL                          | 996                |
| 230 - CONTRACTUAL SERVICES            | 2,663,630          |
| 240 - SUPPLIES                        | 362,338            |
| 250 - EQUIPMENT                       | 31,939             |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                 | Sum of AMOUNT    |
|-------------------------------------------|------------------|
| 361 - UTILITIES - POWER                   | 36,845           |
| 363 - COMMUNICATIONS                      | 1,604            |
| 450 - CAPITAL OUTLAYS                     | 127,223          |
| <b>INFRASTR IMPRVMT BOND '97 - CPF</b>    | <b>54,370</b>    |
| 230 - CONTRACTUAL SERVICES                | 54,370           |
| <b>LANDFILL CLOSING/OPENING COSTS</b>     | <b>3,379,439</b> |
| 230 - CONTRACTUAL SERVICES                | 1,962,200        |
| 240 - SUPPLIES                            | 1,340,415        |
| 250 - EQUIPMENT                           | 40,000           |
| 450 - CAPITAL OUTLAYS                     | 36,825           |
| <b>P.E.A.L.S. FUND</b>                    | <b>29,233</b>    |
| 230 - CONTRACTUAL SERVICES                | 29,016           |
| 290 - MISCELLANEOUS                       | 63               |
| 363 - COMMUNICATIONS                      | 154              |
| <b>RECYCLING REVOLVING FUND</b>           | <b>42,452</b>    |
| 230 - CONTRACTUAL SERVICES                | 42,452           |
| <b>STREET LIGHT FUND</b>                  | <b>8,207</b>     |
| 230 - CONTRACTUAL SERVICES                | 8,207            |
| <b>TERRITORIAL EDUCATION FACILITY</b>     | <b>135,082</b>   |
| 240 - SUPPLIES                            | 135,064          |
| 363 - COMMUNICATIONS                      | 18               |
| <b>TESS FACILITY FUND</b>                 | <b>150,780</b>   |
| 230 - CONTRACTUAL SERVICES                | 150,780          |
| <b>Department of Revenue and Taxation</b> | <b>966,240</b>   |
| <b>BANKING AND INSURANCE ENFORCE</b>      | <b>3,892</b>     |
| 230 - CONTRACTUAL SERVICES                | 3,892            |
| <b>BETTER PUBLIC SERVICE FUND</b>         | <b>27,770</b>    |
| 230 - CONTRACTUAL SERVICES                | 24,903           |
| 240 - SUPPLIES                            | 2,867            |
| <b>DOJ EQUITABLE SHARING PROGRAM</b>      | <b>83,489</b>    |
| 230 - CONTRACTUAL SERVICES                | 71,489           |
| 240 - SUPPLIES                            | 5,000            |
| 250 - EQUIPMENT                           | 7,000            |
| <b>EXAMINER OFF-DUTY SERVICE FUND</b>     | <b>4,047</b>     |
| 112 - SALARIES AND WAGES - OVERTIME       | 3,615            |
| 113 - SALARIES AND WAGES - BENEFITS       | 433              |
| <b>FEDERAL GRANT FUND</b>                 | <b>559,701</b>   |
| 111 - SALARIES AND WAGES - REGULAR        | 219,163          |
| 112 - SALARIES AND WAGES - OVERTIME       | 42,796           |
| 113 - SALARIES AND WAGES - BENEFITS       | 122,859          |
| 220 - TRAVEL                              | 14,553           |
| 230 - CONTRACTUAL SERVICES                | 16,698           |
| 233 - BUILDING RENT                       | 7,603            |
| 240 - SUPPLIES                            | 21,965           |
| 250 - EQUIPMENT                           | 300              |
| 363 - COMMUNICATIONS                      | 1,822            |
| 450 - CAPITAL OUTLAYS                     | 111,250          |
| 701 - INDIRECT COST - FEDERAL             | 692              |
| <b>GENERAL FUND</b>                       | <b>96,607</b>    |
| 220 - TRAVEL                              | 767              |
| 230 - CONTRACTUAL SERVICES                | 88,965           |
| 250 - EQUIPMENT                           | 1,588            |
| 280 - SUB-RECIPIENT/GRANTS                | 5,287            |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                         | Sum of AMOUNT     |
|---------------------------------------------------|-------------------|
| <b>LIMITED GAMING FUND</b>                        | <b>10,372</b>     |
| 250 - EQUIPMENT                                   | 3,363             |
| 290 - MISCELLANEOUS                               | 620               |
| 450 - CAPITAL OUTLAYS                             | 6,389             |
| <b>TAX COLLECTION ENHANCEMENT FND</b>             | <b>180,362</b>    |
| 220 - TRAVEL                                      | 5,357             |
| 230 - CONTRACTUAL SERVICES                        | 155,113           |
| 363 - COMMUNICATIONS                              | 19,893            |
| <b>Department of Youth Affairs</b>                | <b>330,055</b>    |
| <b>FEDERAL GRANT FUND</b>                         | <b>280,113</b>    |
| 111 - SALARIES AND WAGES - REGULAR                | 31,289            |
| 113 - SALARIES AND WAGES - BENEFITS               | 11,298            |
| 220 - TRAVEL                                      | 10,252            |
| 230 - CONTRACTUAL SERVICES                        | 83,163            |
| 240 - SUPPLIES                                    | 14,207            |
| 250 - EQUIPMENT                                   | 30,759            |
| 290 - MISCELLANEOUS                               | 36,012            |
| 450 - CAPITAL OUTLAYS                             | 53,953            |
| 701 - INDIRECT COST - FEDERAL                     | 9,179             |
| <b>GENERAL FUND</b>                               | <b>33,022</b>     |
| 230 - CONTRACTUAL SERVICES                        | 20,241            |
| 240 - SUPPLIES                                    | 8,913             |
| 362 - UTILITIES - WATER                           | 3,042             |
| 363 - COMMUNICATIONS                              | 826               |
| <b>HEALTHY FUTURES FUND</b>                       | <b>16,921</b>     |
| 111 - SALARIES AND WAGES - REGULAR                | 1,026             |
| 113 - SALARIES AND WAGES - BENEFITS               | 693               |
| 230 - CONTRACTUAL SERVICES                        | 14,732            |
| 240 - SUPPLIES                                    | 18                |
| 250 - EQUIPMENT                                   | 452               |
| <b>GovGuam Retirement Fund</b>                    | <b>13,517,724</b> |
| <b>GENERAL FUND</b>                               | <b>13,517,724</b> |
| 290 - MISCELLANEOUS                               | 13,517,724        |
| <b>Guam Commission for Educator Certification</b> | <b>708</b>        |
| <b>TERRITORIAL EDUCATION FACILITY</b>             | <b>708</b>        |
| 230 - CONTRACTUAL SERVICES                        | 543               |
| 363 - COMMUNICATIONS                              | 165               |
| <b>Guam Community College</b>                     | <b>1,395,608</b>  |
| <b>TERRITORIAL EDUCATION FACILITY</b>             | <b>1,395,608</b>  |
| 450 - CAPITAL OUTLAYS                             | 1,395,608         |
| <b>Guam Department of Education</b>               | <b>6,471,293</b>  |
| <b>FEDERAL GRANT FUND</b>                         | <b>5,397,697</b>  |
| 290 - MISCELLANEOUS                               | 5,397,697         |
| <b>GENERAL FUND</b>                               | <b>671,546</b>    |
| 230 - CONTRACTUAL SERVICES                        | 52,157            |
| 290 - MISCELLANEOUS                               | 619,389           |
| <b>LIMITED GAMING FUND</b>                        | <b>402,051</b>    |
| 290 - MISCELLANEOUS                               | 312,583           |
| 450 - CAPITAL OUTLAYS                             | 89,468            |
| <b>Guam Economic Development Authority</b>        | <b>8,657,040</b>  |
| <b>FEDERAL GRANT FUND</b>                         | <b>160,282</b>    |
| 230 - CONTRACTUAL SERVICES                        | 160,282           |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                   | Sum of AMOUNT    |
|---------------------------------------------|------------------|
| <b>INFRASTR IMPRVMT BOND '97 - CPF</b>      | <b>8,096,758</b> |
| 230 - CONTRACTUAL SERVICES                  | 552,739          |
| 450 - CAPITAL OUTLAYS                       | 7,544,018        |
| <b>SAR-SUPPLEMENTL APPROP REVENUE</b>       | <b>400,000</b>   |
| 290 - MISCELLANEOUS                         | 400,000          |
| <b>Guam Election Commission</b>             | <b>48,769</b>    |
| <b>FEDERAL GRANT FUND</b>                   | <b>94</b>        |
| 230 - CONTRACTUAL SERVICES                  | 70               |
| 240 - SUPPLIES                              | 24               |
| <b>GENERAL FUND</b>                         | <b>48,675</b>    |
| 230 - CONTRACTUAL SERVICES                  | 33,382           |
| 233 - BUILDING RENT                         | 1,900            |
| 240 - SUPPLIES                              | 9,416            |
| 250 - EQUIPMENT                             | 284              |
| 290 - MISCELLANEOUS                         | 3,407            |
| 363 - COMMUNICATIONS                        | 287              |
| <b>Guam Energy Office</b>                   | <b>83,911</b>    |
| <b>EXXON OVERCHARGE</b>                     | <b>21,030</b>    |
| 220 - TRAVEL                                | 900              |
| 230 - CONTRACTUAL SERVICES                  | 7,493            |
| 361 - UTILITIES - POWER                     | 11,168           |
| 362 - UTILITIES - WATER                     | 1,470            |
| <b>FEDERAL GRANT FUND</b>                   | <b>62,881</b>    |
| 220 - TRAVEL                                | 1,908            |
| 230 - CONTRACTUAL SERVICES                  | 25,375           |
| 240 - SUPPLIES                              | 25,590           |
| 250 - EQUIPMENT                             | 8,710            |
| 362 - UTILITIES - WATER                     | 1,299            |
| <b>Guam Environmental Protection Agency</b> | <b>7,465,830</b> |
| <b>AIR POLLUTION CONTROL</b>                | <b>4,138</b>     |
| 113 - SALARIES AND WAGES - BENEFITS         | 52               |
| 220 - TRAVEL                                | 3,208            |
| 230 - CONTRACTUAL SERVICES                  | 589              |
| 363 - COMMUNICATIONS                        | 289              |
| <b>FEDERAL GRANT FUND</b>                   | <b>1,150,817</b> |
| 111 - SALARIES AND WAGES - REGULAR          | 181,245          |
| 113 - SALARIES AND WAGES - BENEFITS         | 48,431           |
| 220 - TRAVEL                                | 83,980           |
| 230 - CONTRACTUAL SERVICES                  | 107,788          |
| 240 - SUPPLIES                              | 27,425           |
| 250 - EQUIPMENT                             | 39,163           |
| 280 - SUB-RECIPIENT/GRANTS                  | 557,580          |
| 290 - MISCELLANEOUS                         | 5,255            |
| 361 - UTILITIES - POWER                     | 1,672            |
| 450 - CAPITAL OUTLAYS                       | 98,278           |
| <b>GENERAL FUND</b>                         | <b>51,704</b>    |
| 113 - SALARIES AND WAGES - BENEFITS         | 1,618            |
| 230 - CONTRACTUAL SERVICES                  | 50,086           |
| <b>GUAM ENVIRONMENTAL FUND</b>              | <b>14,152</b>    |
| 111 - SALARIES AND WAGES - REGULAR          | 422              |
| 113 - SALARIES AND WAGES - BENEFITS         | 142              |
| 230 - CONTRACTUAL SERVICES                  | 8,564            |
| 362 - UTILITIES - WATER                     | 2,317            |
| 363 - COMMUNICATIONS                        | 2,707            |

**GOVERNMENT OF GUAM**

Schedule of Continuing Appropriations, Continued  
September 30, 2018

| Department/Fund/Obj Class             | Sum of AMOUNT    |
|---------------------------------------|------------------|
| <b>PESTICIDE MANAGEMENT FUND</b>      | <b>28,982</b>    |
| 220 - TRAVEL                          | 6,069            |
| 230 - CONTRACTUAL SERVICES            | 8,571            |
| 240 - SUPPLIES                        | 10,068           |
| 250 - EQUIPMENT                       | 4,274            |
| <b>RECYCLING REVOLVING FUND</b>       | <b>5,678,272</b> |
| 111 - SALARIES AND WAGES - REGULAR    | 71,334           |
| 113 - SALARIES AND WAGES - BENEFITS   | 45,213           |
| 220 - TRAVEL                          | 33,937           |
| 230 - CONTRACTUAL SERVICES            | 5,504,999        |
| 240 - SUPPLIES                        | 10,427           |
| 250 - EQUIPMENT                       | 12,362           |
| <b>SAFE DRINKING WATER FUND</b>       | <b>2,550</b>     |
| 230 - CONTRACTUAL SERVICES            | 1,543            |
| 240 - SUPPLIES                        | 1,007            |
| <b>SOLID WASTE MGMT FUND-GEPA</b>     | <b>19,697</b>    |
| 220 - TRAVEL                          | 8,351            |
| 230 - CONTRACTUAL SERVICES            | 10,727           |
| 240 - SUPPLIES                        | 618              |
| <b>SOLID WASTE OPERATIONS FUND</b>    | <b>126,670</b>   |
| 230 - CONTRACTUAL SERVICES            | 126,670          |
| <b>UNDERGROUND STORAGE TANK MGMT</b>  | <b>376,251</b>   |
| 111 - SALARIES AND WAGES - REGULAR    | 44,787           |
| 113 - SALARIES AND WAGES - BENEFITS   | 31,337           |
| 220 - TRAVEL                          | 28,686           |
| 230 - CONTRACTUAL SERVICES            | 222,047          |
| 240 - SUPPLIES                        | 20,394           |
| 250 - EQUIPMENT                       | 29,000           |
| <b>WATER PROTECTION FUND</b>          | <b>7,040</b>     |
| 233 - BUILDING RENT                   | 7,040            |
| <b>WATER RESEARCH AND DEVELOPMENT</b> | <b>5,558</b>     |
| 230 - CONTRACTUAL SERVICES            | 5,558            |
| <b>Guam Fire Department</b>           | <b>1,949,170</b> |
| <b>ENHANCED 911 EMRGNCY REPT SYS</b>  | <b>174,893</b>   |
| 111 - SALARIES AND WAGES - REGULAR    | 48,636           |
| 113 - SALARIES AND WAGES - BENEFITS   | 16,947           |
| 230 - CONTRACTUAL SERVICES            | 18,498           |
| 240 - SUPPLIES                        | 5,783            |
| 250 - EQUIPMENT                       | 44,331           |
| 290 - MISCELLANEOUS                   | 8,672            |
| 363 - COMMUNICATIONS                  | 9,562            |
| 450 - CAPITAL OUTLAYS                 | 22,463           |
| <b>FEDERAL GRANT FUND</b>             | <b>1,103,538</b> |
| 112 - SALARIES AND WAGES - OVERTIME   | 5,104            |
| 113 - SALARIES AND WAGES - BENEFITS   | 2,169            |
| 250 - EQUIPMENT                       | 11,265           |
| 450 - CAPITAL OUTLAYS                 | 1,085,000        |
| <b>FIRE LIFE MEDIC EMERGENCY FUND</b> | <b>630,432</b>   |
| 230 - CONTRACTUAL SERVICES            | 99,692           |
| 240 - SUPPLIES                        | 38,016           |
| 250 - EQUIPMENT                       | 72,723           |
| 450 - CAPITAL OUTLAYS                 | 420,000          |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class               | Sum of AMOUNT    |
|-----------------------------------------|------------------|
| <b>GENERAL FUND</b>                     | <b>1,922</b>     |
| 220 - TRAVEL                            | 1,810            |
| 230 - CONTRACTUAL SERVICES              | 112              |
| <b>TOURIST ATTRACTION</b>               | <b>34,812</b>    |
| 230 - CONTRACTUAL SERVICES              | 2,976            |
| 233 - BUILDING RENT                     | 23,826           |
| 362 - UTILITIES - WATER                 | 7,600            |
| 363 - COMMUNICATIONS                    | 410              |
| <b>UNRESERVED FUND BALANCE FUND</b>     | <b>3,574</b>     |
| 230 - CONTRACTUAL SERVICES              | 3,574            |
| <b>Guam Memorial Hospital Authority</b> | <b>6,397,169</b> |
| <b>FEDERAL GRANT FUND</b>               | <b>4,724,807</b> |
| 290 - MISCELLANEOUS                     | 4,724,807        |
| <b>GENERAL FUND</b>                     | <b>72,362</b>    |
| 290 - MISCELLANEOUS                     | 25,140           |
| 450 - CAPITAL OUTLAYS                   | 47,222           |
| <b>HOTEL OCCUPANCY TAX SURPLUS</b>      | <b>1,600,000</b> |
| 290 - MISCELLANEOUS                     | 1,600,000        |
| <b>Guam Police Department</b>           | <b>3,564,766</b> |
| <b>FEDERAL GRANT FUND</b>               | <b>2,218,646</b> |
| 111 - SALARIES AND WAGES - REGULAR      | 93,148           |
| 112 - SALARIES AND WAGES - OVERTIME     | 16,791           |
| 113 - SALARIES AND WAGES - BENEFITS     | 217,691          |
| 220 - TRAVEL                            | 3,116            |
| 230 - CONTRACTUAL SERVICES              | 476,707          |
| 240 - SUPPLIES                          | 24,185           |
| 250 - EQUIPMENT                         | 2,819            |
| 290 - MISCELLANEOUS                     | 200,000          |
| 363 - COMMUNICATIONS                    | 623              |
| 450 - CAPITAL OUTLAYS                   | 1,183,568        |
| <b>GENERAL FUND</b>                     | <b>432,929</b>   |
| 220 - TRAVEL                            | 7,569            |
| 230 - CONTRACTUAL SERVICES              | 141,633          |
| 240 - SUPPLIES                          | 39,214           |
| 250 - EQUIPMENT                         | 39,654           |
| 290 - MISCELLANEOUS                     | 100,000          |
| 361 - UTILITIES - POWER                 | 98,059           |
| 362 - UTILITIES - WATER                 | 3,999            |
| 363 - COMMUNICATIONS                    | 2,802            |
| <b>POLICE PATROL VEHICLE AND EQUIP</b>  | <b>187,039</b>   |
| 230 - CONTRACTUAL SERVICES              | 51,454           |
| 240 - SUPPLIES                          | 104,730          |
| 250 - EQUIPMENT                         | 27,611           |
| 450 - CAPITAL OUTLAYS                   | 3,243            |
| <b>POLICE SERVICES FUND</b>             | <b>282,928</b>   |
| 230 - CONTRACTUAL SERVICES              | 202,389          |
| 240 - SUPPLIES                          | 33,672           |
| 250 - EQUIPMENT                         | 43,227           |
| 290 - MISCELLANEOUS                     | 3,641            |
| <b>SPECIAL ASSETS FORFEITURE FUND</b>   | <b>424,328</b>   |
| 220 - TRAVEL                            | 95,109           |
| 230 - CONTRACTUAL SERVICES              | 94,568           |
| 240 - SUPPLIES                          | 60,507           |
| 250 - EQUIPMENT                         | 64,081           |
| 290 - MISCELLANEOUS                     | 20,000           |

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                    | Sum of AMOUNT    |
|----------------------------------------------|------------------|
| 450 - CAPITAL OUTLAYS                        | 90,063           |
| <b>TOURIST ATTRACTION</b>                    | <b>18,896</b>    |
| 240 - SUPPLIES                               | 15,781           |
| 250 - EQUIPMENT                              | 3,115            |
| <b>Guam Power Authority</b>                  | <b>213,676</b>   |
| <b>FEDERAL GRANT FUND</b>                    | <b>213,676</b>   |
| 290 - MISCELLANEOUS                          | 213,676          |
| <b>Guam Regional Transit Authority</b>       | <b>3,189,925</b> |
| <b>FEDERAL GRANT FUND</b>                    | <b>2,992,739</b> |
| 111 - SALARIES AND WAGES - REGULAR           | 87,160           |
| 113 - SALARIES AND WAGES - BENEFITS          | 29,600           |
| 220 - TRAVEL                                 | 101              |
| 230 - CONTRACTUAL SERVICES                   | 2,220,492        |
| 240 - SUPPLIES                               | 9,802            |
| 250 - EQUIPMENT                              | 114,294          |
| 290 - MISCELLANEOUS                          | 18,790           |
| 450 - CAPITAL OUTLAYS                        | 512,500          |
| <b>GUAM HIGHWAY FUND</b>                     | <b>47,580</b>    |
| 230 - CONTRACTUAL SERVICES                   | 30,396           |
| 240 - SUPPLIES                               | 17,173           |
| 290 - MISCELLANEOUS                          | 11               |
| <b>GUAM REGIONAL TRANST AUTHORITY</b>        | <b>149,606</b>   |
| 230 - CONTRACTUAL SERVICES                   | 149,574          |
| 450 - CAPITAL OUTLAYS                        | 32               |
| <b>Guam Solid Waste Authority</b>            | <b>692,798</b>   |
| <b>SOLID WASTE OPERATIONS FUND</b>           | <b>692,798</b>   |
| 230 - CONTRACTUAL SERVICES                   | 282,507          |
| 240 - SUPPLIES                               | 88,927           |
| 250 - EQUIPMENT                              | 4,115            |
| 290 - MISCELLANEOUS                          | 22,000           |
| 361 - UTILITIES - POWER                      | 15,382           |
| 362 - UTILITIES - WATER                      | 19,880           |
| 363 - COMMUNICATIONS                         | 3,355            |
| 450 - CAPITAL OUTLAYS                        | 256,632          |
| <b>Guam Visitors Bureau</b>                  | <b>1,000,000</b> |
| <b>HOTEL OCCUPANCY TAX SURPLUS</b>           | <b>1,000,000</b> |
| 290 - MISCELLANEOUS                          | 1,000,000        |
| <b>Guam Waterworks Authority</b>             | <b>663,487</b>   |
| <b>FEDERAL GRANT FUND</b>                    | <b>663,487</b>   |
| 290 - MISCELLANEOUS                          | 663,487          |
| <b>Hagatna Restoration and Redevelopment</b> | <b>300,000</b>   |
| <b>HOTEL OCCUPANCY TAX SURPLUS</b>           | <b>300,000</b>   |
| 290 - MISCELLANEOUS                          | 300,000          |
| <b>Mayors' Council of Guam</b>               | <b>2,228,278</b> |
| <b>FEDERAL GRANT FUND</b>                    | <b>59,195</b>    |
| 112 - SALARIES AND WAGES - OVERTIME          | 26,528           |
| 230 - CONTRACTUAL SERVICES                   | 26,621           |
| 240 - SUPPLIES                               | 6,045            |
| <b>GENERAL FUND</b>                          | <b>120,705</b>   |
| 230 - CONTRACTUAL SERVICES                   | 11,881           |
| 233 - BUILDING RENT                          | 2,000            |
| 240 - SUPPLIES                               | 20,884           |
| 250 - EQUIPMENT                              | 513              |
| 290 - MISCELLANEOUS                          | 42,241           |
| 361 - UTILITIES - POWER                      | 59               |

See Accompanying Independent Auditors' Report.



# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class             | Sum of AMOUNT     |
|---------------------------------------|-------------------|
| 362 - UTILITIES - WATER               | 26,270            |
| 363 - COMMUNICATIONS                  | 16,857            |
| <b>LIMITED GAMING FUND</b>            | <b>865,279</b>    |
| 230 - CONTRACTUAL SERVICES            | 560,652           |
| 240 - SUPPLIES                        | 84,018            |
| 250 - EQUIPMENT                       | 22,925            |
| 290 - MISCELLANEOUS                   | 183,686           |
| 450 - CAPITAL OUTLAYS                 | 13,998            |
| <b>RECYCLING REVOLVING FUND</b>       | <b>11,527</b>     |
| 230 - CONTRACTUAL SERVICES            | 11,527            |
| <b>TERRITORIAL EDUCATION FACILITY</b> | <b>78,985</b>     |
| 230 - CONTRACTUAL SERVICES            | 8,337             |
| 240 - SUPPLIES                        | 30,191            |
| 290 - MISCELLANEOUS                   | 33,398            |
| 450 - CAPITAL OUTLAYS                 | 7,059             |
| <b>TOURIST ATTRACTION</b>             | <b>607,978</b>    |
| 230 - CONTRACTUAL SERVICES            | 249,373           |
| 233 - BUILDING RENT                   | 3,419             |
| 240 - SUPPLIES                        | 221,555           |
| 250 - EQUIPMENT                       | 14,764            |
| 290 - MISCELLANEOUS                   | 30,924            |
| 363 - COMMUNICATIONS                  | 80,885            |
| 450 - CAPITAL OUTLAYS                 | 7,059             |
| <b>UNRESERVED FUND BALANCE FUND</b>   | <b>66,137</b>     |
| 230 - CONTRACTUAL SERVICES            | 66,137            |
| <b>VILLAGE STREETS FUND</b>           | <b>418,472</b>    |
| 230 - CONTRACTUAL SERVICES            | 121,322           |
| 240 - SUPPLIES                        | 157,601           |
| 250 - EQUIPMENT                       | 43,217            |
| 290 - MISCELLANEOUS                   | 13                |
| 450 - CAPITAL OUTLAYS                 | 96,320            |
| <b>Office of I Maga'lahaen Guahan</b> | <b>35,186,710</b> |
| <b>FEDERAL GRANT FUND</b>             | <b>33,583,550</b> |
| 111 - SALARIES AND WAGES - REGULAR    | 1,320,482         |
| 112 - SALARIES AND WAGES - OVERTIME   | 14,085            |
| 113 - SALARIES AND WAGES - BENEFITS   | 468,061           |
| 220 - TRAVEL                          | 228,946           |
| 230 - CONTRACTUAL SERVICES            | 16,994,639        |
| 233 - BUILDING RENT                   | 10,815            |
| 240 - SUPPLIES                        | 130,997           |
| 250 - EQUIPMENT                       | 279,303           |
| 280 - SUB-RECIPIENT/GRANTS            | 5,722,372         |
| 290 - MISCELLANEOUS                   | 8,352,064         |
| 361 - UTILITIES - POWER               | 21,752            |
| 362 - UTILITIES - WATER               | 11,411            |
| 363 - COMMUNICATIONS                  | 18,840            |
| 701 - INDIRECT COST - FEDERAL         | 9,783             |
| <b>GENERAL FUND</b>                   | <b>566,417</b>    |
| 111 - SALARIES AND WAGES - REGULAR    | 40,339            |
| 112 - SALARIES AND WAGES - OVERTIME   | 58,209            |
| 113 - SALARIES AND WAGES - BENEFITS   | 34,192            |
| 220 - TRAVEL                          | 21,214            |

# GOVERNMENT OF GUAM

## Schedule of Continuing Appropriations, Continued September 30, 2018

| Department/Fund/Obj Class                        | Sum of AMOUNT    |
|--------------------------------------------------|------------------|
| 230 - CONTRACTUAL SERVICES                       | 229,974          |
| 240 - SUPPLIES                                   | 26,008           |
| 250 - EQUIPMENT                                  | 13,596           |
| 290 - MISCELLANEOUS                              | 17,179           |
| 361 - UTILITIES - POWER                          | 95,630           |
| 362 - UTILITIES - WATER                          | 21,649           |
| 363 - COMMUNICATIONS                             | 228              |
| 450 - CAPITAL OUTLAYS                            | 8,200            |
| <b>GUAM HIGHWAY FUND</b>                         | <b>336,141</b>   |
| 230 - CONTRACTUAL SERVICES                       | 336,141          |
| <b>HEALTHY FUTURES FUND</b>                      | <b>655,809</b>   |
| 111 - SALARIES AND WAGES - REGULAR               | 174,104          |
| 112 - SALARIES AND WAGES - OVERTIME              | 37,811           |
| 113 - SALARIES AND WAGES - BENEFITS              | 8,895            |
| 230 - CONTRACTUAL SERVICES                       | 434,998          |
| <b>TOURIST ATTRACTION</b>                        | <b>44,794</b>    |
| 230 - CONTRACTUAL SERVICES                       | 30,843           |
| 240 - SUPPLIES                                   | 3,701            |
| 250 - EQUIPMENT                                  | 10,000           |
| 290 - MISCELLANEOUS                              | 250              |
| <b>Office of I Segundu Na Maga'lahaen Guahan</b> | <b>1,016,883</b> |
| <b>FEDERAL GRANT FUND</b>                        | <b>997,251</b>   |
| 230 - CONTRACTUAL SERVICES                       | 754              |
| 240 - SUPPLIES                                   | 135,705          |
| 290 - MISCELLANEOUS                              | 860,792          |
| <b>GENERAL FUND</b>                              | <b>13,942</b>    |
| 220 - TRAVEL                                     | 13,842           |
| 363 - COMMUNICATIONS                             | 100              |
| <b>INDIRECT COST FUND</b>                        | <b>5,690</b>     |
| 220 - TRAVEL                                     | 3,665            |
| 230 - CONTRACTUAL SERVICES                       | 2,025            |
| <b>Office of the Attorney General</b>            | <b>4,140,891</b> |
| <b>CONSUMER PROTECT FUND</b>                     | <b>472</b>       |
| 230 - CONTRACTUAL SERVICES                       | 80               |
| 250 - EQUIPMENT                                  | 392              |
| <b>CRIMINAL INJURIES</b>                         | <b>271,856</b>   |
| 230 - CONTRACTUAL SERVICES                       | 22,795           |
| 240 - SUPPLIES                                   | 361              |
| 280 - SUB-RECIPIENT/GRANTS                       | 248,701          |
| <b>FEDERAL GRANT FUND</b>                        | <b>3,525,512</b> |
| 111 - SALARIES AND WAGES - REGULAR               | 611,504          |
| 113 - SALARIES AND WAGES - BENEFITS              | 278,134          |
| 220 - TRAVEL                                     | 132,408          |
| 230 - CONTRACTUAL SERVICES                       | 1,203,532        |
| 233 - BUILDING RENT                              | 43,200           |
| 240 - SUPPLIES                                   | 76,851           |
| 250 - EQUIPMENT                                  | 142,941          |
| 280 - SUB-RECIPIENT/GRANTS                       | 660,612          |
| 450 - CAPITAL OUTLAYS                            | 376,330          |
| <b>GENERAL FUND</b>                              | <b>257,923</b>   |
| 220 - TRAVEL                                     | 3,556            |
| 230 - CONTRACTUAL SERVICES                       | 234,320          |
| 240 - SUPPLIES                                   | 2,320            |
| 250 - EQUIPMENT                                  | 4,506            |
| 450 - CAPITAL OUTLAYS                            | 13,220           |

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**Schedule of Continuing Appropriations, Continued  
September 30, 2018

| Department/Fund/Obj Class            | Sum of AMOUNT      |
|--------------------------------------|--------------------|
| <b>NOTARY PUBLIC REVOLVING FUND</b>  | <b>79,118</b>      |
| 220 - TRAVEL                         | 15,000             |
| 230 - CONTRACTUAL SERVICES           | 24,459             |
| 240 - SUPPLIES                       | 13,659             |
| 250 - EQUIPMENT                      | 10,000             |
| 450 - CAPITAL OUTLAYS                | 16,000             |
| <b>VICTIM/WITNESS TRAVEL HOUSING</b> | <b>6,010</b>       |
| 220 - TRAVEL                         | 5,010              |
| 230 - CONTRACTUAL SERVICES           | 1,000              |
| <b>Sanctuary Operations</b>          | <b>12,937</b>      |
| <b>FEDERAL GRANT FUND</b>            | <b>12,937</b>      |
| 112 - SALARIES AND WAGES - OVERTIME  | 2,399              |
| 113 - SALARIES AND WAGES - BENEFITS  | 1,028              |
| 230 - CONTRACTUAL SERVICES           | 9,511              |
| <b>Grand Total</b>                   | <b>294,183,763</b> |



# Statistical Section



**Statistical Section Cover:**

*The **Guam Insular Force Memorial** honors the Guam Insular Force Guard whose members stood against an invading unit of Special Naval Landing Forces of the Imperial Japanese Navy on December 10, 1941. The members of the Insular Guard conducted the principal engagement in the “First Battle of Guam” in an heroic struggle to defend the Plaza de España. Four members of the Guam Insular Force Guards were killed and 22 were wounded in the action.*

## 2018 Statistical Section

This part of the Government of Guam's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information in respect of the Government of Guam's overall financial health.

### **Statistical Contents**

#### **Financial Trends**

These schedules present trend information to help the reader understand and assess the government's financial position and performance.

#### **Revenue Capacity**

These schedules identify the government's ability to generate revenues, such as income taxes.

#### **Debt Capacity**

These schedules provide information needed to help understand and assess the government's debt burden and capacity to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules present information to help the reader understand the government's demographic and economic environment.

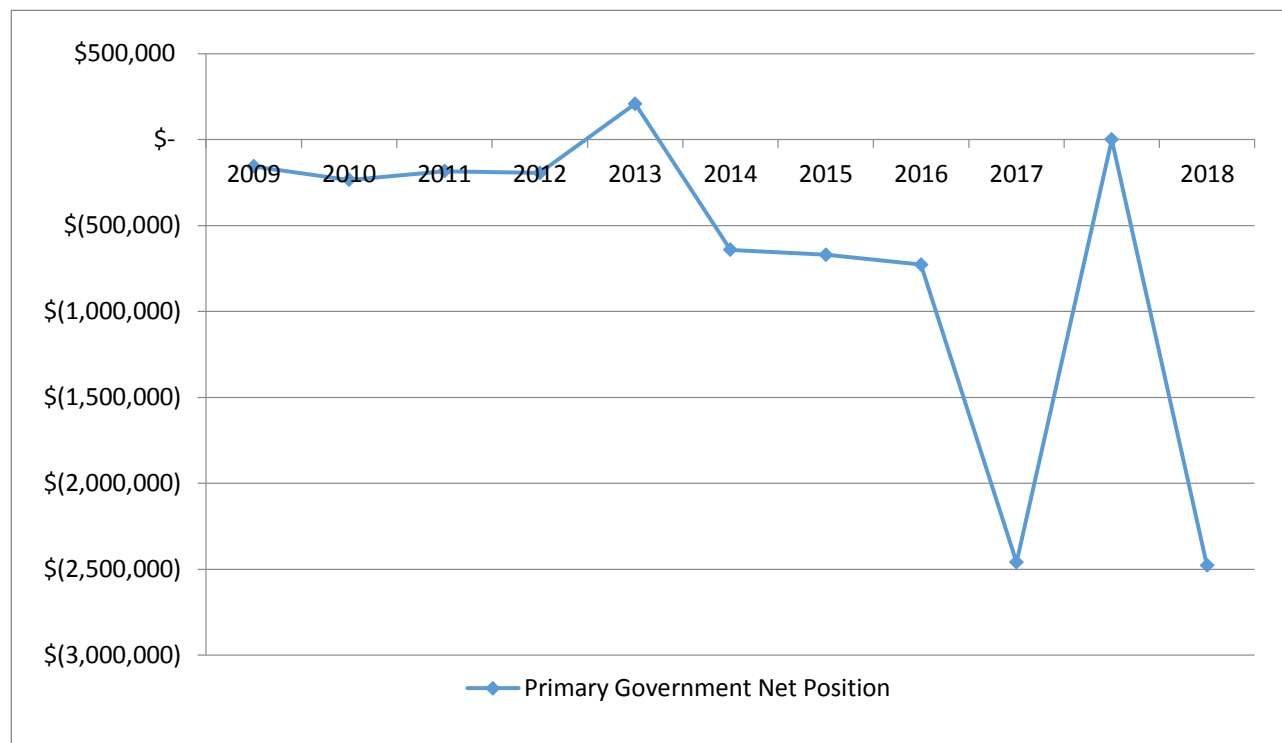
#### **Operating Information**

These schedules contain service, inventory, and infrastructure data to help the reader understand the government's ability to provide public services and the activities it performs.

**Government of Guam**  
**Net Position of Primary Government**  
**Last Ten Years**  
(dollars in thousands)

|                                      | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  | <u>2013</u> | <u>2014</u>                | <u>2015</u>  | <u>2016</u>                | <u>2017</u>                  | <u>2018</u>    |
|--------------------------------------|--------------|--------------|--------------|--------------|-------------|----------------------------|--------------|----------------------------|------------------------------|----------------|
| Primary Government:                  |              |              |              |              |             |                            |              |                            |                              |                |
| Net investment in capital assets     | \$ 404,336   | \$ 382,996   | \$ 411,349   | \$ 449,803   | \$ 508,552  | \$ 585,761                 | \$ 628,118   | \$ 590,002                 | \$ 539,682                   | \$ 507,682     |
| Restricted                           | 141,661      | 137,906      | 189,762      | 146,698      | 534,036     | 520,619                    | 531,990      | 567,330                    | 595,461                      | 623,206        |
| Unrestricted                         | (702,950)    | (755,598)    | (785,884)    | (790,718)    | (834,734)   | (1,747,602)                | (1,831,014)  | (1,885,088)                | (3,594,990)                  | (3,609,059)    |
| Total primary government net postion | \$ (156,953) | \$ (234,696) | \$ (184,773) | \$ (194,217) | \$ 207,854  | \$ (641,222) <sup>1/</sup> | \$ (670,906) | \$ (727,756) <sup>2/</sup> | \$ (2,459,847) <sup>3/</sup> | \$ (2,478,171) |

**Source:** Government of Guam audited financial statements



Note: The fiscal year 2013 beginning fund balance was restated by \$388,911,064 for the restatement of land and other real estates of the governmental activities and the Chamorro Lands Fund in accordance with GASB 52, *Land and Other Real Estate Held as Investments by Endowments*. Due to the adjustment being a cumulative effect over several years the prior year columns were not restated.

<sup>1/</sup> FY15 net position was restated due to GASB 68 (pension liability) implementation (\$816M)

<sup>2/</sup> FY17 net position restated due to the inclusion of COLA (cost of living adjustments) liability (\$213M)

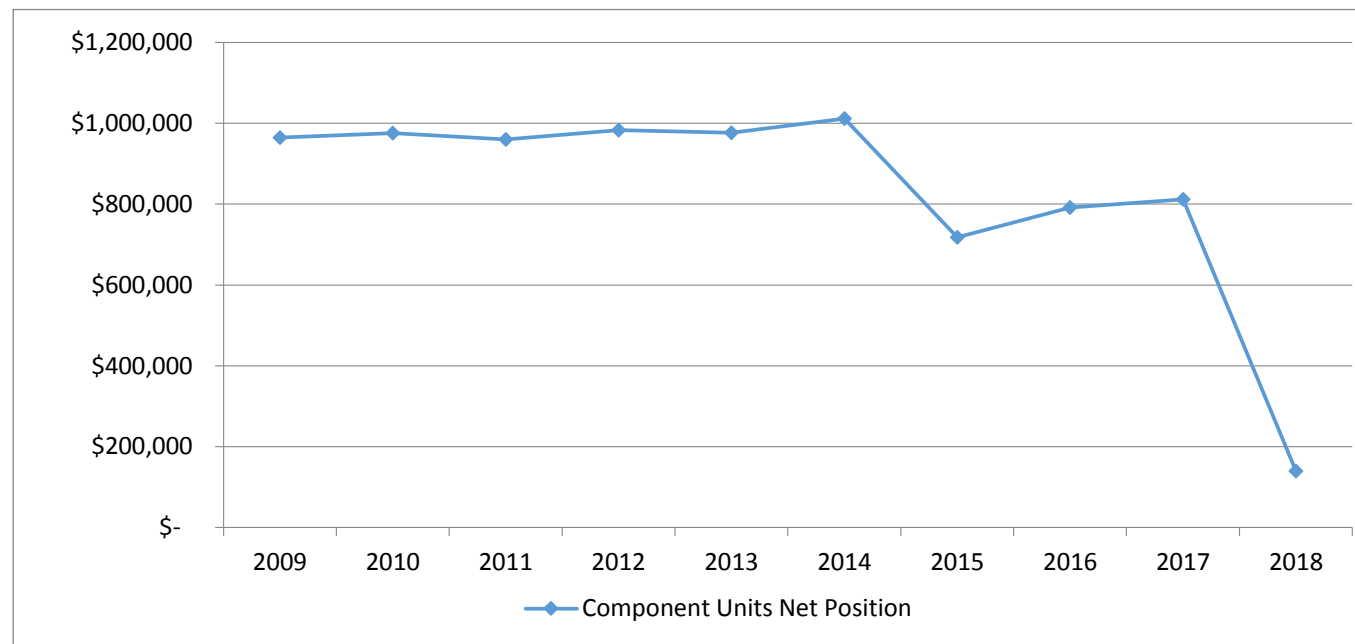
<sup>3/</sup> FY18 change due to FY17 restatement of Other Post-Employment Benefits



**Government of Guam**  
**Net Position of Component Units**  
**Last Ten Years**  
(dollars in thousands)

|                                                       | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u>  | <u>2015</u> | <u>2016</u> | <u>2017</u>              | <u>2018</u> |
|-------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------------------|-------------|
| Component Units:                                      |             |             |             |             |             |              |             |             |                          |             |
| Net investment in capital assets, net of related debt | \$ 679,146  | \$ 688,699  | \$ 687,263  | \$ 709,730  | \$ 604,393  | \$ 608,390   | \$ 661,747  | \$ 599,912  | \$ 639,505               | \$ 674,401  |
| Restricted                                            | 135,846     | 130,473     | 103,382     | 106,561     | 210,272     | 207,347      | 201,848     | 184,264     | 192,328                  | 234,880     |
| Unrestricted                                          | 149,323     | 156,695     | 169,671     | 166,711     | 161,938     | 195,498      | (145,403)   | 6,974       | (20,355)                 | (769,827)   |
| Total component unit net position                     | \$ 964,315  | \$ 975,867  | \$ 960,316  | \$ 983,002  | \$ 976,603  | \$ 1,011,235 | \$ 718,192  | \$ 791,150  | \$ 811,478 <sup>1/</sup> | \$ 139,454  |

**Source:** Government of Guam audited financial statements



Note:

<sup>1/</sup> FY18 change due to implementation of GASB Statement No. 75 (Other Post-Employment Benefit Liability)

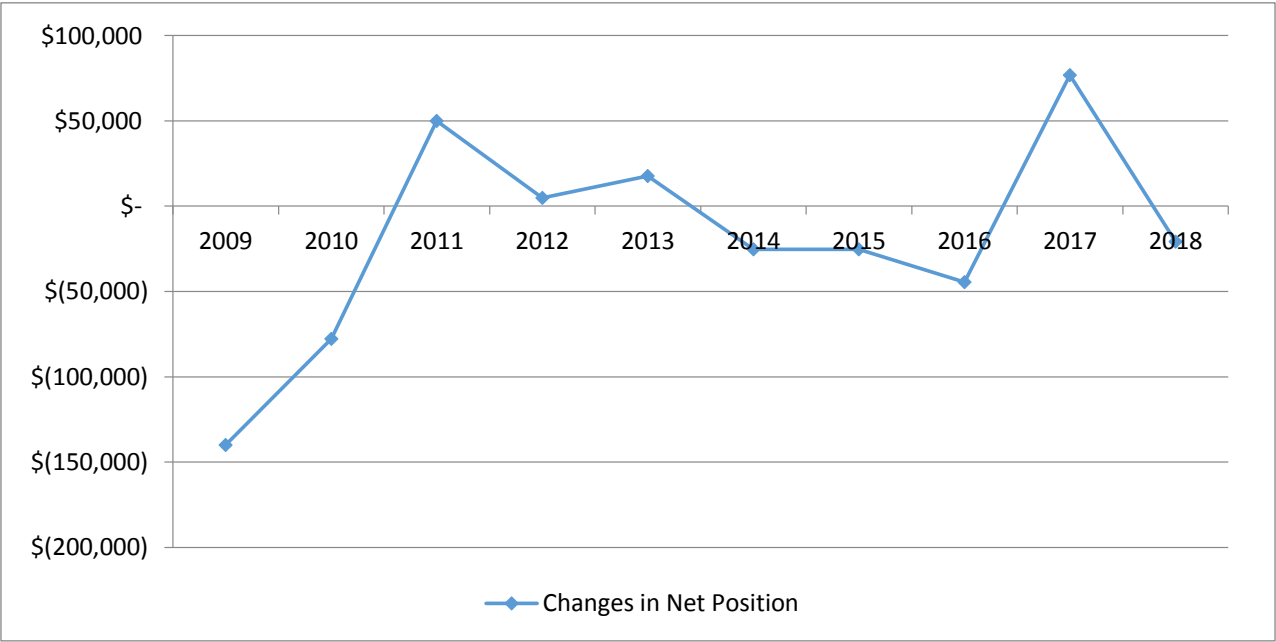
**Government of Guam**  
**Changes in Net Position - Primary Government Activities**  
**Last 10 Years**  
(dollars in thousands)

|                                           | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  |
|-------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenues:</b>                          |              |              |              |              |              |              |              |              |              |              |
| Program Revenues:                         |              |              |              |              |              |              |              |              |              |              |
| Charges for services:                     |              |              |              |              |              |              |              |              |              |              |
| General Government                        | \$ 11,043    | \$ 14,678    | \$ 12,775    | \$ 22,250    | \$ 15,320    | \$ 15,573    | \$ 16,535    | \$ 16,219    | \$ 18,595    | \$ 17,723    |
| Protection of life and property           | 10,625       | 10,745       | 12,328       | 14,518       | 14,979       | 19,043       | 18,189       | 20,531       | 21,333       | 20,405       |
| Transportation                            | 12,045       | 12,355       | 12,524       | 13,008       | 13,063       | 13,346       | 13,213       | 13,791       | 14,246       | 9,827        |
| Environmental protection                  | 8,420        | 14,470       | 18,127       | 20,643       | 22,132       | 20,711       | 21,857       | 23,387       | 23,281       | 23,119       |
| Other                                     | 8,774        | 11,535       | 8,557        | 9,890        | 10,757       | 13,655       | 15,698       | 16,797       | 14,702       | 12,160       |
| Operating grants and contributions        | 284,981      | 330,501      | 427,403      | 383,852      | 376,119      | 347,823      | 363,751      | 367,395      | 362,029      | 381,466      |
| General Revenues:                         |              |              |              |              |              |              |              |              |              |              |
| Taxes                                     | 485,776      | 499,798      | 553,777      | 583,379      | 567,070      | 628,485      | 651,139      | 686,821      | 703,148      | 713,327      |
| Section 30 Federal income tax collections | 38,869       | 39,028       | 46,357       | 53,126       | 96,104       | 87,998       | 71,446       | 78,467       | 87,155       | 77,796       |
| Investment Earnings                       | 4,701        | 5,057        | 3,914        | 3,521        | 1,959        | 2,924        | 428          | 565          | 414          | 264          |
| Contributions to permanent fund           | -            | -            | -            | -            | 4,519        | 8,276        | 4,316        | 12,345       | 25,205       | (2,551)      |
| Other                                     | 4,087        | 5,593        | 5,063        | 14,230       | 22,485       | 16,950       | 9,160        | 4,114        | 8,147        | 9,654        |
| Total revenues                            | \$ 869,321   | \$ 943,760   | \$ 1,100,825 | \$ 1,118,417 | \$ 1,144,507 | \$ 1,174,784 | \$ 1,185,732 | \$ 1,240,432 | \$ 1,278,255 | \$ 1,263,190 |
| <b>Expenses:</b>                          |              |              |              |              |              |              |              |              |              |              |
| General government                        | \$ 106,820   | \$ 123,251   | \$ 146,091   | \$ 214,648   | \$ 148,651   | \$ 180,415   | \$ 162,089   | \$ 160,135   | \$ 123,197   | \$ 126,118   |
| Protection of life and property           | 107,940      | 101,709      | 107,400      | 105,498      | 116,757      | 130,163      | 154,403      | 143,465      | 139,065      | 136,607      |
| Public health                             | 168,891      | 184,881      | 199,274      | 253,442      | 276,151      | 286,044      | 288,996      | 342,320      | 306,636      | 314,209      |
| Community services                        | 37,471       | 38,216       | 36,209       | 25,639       | 24,512       | 24,883       | 29,777       | 38,845       | 36,929       | 41,353       |
| Recreation                                | 5,443        | 4,654        | 4,221        | 24,333       | 22,248       | 23,898       | 30,046       | 34,701       | 30,557       | 32,016       |
| Individual and collective rights          | 47,452       | 53,551       | 53,543       | 25,649       | 61,012       | 57,095       | 73,325       | 73,634       | 83,000       | 77,893       |
| Transportation                            | 33,560       | 36,590       | 24,300       | 26,907       | 30,030       | 35,264       | 34,595       | 33,328       | 31,356       | 28,824       |
| Public education                          | 260,977      | 257,944      | 279,000      | 325,265      | 340,577      | 361,966      | 327,188      | 351,227      | 361,151      | 391,227      |
| Environmental protection                  | 9,320        | 11,125       | 12,586       | 30,384       | 23,137       | 20,124       | 18,847       | 21,648       | 21,196       | 43,594       |
| Economic development                      | 15,705       | 26,664       | 15,750       | 16,498       | 18,297       | 15,055       | 20,998       | 18,095       | 16,101       | 14,482       |
| Interest expense (unallocated)            | 67,663       | 47,009       | 46,504       | 65,300       | 69,975       | 73,341       | 75,151       | 79,885       | 77,365       | 75,189       |
| Payments to autonomous agencies           | 101,317      | 98,760       | 93,600       | -            | -            | -            | -            | -            | -            | -            |
| Capital projects                          | 37,018       | 23,157       | 11,186       | -            | -            | -            | -            | -            | -            | -            |
| Other                                     | 9,745        | 13,991       | 21,238       | -            | -            | -            | -            | -            | -            | -            |
| Total expenses                            | \$ 1,009,322 | \$ 1,021,502 | \$ 1,050,902 | \$ 1,113,563 | \$ 1,131,347 | \$ 1,208,248 | \$ 1,215,415 | \$ 1,297,283 | \$ 1,226,553 | \$ 1,281,512 |

**Government of Guam**  
**Changes in Net Position, continued**  
**Last 10 Years**  
 (dollars in thousands)

|                         | 2009         | 2010        | 2011      | 2012     | 2013      | 2014        | 2015        | 2016        | 2017      | 2018        |
|-------------------------|--------------|-------------|-----------|----------|-----------|-------------|-------------|-------------|-----------|-------------|
| Special Items           | \$ -         | \$ -        | \$ -      | \$ -     | \$ -      | \$ -        | \$ -        | \$ -        | \$ -      | \$ -        |
| Changes in Net Position | \$ (140,001) | \$ (77,742) | \$ 49,923 | \$ 4,854 | \$ 17,679 | \$ (25,188) | \$ (25,367) | \$ (44,506) | \$ 76,907 | \$ (20,873) |

**Source:** Government of Guam audited financial statements



**Government of Guam**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
(dollars in thousands)

|                                 | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u>  | <u>2016</u>  | <u>2017</u> | <u>2018</u> |
|---------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|
| <b>General Fund</b>             |              |              |              |             |             |             |              |              |             |             |
| Reserved                        | \$ 131,564   | \$ 107,244   | \$ -         | \$ -        | \$ -        | \$ -        | \$ -         | \$ -         | \$ -        | \$ -        |
| Unreserved (deficits)           | (396,940)    | (443,688)    | -            | -           | -           | -           | -            | -            | -           | -           |
| Nonspendable                    | -            | -            | 2,816        | 1,228       | 2,031       | 3,364       | 5,023        | 3,158        | 3,364       | 3,610       |
| Restricted                      | -            | -            | 137,105      | 122,813     | 71,888      | 50,032      | 40,419       | 92,872       | 78,236      | 86,096      |
| Committed                       | -            | -            | 48,599       | 39,815      | 22,141      | 15,856      | 12,292       | 13,370       | 14,108      | 11,441      |
| Assigned                        | -            | -            | 593          | 1,039       | -           | -           | -            | -            | -           | -           |
| Unassigned                      | -            | -            | (492,245)    | (134,758)   | (93,734)    | (128,867)   | (176,834)    | (215,133)    | (168,710)   | (184,597)   |
| Total general funds             | \$ (265,376) | \$ (336,444) | \$ (303,132) | \$ 30,137   | \$ 2,326    | \$ (59,615) | \$ (119,100) | \$ (105,733) | \$ (73,002) | \$ (83,450) |
| <b>Other Governmental Funds</b> |              |              |              |             |             |             |              |              |             |             |
| Reserved                        | \$ 156,808   | \$ 209,685   | \$ -         | \$ -        | \$ -        | \$ -        | \$ -         | \$ -         | \$ -        | \$ -        |
| Unreserved, reported in:        |              |              |              |             |             |             |              |              |             |             |
| Special revenue funds           | (57,485)     | (82,845)     | -            | -           | -           | -           | -            | (1,075)      | -           | -           |
| Capital project fund            | 180,946      | 85,314       | -            | -           | -           | -           | -            | -            | -           | -           |
| Debt service funds              | 2            | 2            | -            | -           | -           | -           | -            | -            | -           | -           |
| Nonspendable                    | -            | -            | -            | -           | 411,160     | 419,436     | 423,752      | 436,098      | 461,302     | 458,751     |
| Restricted                      | -            | -            | 188,356      | 143,611     | 130,763     | 87,398      | 51,029       | 37,811       | 40,123      | 39,633      |
| Committed                       | -            | -            | 26,201       | 35,351      | 48,215      | 54,309      | 53,540       | 59,206       | 46,122      | 51,032      |
| Assigned                        | -            | -            | 2,551        | 1,914       | 3,344       | 89          | 79           | 49           | 65          | 148         |
| Unassigned                      | -            | -            | (246)        | (2,107)     | (2,094)     | 1,261       | (248)        | -            | (391)       | (1,802)     |
| Total other governmental funds  | \$ 280,271   | \$ 212,156   | \$ 216,862   | \$ 178,769  | \$ 591,388  | \$ 562,493  | \$ 528,152   | \$ 532,089   | \$ 547,221  | \$ 547,762  |
| <b>Total governmental funds</b> | \$ 14,895    | \$ (124,288) | \$ (86,270)  | \$ 208,906  | \$ 593,714  | \$ 502,878  | \$ 409,052   | \$ 426,356   | \$ 474,219  | \$ 464,312  |

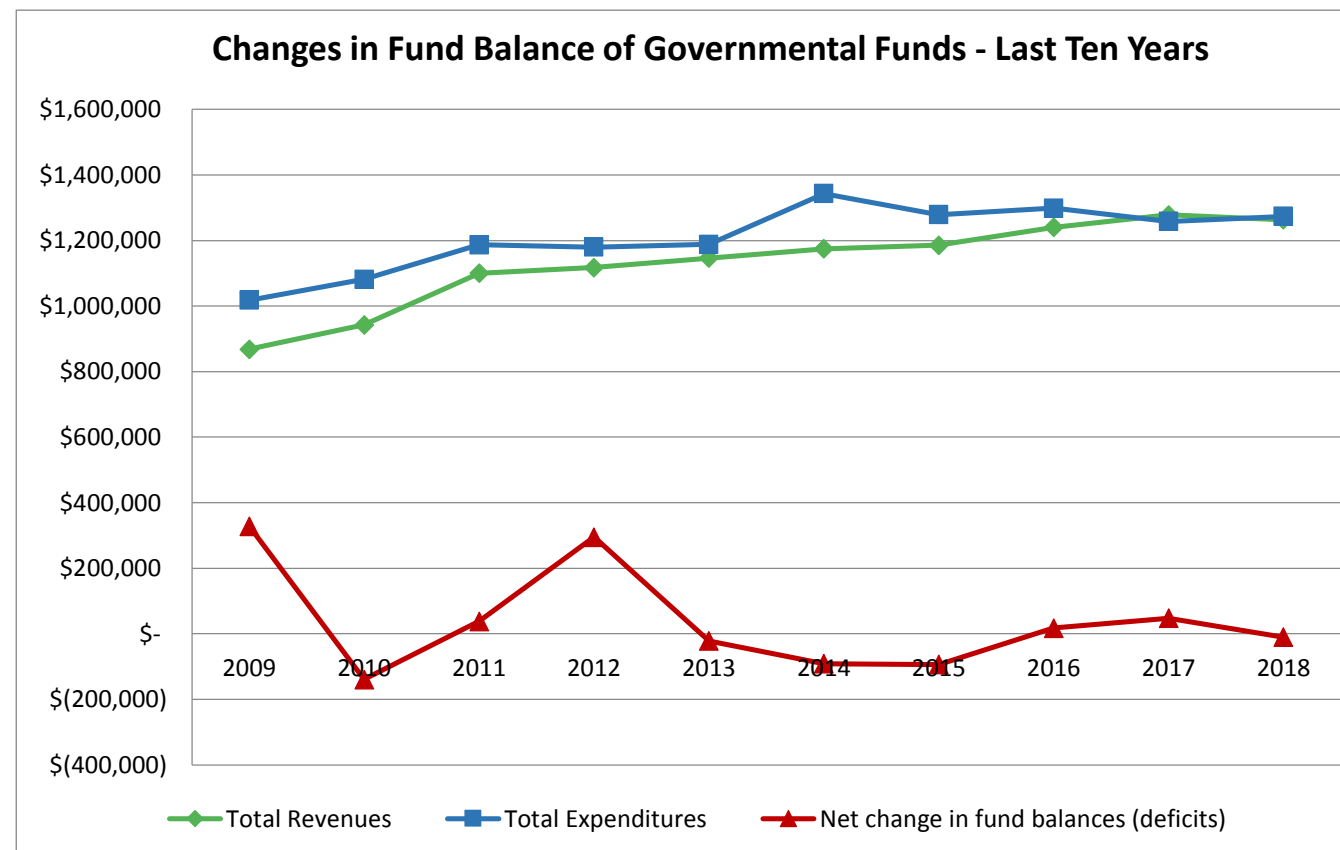
**Source:** Government of Guam audited financial statements  
Categories of fund balance changed in FY 2011 with the implementation of GASB 54

**Government of Guam**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
(dollars in thousands)

| <b>Governmental Funds</b>                                        | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012</b>         | <b>2013</b>         | <b>2014</b>         | <b>2015</b>         | <b>2016</b>         | <b>2017</b>         | <b>2018</b>         |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues:</b>                                                 |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes                                                            | \$ 485,776          | \$ 499,797          | \$ 553,346          | \$ 636,505          | \$ 663,174          | \$ 716,483          | \$ 722,585          | \$ 765,288          | \$ 790,303          | \$ 791,122          |
| Intergovernmental                                                | 278,425             | 324,927             | 425,638             | 381,358             | 373,725             | 347,474             | 360,641             | 364,868             | 359,703             | 378,070             |
| Licenses, fees and permits                                       | 45,970              | 56,794              | 59,951              | 57,083              | 51,610              | 59,842              | 62,446              | 63,946              | 63,689              | 55,456              |
| Section 30                                                       | 41,720              | 39,028              | 46,358              | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Charges for services                                             | -                   | -                   | -                   | 22,175              | 24,155              | 21,969              | 22,331              | 25,721              | 26,814              | 26,285              |
| Fines and forfeits                                               | -                   | -                   | -                   | 386                 | 485                 | 516                 | 714                 | 1,057               | 1,654               | 1,493               |
| Interest and investment earnings                                 | -                   | -                   | -                   | 3,521               | 6,479               | 11,200              | 4,744               | 12,911              | 25,619              | (2,287)             |
| Use of money and property                                        | 4,701               | 5,057               | 3,914               | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Indirect cost reimbursement                                      | 4,552               | 469                 | (56)                | 380                 | 189                 | 350                 | 1,082               | 48                  | 299                 | 4                   |
| Contributions from component units                               | 3,204               | 9,137               | 3,629               | 2,114               | 2,205               | -                   | 2,028               | 2,478               | 2,027               | 3,392               |
| Other                                                            | 4,086               | 7,348               | 7,030               | 14,231              | 24,543              | 16,950              | 9,160               | 4,114               | 8,147               | 9,654               |
| <b>Total Revenues</b>                                            | <b>\$ 868,434</b>   | <b>\$ 942,557</b>   | <b>\$ 1,099,810</b> | <b>\$ 1,117,753</b> | <b>\$ 1,146,565</b> | <b>\$ 1,174,784</b> | <b>\$ 1,185,731</b> | <b>\$ 1,240,431</b> | <b>\$ 1,278,255</b> | <b>\$ 1,263,189</b> |
| <b>Expenditures:</b>                                             |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government                                               | \$ 87,811           | \$ 103,168          | \$ 118,854          | \$ 151,569          | \$ 94,381           | \$ 145,551          | \$ 121,774          | \$ 107,145          | \$ 77,776           | \$ 73,803           |
| Protection of life and property                                  | 107,256             | 101,082             | 107,318             | 105,852             | 117,760             | 131,025             | 143,727             | 143,704             | 139,171             | 138,039             |
| Public health                                                    | 168,905             | 190,851             | 200,147             | 220,699             | 249,363             | 253,777             | 262,967             | 266,280             | 277,325             | 283,968             |
| Community service                                                | 37,464              | 38,208              | 36,202              | 25,632              | 24,511              | 24,844              | 29,818              | 38,916              | 36,707              | 41,133              |
| Recreation                                                       | 5,365               | 4,577               | 4,144               | 3,367               | 4,266               | 4,230               | 5,527               | 6,596               | 5,841               | 5,400               |
| Individual and collective rights                                 | 49,177              | 52,229              | 54,915              | 27,493              | 59,546              | 55,223              | 65,296              | 69,335              | 72,679              | 71,501              |
| Transportation                                                   | 15,693              | 19,175              | 17,285              | 19,398              | 26,966              | 18,989              | 18,102              | 20,520              | 18,671              | 35,242              |
| Public education                                                 | 250,219             | 247,650             | 265,228             | 282,545             | 307,734             | 303,807             | 288,604             | 289,316             | 305,736             | 291,834             |
| Environmental protection                                         | 9,392               | 10,732              | 12,766              | 29,978              | 22,734              | 19,887              | 18,218              | 20,478              | 28,082              | 30,952              |
| Economic development                                             | 10,102              | 21,108              | 10,479              | 9,634               | 10,659              | 9,456               | 10,870              | 14,118              | 12,745              | 9,713               |
| Other                                                            | 20,637              | 19,464              | 28,350              | 60,986              | 22,503              | 23,118              | 40,288              | 45,395              | 67,585              | 62,258              |
| Payments to component units                                      | 101,317             | 98,759              | 94,298              | 110,615             | 111,889             | 112,399             | 109,894             | 158,184             | 104,425             | 114,463             |
| Capital projects                                                 | 60,431              | 82,131              | 134,856             | 36,926              | 45,008              | 148,457             | 63,661              | 25,524              | 10,959              | 9,404               |
| Debt Service:                                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal retirement                                             | 26,035              | 28,528              | 32,454              | 32,662              | 19,718              | 17,470              | 21,968              | 23,173              | 27,481              | 31,658              |
| Interest and fiscal charges                                      | 67,774              | 63,985              | 69,518              | 62,297              | 71,061              | 74,458              | 77,864              | 70,018              | 72,931              | 74,436              |
| <b>Total Expenditures</b>                                        | <b>\$ 1,017,578</b> | <b>\$ 1,081,647</b> | <b>\$ 1,186,814</b> | <b>\$ 1,179,653</b> | <b>\$ 1,188,099</b> | <b>\$ 1,342,691</b> | <b>\$ 1,278,578</b> | <b>\$ 1,298,702</b> | <b>\$ 1,258,114</b> | <b>\$ 1,273,804</b> |
| <b>Excess/(deficiency) of revenues over/(under) expenditures</b> | <b>\$ (149,144)</b> | <b>\$ (139,090)</b> | <b>\$ (87,004)</b>  | <b>\$ (61,900)</b>  | <b>\$ (41,534)</b>  | <b>\$ (167,907)</b> | <b>\$ (92,847)</b>  | <b>\$ (58,271)</b>  | <b>\$ 20,141</b>    | <b>\$ (10,615)</b>  |

**Government of Guam**  
**Changes in Fund Balances of Governmental Funds, continued**  
**Last Ten Years**  
(dollars in thousands)

|                                                                | <u>2009</u> | <u>2010</u>  | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------------------------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Other Financial Sources (Uses)</b>                          |             |              |             |             |             |             |             |             |             |             |
| Proceeds from issuance of long-term debt                       | \$ 493,594  | \$ 991       | \$ 156,400  | \$ 343,700  | \$ 42,578   | \$ -        | \$ 410,751  | \$ 238,728  | \$ 1,611    | \$ -        |
| Discount on bonds issued                                       | (15,265)    | -            | (2,117)     | 14,517      | 2,958       | -           | 44,650      | 43,943      | -           | -           |
| Payment to refund bond escrow agent                            | -           | -            | (28,788)    | -           | (25,089)    | -           | (454,759)   | (211,658)   | -           | -           |
| Capital leases                                                 | -           | -            | -           | -           | -           | 78,024      | -           | 4,947       | 26,996      | -           |
| Transfers in from other funds                                  | 173,770     | 183,013      | 169,277     | 116,051     | 91,367      | 129,638     | 138,616     | 107,560     | 118,553     | 86,447      |
| Transfers out to other funds                                   | (174,749)   | (184,094)    | (169,751)   | (117,191)   | (92,113)    | (130,590)   | (140,237)   | (107,945)   | (119,439)   | (85,738)    |
| Total Other Financial Sources (Uses)                           | \$ 477,350  | \$ (90)      | \$ 125,021  | \$ 357,077  | \$ 19,701   | \$ 77,072   | \$ (979)    | \$ 75,575   | \$ 27,721   | \$ 709      |
| Special items:                                                 |             |              |             |             |             |             |             |             |             |             |
| Sale of GTA                                                    | \$ -        | \$ -         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Adjustment for medical bill accrual                            | -           | -            | -           | -           | -           | -           | -           | -           | -           | -           |
| Total special items                                            | \$ -        | \$ -         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Net change in fund balances (deficits)                         | 328,206     | (139,180)    | 38,017      | 295,177     | (21,833)    | (90,835)    | (93,826)    | 17,304      | 47,862      | (9,906)     |
| Fund balances (deficits) at beginning of year                  | (313,313)   | 14,893       | (124,287)   | (86,271)    | 208,906     | 593,713     | 502,878     | 409,052     | 426,356     | 474,218     |
| Restatement                                                    | -           | -            | -           | -           | 406,640     | -           | -           | -           | -           | -           |
| Fund balances (deficits) at end of year                        | \$ 14,893   | \$ (124,287) | \$ (86,270) | \$ 208,906  | \$ 593,713  | \$ 502,878  | \$ 409,052  | \$ 426,356  | \$ 474,218  | \$ 464,312  |
| Ratio of debt service expenditures to non-capital expenditures | 9.5%        | 9.2%         | 9.8%        | 8.6%        | 8.5%        | 7.6%        | 8.2%        | 7.5%        | 8.4%        | 8.6%        |



**Source:** Government of Guam audited financial statements

**Government of Guam**  
**Governmental Activities Tax Revenue by Source**  
**Last Ten Years**  
(dollars in thousands)

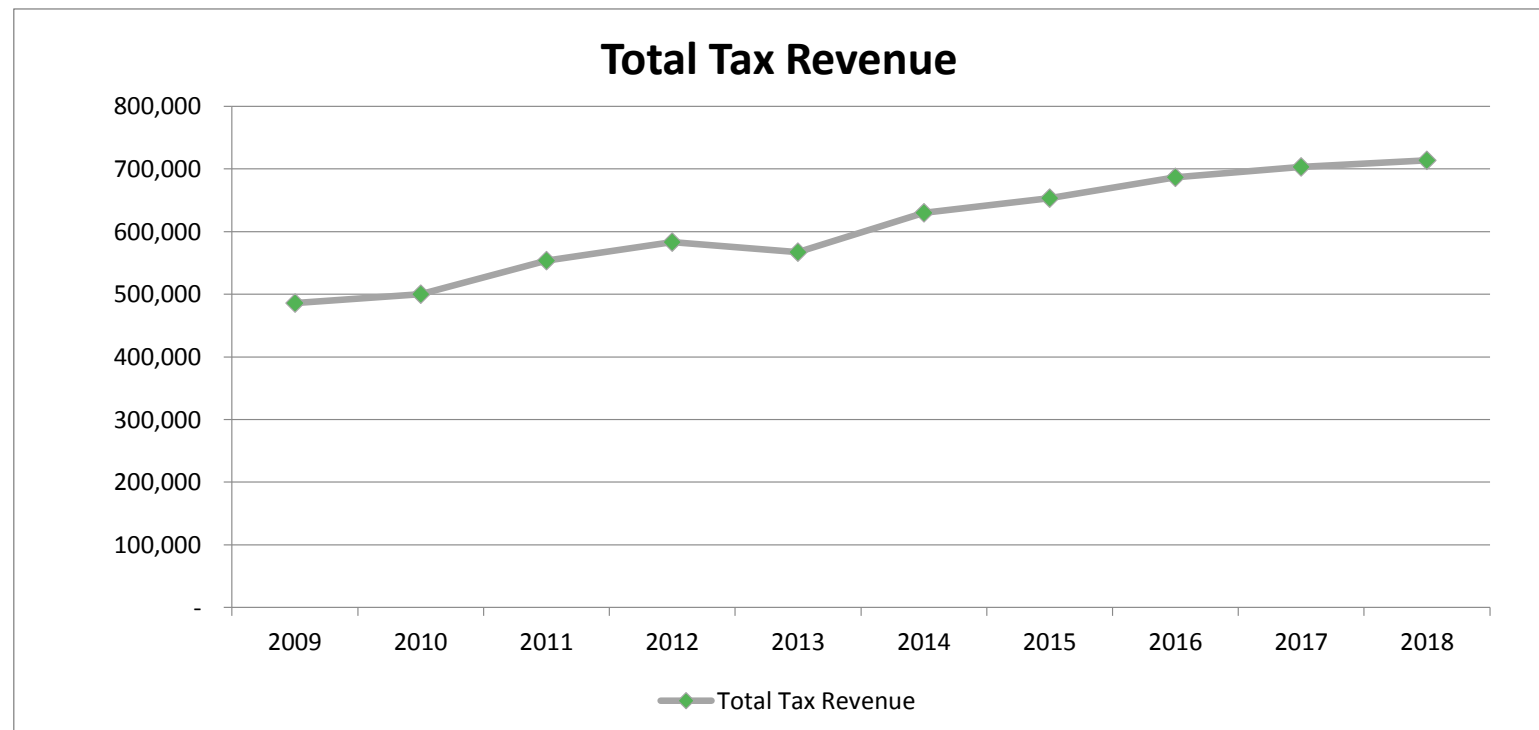
| Year               | Income  | Gross Receipts | Property | Hotel Occupancy | Liquid Fuel | Tobacco | Beverages | Excise | Limited Gaming | Other | Total Tax Revenue |
|--------------------|---------|----------------|----------|-----------------|-------------|---------|-----------|--------|----------------|-------|-------------------|
| 2009               | 241,877 | 182,584        | 20,311   | 19,399          | 9,441       | 5,355   | 3,398     | 3,412  | -              | -     | 485,777           |
| 2010               | 239,252 | 188,621        | 19,452   | 22,233          | 9,778       | 14,820  | 2,151     | 3,491  | -              | -     | 499,798           |
| 2011               | 282,410 | 200,048        | 20,577   | 22,972          | 9,479       | 12,831  | 2,911     | 2,549  | -              | -     | 553,777           |
| 2012               | 284,823 | 221,444        | 19,225   | 26,054          | 9,831       | 17,056  | 2,486     | 2,460  | -              | -     | 583,379           |
| 2013               | 261,855 | 221,673        | 21,263   | 29,331          | 9,826       | 19,615  | 780       | 2,726  | 224            | -     | 567,293           |
| 2014               | 296,187 | 238,249        | 23,263   | 34,362          | 9,792       | 20,961  | 2,208     | 3,463  | 1,703          | -     | 630,188           |
| 2015               | 324,402 | 226,592        | 28,033   | 36,988          | 9,932       | 19,723  | 2,778     | 2,691  | 1,944          | -     | 653,083           |
| 2016               | 343,836 | 238,305        | 26,320   | 40,864          | 10,051      | 20,104  | 2,896     | 2,938  | 1,506          | -     | 686,820           |
| 2017               | 354,709 | 237,134        | 26,991   | 44,007          | 10,412      | 21,940  | 3,400     | 2,836  | 1,719          | -     | 703,148           |
| <sup>1/</sup> 2018 | 318,124 | 269,685        | 29,933   | 43,181          | 13,297      | 28,562  | 3,677     | 2,728  | 4,140          | -     | 713,327           |

**Source:** Government of Guam audited financial statements

**Note:**

Audited figures include accruals, adjustments, and reclassifications

<sup>1/</sup> FY18 experienced an increase of about \$28.1 million in amnesty related collections



**Government of Guam**  
**Gross Receipt Tax Rates and Collections**  
**Last Ten Fiscal Years**  
(dollars in thousands)

| <b>Year</b> | <b>Tax<br/>Rate</b> | <b>Total<br/>Collections</b> |
|-------------|---------------------|------------------------------|
| 2009        | 4%                  | \$ 182,584                   |
| 2010        | 4%                  | \$ 188,621                   |
| 2011        | 4%                  | \$ 200,048                   |
| 2012        | 4%                  | \$ 221,444                   |
| 2013        | 4%                  | \$ 221,673                   |
| 2014        | 4%                  | \$ 238,249                   |
| 2015        | 4%                  | \$ 226,592                   |
| 2016        | 4%                  | \$ 238,305                   |
| 2017        | 4%                  | \$ 237,134                   |
| 2018        | 5%                  | \$ 269,685                   |

**Source:** Government of Guam audited financial statements

**Note:**

Audited figures include accruals, adjustments, and reclassifications



**Government of Guam**  
**Principal Gross Receipt Tax Payers - General Fund - by Category**  
**Current and Ten Years Ago**

| Taxpayer Category       | 2018                                |      |                                 | 2009                                |      |                                 |
|-------------------------|-------------------------------------|------|---------------------------------|-------------------------------------|------|---------------------------------|
|                         | Gross ReceiptsTax                   | Rank | Percentage of Total Collections | Gross ReceiptsTax                   | Rank | Percentage of Total Collections |
| Retailing               | \$ 116,219,185                      | 1    | 44.4%                           | 77,962,337                          | 1    | 41.1%                           |
| Service                 | 68,165,311                          | 2    | 26.0%                           | 49,384,504                          | 2    | 26.0%                           |
| Contracting (Local)     | 24,664,707                          | 3    | 9.4%                            | 23,971,009                          | 3    | 12.6%                           |
| Rental Real Prop.       | 16,549,809                          | 4    | 6.3%                            | 9,195,439                           | 5    | 4.8%                            |
| Insurance Premium       | 9,923,102                           | 5    | 3.1%                            | 10,843,474                          | 4    | 1.7%                            |
| Rental Others           | 8,037,750                           | 6    | 3.8%                            | 3,229,836                           | 8    | 5.7%                            |
| Profession              | 6,670,434                           | 7    | 2.5%                            | 4,148,623                           | 7    | 2.2%                            |
| Commission              | 5,471,567                           | 8    | 2.1%                            | 4,166,103                           | 6    | 2.2%                            |
| Wholesaling             | 2,336,024                           | 9    | 0.9%                            | 2,386,929                           | 10   | 1.3%                            |
| Contracting (US)        | 1,875,996                           | 10   | 0.7%                            | 1,486,279                           | 11   | 0.8%                            |
| Others GRT              | 1,201,025                           | 11   | 0.5%                            | 2,655,371                           | 9    | 1.4%                            |
| Interest                | 627,802                             | 12   | 0.2%                            | 381,508                             | 13   | 0.2%                            |
| <sup>2/</sup> Amusement | -                                   |      |                                 | 660,214                             | 12   | 0.3%                            |
| Total Tax (fiscal year) | <u>\$ 261,742,712 <sup>1/</sup></u> |      | <u>100.0% <sup>1/</sup></u>     | <u>\$ 189,811,412 <sup>1/</sup></u> |      | <u>100%</u>                     |

**Source:** Department of Administration, Division of Accounts  
Department of Revenue & Taxation

**Note:**

<sup>1/</sup> GASB 33 Accrual not included

<sup>2/</sup> Amusement Revenues are no longer included in the General Fund beginning in Fiscal Year 2017

**Government of Guam**  
**Gross Receipt Tax Revenue - General Fund By Major Component**  
**Last Ten Years**

| <b>Taxpayer Category</b> | <b>2009</b>    | <b>2010</b>    | <b>2011</b>    | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Wholesaling              | \$ 2,386,929   | \$ 2,611,335   | \$ 4,069,989   | \$ 3,192,962   | \$ 3,565,716   | \$ 5,132,366   | \$ 2,916,905   | \$ 2,795,021   | \$ 3,619,421   | \$ 2,336,024   |
| Retailing                | 77,962,337     | 79,422,371     | 85,093,637     | 96,642,197     | 93,075,549     | 102,019,270    | 100,537,812    | 100,840,882    | 104,387,128    | 116,219,185    |
| Service                  | 49,384,504     | 48,576,440     | 46,853,642     | 47,387,770     | 49,695,886     | 52,076,638     | 54,894,479     | 57,060,885     | 55,915,862     | 68,165,311     |
| Rental Real Prop.        | 9,195,439      | 9,429,516      | 11,083,304     | 12,996,706     | 14,367,174     | 13,853,290     | 13,356,056     | 14,876,522     | 15,185,030     | 16,549,809     |
| Rental Others            | 3,229,836      | 3,688,180      | 4,682,412      | 5,420,669      | 5,204,699      | 6,781,064      | 6,433,707      | 6,636,900      | 7,798,411      | 8,037,750      |
| Profession               | 4,148,623      | 3,839,274      | 4,564,911      | 4,355,964      | 5,500,559      | 5,545,231      | 5,545,246      | 5,864,608      | 5,720,060      | 6,670,434      |
| Commission               | 4,166,103      | 3,553,232      | 3,578,926      | 2,924,176      | 3,466,280      | 3,420,241      | 4,075,985      | 4,559,462      | 4,911,726      | 5,471,567      |
| Insurance Premium        | 10,843,474     | 7,071,737      | 6,699,980      | 9,430,626      | 8,120,668      | 10,529,670     | 13,823,008     | 9,073,881      | 7,295,454      | 9,923,102      |
| Contracting (Local)      | 23,971,009     | 22,364,769     | 23,546,248     | 24,600,705     | 28,157,525     | 28,522,152     | 27,097,702     | 27,864,266     | 24,291,399     | 24,664,707     |
| Contracting (US)         | 1,486,279      | 2,281,465      | 3,154,054      | 1,925,690      | 3,079,166      | 2,679,350      | 1,612,970      | 2,034,891      | 2,433,965      | 1,875,996      |
| Interest                 | 381,508        | 999,543        | 1,070,432      | 1,954,557      | 1,720,277      | 1,249,349      | 205,478        | 165,376        | 783,102        | 627,802        |
| <sup>2/</sup> Amusement  | 660,214        | 687,959        | 774,228        | 995,975        | 950,285        | 1,038,751      | 1,220,388      | 1,305,466      | -              | -              |
| Others GRT               | 2,655,371      | 3,372,121      | 3,643,273      | 3,499,357      | 3,748,561      | 5,618,034      | 991,728        | 1,006,519      | 1,036,740      | 1,201,025      |
| Totals                   | \$ 190,471,626 | \$ 187,897,942 | \$ 198,815,036 | \$ 215,327,352 | \$ 220,652,345 | \$ 238,465,407 | \$ 232,711,463 | \$ 234,084,681 | \$ 233,378,297 | \$ 261,742,712 |

**Source:** Department of Administration, Division of Accounts  
Department of Revenue & Taxation

**Note:**

<sup>1/</sup> GASB 33 Accrual not included for all Fiscal Year

<sup>2/</sup> Amusement Revenues are no longer included in the General Fund beginning in Fiscal Year 2017

**Government of Guam**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**  
(dollars in thousands)

| Year | Primary Government    |                       |           | Total<br>Primary<br>Government | Percentage of<br>Earner's<br>Income | Per<br>Capita (in<br>dollars) |
|------|-----------------------|-----------------------|-----------|--------------------------------|-------------------------------------|-------------------------------|
|      | General<br>Obligation | Limited<br>Obligation | Other     |                                |                                     |                               |
|      | Bonds                 | Bonds                 | Bonds     |                                |                                     |                               |
| 2009 | \$ 460,285            | \$ 282,490            | \$ 24,210 | \$ 766,985                     | 3.01%                               | \$ 4,827                      |
| 2010 | \$ 457,375            | \$ 263,680            | \$ 21,308 | \$ 742,363                     | 2.92%                               | \$ 4,658                      |
| 2011 | \$ 451,085            | \$ 308,420            | \$ 16,033 | \$ 775,538                     | 3.05%                               | \$ 4,853                      |
| 2012 | \$ 444,445            | \$ 635,120            | \$ 11,002 | \$ 1,090,567                   | 4.28%                               | \$ 6,820                      |
| 2013 | \$ 412,780            | \$ 651,430            | \$ 8,813  | \$ 1,073,023                   | 4.21%                               | \$ 6,691                      |
| 2014 | \$ 408,975            | \$ 643,520            | \$ 8,259  | \$ 1,060,754                   | 4.17%                               | \$ 6,588                      |
| 2015 | \$ 23,995             | \$ 1,043,180          | \$ 7,938  | \$ 1,075,113                   | 4.22%                               | \$ 6,637                      |
| 2016 | \$ 19,740             | \$ 1,085,865          | \$ 9,447  | \$ 1,115,052                   | 4.38%                               | \$ 6,769                      |
| 2017 | \$ 15,230             | \$ 1,071,165          | \$ 10,357 | \$ 1,096,752                   | 4.31%                               | \$ 6,733                      |
| 2018 | \$ 10,445             | \$ 1,053,040          | \$ 9,584  | \$ 1,073,069                   | 4.21%                               | \$ 6,496                      |

**Source:** Government of Guam audited financial statements

**Government of Guam**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Years**  
(dollars in thousands)

| <b>Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Limited<br/>Obligation<br/>Bonds</b> | <b>Total</b> | <b>Amounts<br/>Available for<br/>Debt Service</b> | <b>Net<br/>General Bonded<br/>Debt</b> | <b>Appraised<br/>Value<br/>of<br/>Property</b> | <b>Percentage of<br/>Appraised<br/>Value of Property</b> |
|-------------|-----------------------------------------|-----------------------------------------|--------------|---------------------------------------------------|----------------------------------------|------------------------------------------------|----------------------------------------------------------|
| 2009        | \$ 460,285                              | \$ 282,490                              | \$ 742,775   | \$ 20,565                                         | \$ 722,210                             | \$ 12,181,000                                  | 5.9%                                                     |
| 2010        | \$ 457,375                              | \$ 263,680                              | \$ 721,055   | \$ 16,851                                         | \$ 704,204                             | \$ 12,301,000                                  | 5.7%                                                     |
| 2011        | \$ 451,085                              | \$ 308,420                              | \$ 759,505   | \$ 18,396                                         | \$ 741,109                             | \$ 12,211,000                                  | 6.1%                                                     |
| 2012        | \$ 444,445                              | \$ 635,120                              | \$ 1,079,565 | \$ 11,312                                         | \$ 1,068,253                           | \$ 11,394,000                                  | 9.4%                                                     |
| 2013        | \$ 412,780                              | \$ 651,430                              | \$ 1,064,210 | \$ 12,174                                         | \$ 1,052,036                           | \$ 11,589,000                                  | 9.1%                                                     |
| 2014        | \$ 408,975                              | \$ 643,520                              | \$ 1,052,495 | \$ 12,274                                         | \$ 1,040,221                           | \$ 16,974,000                                  | 6.1%                                                     |
| 2015        | \$ 23,995                               | \$ 1,043,180                            | \$ 1,067,175 | \$ 12,284                                         | \$ 1,054,891                           | \$ 14,899,000                                  | 7.1%                                                     |
| 2016        | \$ 19,740                               | \$ 1,085,865                            | \$ 1,105,605 | \$ 12,237                                         | \$ 1,093,368                           | \$ 15,429,000                                  | 7.1%                                                     |
| 2017        | \$ 15,230                               | \$ 1,071,165                            | \$ 1,086,395 | \$ 12,264                                         | \$ 1,074,131                           | \$ 14,831,000                                  | 7.2%                                                     |
| 2018        | \$ 10,445                               | \$ 1,053,040                            | \$ 1,063,485 | \$ 12,527                                         | \$ 1,050,958                           | \$ 14,626,000                                  | 7.2%                                                     |

**Source:** Government of Guam audited financial statements  
Department of Revenue and Taxation  
Bureau of Statistics and Plans

**Government of Guam**  
**Outstanding Debt by Component Units**  
**Last Ten Years**  
(dollars in thousands)

| Year | Guam<br>International<br>Airport<br>Authority | Guam<br>Power<br>Authority | Guam<br>Memorial<br>Hospital<br>Authority | Guam<br>Economic<br>Development<br>Authority | Guam<br>Waterworks<br>Authority | Port<br>Authority<br>of Guam |
|------|-----------------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------|---------------------------------|------------------------------|
| 2009 | \$ 180,960                                    | \$ 388,059                 | \$ -                                      | \$ 48,004                                    | \$ 103,039                      | \$ -                         |
| 2010 | \$ 172,725                                    | \$ 587,240                 | \$ -                                      | \$ 47,204                                    | \$ 128,840                      | \$ -                         |
| 2011 | \$ 164,100                                    | \$ 579,445                 | \$ 11,891                                 | \$ 46,549                                    | \$ 239,873                      | \$ 3,355                     |
| 2012 | \$ 160,600                                    | \$ 566,805                 | \$ 11,293                                 | \$ 45,829                                    | \$ 233,616                      | \$ 3,201                     |
| 2013 | \$ 258,263                                    | \$ 530,560                 | \$ 10,753                                 | \$ 45,059                                    | \$ 228,117                      | \$ 14,659                    |
| 2014 | \$ 258,636                                    | \$ 594,720                 | \$ 23,623                                 | \$ 44,169                                    | \$ 394,567                      | \$ 13,948                    |
| 2015 | \$ 247,849                                    | \$ 581,120                 | \$ 21,596                                 | \$ 42,784                                    | \$ 387,298                      | \$ 18,385                    |
| 2016 | \$ 236,386                                    | \$ 566,855                 | \$ -                                      | \$ 41,779                                    | \$ 522,952                      | \$ 19,833                    |
| 2017 | \$ 224,439                                    | \$ 566,740                 | \$ -                                      | \$ 40,799                                    | \$ 515,031                      | \$ 21,210                    |
| 2018 | \$ 211,890                                    | \$ 563,190                 | \$ -                                      | \$ 40,754                                    | \$ 505,344                      | \$ 71,445                    |

| Year | University<br>of Guam | Guam<br>Community<br>College | Guam<br>Housing<br>and Urban<br>Renewal<br>Authority | Guam<br>Housing<br>Corporation | Total<br>Component<br>Units |
|------|-----------------------|------------------------------|------------------------------------------------------|--------------------------------|-----------------------------|
| 2009 | \$ 12,930             | \$ 1,280                     | \$ 1,442                                             | \$ 10,402                      | \$ 746,116                  |
| 2010 | \$ 12,787             | \$ 632                       | \$ 1,401                                             | \$ 9,332                       | \$ 960,161                  |
| 2011 | \$ 12,616             | \$ 2,397                     | \$ 1,356                                             | \$ 8,193                       | \$ 1,069,775                |
| 2012 | \$ 12,396             | \$ 2,495                     | \$ 1,310                                             | \$ 6,977                       | \$ 1,044,522                |
| 2013 | \$ 12,253             | \$ 5,600                     | \$ 1,262                                             | \$ 6,832                       | \$ 1,113,358                |
| 2014 | \$ 12,042             | \$ 5,586                     | \$ 1,209                                             | \$ 4,415                       | \$ 1,352,915                |
| 2015 | \$ 11,899             | \$ 5,509                     | \$ 1,154                                             | \$ 4,255                       | \$ 1,321,849                |
| 2016 | \$ 11,549             | \$ 4,415                     | \$ 1,095                                             | \$ 4,085                       | \$ 1,408,949                |
| 2017 | \$ 11,314             | \$ 3,231                     | \$ 1,033                                             | \$ 3,905                       | \$ 1,387,702                |
| 2018 | \$ 11,068             | \$ 3,179                     | \$ 966                                               | \$ 3,715                       | \$ 1,411,551                |

**Source:** Government of Guam audited financial statements

**Government of Guam**  
**Legal Debt Margin**  
**Last Ten Years**  
(dollars in millions)

|                                                                   | <u>2009</u>      | <u>2010</u>      | <u>2011</u>      | <u>2012</u>            | <u>2013</u>            | <u>2014</u>      | <u>2015</u>            | <u>2016</u>            | <u>2017</u>      | <u>2018</u>      |
|-------------------------------------------------------------------|------------------|------------------|------------------|------------------------|------------------------|------------------|------------------------|------------------------|------------------|------------------|
| <b>Appraised Value</b>                                            |                  |                  |                  |                        |                        |                  |                        |                        |                  |                  |
| Land                                                              | \$ 6,923         | \$ 7,009         | \$ 6,769         | \$ 6,492 <sup>1/</sup> | \$ 6,367 <sup>1/</sup> | \$ 7,630         | \$ 7,648 <sup>1/</sup> | \$ 7,878 <sup>1/</sup> | \$ 6,985         | \$ 6,772         |
| Building                                                          | <u>5,258</u>     | <u>5,292</u>     | <u>5,442</u>     | <u>5,309</u>           | <u>5,629</u>           | <u>9,344</u>     | <u>7,251</u>           | <u>7,551</u>           | <u>7,846</u>     | <u>7,854</u>     |
| Total Appraised Value                                             | <u>\$ 12,181</u> | <u>\$ 12,301</u> | <u>\$ 12,211</u> | <u>\$ 11,801</u>       | <u>\$ 11,996</u>       | <u>\$ 16,974</u> | <u>\$ 14,899</u>       | <u>\$ 15,429</u>       | <u>\$ 14,831</u> | <u>\$ 14,626</u> |
| <br>% of Appraised Value                                          | 90%              | 90%              | 90%              | 100%                   | 100%                   | 100%             | 100%                   | 90%                    | 90%              | 90%              |
| <b>Assessed Value (1)</b>                                         |                  |                  |                  |                        |                        |                  |                        |                        |                  |                  |
| Land                                                              | \$ 6,231         | \$ 6,308         | \$ 6,092         | \$ 6,492               | \$ 6,367               | \$ 7,630         | \$ 7,648               | \$ 7,090               | \$ 6,287         | \$ 6,094         |
| Building                                                          | <u>4,732</u>     | <u>4,763</u>     | <u>4,898</u>     | <u>5,309</u>           | <u>5,629</u>           | <u>9,344</u>     | <u>7,251</u>           | <u>6,796</u>           | <u>7,061</u>     | <u>7,068</u>     |
| <b>Total Assessed Value</b>                                       | <u>\$ 10,963</u> | <u>\$ 11,071</u> | <u>\$ 10,990</u> | <u>\$ 11,801</u>       | <u>\$ 11,996</u>       | <u>\$ 16,974</u> | <u>\$ 14,899</u>       | <u>\$ 13,886</u>       | <u>\$ 13,348</u> | <u>\$ 13,162</u> |
| <br>Debt Limit (10% of Assessed Value)                            | \$ 1,096         | \$ 1,107         | \$ 1,099         | \$ 1,180               | \$ 1,200               | \$ 1,697         | \$ 1,490               | \$ 1,389               | \$ 1,335         | \$ 1,316         |
| Debt Applicable to Limit                                          | <u>756</u>       | <u>763</u>       | <u>811</u>       | <u>1,127</u>           | <u>1,104</u>           | <u>1,110</u>     | <u>1,119</u>           | <u>1,119</u>           | <u>1,102</u>     | <u>1,074</u>     |
| <b>Legal Debt Margin</b>                                          | <u>\$ 340</u>    | <u>\$ 344</u>    | <u>\$ 288</u>    | <u>\$ 53</u>           | <u>\$ 96</u>           | <u>\$ 587</u>    | <u>\$ 371</u>          | <u>\$ 270</u>          | <u>\$ 233</u>    | <u>\$ 242</u>    |
| <br>Debt applicable to the limit<br>as a percentage of debt limit | 69%              | 69%              | 74%              | 96%                    | 92%                    | 65%              | 75%                    | 81%                    | 83%              | 82%              |

**Source: Department of Revenue & Taxation**

**Note:**

<sup>1/</sup> FY2012 and FY2013 appraised land values were updated to reflect the \$406.6 million attributed to the Chamorro Land Trust inventory valuation.

**Government of Guam**  
**Pledged Revenue Coverage - General Fund Section 30 Revenues**  
**Last Ten Years**  
(dollars in thousands)

| <b>Year</b> | <b>Revenues<br/>Pledged</b> | <b>Debt Service</b>     | <b>Debt Service<br/>Coverage</b> |
|-------------|-----------------------------|-------------------------|----------------------------------|
| 2009        | \$ 38,869                   | \$ 15,181               | 2.56                             |
| 2010        | \$ 39,028                   | \$ 16,254               | 2.40                             |
| 2011        | \$ 46,357                   | \$ 26,507               | 1.75                             |
| 2012        | \$ 53,126                   | \$ 25,776               | 2.06                             |
| 2013        | \$ 96,104                   | \$ 17,390               | 5.53                             |
| 2014        | \$ 87,998                   | \$ 15,672               | 5.61                             |
| 2015        | \$ 71,446                   | \$ 15,670               | 4.56                             |
| 2016        | \$ 78,467                   | \$ 15,670 <sup>1/</sup> | 5.01                             |
| 2017        | \$ 87,155                   | \$ 12,047               | 7.23                             |
| 2018        | \$ 77,796                   | \$ 17,006               | 4.57                             |

**Source:** GovGuam audited financial statements

**Note:** Section 30 revenues are payable to GovGuam by the United States Government pursuant to Section 30 of the Organic Act, Title 48, U.S. Code, Section 41421(h).

<sup>1/</sup> Section 30 bonds were refinanced in August 2016

**Government of Guam**  
**Pledged Revenue Coverage - Hotel Occupancy Tax Revenues**  
**Last Ten Years**  
(dollars in thousands)

| <b>Year</b> | <b>Revenues<br/>Pledged</b> | <b>Debt Service</b> | <b>Debt Service<br/>Coverage</b> |
|-------------|-----------------------------|---------------------|----------------------------------|
| 2009        | \$ 19,399                   | \$ 7,222            | 2.69                             |
| 2010        | \$ 22,233                   | \$ 6,657            | 3.34                             |
| 2011        | \$ 22,972                   | \$ 4,778            | 4.81                             |
| 2012        | \$ 26,054                   | \$ 7,004            | 3.72                             |
| 2013        | \$ 29,331                   | \$ 6,998            | 4.19                             |
| 2014        | \$ 34,362                   | \$ 6,999            | 4.91                             |
| 2015        | \$ 36,988                   | \$ 6,998            | 5.29                             |
| 2016        | \$ 40,864                   | \$ 6,999            | 5.84                             |
| 2017        | \$ 43,815                   | \$ 6,999            | 6.26                             |
| 2018        | \$ 43,181                   | \$ 6,996            | 6.17                             |

**Source:** GovGuam audited financial statements - 2008 thru 2018

**Note:** Hotel occupancy revenues are taxes payable to GovGuam.



**Government of Guam**

**Pledged Revenue Coverage - Judicial Fees, Fines, and Building Rental Receipts**

**Last Ten Years**

(dollars in thousands)

| <b>Year</b> | <b>Revenues<br/>Pledged</b> | <b>Debt Service</b> | <b>Debt Service<br/>Coverage</b> |
|-------------|-----------------------------|---------------------|----------------------------------|
| 2009        | \$ 2,883                    | \$ 745              | 3.87                             |
| 2010        | \$ 2,750                    | \$ 993              | 2.77                             |
| 2011        | \$ 2,637                    | \$ 993              | 2.66                             |
| 2012        | \$ 1,920                    | \$ 993              | 1.93                             |
| 2013        | \$ 1,765                    | \$ 993              | 1.78                             |
| 2014        | \$ 1,915                    | \$ 993              | 1.93                             |
| 2015        | \$ 2,044                    | \$ 993              | 2.06                             |
| 2016        | \$ 1,830                    | \$ 993              | 1.84                             |
| 2017        | \$ 1,648                    | \$ 993              | 1.66                             |
| 2018        | \$ 1,461                    | \$ 993              | 1.47                             |

**Source:** GovGuam audited financial statements

**Government of Guam**  
**Pledged Revenue Coverage - Compact Impact Grant Revenues**  
**Last Ten Years**  
(dollars in thousands)

| <b>Year</b> | <b>Total<br/>Compact<br/>Impact<br/>Revenues</b> | <b>Revenues<br/>Pledged</b> | <b>Debt Service</b> | <b>Debt Service<br/>Coverage</b> |
|-------------|--------------------------------------------------|-----------------------------|---------------------|----------------------------------|
| 2009        | \$ 14.2                                          | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2010        | \$ 16.8                                          | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2011        | \$ 16.8                                          | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2012        | \$ 16.8                                          | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2013        | \$ 16.8 <sup>1/</sup>                            | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2014        | \$ 18.5 <sup>1/</sup>                            | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2015        | \$ 16.4 <sup>1/</sup>                            | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2016        | \$ 16.4 <sup>1/</sup>                            | \$ 7,100                    | \$ 7,100            | 1.00                             |
| 2017        | \$ 16.2 <sup>1/</sup>                            | \$ 6,665                    | \$ 6,665            | 1.00                             |
| 2018        | \$ 17.1 <sup>1/</sup>                            | \$ 7,662                    | \$ 6,626            | 1.16                             |

**Source:** GovGuam audited financial statements  
Bureau of Budget and Management Research

**Note:** Compact Impact Grant Revenues are payable to GovGuam by the United States Government pursuant to the Compact of Free Association Act, U.S. Public Law 108-188.

<sup>1/</sup> Inclusive of IA Supplemental grants

**Government of Guam**  
**Pledged Revenue Coverage - Business Privilege Tax Revenues**  
**Last Ten Years**

| <u>Year</u> | <u>Revenues<br/>Pledged</u> | <u>Debt Service</u> | <u>Debt Service<br/>Coverage</u> |
|-------------|-----------------------------|---------------------|----------------------------------|
| 2009        | \$ -                        | \$ -                | -                                |
| 2010        | \$ -                        | \$ -                | -                                |
| 2011        | \$ -                        | \$ -                | -                                |
| 2012        | \$ 221,444                  | \$ 7,334            | 29.89                            |
| 2013        | \$ 221,673                  | \$ 17,473           | 12.69                            |
| 2014        | \$ 238,249                  | \$ 19,501           | 12.22                            |
| 2015        | \$ 226,592                  | \$ 22,013           | 10.29                            |
| 2016        | \$ 238,305                  | \$ 36,154           | 6.59                             |
| 2017        | \$ 237,134                  | \$ 48,885           | 4.85                             |
| 2018        | \$ 269,685                  | \$ 50,920           | 5.30                             |

Source: GovGuam audited financial statements

Note: BPT payments started in FY2012.

**Government of Guam**  
**General Fund Provision for Tax Refunds**  
**Last Ten Years**  
(dollars in thousands)

| <b>Year</b> | <b>Balance Sheet</b> |
|-------------|----------------------|
| 2009        | \$ 253,959           |
| 2010        | \$ 278,287           |
| 2011        | \$ 326,035           |
| 2012        | \$ 100,961           |
| 2013        | \$ 103,346           |
| 2014        | \$ 99,347            |
| 2015        | \$ 107,425           |
| 2016        | \$ 110,794           |
| 2017        | \$ 114,718           |
| 2018        | \$ 123,400           |

**Source:** GovGuam audited financial statements

**Government of Guam**  
**Demographic and Economic Statistics**  
**Last Ten Years**

| <b>Year</b> | <b>Population</b> | <b>Unemployment<br/>Rate</b> | <b>Registered<br/>Voters</b> |
|-------------|-------------------|------------------------------|------------------------------|
| 2009        | 158,897           | 9.3%                         | 50,806                       |
| 2010        | 159,358           | n/a                          | 50,033                       |
| 2011        | 159,821           | 13.3%                        | 52,821                       |
| 2012        | 159,914           | 10.9%                        | 49,020                       |
| 2013        | 160,378           | 10.0%                        | 50,701                       |
| 2014        | 161,001           | 7.6%                         | 49,450                       |
| 2015        | 162,000           | 4.5% <sup>1/</sup>           | 44,891                       |
| 2016        | 162,742           | 5.4%                         | 49,966                       |
| 2017        | 163,875           | 4.9%                         | 46,631                       |
| 2018        | 165,177           | 3.6%                         | 54,328                       |

n/a = not available

**Source:** Bureau of Statistics and Plans  
Guam Department of Labor  
Guam Election Commission (Even Years, Primary; Odd Years, General)  
United States Census Bureau, International Data Base

<sup>1/</sup> Updated to reflect 9/30/15 figure

**Note:**

\*Last update of Per Capita Income and Mean Earner's Income was in 2010,  
data figures do not clearly represent current economic conditions.

**Government of Guam**  
**Employees by Industry Based on Payrolls**  
**Last Ten Years**

| <b>Calendar<br/>Year</b> | <b>Private<br/>Sector</b> | <b>% of Total<br/>Employment</b> | <b>Federal<br/>Government</b> | <b>% of Total<br/>Employment</b> | <b>Government<br/>of Guam</b> | <b>% of Total<br/>Employment</b> | <b>Total<br/>Employees</b> |
|--------------------------|---------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|----------------------------|
| 2009                     | 45,912                    | 75.0%                            | 3,683                         | 6.0%                             | 11,630                        | 19.0%                            | 61,225                     |
| 2010                     | 46,315                    | 74.4%                            | 3,841                         | 6.2%                             | 12,054                        | 19.4%                            | 62,210                     |
| 2011                     | 45,913                    | 74.3%                            | 3,968                         | 6.4%                             | 11,895                        | 19.3%                            | 61,776                     |
| 2012 <sup>1/</sup>       | 45,450                    | 74.2%                            | 3,990                         | 6.5%                             | 11,820                        | 19.3%                            | 61,260                     |
| 2013 <sup>1/</sup>       | 46,040                    | 74.9%                            | 3,940                         | 6.4%                             | 11,280                        | 18.3%                            | 61,490                     |
| 2014 <sup>1/</sup>       | 47,110                    | 75.3%                            | 4,130                         | 6.6%                             | 11,310                        | 18.1%                            | 62,550                     |
| 2015 <sup>1/</sup>       | 47,570                    | 74.7%                            | 4,030                         | 6.3%                             | 12,040                        | 18.9%                            | 63,640                     |
| 2016 <sup>1/</sup>       | 47,210                    | 75.1%                            | 3,900                         | 6.2%                             | 11,730                        | 18.7%                            | 62,840                     |
| 2017 <sup>1/</sup>       | 47,190                    | 75.2%                            | 3,910                         | 6.2%                             | 11,620                        | 18.5%                            | 62,720                     |
| 2018 <sup>1/</sup>       | 49,100                    | 76.5%                            | 3,760                         | 5.9%                             | 11,360                        | 17.7%                            | 64,220                     |

**Source:** Department of Labor

Note: 1/ As of September, calendar year

**Government of Guam  
Top 10 Private Employers  
Current Year**

| <b>2018</b>                   |                                    |                              |                               |                                    |
|-------------------------------|------------------------------------|------------------------------|-------------------------------|------------------------------------|
| <b><u>Employers</u></b>       | <b><u>Business Type</u></b>        | <b><u>Number of Rank</u></b> | <b><u>Total Employees</u></b> | <b><u>% of Total Employees</u></b> |
| Triple J Enterprises Inc.     | automotive, various                | 1                            | 911                           | 13.81%                             |
| DZSP 21 LLC                   | military support services, various | 2                            | 910                           | 13.79%                             |
| PMC Investments Inc.          | grocery, various                   | 3                            | 800                           | 12.13%                             |
| Pacific Islands Club Guam     | hotel                              | 4                            | 758                           | 11.49%                             |
| Docomo Pacific                | communications                     | 5                            | 630                           | 9.55%                              |
| Bank of Guam                  | financial services                 | 6                            | 626                           | 9.49%                              |
| Hilton Guam Resort & Spa      | hotel                              | 7                            | 520                           | 7.88%                              |
| Black Construction Corp.      | construction                       | 8                            | 503                           | 7.62%                              |
| GTA                           | communications                     | 9                            | 455                           | 6.90%                              |
| Core Tech International Corp. | construction                       | 10                           | 484                           | 7.34%                              |
| Total Top Employment          |                                    |                              | 6,597                         |                                    |

**Source:** Guam Business Magazine

Annually the United States Federal Government and the Government of Guam employee 6% and 20%, respectively, of the work force. The above table focuses on the private sector employees, only.

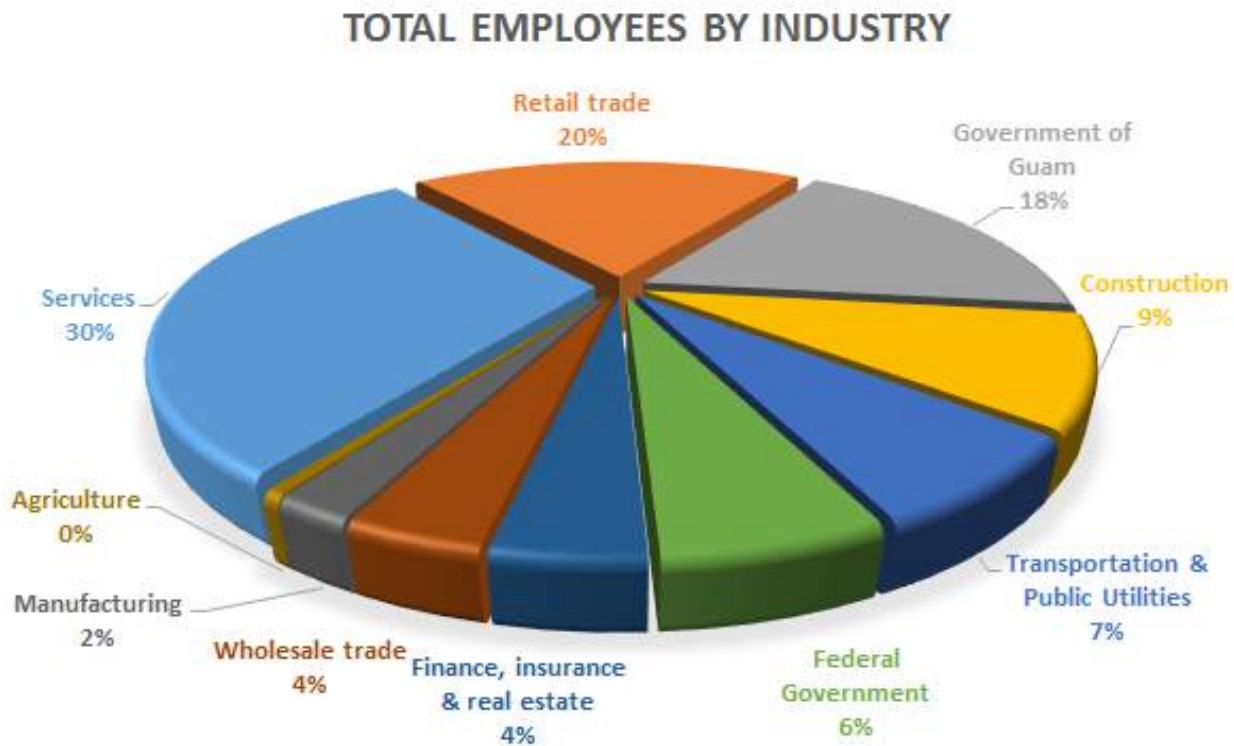
Information for ten years prior was not available

- For Calvo Enterprises Inc. and Triple J. Enterprises Inc. employee count inclusive of Micronesia

**Government of Guam  
Top Employers by Industry  
Current Year**

| 2018                              |                       |                        |                             |
|-----------------------------------|-----------------------|------------------------|-----------------------------|
| <u>Industry Type</u>              | <u>Number of Rank</u> | <u>Total Employees</u> | <u>% of Total Employees</u> |
| Services                          | 1                     | 19,130                 | 30%                         |
| Retail trade                      | 2                     | 12,930                 | 20%                         |
| Government of Guam                | 3                     | 11,360                 | 18%                         |
| Construction                      | 4                     | 6,020                  | 9%                          |
| Transportation & Public Utilities | 5                     | 4,470                  | 7%                          |
| Federal Government                | 6                     | 3,760                  | 6%                          |
| Finance, insurance & real estate  | 7                     | 2,530                  | 4%                          |
| Wholesale trade                   | 8                     | 2,330                  | 4%                          |
| Manufacturing                     | 9                     | 1,360                  | 2%                          |
| Agriculture                       | 10                    | 330                    | 1%                          |

**Source:** Government of Guam, Department of Labor





**Government of Guam  
School Enrollment  
Last Ten Years**

| Academic<br>Year | Primary and Secondary |       |                          |                        | Higher Education      |                              |
|------------------|-----------------------|-------|--------------------------|------------------------|-----------------------|------------------------------|
|                  | Catholic              | DoDEA | Other Private<br>Schools | Guam Public<br>Schools | University<br>of Guam | Guam<br>Community<br>College |
| <b>2008-2009</b> | 4,153                 | 2,473 | 3,605                    | 30,329                 | 3,387                 | 1,835                        |
| <b>2009-2010</b> | 4,320                 | 2,224 | 2,357                    | 30,188                 | 3,550                 | 2,220                        |
| <b>2010-2011</b> | 4,421                 | 2,055 | 3,963                    | 30,436                 | 3,639                 | 2,542                        |
| <b>2011-2012</b> | 4,341                 | 2,439 | 2,649                    | 30,833                 | 3,721                 | 2,556                        |
| <b>2012-2013</b> | 4,392                 | 2,238 | 2,556                    | 31,698                 | 3,702                 | 2,576                        |
| <b>2013-2014</b> | 4,058                 | 2,235 | 2,523                    | 30,955                 | 3,836                 | 2,727                        |
| <b>2014-2015</b> | 4,031                 | 2,139 | 3,046                    | 30,620                 | 3,958                 | 2,563                        |
| <b>2015-2016</b> | 3,942                 | 2,168 | 3,106                    | 30,307                 | 3,991                 | 2,410                        |
| <b>2016-2017</b> | 3,791                 | 2,264 | 3,397                    | 30,244                 | 3,875                 | 2,428                        |
| <b>2017-2018</b> | 3,827                 | 2,252 | 3,797                    | 29,510                 | 3,917                 | 2,274                        |

**Source:** Bureau of Statistics and Plans  
Guam Community College Fact Book Volume 1-6

**Note:** Guam Community College figures only based on postsecondary enrollment  
All figures based on fall enrollments  
Charter School enrollment figures are included with Other Private Schools

**Government of Guam**  
**Visitor Arrivals by Country of Residence**  
**Current Year and Nine Years Ago**

| Calendar Year                      | Japan        | United States | CNMI/<br>Micronesia | Taiwan      | Philippines | Korea        | Hong Kong   | Other       | Total Visitor Arrivals by Air |
|------------------------------------|--------------|---------------|---------------------|-------------|-------------|--------------|-------------|-------------|-------------------------------|
| 2009                               | 825,129      | 55,525        | 31,927              | 22,088      | 11,581      | 82,978       | 2,872       | 12,391      | 1,044,491                     |
| 2010                               | 893,716      | 61,381        | 32,521              | 31,320      | 12,358      | 134,692      | 6,890       | 14,953      | 1,187,831                     |
| 2011                               | 824,005      | 61,348        | 33,184              | 45,086      | 10,097      | 149,076      | 8,903       | 18,502      | 1,150,201                     |
| 2012                               | 929,229      | 62,618        | 31,357              | 49,144      | 10,483      | 182,829      | 8,609       | 24,372      | 1,298,641                     |
| 2013                               | 893,118      | 48,836        | 29,810              | 48,653      | 10,920      | 245,655      | 8,857       | 48,648      | 1,334,497                     |
| 2014                               | 810,856      | 68,763        | 27,943              | 49,136      | 12,079      | 308,037      | 8,180       | 45,727      | 1,330,721                     |
| 2015                               | 773,019      | 70,246        | 29,046              | 42,205      | 12,427      | 427,900      | 8,406       | 37,148      | 1,400,397                     |
| 2016                               | 752,757      | 76,727        | 34,591              | 41,534      | 18,704      | 519,430      | 8,397       | 40,109      | 1,492,249                     |
| 2017                               | 674,343      | 76,296        | 34,731              | 36,270      | 19,818      | 649,428      | 16,053      | 37,888      | 1,544,827                     |
| 2018                               | 563,386      | 93,269        | 40,683              | 27,880      | 19,092      | 746,986      | 6,587       | 34,529      | 1,532,412                     |
| <b>Percentage of Arrivals 2018</b> | <b>36.8%</b> | <b>6.1%</b>   | <b>2.7%</b>         | <b>1.8%</b> | <b>1.2%</b> | <b>48.7%</b> | <b>0.4%</b> | <b>2.3%</b> |                               |

**Source:** Guam Visitors Bureau

**Note:** Only based on air arrivals. See Operating Indicators by Function for air and sea.

The Government of Guam considers tourism to be a large contributor to Guam's economy.



**Government of Guam**  
**Primary Reason for Trip to Guam, Visitors only**  
**Last 10 Years**

| <b>Year</b> | <b>Pleasure</b> | <b>Business</b> | <b>Gov't/Military</b> | <b>Other</b> | <b>Total</b> |
|-------------|-----------------|-----------------|-----------------------|--------------|--------------|
| 2009        | 715,291         | 37,080          | 16,044                | 3,456        | 771,871      |
| 2010        | 793,915         | 41,328          | 18,959                | 3,831        | 858,033      |
| 2011        | 784,242         | 38,352          | 20,138                | 54,220       | 896,952      |
| 2012        | 873,659         | 43,616          | 21,755                | 56,268       | 995,298      |
| 2013        | 902,990         | 41,158          | 10,472                | 53,485       | 1,008,105    |
| 2014        | 924,778         | 44,274          | 13,556                | 52,753       | 1,035,361    |
| 2015        | 1,000,896       | 41,541          | 14,631                | 52,960       | 1,110,028    |
| 2016        | 1,084,023       | 43,257          | 16,329                | 56,659       | 1,200,268    |
| 2017        | 1,154,863       | 39,091          | 16,990                | 45,866       | 1,256,810    |
| 2018        | 1,187,005       | 40,548          | 42,875                | 34,931       | 1,305,359    |

**Source:** Guam Visitors Bureau

**Note:** surveys were voluntary

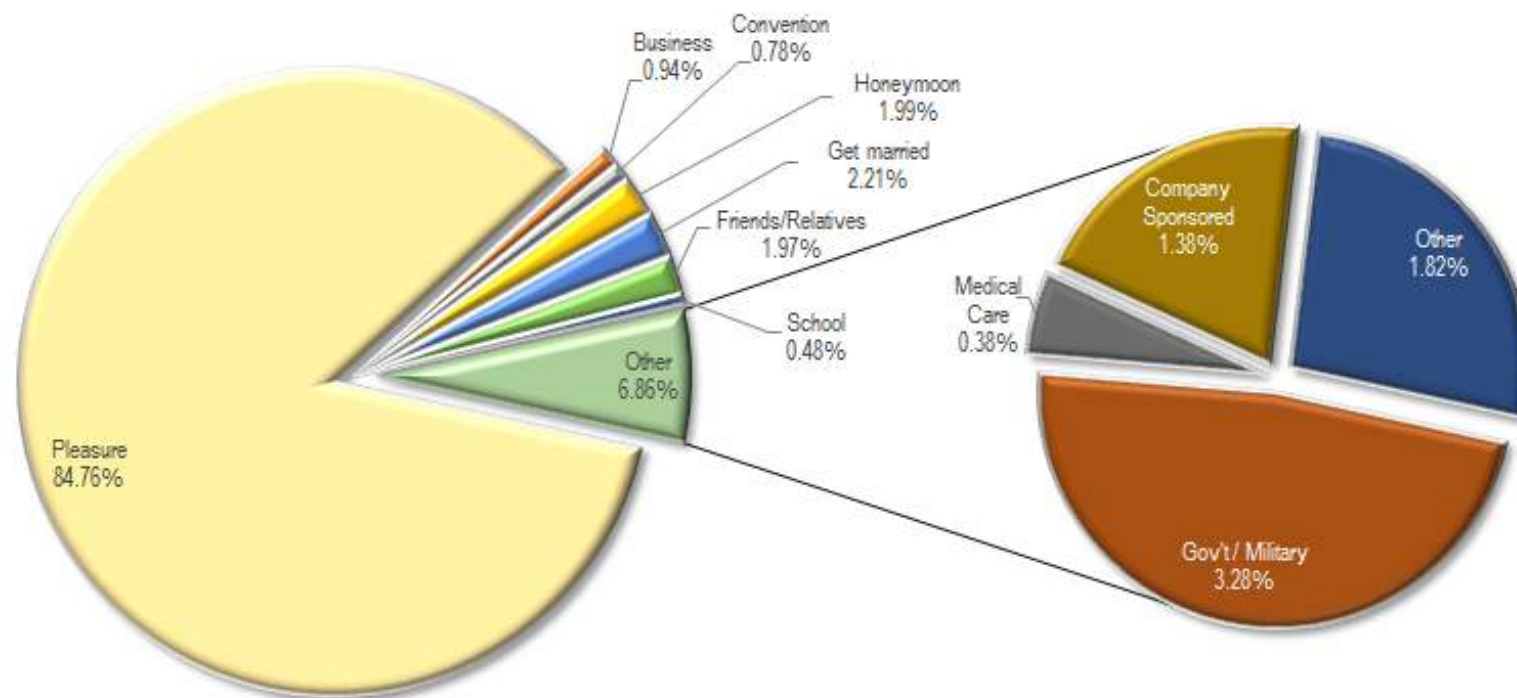
**Government of Guam**  
**Primary Reason for Trip to Guam, Visitors only (Detailed)**  
**Last 10 Years**

| Year | Pleasure  | Business | Golf   | Conven-<br>tion | Honey-<br>moon | Get<br>married | Wedding &<br>Honey-<br>moon | Friends/Rel<br>atives | Employ-<br>ment | School | Gov't /<br>Military | Medical<br>Care | Company<br>Sponsored | Other  |
|------|-----------|----------|--------|-----------------|----------------|----------------|-----------------------------|-----------------------|-----------------|--------|---------------------|-----------------|----------------------|--------|
| 2009 | 616,911   | 20,669   | 23,324 | 3,749           | 22,817         | 29,852         | N/A                         | 22,387                | 1,525           | 313    | 16,044              | 1,618           | 12,662               | N/A    |
| 2010 | 685,587   | 22,551   | 23,760 | 2,499           | 26,114         | 35,456         | N/A                         | 22,998                | 1,534           | 378    | 18,959              | 1,919           | 16,278               | N/A    |
| 2011 | 664,047   | 21,577   | 21,523 | 2,522           | 26,818         | 34,619         | 14,902                      | 22,333                | 1,314           | 363    | 20,138              | 1,668           | 14,253               | 50,875 |
| 2012 | 752,432   | 20,987   | 23,014 | 3,063           | 26,695         | 34,656         | 14,721                      | 22,141                | 1,284           | 341    | 21,755              | 1,764           | 19,566               | 52,879 |
| 2013 | 784,808   | 18,935   | 22,661 | 2,338           | 25,540         | 33,762         | 14,499                      | 21,720                | 1,254           | 357    | 10,472              | 1,844           | 19,885               | 50,030 |
| 2014 | 808,469   | 19,195   | 22,712 | 2,564           | 27,367         | 31,163         | 13,979                      | 21,088                | 1,287           | 444    | 13,556              | 1,602           | 22,515               | 49,420 |
| 2015 | 891,246   | 19,306   | 20,991 | 2,667           | 26,307         | 26,644         | 12,650                      | 23,058                | 1,513           | 414    | 14,631              | 1,599           | 19,568               | 49,434 |
| 2016 | 972,498   | 20,037   | 20,042 | 3,082           | 26,795         | 25,828         | 11,980                      | 26,880                | 1,404           | 488    | 16,329              | 1,979           | 20,138               | 52,788 |
| 2017 | 1,056,065 | 19,107   | 15,157 | 3,567           | 25,080         | 22,958         | 9,186                       | 26,417                | 1,311           | 413    | 16,990              | 3,202           | 16,417               | 40,940 |
| 2018 | 1,106,394 | 12,334   | n/a    | 10,240          | 26,001         | 28,898         | n/a                         | 25,712                | n/a             | 6,229  | 42,875              | 4,946           | 17,974               | 23,756 |

**Source:** Guam Visitors Bureau

**Note:** surveys were voluntary

**Primary Reason for Trip to Guam (Visitors only)**



**Government of Guam**  
**Average Visitor Expenditures by Major Market**  
**Last Ten Years**

| Fiscal<br>Year | Japan     |                      |                | Korea     |                      |                |
|----------------|-----------|----------------------|----------------|-----------|----------------------|----------------|
|                | Prepaid   | Local<br>(On-Island) | Total<br>Japan | Prepaid   | Local<br>(On-Island) | Total<br>Korea |
| 2009           | \$ 865.94 | \$ 605.71            | \$ 1,471.65    | \$ 666.99 | \$ 319.62            | \$ 986.61      |
| 2010           | \$ 720.90 | \$ 499.40            | \$ 1,220.30    | \$ 790.20 | \$ 412.40            | \$ 1,202.60    |
| 2011           | \$ 926.60 | \$ 558.50            | \$ 1,485.10    | \$ 961.40 | \$ 424.40            | \$ 1,385.80    |
| 2012           | \$ 900.30 | \$ 596.00            | \$ 1,496.30    | \$ 916.10 | \$ 392.00            | \$ 1,308.10    |
| 2013           | \$ 704.18 | \$ 467.16            | \$ 1,171.34    | \$ 814.85 | \$ 371.59            | \$ 1,186.44    |
| 2014           | \$ 774.17 | \$ 488.15            | \$ 1,262.32    | \$ 833.74 | \$ 483.79            | \$ 1,317.53    |
| 2015           | \$ 731.16 | \$ 443.17            | \$ 1,174.33    | \$ 839.93 | \$ 527.40            | \$ 1,367.33    |
| 2016           | \$ 820.05 | \$ 442.27            | \$ 1,262.32    | \$ 762.31 | \$ 422.59            | \$ 1,184.90    |
| 2017           | \$ 853.76 | \$ 438.57            | \$ 1,292.33    | \$ 788.49 | \$ 382.70            | \$ 1,171.19    |
| 2018           | \$ 971.25 | \$ 527.47            | \$ 1,498.72    | \$ 754.38 | \$ 333.44            | \$ 1,087.82    |

**Source:** Guam Visitors Bureau

**Note:** Figures are based per visitor, per day  
2011 expenses are based on visitor tracker exit profile, FY 2011 data aggregation

The Government of Guam considers tourism to be a large contributor to Guam's economy.

**Government of Guam**  
**Tourism Indicators**  
**Last Ten years**

| <b>Calendar<br/>Year</b> | <b>Average<br/>Room<br/>Rate</b> | <b>Number<br/>of Rooms</b> | <b>Hotel<br/>Occupancy<br/>Rate</b> | <b>Average<br/>Length<br/>of Stay</b> |
|--------------------------|----------------------------------|----------------------------|-------------------------------------|---------------------------------------|
| 2009                     | \$ 107.50                        | 9,107                      | 60                                  | 3.39                                  |
| 2010                     | \$ 110.83                        | 9,277                      | 71                                  | 3.42                                  |
| 2011                     | \$ 114.83                        | 9,037                      | 72                                  | 3.45                                  |
| 2012                     | \$ 123.17                        | 8,285                      | 79                                  | 3.45                                  |
| 2013                     | \$ 133.83                        | 8,451                      | 75                                  | 3.40                                  |
| 2014                     | \$ 149.00                        | 9,343                      | 75                                  | 3.50                                  |
| 2015                     | \$ 159.00                        | 9,380                      | 76                                  | 3.80                                  |
| 2016                     | \$ 198.77                        | 8,904                      | 83                                  | 3.75                                  |
| 2017                     | \$ 205.40                        | 9,040                      | 84                                  | 4.39                                  |
| 2018                     | \$ 205.25                        | 8,883                      | 87                                  | 4.72                                  |

**Source:** Bureau of Statistics and Plans  
Guam Visitors Bureau

Average Length of Stay are estimates

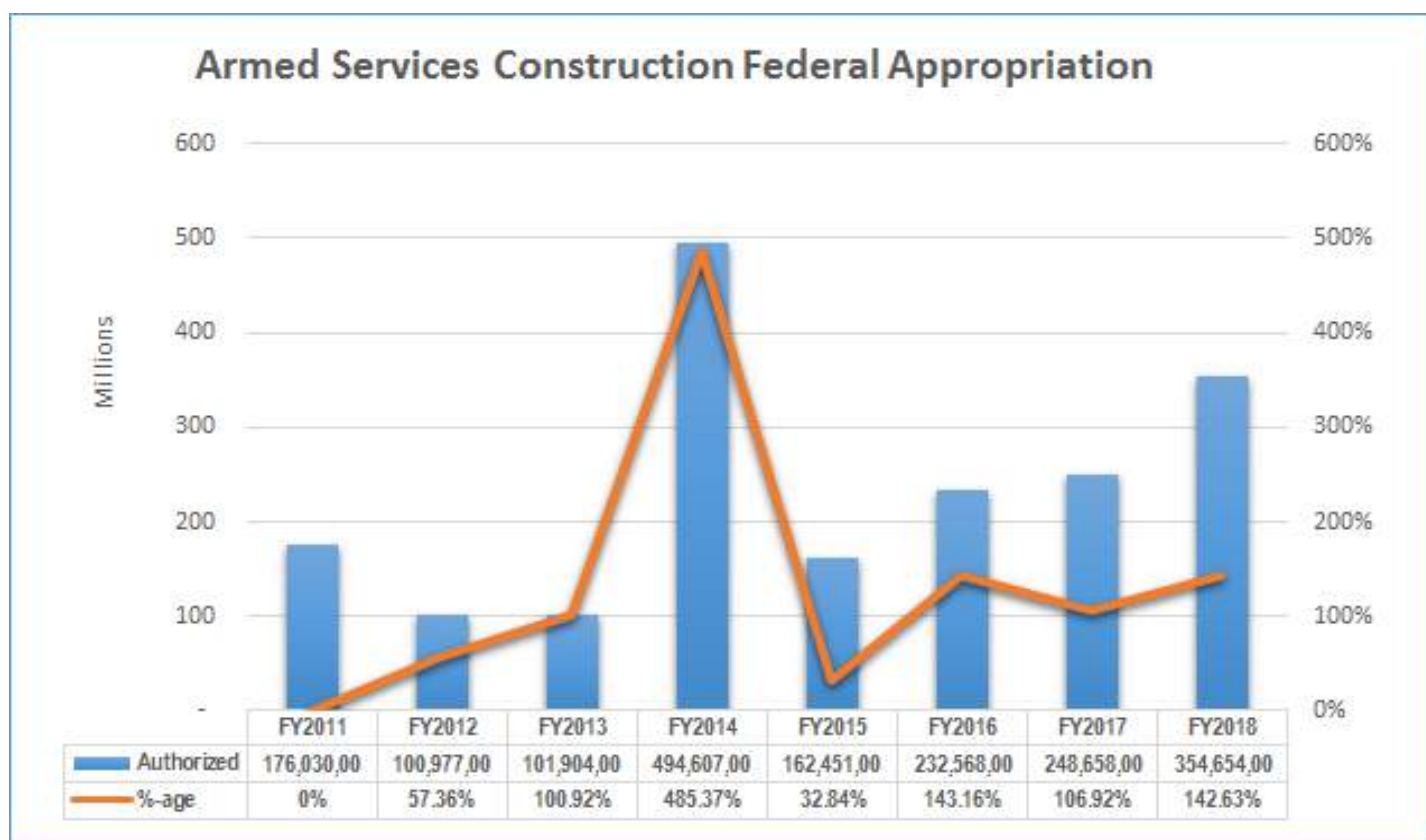
The Government of Guam considers tourism to be a large contributor to Guam's economy.

**Government of Guam**  
**Summary of Armed Services Construction Appropriations**  
**Last 7 Years**

| Year   | Branch              | President's Request | Agreement Authorized | Total Authorized | Variance      | %-age   |
|--------|---------------------|---------------------|----------------------|------------------|---------------|---------|
| FY2018 | Air Force           | 29,100,000          | 29,100,000           | 354,654,000      | 105,996,000   | 142.63% |
|        | Navy                | 325,554,000         | 325,554,000          |                  |               |         |
| FY2017 | Air Force           | 80,658,000          | 80,658,000           | 248,658,000      | 16,090,000    | 106.92% |
|        | Navy                | 168,000,000         | 168,000,000          |                  |               |         |
| FY2016 | Air Force           | 85,200,000          | 50,800,000           | 232,568,000      | 70,117,000    | 143.16% |
|        | Navy                | 187,068,000         | 181,768,000          |                  |               |         |
| FY2015 | Air Force           | 77,400,000          | 111,800,000          | 162,451,000      | (332,156,000) | 32.84%  |
|        | Navy                | 50,651,000          | 50,651,000           |                  |               |         |
| FY2014 | Air Force           | 176,230,000         | 176,230,000          | 494,607,000      | 392,703,000   | 485.37% |
|        | Navy                | 318,377,000         | 318,377,000          |                  |               |         |
| FY2013 | Air Force           | 67,500,000          | 67,500,000           | 101,904,000      | 927,000       | 100.92% |
|        | Army National Guard | 8,500,000           | 8,500,000            |                  |               |         |
|        | Navy                | 25,904,000          | 25,904,000           |                  |               |         |
| FY2012 | Air Force           | 211,600,000         | 83,600,000           | 100,977,000      | (75,053,000)  | 57.36%  |
|        | Army                | 155,921,000         | -                    |                  |               |         |
|        | Defense Wide        | -                   | 17,377,000           |                  |               |         |
| FY2011 | Air Force           | 50,300,000          | 50,300,000           | 176,030,000      | 0             |         |
|        | Army National Guard | 19,000,000          | 19,000,000           |                  |               |         |
|        | Defense-wide        | 70,000,000          | -                    |                  |               |         |
|        | Navy                | 426,878,000         | 106,730,000          |                  |               |         |

**Source:** <https://armedservices.house.gov/ndaa/history-ndaa>

NOTE: FY2015 military downsizing/freeze was implemented.



**Government of Guam**  
**Schedule of Personnel Count - Primary Government**  
**Last Ten Years**

| <u>Department</u>                                                   | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  |
|---------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Agency for Human Resources Development                              | 55           | 99           | 128          | 448          | 96           | 44           | 189          | 5            | -            | -            |
| Ancestral Lands Commission                                          | 3            | 3            | 3            | -            | -            | -            | -            | -            | -            | -            |
| Bureau of Budget and Management Research                            | 19           | 18           | 18           | 18           | 17           | 19           | 21           | 18           | 19           | 19           |
| Bureau of Statistics and Plans                                      | 32           | 65           | 36           | 36           | 34           | 31           | 32           | 36           | 35           | 32           |
| Chamorro Land Trust Commission                                      | 12           | 12           | 11           | -            | -            | -            | -            | -            | -            | -            |
| Civil Service Commission                                            | 8            | 8            | 11           | 10           | 10           | 8            | 9            | 9            | 10           | 9            |
| Customs and Quarantine                                              | 150          | 150          | 145          | 142          | 151          | 155          | 149          | 136          | 131          | 122          |
| Department of Administration                                        | 137          | 136          | 135          | 130          | 116          | 126          | 132          | 127          | 126          | 120          |
| Department of Agriculture                                           | 84           | 81           | 83           | 72           | 102          | 66           | 80           | 78           | 82           | 78           |
| Department of Chamorro Affairs                                      | 16           | 13           | 13           | 39           | 39           | 38           | 39           | 41           | 42           | 39           |
| Department of Corrections                                           | 211          | 231          | 224          | 211          | 177          | 209          | 218          | 239          | 231          | 200          |
| Department of Education                                             | 3,737        | 3,072        | 3,841        | 3,803        | 3,799        | 3,705        | 3,897        | 3,908        | 3,882        | 3,644        |
| Department of Integrated Services for Individuals with Disabilities | 36           | 31           | 38           | 25           | 29           | 20           | 20           | 18           | 17           | 17           |
| Department of Labor                                                 | 167          | 183          | 191          | 148          | 134          | 127          | 128          | 242          | 151          | 148          |
| Department of Land Management                                       | 46           | 53           | 46           | 56           | 54           | 56           | 61           | 61           | 57           | 54           |
| Department of Law - Attorney General                                | 150          | 151          | 158          | 172          | 173          | 182          | 185          | 197          | 216          | 207          |
| Department of Mental Health and Substance Abuse                     | 148          | 159          | 165          | 215          | 196          | 199          | 199          | 196          | 200          | 204          |
| Department of Military Affairs                                      | 43           | 43           | 46           | 40           | 38           | 39           | 38           | 42           | 35           | 41           |
| Department of Parks and Recreation                                  | 71           | 72           | 64           | 51           | 49           | 50           | 59           | 53           | 47           | 49           |
| Department of Public Health and Social Services                     | 406          | 412          | 416          | 400          | 431          | 396          | 424          | 416          | 413          | 430          |
| Department of Public Works                                          | 396          | 382          | 351          | 291          | 289          | 287          | 306          | 318          | 295          | 284          |
| Department of Revenue and Taxation                                  | 162          | 165          | 177          | 172          | 207          | 181          | 165          | 163          | 172          | 174          |
| Department of Youth Affairs                                         | 84           | 86           | 83           | 80           | 78           | 80           | 76           | 76           | 79           | 80           |
| Education Suruhanu                                                  | -            | 2            | -            | -            | -            | -            | -            | -            | -            | -            |
| Governor's Office                                                   | 136          | 98           | 85           | 91           | 87           | 93           | 120          | 95           | 111          | 112          |
| Guam Commission for Educator Certification                          | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            |
| Guam Contractors License Board                                      | 9            | 11           | 11           | -            | -            | -            | -            | -            | -            | -            |
| Guam Council on the Arts and Humanitites Agency                     | 4            | 5            | 5            | -            | -            | -            | -            | -            | -            | -            |
| Guam Developmental Disabilities Council                             | 3            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Guam Educational and Telecommunications Corporation - KGTF          | 9            | 10           | 10           | 8            | 9            | 8            | 10           | 9            | 8            | 7            |
| Guam Election Commission                                            | 6            | -            | 7            | 9            | 8            | 12           | 11           | 16           | 14           | 17           |
| Guam Energy Office                                                  | 12           | 15           | 11           | 10           | 10           | 9            | 5            | 2            | 3            | 6            |
| Guam Environmental Protection Agency                                | 59           | 49           | 51           | 51           | 62           | 51           | 49           | 47           | 52           | 52           |
| Guam Fire Department                                                | 305          | 297          | 291          | 282          | 302          | 295          | 281          | 256          | 245          | 266          |
| Guam Legislature                                                    | 164          | 168          | 167          | 150          | 149          | 155          | 143          | 159          | 155          | 143          |
| Guam PEALS Board                                                    | 2            | 2            | 1            | 1            | 3            | 3            | 3            | 3            | 3            | 3            |
| Guam Police Department                                              | 375          | 382          | 372          | 368          | 348          | 370          | 391          | 367          | 354          | 343          |
| Guam Public Library System                                          | 32           | 31           | 29           | -            | -            | -            | -            | -            | -            | -            |
| Guam Regional Transit Authority                                     | -            | 5            | 5            | 6            | 4            | 8            | 8            | 5            | 8            | 9            |
| Hagatna Restoration and Redevelopment Authority                     | 1            | 1            | -            | 36           | -            | -            | -            | -            | -            | -            |
| Mayors' Council of Guam                                             | 201          | 247          | 205          | 218          | 225          | 223          | 232          | 224          | 226          | 296          |
| Medical Examiner                                                    | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            |
| Office of I Segundu Na Maga'Lahen Guahan                            | 21           | 22           | 16           | 19           | 16           | 18           | 17           | 18           | 19           | 17           |
| Office of the Public Auditor                                        | 13           | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Office of Public Accountability                                     | -            | 16           | 16           | 12           | 14           | 12           | 13           | 15           | 17           | 18           |
| Public Defender                                                     | 58           | 49           | 58           | 49           | 45           | 58           | 57           | 62           | 49           | 51           |
| Superior Court of Guam                                              | 343          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unified Courts of Guam                                              | -            | 381          | 372          | 364          | 369          | 400          | 414          | 407          | 455          | 468          |
| Veteran Affairs Office                                              | -            | 4            | 7            | 7            | 6            | -            | -            | -            | -            | -            |
|                                                                     | <u>7,932</u> | <u>7,426</u> | <u>8,108</u> | <u>8,246</u> | <u>7,882</u> | <u>7,739</u> | <u>8,187</u> | <u>8,070</u> | <u>7,965</u> | <u>7,762</u> |



**Government of Guam**  
**Schedule of Personnel Count - Component Units**  
**Last Ten Years**

| <u>Component Unit</u>                                     | <u>2009</u> | <u>2010</u> | <u>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  |
|-----------------------------------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Antonio B. Won Pat International Airport Authority        | -           | -           | 199          | 192          | 194          | 234          | 236          | 233          | 237          | 240          |
| Guam Memorial Hospital Authority                          | -           | -           | 999          | 967          | 959          | 988          | 1,083        | 1,036        | 1,034        | 968          |
| Guam Power Authority                                      | -           | -           | 536          | 543          | 524          | 512          | 489          | 466          | 476          | 464          |
| Guam Waterworks Authority                                 | -           | -           | 324          | 312          | 317          | 301          | 316          | 332          | 330          | 368          |
| Port Authority of Guam                                    | -           | -           | 364          | 361          | 335          | 345          | 363          | 344          | 347          | 351          |
| University of Guam                                        | -           | -           | 819          | 824          | 872          | 952          | 901          | 858          | 861          | 970          |
| Guam Community College                                    | -           | -           | 241          | 239          | 245          | 249          | 243          | 248          | 243          | 238          |
| Guam Housing and Urban Renewal Authority                  | -           | -           | 98           | 104          | 92           | 92           | 91           | 94           | 94           | 96           |
| Guam Housing Corporation                                  | -           | -           | 26           | 26           | 24           | 25           | 25           | 23           | 21           | 25           |
| Guam Economic Development Authority                       | -           | -           | 27           | 30           | 32           | 35           | 33           | 33           | 33           | 29           |
| Guam Preservation Trust                                   | -           | -           | 4            | 4            | 4            | 5            | 4            | 4            | 4            | 6            |
| Guam Visitors Bureau                                      | -           | -           | 29           | 31           | 31           | 34           | 36           | 39           | 37           | 35           |
| Guam Educational And Telecommunication Corporation - KGTF | -           | -           | 18           | 18           | -            | -            | -            | -            | -            | -            |
| Government of Guam Retirement Fund                        | -           | -           | 41           | 40           | 36           | 36           | 38           | 36           | 46           | 47           |
|                                                           | <u>-</u>    | <u>-</u>    | <u>3,725</u> | <u>3,691</u> | <u>3,665</u> | <u>3,808</u> | <u>3,858</u> | <u>3,746</u> | <u>3,763</u> | <u>3,837</u> |

Source: Government of Guam

Component unit data not available prior to 2011

\*Chamorro Land Trust Commission and Ancestral Lands Commission consolidated under Dept. of Land Management per United States code chapter 48 section 1422 subsection (c)

\*Hagatna Restoration and Redevelopment Authority, Guam Public Library System, Guam CAHA, and GETC/PBS Guam consolidated under Dept. of Chamorro Affairs per United States code chapter 48 section 1422 subsection (c)

**Government of Guam**  
**Operating Indicators by Function**  
**Last Ten Years**

| <u>Function</u>                | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Judicial</u>                |             |             |             |             |             |             |             |             |             |             |             |
| Special Proceedings            | 247         | 264         | 260         | 216         | 202         | 204         | 185         | 187         | 213         | 203         | 218         |
| Criminal (Felony)              | 618         | 671         | 762         | 727         | 735         | 754         | 696         | 797         | 794         | 745         | 772         |
| Criminal (Misdemeanor)         | 1,194       | 1,346       | 1,273       | 1,300       | 1,207       | 1,125       | 1,156       | 996         | 977         | 752         | 643         |
| Juvenile                       | 1,500       | 1,245       | 1,214       | 1,228       | 1,448       | 1,112       | 1,068       | 1,035       | 951         | 681         | 632         |
| Probate                        | 215         | 182         | 176         | 154         | 190         | 176         | 169         | 208         | 162         | 204         | 223         |
| Civil                          | 1,553       | 1,897       | 2,064       | 1,984       | 1,395       | 1,727       | 1,181       | 1,182       | 1,125       | 1,340       | 1,226       |
| Adoption                       | 67          | 57          | 43          | 28          | 48          | 45          | 47          | 40          | 39          | 42          | 36          |
| Domestic (Divorce)             | 868         | 868         | 849         | 878         | 869         | 742         | 749         | 657         | 670         | 683         | 691         |
| Land Registration              | 3           | 5           | 6           | 2           | 1           | 8           | 5           | 5           | 5           | 4           | 6           |
| Child Support                  | 476         | 438         | 499         | 482         | 370         | 315         | 288         | 170         | 303         | 321         | 274         |
| Foreign Orders                 | -           | 1           | 6           | 3           | 1           | 1           | 1           | 4           | 5           | 1           | -           |
| Protective Orders              | 81          | 93          | 83          | 125         | 137         | 167         | 131         | 117         | 122         | 135         | 124         |
| Small Claims                   | 2,214       | 2,154       | 1,869       | 2,125       | 1,643       | 1,933       | 2,014       | 1,580       | 1,807       | 1,707       | 1,608       |
| Restitutional and Fines        | n/a         | -           | 72          | 42          | 32          | 43          | 67          | 65          | 61          | 51          | 88          |
| Traffic                        | 14,191      | 13,605      | 14,875      | 14,921      | 13,455      | 11,867      | 10,983      | 11,787      | 8,346       | 7,543       | 4,480       |
| <u>Public Safety</u>           |             |             |             |             |             |             |             |             |             |             |             |
| Police Services                |             |             |             |             |             |             |             |             |             |             |             |
| Physical Arrests               | 3,153       | 3,652       | 2,682       | 1,618       | 2,779       | 3,071       | 2,955       | 2,869       | 2,450       | 2,498       | 3,051       |
| Fire Services                  |             |             |             |             |             |             |             |             |             |             |             |
| Fire Responses                 | 2,275       | 1,274       | 1,032       | 1,443       | 2,816       | 3,315       | 3,095       | 3,897       | 2,392       | 4,124       | 3,784       |
| Emergency/Medical Responses    | 17,406      | 16,898      | 15,240      | 13,509      | 15,311      | 15,723      | 15,466      | 18,311      | 18,352      | 16,783      | 14,160      |
| Rescue Calls                   | 1,239       | 115         | 110         | 116         | 245         | 264         | 259         | 255         | 140         | 192         | 187         |
| <u>Water</u>                   |             |             |             |             |             |             |             |             |             |             |             |
| Metered Water Consumption      | 6,446       | 5,979       | 6,394       | 5,992       | 5,796       | 6,265       | 6,098       | 6,036       | 6,034       | 5,712       | 5,758       |
| Customers with Sewage Services | 23,771      | 25,225      | 25,068      | 25,166      | 25,427      | 25,663      | 25,697      | 28,089      | 28,766      | 29,065      | 29,374      |
| <u>Transportation</u>          |             |             |             |             |             |             |             |             |             |             |             |
| Licensed Drivers               | 37,942      | 34,968      | 30,680      | 26,523      | 34,995      | 30,612      | 28,735      | 31,476      | 20,204      | 34,301      | 31,925      |
| Cargo Movements                |             |             |             |             |             |             |             |             |             |             |             |
| Surface                        | 2,060       | 1,856       | 2,232       | 1,952       | 2,060       | 1,915       | 1,929       | 2,377       | 2,155       | 1,211       | 1,191       |
| Air                            | 29,144      | 25,585      | 25,413      | 25,413      | 21,642      | 21,094      | 26,562      | 13,481      | 13,469      | 14,624      | 12,794      |
| Average Flights Per Week       | 756         | 775         | 854         | 885         | 937         | 1,013       | 1,024       | 1,076       | 1,143       | 1,162       | 1,050       |

**Government of Guam**  
**Operating Indicators by Function, continued**  
**Last Ten Years**

| <u>Function</u>                    | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Economic Environment</u>        |             |             |             |             |             |             |             |             |             |             |             |
| Planning and Development Services  |             |             |             |             |             |             |             |             |             |             |             |
| Construction Permits Issued        | 1,358       | 1,115       | 1,112       | 937         | 1,085       | 1,636       | 1,638       | 1,872       | 1,747       | 1,129       | 1,172       |
| Occupancy Permits Issued           | 635         | 596         | 334         | 437         | 413         | 342         | 316         | 343         | 408         | 301         | 354         |
| Financial Sector                   |             |             |             |             |             |             |             |             |             |             |             |
| Deposits at Financial Institutions | 1,776,323   | 1,906,174   | 2,049,467   | 2,214,564   | 3,377,637   | 2,421,484   | 2,414,351   | 2,923,844   | 3,260,982   | 3,333,379   | 3,364,506   |
| Security Licenses Issued           | 80          | 94          | 115         | n/a         | 223         | 180         | 294         | 256         | 190         | 231         | 156         |
| Insurance Licenses Issued          | 1,724       | 1,437       | 1,527       | n/a         | 1,680       | 1,623       | 1,662       | 1,582       | 1,667       | 1,694       | 2,083       |
| Visitor Arrival                    |             |             |             |             |             |             |             |             |             |             |             |
| Total Visitors Arrivals            | 1,140,499   | 1,052,871   | 1,196,523   | 1,159,152   | 1,304,378   | 1,355,721   | 1,343,092   | 1,409,050   | 1,510,944   | 1,559,052   | 1,525,219   |
| Visitors Arrivals by Air           | 1,091,907   | 1,044,491   | 1,187,831   | 1,150,201   | 1,298,641   | 1,341,590   | 1,330,721   | 1,400,397   | 1,492,249   | 1,544,827   | 1,501,914   |
| Visitors Arrivals by Sea           | 48,592      | 8,380       | 8,692       | 8,951       | 5,737       | 14,131      | 12,371      | 8,653       | 18,695      | 14,225      | 23,305      |

**Source:** Bureau of Statistics and Plans  
Guam Visitor's Bureau  
Guam Fire Department  
Guam Police Department  
Guam Department of Revenue & Taxation

**Government of Guam**  
**Capital Assets by Function**  
**Last Ten Years**

|                                  | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Recreation</u>                |             |             |             |             |             |             |             |             |             |             |
| Acres of Park Land               | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    | 25,333.3    |
| Swimming pools                   | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Sports complex/stadiums          | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Libraries                        | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| <u>Education</u>                 |             |             |             |             |             |             |             |             |             |             |
| Elementary Schools               | 26          | 26          | 26          | 26          | 26          | 26          | 26          | 26          | 26          | 26          |
| Middle Schools                   | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 8           |
| High Schools                     | 4           | 5           | 5           | 5           | 5           | 6           | 6           | 6           | 5           | 7           |
| <u>Highway and Street System</u> |             |             |             |             |             |             |             |             |             |             |
| Bridges and Underpasses          | 17          | 17          | 17          | 41          | 41          | 41          | 41          | 41          | 50          | 50          |
| Secondary Roads Paved (miles)    | 361         | 361         | 361         | 688         | 688         | 688         | 688         | 688         | 786         | 788         |
| Secondary Roads Unpaved (miles)  | 77          | 77          | 77          | 73          | 73          | 73          | 73          | 73          | 74          | 73          |
| Federal Highway Miles            | 157         | 157         | 157         | 160         | 160         | 160         | 160         | 160         | 217         | 168         |
| Bus Shelters                     | 278         | 278         | 278         | 633         | 633         | 633         | 642         | 816         | 816         | 736         |
| Traffic Signals                  | 7           | 7           | 7           | 81          | 81          | 81          | 81          | 81          | 84          | 84          |
| <u>Public Safety</u>             |             |             |             |             |             |             |             |             |             |             |
| Fire Stations                    | 14          | 14          | 14          | 12          | 12          | 12          | 12          | 12          | 14          | 14          |
| Police Stations                  | 3           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| <b>Component Unit:</b>           |             |             |             |             |             |             |             |             |             |             |
| <u>Human Services</u>            |             |             |             |             |             |             |             |             |             |             |
| Facilities                       |             |             |             |             |             |             |             |             |             |             |
| Hospitals                        | 2           | 2           | 2           | 2           | 2           | 2           | 3           | 3           | 3           | 3           |
| Pharmacies                       | 30          | 30          | 30          | 30          | 33          | 32          | 35          | 33          | 33          | 30          |
| Clinics                          | 77          | 77          | 77          | 77          | 88          | 85          | 82          | 83          | 82          | 82          |
| <u>Water</u>                     |             |             |             |             |             |             |             |             |             |             |
| Water Meters in Service          | 39,691      | 40,810      | 40,939      | 41,316      | 41,659      | 41,767      | 41,530      | 41,754      | 42,205      | 42,474      |
| <u>Airports</u>                  |             |             |             |             |             |             |             |             |             |             |
| Regional Airports                | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |

**Government of Guam**  
**Value Added by Industry**  
**Last 10 Years**  
(dollars in millions)

| Year               | Private Industries |                       |                              |                   | Government        |                   | Gross Island Product |
|--------------------|--------------------|-----------------------|------------------------------|-------------------|-------------------|-------------------|----------------------|
|                    | Construction       | Distributive Services | Accommodations and Amusement | Other Private     | Federal           | Territorial       |                      |
| 2009               | \$ 314             | \$ 423                | \$ 391                       | \$ 1,357          | \$ 1,304          | \$ 752            | \$ 4,541             |
| 2010               | \$ 321             | \$ 402                | \$ 392                       | \$ 1,309          | \$ 1,362          | \$ 802            | \$ 4,588             |
| 2011               | \$ 281             | \$ 391                | \$ 391                       | \$ 1,256          | \$ 1,409          | \$ 828            | \$ 4,555             |
| 2012               | \$ 308             | \$ 428                | \$ 412                       | \$ 1,362          | \$ 1,413          | \$ 833            | \$ 4,756             |
| 2013               | \$ 440             | \$ 543                | \$ 519                       | \$ 1,722          | \$ 1,248          | \$ 885            | \$ 5,357             |
| 2014               | \$ 437             | \$ 525                | \$ 559                       | \$ 1,601          | \$ 1,184          | \$ 840            | \$ 5,146             |
| 2015               | \$ 418             | \$ 535                | \$ 591                       | \$ 1,583          | \$ 1,201          | \$ 856            | \$ 5,184             |
| 2016               | \$ 384             | \$ 584                | \$ 636                       | \$ 1,590          | \$ 1,156          | \$ 861            | \$ 5,211             |
| 2017               | \$ 369             | \$ 604                | \$ 646                       | \$ 1,608          | \$ 1,133          | \$ 861            | \$ 5,221             |
| 2018 <sup>1/</sup> | n/a <sup>1/</sup>  | n/a <sup>1/</sup>     | n/a <sup>1/</sup>            | n/a <sup>1/</sup> | n/a <sup>1/</sup> | n/a <sup>1/</sup> | n/a                  |

**Source:** U.S. Bureau of Economic Analysis

**Note:**

<sup>1/</sup> Data currently not available as of 11/13/2019.

**Government of Guam**  
**Real Gross Domestic Product**  
**Last 10 Years**  
(percent)

| Year | Gross Domestic Product | Personal consumption expenditures | Private Fixed Investment | Net exports of goods and services |         | Government consumption expenditures and gross investment |
|------|------------------------|-----------------------------------|--------------------------|-----------------------------------|---------|----------------------------------------------------------|
|      |                        |                                   |                          | Exports                           | Imports |                                                          |
| 2009 | 0.3                    | 0.7                               | 4.1                      | -14.2                             | 3.1     | 6.9                                                      |
| 2010 | 2.1                    | -1.1                              | -1.7                     | -0.1                              | 0.3     | 5.8                                                      |
| 2011 | 0.1                    | 1.5                               | -4.4                     | 6.5                               | 3.4     | 1.8                                                      |
| 2012 | 2.0                    | 3.6                               | 0.0                      | 5.2                               | 1.1     | -0.7                                                     |
| 2013 | 1.8                    | 0.1                               | 16.4                     | 6.1                               | 5.8     | 1.2                                                      |
| 2014 | 1.7                    | 0.7                               | 5.6                      | -0.4                              | 1.7     | 1.9                                                      |
| 2015 | 0.5                    | 0.8                               | -5.2                     | -1.6                              | -3.4    | -0.7                                                     |
| 2016 | 0.3                    | 1.6                               | -4.6                     | 7.8                               | -0.7    | -2.5                                                     |
| 2017 | 0.2                    | 2.1                               | -1.8                     | 0.1                               | -0.6    | -1.7                                                     |
| 2018 | -0.3                   | -0.1                              | <sup>1/</sup> -0.9       | <sup>2/</sup> 1.4                 | 0.5     | -0.1                                                     |

<sup>3/</sup>

**Source:** U.S. Bureau of Economic Analysis

**Note:**

<sup>1/</sup> Reduction in personal consumption due to 2.0% increase in prices

<sup>2/</sup> Private fixed investment increased due to construction spending but limited in growth due to workforce constraints

<sup>3/</sup> Government consumption expenditures and gross investment showed increase due to cost cutting measures implemented and defense spending

