



GOVERNMENT OF GUAM

OTHER POSTEMPLOYMENT BENEFITS PROGRAM

FINANCIAL REPORTING AND DISCLOSURES
Governmental Accounting Standards Board
Statement 75

Disclosures as of
September 30, 2020

KMS Actuarial, LLC
52 Hunt Road
Kingston, NH 03848

January, 2022



A C T U A R I E S
L L C

January 28, 2022

Mr. Edward M. Birn
Director, Department of Administration
Government of Guam
ITC Building, 2nd Floor, Suite 224
590 South Marine Corps Drive
Tamuning, Guam 96913

Dear Edward:

We are pleased to present the enclosed report of the September 30, 2020 actuarial valuation of the retiree health care benefits for the Government of Guam (GovGuam). The valuation was prepared in accordance with and for the purpose of financial reporting and disclosures as of September 30, 2020 under the following Governmental Accounting Standards Board (GASB) Statement:

- ◆ GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)

The Principal Valuation Results, including assets, liabilities and the development of future contributions, are provided in Section 1. The Notes to the Financial Statements and the Required Supplementary Information are provided in Sections 2 and 3, respectively. Employer Reporting Amounts under GASB 75 are provided in Section 4. The Summary of Plan Provisions and Actuarial Assumptions and Methods are shown in Sections 5 and 6, respectively. Section 7 summarizes the demographic profile of active members and retired members, covered spouses and survivors. Finally, a Glossary of Terms is provided in Section 8 and governmental agency breakouts are included in Section 9.

This report considers only Postemployment Benefits Other Than Pensions, and not pension-like benefits such as supplemental pension benefits and pension Cost of Living Adjustments, even though such benefits are provided outside of the Government of Guam Retirement Fund.

Our calculations are based on member census data and other information provided by the Government of Guam as well as health plan rates provided by the Government of Guam. Although we did not audit the data used in the valuation and disclosure calculations, we believe that the information is complete and reliable.

Liabilities presented in this report are based on a discount rate of 2.21%, the rate that reflects a tax-exempt, high quality municipal bond rate. The municipal bond rate of 2.21% is based on the Bond Buyer 20-Bond GO Index published on September 30, 2020.

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Mr. Edward M. Birn

January 28, 2022

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This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. The actuarial assumptions other than those explicitly applicable to the postemployment benefit plans are consistent with those used by the Government of Guam Retirement Fund's actuaries for the Retirement System pension valuations.

Future actuarial valuation results may differ significantly from the current results presented in this report. Examples of potential sources of volatility include plan experience differing from that anticipated by the economic or demographic assumptions, the effect of new entrants, changes in economic or demographic assumptions, the effect of law changes and the delayed effect of smoothing techniques.

Our valuation follows generally accepted actuarial methods and we perform such tests as we consider necessary to assure the accuracy of the results. The amounts presented in this report have been appropriately determined according to the actuarial assumptions and methods stated herein.

This report is intended for the sole use of the Government of Guam and is intended to provide information to comply with the stated purpose of the report. It may not be appropriate for other purposes.

The expected claims, cost trend rates, and analysis of regulatory changes have been developed based on the expertise of the undersigned health and welfare actuary, Dale H. Yamamoto, FCA. The undersigned credentialed actuaries are Members of the American Academy of Actuaries and together meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein. They are available to answer any questions with regard to this report.

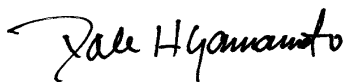
Respectfully submitted,



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EXECUTIVE SUMMARY

Purpose of Report

This report presents the results of the actuarial valuation of the Government of Guam's retiree health care benefits as of September 30, 2020. The valuation was prepared in accordance with and for the purpose of financial reporting and disclosures as of September 30, 2020 under the following Governmental Accounting Standards Board (GASB) Statement:

- ◆ GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)

The results as of the measurement date are based on liabilities developed in the most recent actuarial valuation.

GASB Accounting Standards

In June 2015, the GASB approved two related Statements that significantly changed the way other postemployment benefits (OPEB) plans and governments account and report OPEB liabilities. GASB Statement No. 74 (GASB 74), *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, replaced the requirements of Statement No. 43 and GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaced the requirements of Statement No. 45.

The effective date for GASB 75 is for fiscal years beginning after June 15, 2017, which is the fiscal year ending September 30, 2018 for the Government of Guam.

GASB 75 requires that notes to financial statements include descriptive information such as the types of benefits provided, the classes of plan members covered and the authority under which benefit terms are established or may be amended. Further, GASB 75 requires OPEB plans to present in required supplementary information the sources of the changes in the total OPEB liability and information about the actuarially determined contributions compared with the actual contributions made to the plan and related ratios.

GASB 74 and GASB 75 require projected benefit payments be discounted to their actuarial present value using the single rate that reflects:

- (1) a long-term expected rate of return on OPEB plan investments *to the extent that the OPEB plan's assets are sufficient to pay benefits and OPEB plan assets are expected to be invested using a strategy to achieve that return* and
- (2) a tax-exempt, high-quality municipal bond rate *to the extent that the conditions for use of the long-term expected rate of return are not met.*

GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and OPEB expense by state and local governments.

EXECUTIVE SUMMARY

Government of Guam Other Postemployment Benefits Program

The Government of Guam administers the retiree health care benefits program - an agent-multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible employees. The Government provides health care benefits for retirees and their dependents. Benefits are provided through the Government of Guam, and the full cost of benefits is shared between the Government and retirees.

GASB 75 allows for a measurement of the Total OPEB Liability no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. The Government of Guam has elected to report results under GASB 75 with a measurement date of September 30, 2020 for the September 30, 2021 reporting date, the earliest measurement date permitted.

Summary of Results

A summary of principal results from the current and prior measurement dates follows:

| Measurement Date | September 30, 2020 | September 30, 2019 | Increase/ (Decrease) |
|---|---------------------------|---------------------------|-------------------------|
| Valuation Date | September 30, 2020 | September 30, 2018 | |
| Membership Data as of Valuation Date | | | |
| Active Plan Members | 11,080 | 10,832 | 2.3% |
| Inactive Plan Members | 8,114 | 7,462 | 8.7% |
| Total Plan Members | 19,194 | 18,294 | 4.9% |
| Covered Payroll as of Measurement Date | \$ 510,872,087 | \$ 479,551,309 | 6.5% |
| Valuation Results (GASB 75) | | | |
| Total OPEB Liability | \$ 2,518,489,145 | \$ 2,553,523,376 | (1.4%) |
| Discount rate | 2.21% | 2.66% | |
| OPEB Expense | | | |
| OPEB Expense | \$ 134,036,076 | \$ 134,820,942 | |
| Deferred Outflows | \$ 640,294,413 | \$ 556,617,503 | |
| Deferred Inflows | \$ 785,205,604 | \$ 572,888,877 | |

EXECUTIVE SUMMARY

Experience Gain and Loss

In developing the Total OPEB Liability, various assumptions are made regarding future premium rates, mortality, retirement, disability and turnover rates. A comparison of the results of the current and prior measurements is made to determine how closely actual experience relates to expected. For the current measurement period, the difference between expected and actual experience resulted in an actuarial loss of approximately \$280,043,000.

| | | |
|---|----|---------------|
| ◆ Decrease due to Demographic Changes | \$ | (347,673,000) |
| ◆ Increase due to Updated Claims Costs and Premiums | | 627,716,000 |
| Total | \$ | 280,043,000 |

Changes of Assumptions

The discount rate changed from 2.66% as of September 30, 2019 to 2.21% as of September 30, 2020. In addition, healthcare and dental trend rates and the percentage of retirees participating in Medicare at age 65 were updated in this valuation. A summary of the impact on the Total OPEB Liability (TOL) of each assumption change is provided below:

| | | |
|---|----|---------------|
| ◆ Decrease due to change in Trend Assumption | | (28,393,000) |
| ◆ Decrease due to change in Percent of Retirees Participating in Medicare at Age 65 | | (611,706,000) |
| ◆ Increase due to change in Discount Rate | | 179,546,000 |
| Total | \$ | (460,553,000) |

All of the assumptions used in this valuation are shown in Section 6, Actuarial Assumptions and Methods.

Changes of Benefit Terms

All benefit terms are substantially the same as those used in the prior measurement. A summary of the principal plan provisions is provided in Section 5, Summary of Plan Provisions.

Total OPEB Liability

The Total OPEB Liability as of the current measurement date, September 30, 2020, is \$2,518,489,145. The Total OPEB Liability as of the prior measurement date, September 30, 2019, was \$2,553,523,376. The development of the Total OPEB Liability for the current and prior measurement dates is shown in Section 1, Exhibit 1.1.

Employer Future Period Contributions

No employer contributions are assumed to be made since an OPEB trust has not been established.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. As of the September 30, 2020 measurement date, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 2.21% municipal bond rate was applied to all periods to determine the total OPEB liability.

EXECUTIVE SUMMARY

OPEB Expense

The OPEB Expense as of the current measurement date, September 30, 2020, is \$134,036,076. Benefit changes are recognized immediately and experience and assumption changes developed in this valuation are recognized over 5.66 years. The OPEB Expense for the prior measurement period was \$134,820,942. The development of the OPEB expense for the current measurement date is shown in Section 4, Exhibit 4.2.

COVID-19 Pandemic

The assumptions in this report do not reflect the potential future impact of the COVID-19 pandemic on the OPEB program. Especially in the short range, the pandemic is likely to materially affect the economic, demographic and healthcare-specific experience, in a way not anticipated by the assumptions on which the projections are based.

SECTION 1 - PRINCIPAL VALUATION RESULTS

Exhibit 1.1 - Total OPEB Liability

The Total OPEB Liability, developed using the Entry Age Normal funding method, is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service. The total OPEB liability as of the September 30, 2020 measurement date was developed from an actuarial valuation as of September 30, 2020.

The Service Cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year. Only active employees who have not reached the age at which the probability of retirement is 100% incur a service cost.

Actuarial gains and losses arise from the difference between estimates and actual experience, excluding amounts related to benefit changes and changes in assumptions or other inputs.

The development of the Total OPEB Liability from the beginning of the measurement period, September 30, 2019 to the end of the measurement period, September 30, 2020 is shown below:

| Measurement Date | September 30, 2020 |
|--|----------------------|
| 1. Total OPEB Liability, beginning of year: | |
| a. Actives | \$ 1,702,914,777 |
| b. Retirees, Covered Spouses and Survivors | 850,608,599 |
| c. Total OPEB Liability at 2.66% (a. + b.) | \$ 2,553,523,376 |
| 2. Service Cost | 115,449,265 |
| 3. Expected Benefit Payments | |
| a. Current retirees | \$ (34,969,551) |
| b. Future retirees | (5,460,939) |
| c. Total (a. + b.) | \$ (40,430,490) |
| 4. Interest [2.66% x (1.c. + 2. + .5 x 3.c)] | \$ 70,456,947 |
| 5. Changes of benefit terms | 0 |
| 6. Differences between expected and actual experience | 280,042,921 |
| 7. Changes of assumptions or other inputs | (460,552,874) |
| 8. Total OPEB Liability, end of year (1.c. + 2. + 3.c. + 4. + 5. + 6. + 7.) | |
| a. Actives | \$ 1,230,980,681 |
| b. Retirees, Covered Spouses and Survivors | 1,287,508,464 |
| c. Total OPEB Liability at 2.21% (a. + b.) | \$ 2,518,489,145 |

Government of Guam Postemployment Benefits Other Than Pensions
 Financial Reporting and Disclosures Under GASB 75 Measured as of September 30, 2020

SECTION 1 - PRINCIPAL VALUATION RESULTS

Exhibit 1.2 - Development of Actuarially Determined Contributions

No employer contributions are assumed to be made since an OPEB trust has not been established.

The Actuarially Determined Employer Contribution (ADEC) of the employer equals the Normal Cost plus a provision for amortizing the Unfunded Actuarial Accrued Liability. We have assumed level dollar amortization over an amortization period of 30 years.

| Fiscal Year Ending | September 30, 2020 |
|---|--------------------|
| Discount Rate | 2.66% |
| 1. Normal Cost | \$ 115,449,265 |
| 2. Unfunded Actuarial Accrued Liability, Beginning of Year | |
| a. Actuarial Accrued Liability | \$ 2,553,523,376 |
| b. Actuarial Value of Plan Assets | 0 |
| c. Unfunded Actuarial Accrued Liability | \$ 2,553,523,376 |
| 3. Amortization of Unfunded Actuarial Accrued Liability | |
| a. Unfunded Actuarial Accrued Liability | \$ 2,553,523,376 |
| b. Amortization Period in years | 30 |
| c. Payroll Growth Rate | 0.0% |
| d. Amortization Factor | 21.04 |
| e. Amortization Amount (3.a. / 3.d.) | \$ 121,365,179 |
| 4. Interest on 1. and 3.e. | \$ 6,299,264 |
| 5. Actuarially Determined Employer Contribution (1. + 3.e. + 4.) | \$ 243,113,708 |
| 6. Expected Benefit Payments | \$ 40,430,490 |

SECTION 2 - NOTES TO THE FINANCIAL STATEMENTS

Exhibit 2.1 - Plan Description

Plan administration

The Government of Guam administers the retiree health care benefits program - an agent-multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible employees.

Plan membership

At September 30, 2020, OPEB plan membership consisted of the following:

| | |
|--|----------------------|
| Inactive plan members or beneficiaries currently receiving benefit payments ¹ | 8,114 |
| Inactive plan members entitled to but not yet receiving benefit payments | 0 |
| Active plan members | <u>11,080</u> |
| | <u><u>19,194</u></u> |

¹Per paragraph 50c of GASB 75 and further clarified by Question 4.148 of the 2017-3 GASB 75 Implementation Guide, the total shown for inactive plan members or beneficiaries currently receiving benefit payments does not include covered spouses or other dependents.

Benefits provided

The Government of Guam provides postemployment medical, dental and life insurance benefits to Government retirees, spouses, children and survivors. 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 may also pay a portion of the medical and dental insurance premiums, depending on the plan and coverage selected. The benefit provisions are detailed in Section 5 - Summary of Plan Provisions.

Employer Future Period Contributions

No employer contributions are assumed to be made since an OPEB trust has not been established.

SECTION 2 - NOTES TO THE FINANCIAL STATEMENTS

Exhibit 2.2 - Total OPEB Liability

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|--|
| Inflation | 2.75 percent |
| Discount rate | 2.21 percent, net of investment expenses, including inflation |
| Healthcare cost trend rate | 6 percent for FY2021 through FY2023, decreasing 0.25 percent per year to an ultimate rate of 4.25 percent for FY2030 and later years. |
| Dental trend rates | 4.25% per year, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends. |
| Healthy mortality rates | RP-2000 Combined Healthy Mortality Table, set forward 3 years and 2 years for males and females, respectively, projected generationally using 30% of Scale BB. |
| Disabled mortality rates | RP-2000 Disabled Mortality Table, set forward 6 years and 4 years for males and females, respectively, projected generationally using 30% of Scale BB. |

Discount rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that contributions from the Government 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 2.21% municipal bond rate was applied to all periods to determine the total OPEB liability.

SECTION 2 - NOTES TO THE FINANCIAL STATEMENTS

Exhibit 2.2 - Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability calculated using the current discount rate of 2.21 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (1.21 percent) or 1-percentage point higher (3.21 percent) than the current rate:

| | 1% Decrease 1.21% | Discount Rate 2.21% | 1% Increase 3.21% |
|----------------------|----------------------|------------------------|----------------------|
| Total OPEB Liability | \$ 2,990,053,800 | \$ 2,518,489,145 | \$ 2,142,581,247 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

| | 1% Decrease Current trend rates minus 1% | Healthcare Cost Trend Rates Current trend rates | 1% Increase Current trends rates plus 1% |
|----------------------|---|---|---|
| Total OPEB Liability | \$ 2,097,756,976 | \$ 2,518,489,145 | \$ 3,065,580,874 |

Current Trend Rates

- Healthcare cost trend rate
6 percent for FY2021 through FY2023, decreasing 0.25 percent per year to an ultimate rate of 4.25 percent for FY2030 and later years.
- Dental trend rates
4.25% per year, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.

SECTION 3 - REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 3.1 - Changes in Total OPEB Liability and Related Ratios

| Fiscal Year Ended September 30 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 115,449,265 | \$ 74,240,508 | \$ 96,368,122 | \$ 108,634,675 | \$ 87,158,663 |
| Interest | 70,456,947 | 80,558,352 | 90,927,141 | 80,151,782 | 81,647,699 |
| Changes of benefit terms | 0 | 0 | 0 | 0 | 0 |
| Differences between expected and actual experience | 280,042,921 | 0 | (522,357,892) | 0 | 0 |
| Changes of assumptions | (460,552,874) | 567,709,274 | (175,941,955) | (249,820,157) | 270,694,071 |
| Benefit payments | (40,430,490) | (43,955,093) | (45,073,753) | (40,670,668) | (40,670,668) |
| Net change in total OPEB liability | \$ (35,034,231) | \$ 678,553,041 | \$ (556,078,337) | \$ (101,704,368) | \$ 398,829,765 |
| Total OPEB liability—beginning | \$ 2,553,523,376 | \$ 1,874,970,335 | \$ 2,431,048,672 | \$ 2,532,753,040 | \$ 2,133,923,275 |
| Total OPEB liability—ending | \$ 2,518,489,145 | \$ 2,553,523,376 | \$ 1,874,970,335 | \$ 2,431,048,672 | \$ 2,532,753,040 |
| Covered payroll as of measurement date | \$ 510,872,087 | \$ 479,551,309 | \$ 477,772,749 | \$ 474,098,955 | \$ 474,098,955 |
| Total OPEB liability as a percentage of covered payroll | 492.98% | 532.48% | 392.44% | 512.77% | 534.22% |

Notes to Schedule

| | | | | | |
|----------------------|-------|-------|-------|-------|-------|
| Discount rate | 2.21% | 2.66% | 4.18% | 3.63% | 3.06% |
|----------------------|-------|-------|-------|-------|-------|

Changes of benefit terms

All benefit terms are substantially the same as those used in the prior measurement. A summary of the principal plan provisions is provided in Section 5, Summary of Plan Provisions.

Changes of assumptions

The discount rate changed from 2.66% as of September 30, 2019 to 2.21% as of September 30, 2020. In addition, healthcare and dental trend rates and the percentage of retirees participating in Medicare at age 65 were updated in this valuation.

SECTION 3 - REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 3.2 - Schedule of Employer Contributions

| Fiscal Year Ended September 30 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Actuarially determined contribution | \$ 243,113,708 | \$ 188,140,363 | \$ 234,228,724 | \$ 242,141,492 | \$ 209,503,758 |
| Contributions in relation to the actuarially determined contribution | <u>40,430,490</u> | <u>43,955,093</u> | <u>45,073,753</u> | <u>40,670,668</u> | <u>40,670,668</u> |
| Contribution deficiency (excess) | <u>\$ 202,683,218</u> | <u>\$ 144,185,270</u> | <u>\$ 189,154,971</u> | <u>\$ 201,470,824</u> | <u>\$ 168,833,090</u> |
| Covered payroll as of measurement date | \$ 510,872,087 | \$ 479,551,309 | \$ 477,772,749 | \$ 474,098,955 | \$ 474,098,955 |
| Contributions as a percentage of covered payroll | 7.91% | 9.17% | 9.43% | 8.58% | 8.58% |
| Discount rate | 2.66% | 4.18% | 3.630% | 3.06% | 3.71% |
| Inflation | 2.75% | 2.75% | 2.75% | 3.00% | 3.00% |

Notes to Schedule

Valuation date

Actuarially determined contributions are determined as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used in calculations of actuarially determined contributions

| | |
|-----------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level dollar amount over 30 years on an open amortization period |
| Amortization period | 30 years |
| Asset valuation method | Market value |
| Healthcare cost trend rates | 6 percent for FY2021 through FY2023, decreasing 0.25 percent per year to an ultimate rate of 4.25 percent for FY2030 and later years. |
| Dental trend rates | 4.25% per year, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends. |

Government of Guam Postemployment Benefits Other Than Pensions
 Financial Reporting and Disclosures Under GASB 75 Measured as of September 30, 2020

SECTION 3 - REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 3.2 - Schedule of Employer Contributions

| Fiscal Year Ended September 30 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|----------------|-------|-------|-------|-------|
| Actuarially determined contribution | \$ 187,118,776 | | | | |
| Contributions in relation to the actuarially determined contribution | 33,785,313 | _____ | _____ | _____ | _____ |
| Contribution deficiency (excess) | \$ 153,333,463 | _____ | _____ | _____ | _____ |
| Covered payroll as of measurement date | \$ 474,098,955 | | | | |
| Contributions as a percentage of covered payroll | 7.13% | | | | |
| Discount rate | 4.00% | | | | |
| Inflation | 3.00% | | | | |

Note: Only 6 years are presented here and on the previous page, beginning with the year of implementation; 10 years of information will be required.

SECTION 4 - EMPLOYER REPORTING AMOUNTS UNDER GASB 75

Exhibit 4.1 - Deferred Outflows and Deferred Inflows of Resources

Deferred Outflows of Resources and Deferred Inflows of Resources arising from differences between expected and actual experience are recognized in OPEB Expense over the average expected remaining service life of all active and inactive participants.

| | | | | Balances at September 30, 2020 | |
|-------|-----------------------------|----------------------------|---|---|--|
| Year | Experience Losses (a) | Experience Gains (b) | Amounts Recognized in OPEB Expense through September 30, 2020 (c) | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) + (c) |
| 2016 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2017 | 0 | 0 | 0 | 0 | 0 |
| 2018 | 0 | 522,357,892 | (281,341,773) | 0 | 241,016,119 |
| 2019 | 0 | 0 | 0 | 0 | 0 |
| 2020 | 280,042,921 | 0 | 49,477,548 | <u>230,565,373</u> | <u>0</u> |
| Total | | | | <u>\$ 230,565,373</u> | <u>\$ 241,016,119</u> |

SECTION 4 - EMPLOYER REPORTING AMOUNTS UNDER GASB 75

Exhibit 4.1 - Deferred Outflows and Deferred Inflows of Resources

Deferred Outflows of Resources and Deferred Inflows of Resources arising from changes of assumptions are recognized in OPEB Expense over the average expected remaining service life of all active and inactive participants.

| | | | | | Balances at September 30, 2020 |
|-------|--|--|---|---|--|
| Year | Increases in the Total OPEB Liability (a) | Decreases in the Total OPEB Liability (b) | Amounts Recognized in OPEB Expense through September 30, 2020 (c) | Deferred Outflows of Resources (a) - (c) | Deferred Inflows of Resources (b) + (c) |
| 2016 | \$270,694,071 | \$0 | \$224,828,965 | \$45,865,106 | \$0 |
| 2017 | 0 | 249,820,157 | (165,993,460) | 0 | 83,826,697 |
| 2018 | 0 | 175,941,955 | (94,762,275) | 0 | 81,179,680 |
| 2019 | 567,709,274 | 0 | 203,845,340 | 363,863,934 | 0 |
| 2020 | 0 | 460,552,874 | (81,369,766) | 0 | 379,183,108 |
| Total | | | | <u>\$ 409,729,040</u> | <u>\$ 544,189,485</u> |

SECTION 4 - EMPLOYER REPORTING AMOUNTS UNDER GASB 75

Exhibit 4.1 - Deferred Outflows and Deferred Inflows of Resources

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources will be recognized in OPEB expense as follows:

| Year ended September 30 | | |
|-------------------------|----|--------------|
| 2021 | \$ | (51,870,136) |
| 2022 | \$ | (95,936,616) |
| 2023 | \$ | (2,259,282) |
| 2024 | \$ | 26,203,706 |
| 2025 | \$ | (21,048,863) |
| Thereafter | | - |

SECTION 4 - EMPLOYER REPORTING AMOUNTS UNDER GASB 75

Exhibit 4.2 - OPEB Expense

The OPEB Expense and deferred outflows and inflows of resources primarily result from changes in the components of the total OPEB liability (TOL). Most changes in the TOL are included in the OPEB Expense in the period of the change, including service cost, interest on total OPEB liability and changes in benefit terms. Other changes in the total OPEB liability are included in OPEB Expense over the current and future periods. These include the effects on the total OPEB liability of changes of economic and demographic assumptions and differences between expected and actual experience. The OPEB Expense for the reporting period ending September 30, 2021 is presented below:

| Fiscal Reporting Year Ended September 30 | 2021 * |
|--|------------------------------|
| Measurement date | 9/30/2020 |
| 1. Service cost | \$ 115,449,265 |
| 2. Interest on the total OPEB liability | |
| a. Total OPEB liability, beginning of year | \$ 2,553,523,376 |
| b. Service cost, beginning of year | 115,449,265 |
| c. Benefit payments | <u>(40,430,490)</u> |
| d. Interest on total OPEB liability = 2.66% times (a. + b. + .5 times c.) | \$ 70,456,947 |
| 3. Differences between expected and actual experience | (44,303,043) |
| 4. Changes of benefit terms | 0 |
| 5. Changes of assumptions | (7,567,093) |
| 6. Total OPEB Expense | <u>\$ 134,036,076</u> |

* GASB 75 permits measurement of the Total OPEB Liability no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. The Government of Guam has elected to measure the Total OPEB Liability for the September 30, 2021 reporting date as of September 30, 2020. OPEB Expense for the September 30, 2021 reporting period has been developed using a measurement date of September 30, 2020.

SECTION 5 - SUMMARY OF PLAN PROVISIONS

| | |
|--|--|
| Retirement Eligibility | <p>To participate in the GovGuam Group Health Insurance program, an employee must retire under the eligibility requirements set forth below:</p> <p>Hired prior to October 1, 1981: Age 60 or over, at least 25 years of service, or for uniformed personnel, age 55 with at least 10 years of service.</p> <p>Hired on or after October 1, 1981 and prior to August 22, 1984: Age 60 or over, at least 30 years of service, or for uniformed personnel, age 55 with at least 15 years of service.</p> <p>Hired on or after August 22, 1984: Age 65 or over, at least 30 years of service, or for uniformed personnel, age 60 with at least 15 years of service.</p> |
| Ordinary Disability Eligibility | <p>Any member who is unable to perform his or her duties due to a non-occupational disability and has six or more years of creditable service.</p> |
| Occupational Disability Eligibility | <p>Any member who is unable to perform his or her duties due to a job-related disability.</p> |
| Medicare Eligibility | <p>The Government of Guam began participating in Medicare on September 27, 1998. Guam encourages Medicare-eligible retirees to participate in Medicare, but does not require it. Retirees over age 65 may continue coverage, or if enrolled in Medicare Parts A and B, may elect a Retiree Supplemental Plan. Retirees may also opt, upon eligibility, to enroll their spouse, provided the spouse is enrolled in Medicare Parts A and B.</p> |
| Medicare Part B and Part D Reimbursements | <p>Retirees and survivors domiciled on Guam who are eligible to receive Social Security income benefits and who are eligible to enroll in the Government of Guam Group Health Insurance Program are eligible to receive a reimbursement of the Medicare premiums, inclusive of premiums for Medicare Parts B and D. Enrollment in the Government of Guam Group Health Insurance Program is not required.</p> |
| Life Insurance Benefit | <p>Retirees and covered spouses are eligible for a \$10,000 life insurance benefit. Retirees do not share in the cost of this benefit.</p> |
| Life Insurance Premium | <p>The total monthly cost is \$15.52 per covered life.</p> |
| Continuation of Coverage to Spouse After Death of Retiree | <p>Surviving spouse may continue coverage for lifetime by paying required premium rates.</p> |

SECTION 5 - SUMMARY OF PLAN PROVISIONS

Medical Premium Rates

Total monthly premium rates by plan and class, provided by the Government of Guam, as of October 1, 2020 are shown below:

| Class | Aetna HSA 2000 | | | Aetna PPO 1500 | | |
|--------------------------|----------------|---------|-----------|----------------|-----------|-------------|
| | GovGuam | Member | Total | GovGuam | Member | Total |
| I - Retiree Only | \$ 426.74 | \$ 3.36 | \$ 430.10 | \$ 886.44 | \$ 145.22 | \$ 1,031.66 |
| II - Retiree + Spouse | 820.12 | 65.36 | 885.48 | 1,736.78 | 362.22 | 2,099.00 |
| III - Retiree + Children | 690.38 | 54.34 | 744.72 | 1,469.06 | 294.62 | 1,763.68 |
| IV - Retiree + Family | 1,138.38 | 91.36 | 1,229.74 | 2,433.42 | 480.88 | 2,914.30 |

| Class | Aetna RSP | | |
|--------------------------|-----------|---------|-----------|
| | GovGuam | Member | Total |
| I - Retiree Only | \$ 324.86 | \$ 0.00 | \$ 324.86 |
| II - Retiree + Spouse | 637.36 | 0.00 | 637.36 |
| III - Retiree + Children | 637.36 | 0.00 | 637.36 |
| IV - Retiree + Family | 637.36 | 0.00 | 637.36 |

Effective October 1, 2019, all plans previously offered (SelectCare and TakeCare) were replaced by Aetna International.

Dental Premium Rates

Total monthly premium rates by plan and class, provided by the Government of Guam, as of October 1, 2020 are shown below:

| Class | Aetna Dental | | |
|--------------------------|--------------|----------|----------|
| | GovGuam | Member | Total |
| I - Retiree Only | \$ 20.64 | \$ 15.14 | \$ 35.78 |
| II - Retiree + Spouse | 28.62 | 52.16 | 80.78 |
| III - Retiree + Children | 23.38 | 41.04 | 64.42 |
| IV - Retiree + Family | 38.98 | 69.40 | 108.38 |

Effective October 1, 2019, all plans previously offered (SelectCare and TakeCare) were replaced by Aetna International.

SECTION 5 - SUMMARY OF PLAN PROVISIONS

Aetna Medical Plan Features

| | Aetna HSA 2000 | | Aetna PPO 1500 | | Aetna RSP |
|---|-----------------------------------|-----------------------------|-------------------------|-----------------------------|-----------|
| | Participating Providers | Non-Participating Providers | Participating Providers | Non-Participating Providers | Plan Pays |
| Plan Deductible | | | | | |
| Individual | 2,000 | 4,000 | 1,500 | 3,000 | None |
| Family | 4,000 | 12,000 | 3,000 | 9,000 | None |
| Out of Pocket Maximums | | | | | |
| Individual | 4,000 | 30,000 | 3,000 | 30,000 | None |
| Family | 12,000 | 90,000 | 9,000 | 90,000 | None |
| Coverage Maximums | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| Preventive Services | 100% | Not Covered | 100% | Not Covered | 100% |
| Immunizations/Vaccinations | 100% | Not Covered | 100% | Not Covered | 100% |
| Pre-Natal Care/Well Baby Care | 100% | Not Covered | 100% | Not Covered | 100% |
| Inpatient Care Services | 80% | 50% | 80% | 70% | 100% |
| Outpatient Physician Care & Services | | | | | |
| Primary Care Visits | \$20 Member Copay | Plan pays 50% | \$20 Member Copay | Plan pays 70% | 100% |
| Specialist Care Visits | \$40 Member Copay | Plan pays 50% | \$40 Member Copay | Plan pays 70% | 100% |
| Emergency Care | Plan pays 80% | Plan pays 80% | Plan pays 80% | Plan pays 80% | 100% |
| Prescription Drugs Copay | | | | | |
| | Retail (30-Day Supply) | | | | |
| Preferred Generic | \$15 | 50% | \$15 | 70% | \$15 |
| Preferred Brand | \$30 | 50% | \$30 | 70% | \$30 |
| Non-Preferred | \$100 | 50% | \$100 | 70% | \$100 |
| Specialty | \$100 | Not Covered | \$100 | Not Covered | \$100 |
| | Mail Order (90-Day Supply) | | | | |
| Preferred Generic | None | 50% | None | 70% | None |
| Preferred Brand | \$30 | 50% | \$30 | 70% | \$30 |
| Non-Preferred | \$100 | 50% | \$100 | 70% | \$100 |
| Specialty | \$300 | Not Covered | \$300 | Not Covered | \$300 |

Aetna Dental Plan Features

| | Participating Providers | Non-Participating Providers |
|---------------------------------------|-------------------------|-----------------------------|
| Plan Deductible | | |
| Individual | None | None |
| Family | None | None |
| Maximum annual benefit | 1,000 | 1,000 |
| Diagnostic and preventive care | 100% | 70% |
| Basic and restorative care | 80% | 70% |
| Major restorative care | 50% | 35% |

SECTION 6 - ACTUARIAL ASSUMPTIONS AND METHODS

| | |
|--------------------------------|---|
| Valuation Date | September 30, 2020 |
| Measurement Date | September 30, 2020 |
| GASB 75 Reporting Date | September 30, 2021 |
| Municipal Bond Rate | 2.21%, based on the Bond Buyer 20-Bond GO Index published on September 30, 2020. |
| Discount Rate (GASB 75) | 2.21%, compounded annually, for the measurement as of September 30, 2020. 2.66%, compounded annually, for the measurement as of September 30, 2019. Based on a tax-exempt, high-quality municipal bond rate. |
| Discount Rate (ADEC) | 2.66%, compounded annually, for development of the Actuarially Determined Contribution (ADEC) for the period ending September 30, 2020. |
| Amortization Method | Level dollar amount over 30 years on an open amortization period for pay-as-you-go funding. |

Salary Increases

| Service | % Increase |
|---------|------------|
| 0-5 | 7.50% |
| 6-10 | 6.00% |
| 11-15 | 5.00% |
| 16-20 | 4.00% |
| Over 20 | 4.00% |

No changes since prior measurement.

SECTION 6 - ACTUARIAL ASSUMPTIONS AND METHODS

Health Care Cost Trend Rates

| Year | Non-Medicare | Medicare | Part B |
|----------|--------------|----------|--------|
| 1 | 6.00% | 6.00% | 4.25% |
| 2 | 6.00% | 6.00% | 4.25% |
| 3 | 6.00% | 6.00% | 4.25% |
| 4 | 5.75% | 5.75% | 4.25% |
| 5 | 5.50% | 5.50% | 4.25% |
| 6 | 5.25% | 5.25% | 4.25% |
| 7 | 5.00% | 5.00% | 4.25% |
| 8 | 4.75% | 4.75% | 4.25% |
| 9 | 4.50% | 4.50% | 4.25% |
| 10 | 4.25% | 4.25% | 4.25% |
| Ultimate | 4.25% | 4.25% | 4.25% |

The initial trend rates shown were determined based on actual changes in premiums in year one. 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. Medical trend rates are applied to claims cost and retiree contributions.

The trend rates for Medicare Part B and Part D reimbursements are assumed to be 4.25% per year.

Dental Trend Rates

4.25% per year, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.

Inflation

2.75% per year.

Participation Rates

Medical - 100% of active employees covered under a GovGuam medical plan will elect to participate at retirement.

Dental - 100% of active employees covered under a GovGuam dental plan will elect to participate at retirement.

Life - 100% of active employees will elect to participate at retirement.

Current retirees will continue in the GovGuam plan as provided in the data, and upon attainment of age 65, will remain in that plan or enroll in a Retiree Supplemental Plan per Medicare Enrollment assumption below.

SECTION 6 - ACTUARIAL ASSUMPTIONS AND METHODS

| | |
|------------------------------|---|
| Medicare Enrollment | Based on current over-65 retiree data, 55% (previously, 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 28, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan. |
| Dependent Status | <p>Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee.</p> <p>Medical - 100% of spouses of active employees covered under a GovGuam medical plan will elect to participate at the active employee's retirement. Dental - 100% of spouses of active employees covered under a GovGuam dental plan will elect to participate at the active employee's retirement. Life - 100% of spouses of active employees will elect to participate at the active employee's retirement.</p> <p>For current retired employees, the actual census information is used.</p> |
| Actuarial Cost Method | Entry Age Normal. The costs of each employee's postemployment 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. |
| Employee Data | Employee and retiree data as of September 30, 2020 were submitted by the Government. We made reasonable adjustments for missing or invalid data. |
| Mortality Rates | <p>Healthy: RP-2000 Combined Healthy Mortality Table, set forward 3 years and 2 years for males and females, respectively, projected generationally using 30% of Scale BB.</p> <p>Disabled: RP-2000 Disabled Mortality Table, set forward 6 years and 4 years for males and females, respectively, projected generationally using 30% of Scale BB.</p> <p>The actuarial valuation is performed using a mortality table used by Milliman, the current pension actuary, based on an actuarial experience study of the experience from 2011 to 2015 which justified the use of the current mortality tables. No changes since prior measurement.</p> |

SECTION 6 - ACTUARIAL ASSUMPTIONS AND METHODS

Withdrawal Rates

| Service | Rates | Service | Rates |
|---------|--------|-----------|-------|
| 0 | 15.00% | 11 | 4.50% |
| 1 | 14.00% | 12 | 4.00% |
| 2 | 13.00% | 13 | 3.50% |
| 3 | 12.00% | 14 | 3.00% |
| 4 | 11.00% | 15 | 2.50% |
| 5 | 10.00% | 16 | 2.00% |
| 6 | 9.00% | 17 | 2.00% |
| 7 | 8.00% | 18 | 2.00% |
| 8 | 7.00% | 19 | 2.00% |
| 9 | 6.00% | 20 & over | 2.00% |
| 10 | 5.00% | | |

No changes since prior measurement.

Disability Rates

1974-78 SOA LTD Non-Jumbo, with rates reduced by 50% for males and 75% for females, as shown below:

| Age | Male | Age | Female |
|-------|-------|-------|--------|
| 20-39 | 0.05% | 20-39 | 0.03% |
| 40-44 | 0.10% | 40-44 | 0.05% |
| 45-49 | 0.18% | 45-49 | 0.09% |
| 50-54 | 0.32% | 50-54 | 0.16% |
| 55-59 | 0.53% | 55-59 | 0.27% |
| 60-64 | 0.76% | 60-64 | 0.38% |

No changes since prior measurement.

Retirement Rates

50% of employees are assumed to retire at earliest eligibility for unreduced benefits under the Government of Guam Retirement Fund, 20% per year thereafter until age 75 and 100% at age 75.

No changes since prior measurement.

SECTION 6 - ACTUARIAL ASSUMPTIONS AND METHODS

Claim Rates

Claim rates by age for the non-Medicare medical plans were determined from the FY2021 premium rates provided by the client. The premium rate differences by plan option, network and coverage type seemed to differ from expected relationships. We therefore developed an adjusted average rate for the HSA 2000 and PPO 1500 based on expected relationships such that the total premium calculated under both the provided premium rates and the adjusted premium rates yielded the same total. Based on the current early retiree population, it is assumed that 25 percent of retirees elect the HSA 2000 option and 75 percent of retirees elect the PPO 1500 option. Using the average adjusted premium rates developed from the insurance company premium rates, age-adjusted costs were developed based on aging factors from the Society of Actuaries and Health Care Cost Institute study, "Health Care Costs-From Birth to Death," published in May 2013.

SECTION 6 - ACTUARIAL ASSUMPTIONS AND METHODS

Medical Per Capita Costs Annual per capita costs for the fiscal year beginning October 1, 2020 are as follows:

| Age | Medicare-Eligible | | | | | | Non-Medicare-Eligible | | | |
|-----|-------------------|--------|--------|--------|----------|--------|-----------------------|--------|--------|--------|
| | Retiree | | Spouse | | Disabled | | Retiree | | Spouse | |
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| 55 | 4,032 | 4,032 | 4,032 | 4,032 | 15,698 | 17,208 | 7,849 | 8,604 | 7,849 | 8,604 |
| 60 | 4,032 | 4,032 | 4,032 | 4,032 | 19,702 | 19,544 | 9,851 | 9,772 | 9,851 | 9,772 |
| 65 | 3,794 | 3,821 | 3,794 | 3,821 | 24,846 | 23,091 | 12,423 | 11,546 | 12,423 | 11,546 |
| 70 | 4,103 | 3,927 | 4,103 | 3,927 | 31,644 | 27,396 | 15,822 | 13,698 | 15,822 | 13,698 |
| 75 | 4,310 | 3,967 | 4,310 | 3,967 | 40,685 | 32,913 | 20,343 | 16,456 | 20,343 | 16,456 |
| 80 | 4,560 | 4,178 | 4,560 | 4,178 | 43,260 | 35,411 | 21,630 | 17,705 | 21,630 | 17,705 |
| 85 | 4,920 | 4,549 | 4,920 | 4,549 | 46,809 | 39,257 | 23,405 | 19,628 | 23,405 | 19,628 |
| 90 | 5,258 | 4,856 | 5,258 | 4,856 | 50,190 | 42,469 | 25,095 | 21,234 | 25,095 | 21,234 |

Dental Per Capita Costs: Annual per capita costs for the fiscal year beginning October 1, 2020 are \$606.

Medicare Part B and Part D Per Capita Reimbursement Annual per capita costs for eligible retirees and survivors for the fiscal year beginning October 1, 2020 are \$1,770. We assumed 65% of retirees under age 65 and future retirees will receive the reimbursement starting at age 65, and payable for life.

Medical Per Capita Contributions Annual average per capita participant contributions for the fiscal year beginning October 1, 2020 are as follows:

| | Pre-Medicare | Medicare |
|----------|--------------|----------|
| Retirees | \$1,918 | \$ 0 |
| Spouses | 1,918 | 0 |

Dental Per Capita Contributions Annual average per capita participant contributions for the fiscal year beginning October 1, 2020 are \$324.

Load for Dependent Children Costs for retirees and spouses are loaded based on the current demographics of the population. Sample loads are provided below:

| Age | Load |
|-------|-------|
| 50-54 | 1.098 |
| 55-59 | 1.079 |
| 60-64 | 1.049 |
| 65-69 | 1.028 |
| 70-74 | 1.016 |
| 75-79 | 1.011 |

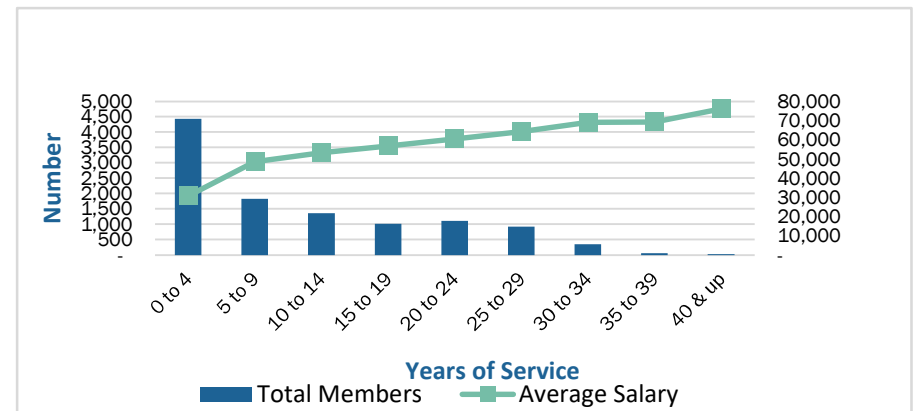
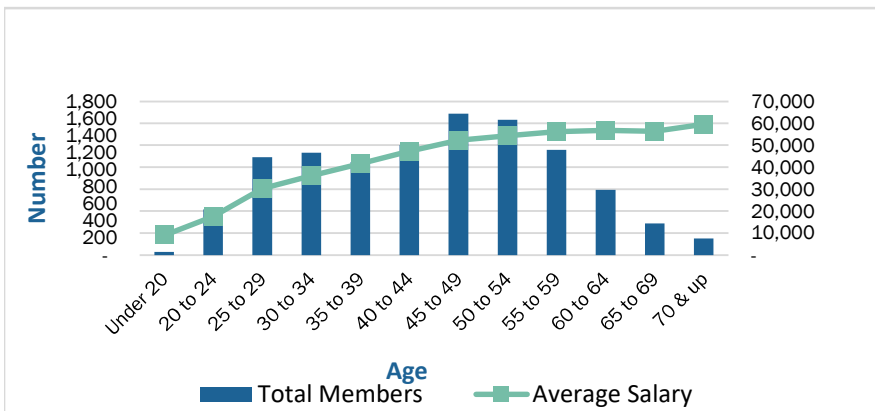
SECTION 7 - PLAN MEMBER INFORMATION

Exhibit 7.1 - Active Members by Age and Years of Service as of September 30, 2020

| Age | Years of Service | | | | | | | | | | Total | Total Salary | Average Salary |
|-----------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|---------------|--------------------|----------------|
| | 0 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up | | | | |
| Under 20 | 34 | - | - | - | - | - | - | - | - | - | 34 | 308,611 | 9,077 |
| 20 to 24 | 531 | 2 | - | - | - | - | - | - | - | - | 533 | 9,365,327 | 17,571 |
| 25 to 29 | 944 | 195 | 6 | - | - | - | - | - | - | - | 1,145 | 34,568,952 | 30,191 |
| 30 to 34 | 706 | 381 | 111 | - | - | - | - | - | - | - | 1,198 | 43,293,043 | 36,138 |
| 35 to 39 | 480 | 284 | 236 | 88 | 2 | - | - | - | - | - | 1,090 | 45,344,940 | 41,601 |
| 40 to 44 | 446 | 242 | 231 | 223 | 140 | 4 | - | - | - | - | 1,286 | 60,870,274 | 47,333 |
| 45 to 49 | 395 | 251 | 225 | 223 | 358 | 197 | 6 | - | - | - | 1,655 | 86,388,445 | 52,198 |
| 50 to 54 | 347 | 195 | 226 | 156 | 241 | 294 | 122 | 3 | - | - | 1,584 | 86,020,302 | 54,306 |
| 55 to 59 | 244 | 142 | 162 | 140 | 178 | 215 | 127 | 23 | - | - | 1,231 | 69,158,686 | 56,181 |
| 60 to 64 | 155 | 81 | 99 | 96 | 113 | 127 | 69 | 17 | 6 | 6 | 763 | 43,323,781 | 56,781 |
| 65 to 69 | 96 | 35 | 35 | 59 | 49 | 63 | 16 | 8 | 8 | 8 | 369 | 20,785,232 | 56,329 |
| 70 & up | 48 | 14 | 24 | 26 | 31 | 24 | 12 | 5 | 8 | 8 | 192 | 11,444,496 | 59,607 |
| Total | 4,426 | 1,822 | 1,355 | 1,011 | 1,112 | 924 | 352 | 56 | 22 | 22 | 11,080 | 510,872,087 | 46,108 |
| Total Salary | 136,399,786 | 88,490,416 | 72,132,910 | 57,412,933 | 67,222,704 | 59,358,447 | 24,301,083 | 3,879,223 | 1,674,585 | 1,674,585 | | | |
| Average Salary | 30,818 | 48,568 | 53,235 | 56,788 | 60,452 | 64,241 | 69,037 | 69,272 | 76,117 | 76,117 | | | |

Average Age: 44.9

Average Service: 10.8



SECTION 7 - PLAN MEMBER INFORMATION

Exhibit 7.2 - Retired Members, Covered Spouses and Survivors as of September 30, 2020

| Age | Non-Medicare Plans | | Medicare Plan | Total |
|------------------------|--------------------|----------------|---------------|--------------|
| | Aetna HSA 2000 | Aetna PPO 1500 | Aetna RSP | |
| Under 40 | 0 | 1 | 0 | 1 |
| 40 to 44 | 2 | 3 | 0 | 5 |
| 45 to 49 | 6 | 21 | 0 | 27 |
| 50 to 54 | 59 | 82 | 5 | 146 |
| 55 to 59 | 132 | 328 | 11 | 471 |
| 60 to 64 | 223 | 480 | 56 | 759 |
| 65 to 69 | 119 | 388 | 484 | 991 |
| 70 to 74 | 83 | 275 | 478 | 836 |
| 75 to 79 | 41 | 146 | 323 | 510 |
| 80 to 84 | 29 | 89 | 215 | 333 |
| 85 to 89 | 12 | 56 | 97 | 165 |
| 90+ | 5 | 35 | 32 | 72 |
| Total | 711 | 1,904 | 1,701 | 4,316 |
| Covered Spouses | 170 | 455 | 308 | 933 |

Average Age: 70.7

In addition, there are 4,150 retirees, survivors and covered spouses that are not covered under any medical plan but are covered under other benefits offered to retirees by GovGuam, including life insurance, dental and reimbursement of Medicare Parts B and D which the Government contributes to.

SECTION 8 - GLOSSARY OF TERMS

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting OPEB costs, such as mortality, withdrawal, disability and retirement; changes in compensation and OPEB benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

Actuarial Cost Method (or Funding Method) – A procedure for allocating the Actuarial Present Value of projected benefit payments to the current year (Service Cost) and the past (Total OPEB Liability).

Actuarial Gain or Loss (or Experience Gain or Loss) – A measure of the difference between actual experience and that expected based upon the set of Actuarial Assumptions during the period between the valuation date and the most recent immediately preceding valuation date.

Actuarial Present Value of Projected Benefit Payments – The dollar value on the valuation date of all benefits expected to be paid to current members based upon the Actuarial Assumptions and the terms of the Plan.

Actuarially Determined Contribution – A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Actuarial Valuation Date – The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

Deferred Inflow of Resources – Acquisition of resources by a governmental entity that is applicable to future reporting periods. Under GASB 75, deferred inflows of resources are made up of experience gains, assumption changes reducing the Total OPEB Liability and investment gains that are recognized in future reporting periods.

Deferred Outflow of Resources – Consumption of resources by a governmental entity that is applicable to future reporting periods. Under GASB 75, deferred outflows of resources are made up of experience losses, assumption changes increasing the Total OPEB Liability and investment losses that are recognized in future reporting periods.

Discount Rate – Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of:

- (1) a long-term expected rate of return on OPEB plan investments *to the extent that the OPEB plan's assets are sufficient to pay benefits and OPEB plan assets are expected to be invested using a strategy to achieve that return* and
- (2) a tax-exempt, high-quality municipal bond rate *to the extent that the conditions for use of the long-term expected rate of return are not met.*

Employer Future Period Contributions – Contributions made by the employer, generally to an outside trust fund, to pay for future OPEB costs. These are costs in addition to the employer contributions made during the year to pay for ongoing premiums.

SECTION 8 - GLOSSARY OF TERMS

Entry Age Normal Actuarial Cost Method – A method under which the actuarial present value of the projected benefits of each individual in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age.

Explicit Subsidy – The difference between (a) the blended rates based on combined active and retired member experience and (b) actual cash contributions made by the employer.

Fiduciary Net Position – The fair market value of assets as of the measurement date.

Funded Ratio – The Actuarial Value of Assets expressed as a percentage of the Actuarial Accrued Liability.

GASB – Governmental Accounting Standards Board.

Health Cost Trend Rate – The rate of change in per capita health claims cost over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Implicit Subsidy – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group and (b) the blended rates based on combined active and retired member experience.

Long-Term Expected Rate of Return – Long-term expected rate of return on OPEB plan investments expected to be used to finance the payment of benefits, net of investment expenses.

Measurement Date – The date as of which the Total OPEB Liability and Fiduciary Net Position are measured.

Municipal Bond Rate – Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Net OPEB Liability – The liability of the employer for benefits provided through an OPEB plan. It is calculated as the Total OPEB Liability less the Fiduciary Net Position.

OPEB – Other Postemployment Benefits including medical, dental, vision, hearing and life insurance benefits.

Pay-As-You-Go – A method of financing an OPEB plan under which the 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.

Present Value of Future Benefits – The actuarial present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value of money and the probabilities of payment.

Reporting Date – The last day of the Plan or employer's fiscal year.

SECTION 8 - GLOSSARY OF TERMS

Service Cost – The portion of the actuarial present value of projected benefit amounts that is attributed to a valuation year.

Substantive Plan – The terms of an OPEB plan as understood by the employer and plan members.

Total OPEB Liability – The portion of the actuarial present value of projected benefit amounts that is attributed to past periods of employee service.

Unfunded Actuarial Accrued Liability – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Valuation Date – The date as of which an actuarial valuation is performed. The valuation is as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end.

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

The schedule of OPEB Amounts by Governmental Agency is provided in Section 9. The schedule shows the Total OPEB Liability, the various categories of Deferred Outflows of Resources and Deferred Inflows of Resources and OPEB Expense for each Governmental Agency. The schedule includes the differences between expected and actual experience and changes of assumptions. Further, each Governmental Agency is required to recognize Deferred Outflows of Resources and Deferred Inflows of Resources related to (1) the net impact from changes in proportion between periods and (2) differences between actual contributions made by a Governmental Agency and their proportionate share of contributions.

Each Governmental Agency's allocation of OPEB Expense can be based on the proportion of its Total OPEB Liability to the aggregate amount of Governmental Agency Total OPEB Liability.

Under GASB 75, gains and losses (experience or assumption changes) and changes in Governmental Agency's proportionate shares related to OPEB are recognized in OPEB Expense systematically over time.

The first amortized amounts are recognized in OPEB Expense for the year the gain or loss occurs. The remaining amounts are categorized as Deferred Inflows and Deferred Outflows to be recognized in future OPEB Expense.

The amortization is a straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (actives, inactive and retirees) as of the beginning of the measurement period.

For 2020:

- ◆ Deferred Outflows of Resources, Deferred Inflows of Resources and OPEB Expense are allocated to each Governmental Agency based on its proportionate share of Total OPEB Liability shown in Exhibit 9.2.
- ◆ The difference between expected and actual experience is amortized over the average of the expected future service lives of all participants, with the first amortized amount recognized in OPEB Expense in the current year.
- ◆ The change in Total OPEB Liability as a result of changes in assumptions is amortized over the average of the expected future service lives of all participants, with the first amortized amount recognized in OPEB Expense in the year of the change.
- ◆ The net effect of the difference in the Governmental Agency's proportionate share of the collective Governmental Agency contribution and the actual Governmental Agency contribution is amortized over the average expected remaining service lives of all members, with the first amortized amount recognized in OPEB Expense in the current year.
- ◆ The net effect of the change in the Governmental Agency's proportionate share of the collective Total OPEB Liability, collective Deferred Outflows and collective Deferred Inflows is amortized over the average expected remaining service lives of all members, with the first amortized amount recognized in OPEB Expense in the current year.

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

Exhibit 9.1 - Demographic Data as of the Valuation Date, September 30, 2020

| | Active Members | | | Retired Members and Survivors | | Covered Spouses |
|--|----------------|-------------|-----------------|-------------------------------|-------------|-----------------|
| | Count | Average Age | Average Service | Count | Average Age | Count |
| Primary Government | | | | | | |
| GovGuam Line Agencies | 3,692 | 46.0 | 10.1 | 2,870 | 69.8 | 500 |
| GovGuam Retirement Fund | 42 | 48.2 | 14.1 | 31 | 68.9 | 3 |
| Guam Legislature | 65 | 43.4 | 5.4 | 92 | 74.6 | 20 |
| Guam Department of Education | 3,369 | 44.0 | 10.7 | 2,354 | 71.9 | 271 |
| Public Defender Service Corporation | 66 | 45.1 | 10.5 | 28 | 66.7 | 6 |
| Unified Courts of Guam | 404 | 41.7 | 11.0 | 195 | 67.7 | 34 |
| Guam Telephone Authority | - | - | - | 151 | 71.5 | 24 |
| Total Primary Government | 7,638 | 44.9 | 10.4 | 5,721 | 70.7 | 858 |
| Component Units | | | | | | |
| Antonio B. Won Pat International Airport Authority | 238 | 44.7 | 13.2 | 88 | 68.2 | 18 |
| Guam Community College | 229 | 48.8 | 11.0 | 220 | 71.0 | 31 |
| Guam Economic Development Authority | 30 | 47.4 | 8.4 | 24 | 69.7 | 3 |
| Guam Housing Corporation | 23 | 53.5 | 15.0 | 26 | 76.4 | 2 |
| Guam Housing and Urban Renewal Authority | 100 | 48.0 | 9.5 | 61 | 72.4 | 5 |
| Guam Memorial Hospital Authority | 1,053 | 42.7 | 9.3 | 541 | 71.2 | 85 |
| Guam Power Authority | 483 | 46.7 | 15.7 | 439 | 68.7 | 94 |
| Guam Visitors Bureau | 39 | 42.1 | 7.5 | 20 | 69.7 | 2 |
| Guam Waterworks Authority | 381 | 41.4 | 10.3 | 286 | 68.1 | 72 |
| Port Authority of Guam | 349 | 46.2 | 12.6 | 257 | 71.0 | 63 |
| University of Guam | 511 | 47.8 | 13.5 | 424 | 73.5 | 52 |
| KGTF | 6 | 52.8 | 12.7 | 7 | 61.5 | 0 |
| Total Component Units | 3,442 | 45.1 | 11.7 | 2,393 | 70.7 | 427 |
| Total | 11,080 | 44.9 | 10.8 | 8,114 | 70.7 | 1,285 |

SECTION 9 - BREAKOUT OF RESULTS BY AGENCY

Exhibit 9.2 - Total OPEB Liability/Proportionate Share

The basis of an employer's allocation of the collective OPEB amount is based on the Total OPEB Liability as of the end of the measurement period. The schedule of Governmental Agency proportionate share for 2020 and 2019, based on the Total OPEB Liability as of September 30, 2020 and September 30, 2019, respectively, shows the proportionate relationship of each Governmental Agency to all Governmental Agencies and each Governmental Agency's allocation percentage, or proportionate share.

| | As of September 30, 2020 | | As of September 30, 2019 | |
|--|--------------------------|---------------------|--------------------------|---------------------|
| | Total OPEB Liability | Proportionate Share | Total OPEB Liability | Proportionate Share |
| Primary Government | | | | |
| GovGuam Line Agencies | 852,244,114 | 33.84% | 850,519,859 | 33.31% |
| GovGuam Retirement Fund | 10,883,182 | 0.43% | 11,398,171 | 0.45% |
| Guam Legislature | 14,564,208 | 0.58% | 12,241,758 | 0.48% |
| Guam Department of Education | 704,157,441 | 27.96% | 752,994,530 | 29.49% |
| Public Defender Service Corporation | 13,705,062 | 0.54% | 14,445,684 | 0.57% |
| Unified Courts of Guam | 83,367,855 | 3.31% | 89,327,037 | 3.50% |
| Guam Telephone Authority | 27,650,812 | 1.10% | 18,303,694 | 0.72% |
| Total Primary Government | 1,706,572,674 | 67.76% | 1,749,230,733 | 68.50% |
| Component Units | | | | |
| Antonio B. Won Pat International Airport Authority | 45,366,213 | 1.80% | 63,444,611 | 2.48% |
| Guam Community College | 56,385,944 | 2.24% | 56,904,135 | 2.23% |
| Guam Economic Development Authority | 5,383,156 | 0.21% | 3,169,860 | 0.12% |
| Guam Housing Corporation | 6,918,351 | 0.27% | 7,429,975 | 0.29% |
| Guam Housing and Urban Renewal Authority | 16,920,540 | 0.67% | 15,873,373 | 0.62% |
| Guam Memorial Hospital Authority | 190,642,127 | 7.57% | 182,956,947 | 7.16% |
| Guam Power Authority | 160,364,667 | 6.37% | 161,936,073 | 6.34% |
| Guam Visitors Bureau | 6,649,220 | 0.26% | 7,392,672 | 0.29% |
| Guam Waterworks Authority | 106,433,894 | 4.23% | 84,163,331 | 3.30% |
| Port Authority of Guam | 97,077,114 | 3.85% | 92,013,985 | 3.60% |
| University of Guam | 118,284,474 | 4.70% | 125,958,216 | 4.93% |
| KGTF | 1,490,771 | 0.06% | 3,049,465 | 0.12% |
| Total Component Units | 811,916,471 | 32.24% | 804,292,643 | 31.50% |
| Total | 2,518,489,145 | 100.00% | 2,553,523,376 | 100.00% |

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

Exhibit 9.3 - Sensitivity of the Total OPEB Liability To Changes in the Discount Rate and Healthcare Cost Trend Rates

| | Discount Rate | | Healthcare Cost Trend Rates | |
|--|----------------------|----------------------|-----------------------------|----------------------|
| | 1% Decrease | 1% Increase | 1% Decrease | 1% Increase |
| Primary Government | | | | |
| GovGuam Line Agencies | 1,011,819,232 | 725,038,764 | 709,870,454 | 1,037,377,216 |
| GovGuam Retirement Fund | 12,920,961 | 9,258,766 | 9,065,066 | 13,247,337 |
| Guam Legislature | 17,291,226 | 12,390,365 | 12,131,150 | 17,727,993 |
| Guam Department of Education | 836,004,648 | 599,055,402 | 586,522,752 | 857,121,655 |
| Public Defender Service Corporation | 16,271,213 | 11,659,454 | 11,415,530 | 16,682,214 |
| Unified Courts of Guam | 98,977,743 | 70,924,428 | 69,440,641 | 101,477,865 |
| Guam Telephone Authority | 32,828,180 | 23,523,671 | 23,031,540 | 33,657,402 |
| Total Primary Government | 2,026,113,203 | 1,451,850,850 | 1,421,477,133 | 2,077,291,682 |
| Component Units | | | | |
| Antonio B. Won Pat International Airport Authority | 53,860,632 | 38,594,884 | 37,787,453 | 55,221,121 |
| Guam Community College | 66,943,710 | 47,969,818 | 46,966,257 | 68,634,670 |
| Guam Economic Development Authority | 6,391,104 | 4,579,670 | 4,483,860 | 6,552,540 |
| Guam Housing Corporation | 8,213,751 | 5,885,723 | 5,762,589 | 8,421,225 |
| Guam Housing and Urban Renewal Authority | 20,088,760 | 14,394,992 | 14,093,839 | 20,596,191 |
| Guam Memorial Hospital Authority | 226,338,167 | 162,187,019 | 158,793,955 | 232,055,341 |
| Guam Power Authority | 190,391,522 | 136,428,751 | 133,574,568 | 195,200,705 |
| Guam Visitors Bureau | 7,894,227 | 5,656,762 | 5,538,419 | 8,093,631 |
| Guam Waterworks Authority | 126,362,692 | 90,547,647 | 88,653,328 | 129,554,543 |
| Port Authority of Guam | 115,253,939 | 82,587,453 | 80,859,667 | 118,165,188 |
| University of Guam | 140,432,188 | 100,629,418 | 98,524,181 | 143,979,426 |
| KGTF | 1,769,905 | 1,268,260 | 1,241,727 | 1,814,611 |
| Total Component Units | 963,940,597 | 690,730,397 | 676,279,843 | 988,289,192 |
| Total | 2,990,053,800 | 2,142,581,247 | 2,097,756,976 | 3,065,580,874 |

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

**Exhibit 9.4 - Total OPEB Liability/OPEB Expense as of September 30, 2020
To be Reported as of September 30, 2021**

| | Total OPEB Liability | Proportionate Share of OPEB Expense | Net Amortization from Changes in Proportion/ Differences Between Employer Contributions and Proportionate Share | Total OPEB Expense |
|--|-------------------------|---|---|-----------------------|
| Primary Government | | | | |
| GovGuam Line Agencies | 852,244,114 | 45,357,137 | 1,020,176 | 46,377,313 |
| GovGuam Retirement Fund | 10,883,182 | 579,212 | (206,886) | 372,326 |
| Guam Legislature | 14,564,208 | 775,119 | (214,301) | 560,818 |
| Guam Department of Education | 704,157,441 | 37,475,842 | (8,282,217) | 29,193,625 |
| Public Defender Service Corporation | 13,705,062 | 729,395 | 214,624 | 944,019 |
| Unified Courts of Guam | 83,367,855 | 4,436,906 | 2,865,208 | 7,302,114 |
| Guam Telephone Authority | 27,650,812 | 1,471,599 | 501,107 | 1,972,706 |
| Total Primary Government | 1,706,572,674 | 90,825,210 | (4,102,289) | 86,722,921 |
| Component Units | | | | |
| Antonio B. Won Pat International Airport Authority | 45,366,213 | 2,414,427 | (763,835) | 1,650,592 |
| Guam Community College | 56,385,944 | 3,000,907 | 884,827 | 3,885,734 |
| Guam Economic Development Authority | 5,383,156 | 286,496 | 283,600 | 570,096 |
| Guam Housing Corporation | 6,918,351 | 368,200 | (856,465) | (488,265) |
| Guam Housing and Urban Renewal Authority | 16,920,540 | 900,525 | 313,980 | 1,214,505 |
| Guam Memorial Hospital Authority | 190,642,127 | 10,146,132 | 1,635,206 | 11,781,338 |
| Guam Power Authority | 160,364,667 | 8,534,740 | 794,301 | 9,329,041 |
| Guam Visitors Bureau | 6,649,220 | 353,877 | 144,100 | 497,977 |
| Guam Waterworks Authority | 106,433,894 | 5,664,500 | 2,461,669 | 8,126,169 |
| Port Authority of Guam | 97,077,114 | 5,166,524 | 1,502,013 | 6,668,537 |
| University of Guam | 118,284,474 | 6,295,198 | (2,092,445) | 4,202,753 |
| KGTF | 1,490,771 | 79,340 | (204,662) | (125,322) |
| Total Component Units | 811,916,471 | 43,210,866 | 4,102,289 | 47,313,155 |
| Total | 2,518,489,145 | 134,036,076 | 0 | 134,036,076 |

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

**Exhibit 9.5 - Deferred Outflows as of September 30, 2020
To be Reported as of September 30, 2021**

| | Differences Between Expected and Actual Experience | Changes of Assumptions | Changes in Proportion/ Differences Between Employer Contributions and Proportionate Share | Total Deferred Outflows of Resources |
|--|--|---------------------------|---|--|
| Primary Government | | | | |
| GovGuam Line Agencies | 78,022,169 | 138,650,255 | 12,378,190 | 229,050,614 |
| GovGuam Retirement Fund | 996,345 | 1,770,568 | 0 | 2,766,913 |
| Guam Legislature | 1,333,340 | 2,369,428 | 2,342,154 | 6,044,922 |
| Guam Department of Education | 64,464,968 | 114,558,267 | 3,055,620 | 182,078,855 |
| Public Defender Service Corporation | 1,254,686 | 2,229,655 | 817,207 | 4,301,548 |
| Unified Courts of Guam | 7,632,251 | 13,562,985 | 10,379,993 | 31,575,229 |
| Guam Telephone Authority | 2,531,406 | 4,498,467 | 8,350,041 | 15,379,914 |
| Total Primary Government | 156,235,165 | 277,639,625 | 37,323,205 | 471,197,995 |
| Component Units | | | | |
| Antonio B. Won Pat International Airport Authority | 4,153,235 | 7,380,558 | 6,249,613 | 17,783,406 |
| Guam Community College | 5,162,081 | 9,173,341 | 2,652,570 | 16,987,992 |
| Guam Economic Development Authority | 492,823 | 875,777 | 1,997,054 | 3,365,654 |
| Guam Housing Corporation | 633,369 | 1,125,536 | 0 | 1,758,905 |
| Guam Housing and Urban Renewal Authority | 1,549,060 | 2,752,776 | 1,231,183 | 5,533,019 |
| Guam Memorial Hospital Authority | 17,453,112 | 31,015,268 | 9,393,966 | 57,862,346 |
| Guam Power Authority | 14,681,238 | 26,089,476 | 4,931,232 | 45,701,946 |
| Guam Visitors Bureau | 608,730 | 1,081,751 | 665,249 | 2,355,730 |
| Guam Waterworks Authority | 9,743,925 | 17,315,563 | 19,589,000 | 46,648,488 |
| Port Authority of Guam | 8,887,321 | 15,793,323 | 6,553,171 | 31,233,815 |
| University of Guam | 10,828,835 | 19,243,515 | 116,073 | 30,188,423 |
| KGTF | 136,479 | 242,531 | 194,164 | 573,174 |
| Total Component Units | 74,330,208 | 132,089,415 | 53,573,275 | 259,992,898 |
| Total | 230,565,373 | 409,729,040 | 90,896,480 | 731,190,893 |

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

Exhibit 9.6 - Deferred Inflows as of September 30, 2020 To be Reported as of September 30, 2021

| | Differences Between Expected and Actual Experience | Changes of Assumptions | Changes in Proportion/ Differences Between Employer Contributions and Proportionate Share | Total Deferred Inflows of Resources |
|--|--|---------------------------|---|---|
| Primary Government | | | | |
| GovGuam Line Agencies | 81,558,645 | 184,150,997 | 4,684,277 | 270,393,919 |
| GovGuam Retirement Fund | 1,041,506 | 2,351,614 | 652,047 | 4,045,167 |
| Guam Legislature | 1,393,776 | 3,147,001 | 1,873,211 | 6,413,988 |
| Guam Department of Education | 67,386,947 | 152,152,760 | 39,166,093 | 258,705,800 |
| Public Defender Service Corporation | 1,311,557 | 2,961,359 | 502,101 | 4,775,017 |
| Unified Courts of Guam | 7,978,195 | 18,013,939 | 4,535,028 | 30,527,162 |
| Guam Telephone Authority | 2,646,147 | 5,974,725 | 3,348,134 | 11,969,006 |
| Total Primary Government | 163,316,773 | 368,752,395 | 54,760,891 | 586,830,059 |
| Component Units | | | | |
| Antonio B. Won Pat International Airport Authority | 4,341,487 | 9,802,630 | 14,656,212 | 28,800,329 |
| Guam Community College | 5,396,061 | 12,183,748 | 453,268 | 18,033,077 |
| Guam Economic Development Authority | 515,161 | 1,163,180 | 445,995 | 2,124,336 |
| Guam Housing Corporation | 662,077 | 1,494,902 | 2,269,113 | 4,426,092 |
| Guam Housing and Urban Renewal Authority | 1,619,274 | 3,656,152 | 0 | 5,275,426 |
| Guam Memorial Hospital Authority | 18,244,202 | 41,193,523 | 1,823,598 | 61,261,323 |
| Guam Power Authority | 15,346,689 | 34,651,238 | 2,353,123 | 52,351,050 |
| Guam Visitors Bureau | 636,322 | 1,436,749 | 549,290 | 2,622,361 |
| Guam Waterworks Authority | 10,185,585 | 22,997,997 | 4,391,572 | 37,575,154 |
| Port Authority of Guam | 9,290,153 | 20,976,205 | 184,992 | 30,451,350 |
| University of Guam | 11,319,670 | 25,558,644 | 7,710,717 | 44,589,031 |
| KGTF | 142,665 | 322,122 | 1,297,709 | 1,762,496 |
| Total Component Units | 77,699,346 | 175,437,090 | 36,135,589 | 289,272,025 |
| Total | 241,016,119 | 544,189,485 | 90,896,480 | 876,102,084 |

Government of Guam Postemployment Benefits Other Than Pensions
Financial Reporting and Disclosures Under GASB 75 Measured as of September 30, 2020

SECTION 9 - BREAKOUT OF RESULTS BY GOVERNMENTAL AGENCY

Exhibit 9.7 - Deferred Outflows of Resources and Deferred Inflows of Resources Recognized in Future OPEB Expense

| | 2021 | 2022 | 2023 | 2024 | 2025 | Thereafter |
|--|---------------------|---------------------|--------------------|-------------------|---------------------|------------|
| Primary Government | | | | | | |
| GovGuam Line Agencies | (16,532,418) | (31,290,464) | 709,406 | 11,213,526 | (5,443,359) | 0 |
| GovGuam Retirement Fund | (431,034) | (602,716) | (138,633) | 29,404 | (135,275) | 0 |
| Guam Legislature | (514,259) | (696,838) | 58,010 | 580,648 | 203,373 | 0 |
| Guam Department of Education | (22,784,855) | (35,694,619) | (8,409,811) | 745,002 | (10,482,661) | 0 |
| Public Defender Service Corporation | (67,645) | (328,708) | 61,676 | 44,986 | (183,778) | 0 |
| Unified Courts of Guam | 1,148,184 | (430,045) | 1,383,275 | 259,795 | (1,313,140) | 0 |
| Guam Telephone Authority | (68,381) | (307,129) | 1,011,469 | 1,823,424 | 951,526 | 0 |
| Total Primary Government | (39,250,408) | (69,350,519) | (5,324,608) | 14,696,785 | (16,403,314) | 0 |
| Component Units | | | | | | |
| Antonio B. Won Pat International Airport Authority | (1,698,184) | (2,593,677) | (1,760,035) | (2,516,951) | (2,448,077) | 0 |
| Guam Community College | (276,485) | (1,270,326) | 380,139 | 561,615 | (440,029) | 0 |
| Guam Economic Development Authority | 172,731 | 60,729 | 318,478 | 469,227 | 220,153 | 0 |
| Guam Housing Corporation | (998,952) | (1,059,556) | (494,301) | (14,668) | (99,711) | 0 |
| Guam Housing and Urban Renewal Authority | (34,510) | (352,616) | 231,776 | 405,476 | 7,467 | 0 |
| Guam Memorial Hospital Authority | (2,291,209) | (5,826,917) | 1,288,478 | 3,824,362 | (393,692) | 0 |
| Guam Power Authority | (2,508,529) | (4,969,597) | 568,947 | 1,543,298 | (1,283,222) | 0 |
| Guam Visitors Bureau | 7,154 | (126,001) | 19,570 | (33,985) | (133,368) | 0 |
| Guam Waterworks Authority | 269,582 | (1,492,796) | 3,186,408 | 5,225,279 | 1,884,862 | 0 |
| Port Authority of Guam | (497,361) | (2,136,994) | 1,338,486 | 2,154,056 | (75,723) | 0 |
| University of Guam | (4,528,600) | (6,553,786) | (1,773,930) | 149,224 | (1,693,514) | 0 |
| KGTF | (235,365) | (264,560) | (238,690) | (260,012) | (190,695) | 0 |
| Total Component Units | (12,619,728) | (26,586,097) | 3,065,326 | 11,506,921 | (4,645,549) | 0 |
| Total | (51,870,136) | (95,936,616) | (2,259,282) | 26,203,706 | (21,048,863) | 0 |

APPENDIX A - SCHEDULE OF DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

| Year | Differences between Expected and Actual Experience | Recognition Period (Years) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|----------------------------------|--------------|--------------|--------------|--------------|------------|------------|------|------|------|------|
| 2016 | - | 6.02 | - | - | - | - | - | - | - | - | - | - |
| 2017 | - | 6.02 | - | - | - | - | - | - | - | - | - | - |
| 2018 | (522,357,892) | 5.57 | (93,780,591) | (93,780,591) | (93,780,591) | (53,454,937) | - | - | - | - | - | - |
| 2019 | - | 5.57 | - | - | - | - | - | - | - | - | - | - |
| 2020 | 280,042,921 | 5.66 | 49,477,548 | 49,477,548 | 49,477,548 | 49,477,548 | 49,477,548 | 32,655,181 | - | - | - | - |
| Net Increase (Decrease) in OPEB Expense | | | (44,303,043) | (44,303,043) | (44,303,043) | (3,977,389) | 49,477,548 | 32,655,181 | - | - | - | - |

| Year | Changes of Assumptions | Recognition Period (Years) | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---------------------------|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|------|------|------|------|
| 2016 | 270,694,071 | 6.02 | 44,965,793 | 44,965,793 | 899,313 | - | - | - | - | - | - | - |
| 2017 | (249,820,157) | 6.02 | (41,498,365) | (41,498,365) | (41,498,365) | (829,967) | - | - | - | - | - | - |
| 2018 | (175,941,955) | 5.57 | (31,587,425) | (31,587,425) | (31,587,425) | (18,004,830) | - | - | - | - | - | - |
| 2019 | 567,709,274 | 5.57 | 101,922,670 | 101,922,670 | 101,922,670 | 101,922,670 | 58,095,924 | - | - | - | - | - |
| 2020 | (460,552,874) | 5.66 | (81,369,766) | (81,369,766) | (81,369,766) | (81,369,766) | (81,369,766) | (53,704,044) | - | - | - | - |
| Net Increase (Decrease) in OPEB Expense | | | (7,567,093) | (7,567,093) | (51,633,573) | 1,718,107 | (23,273,842) | (53,704,044) | - | - | - | - |

Government of Guam Postemployment Benefits Other Than Pensions
 Financial Reporting and Disclosures Under GASB 75 Measured as of September 30, 2020