

GOVERNMENT OF GUAM

BASIC FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED SEPTEMBER 30, 2021

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 Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S 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, 2021, 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.

Auditor's 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 and the GovGuam Deferred 457 Compensation Plan, which represents 94%, 96% and 78%, 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 Corporation, the Guam Economic Development Authority, the Guam Preservation Trust, and the Guam Educational Telecommunications Corporation, which represent 20%, 97% and 7%, 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 GovGuam Deferred 457 Compensation Plan, the Antonio B. Won Pat International Airport Authority, the Guam Housing Corporation, the Guam Economic Development Authority, the Guam Preservation Trust, and the Guam Educational Telecommunications Corporation, 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

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, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam as of September 30, 2021, 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

Change in Accounting Principle

As described in Note 1X to the financial statements, effective October 1, 2020, GovGuam adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities.

COVID-19

As discussed in Note 15 to the financial statements, GovGuam determined that the COVID-19 pandemic may negatively impact its financial position.

Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as set forth in Section II of the foregoing table of contents, and the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Changes in the Proportionate Share of the Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Total OPEB Liability, and the Schedule of OPEB Contributions as set forth in Section IV of the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

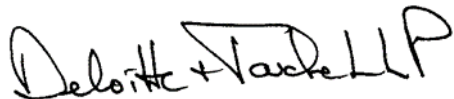
Management has omitted the Schedule of Revenues, Expenditures and Changes in Deficit - Budget and Actual - General Fund and notes thereto, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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. Our opinion on the basic financial statements is not affected by this missing information.

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 143 through 192 was 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 143 through 192 is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information on pages 193 through 197 has 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 July 13, 2022, 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.

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

July 13, 2022

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

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, 2021. Please read it in conjunction with GovGuam's financial statements, which follow this section. Fiscal year 2020 comparative information has been included, where appropriate.

The three branches of GovGuam - the executive, legislative and judicial were established by the Organic Act (as amended) of 1950. The management of the financial affairs of GovGuam is the responsibility of the Executive Branch. 5GCA § 22203 mandates the Department of Administration as the Executive agency responsible for the preparation of the annual Basic financial statements. 1GCA §1908 requires the Public Auditor to audit these financial statements or cause them to be audited.

OVERVIEW OF THE FINANCIAL STATEMENTS

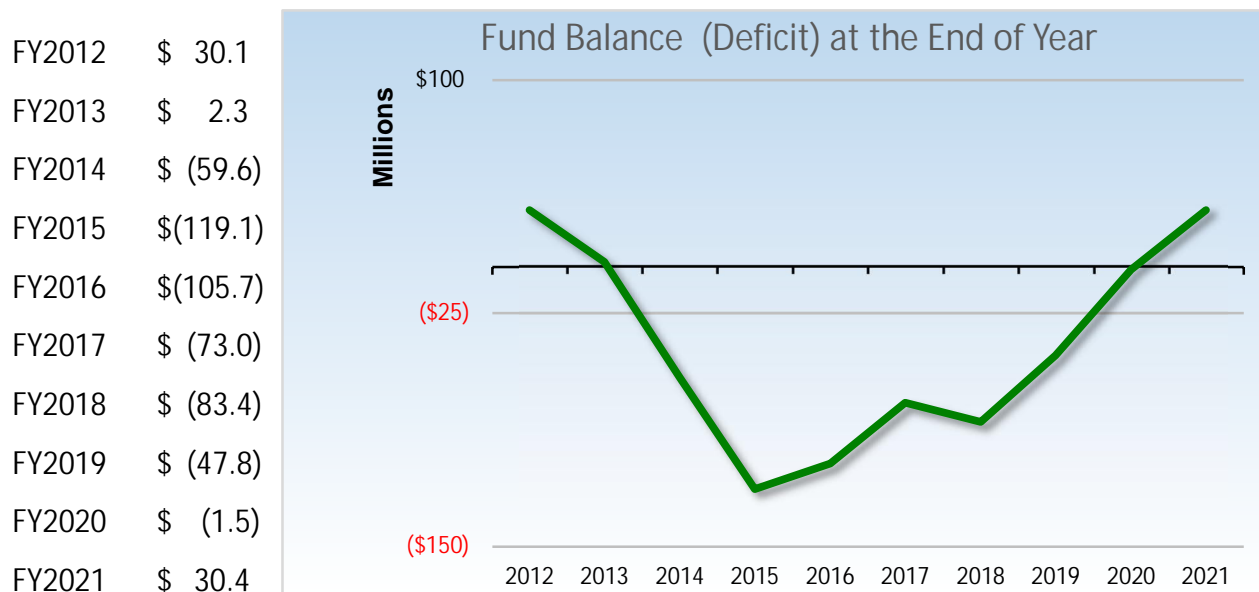
This discussion and analysis is intended to serve as an introduction to GovGuam's basic financial statements. GovGuam's basic financial statements are comprised of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The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

THE GENERAL FUND OF THE GOVERNMENT OF GUAM

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 ten years (Graph 1). In 2006, the General Fund deficit reached its largest deficit of \$524 million. Since that time, the Government has achieved a steadily improving trend. This has been managed 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. In 2021, GovGuam reported a fund balance of \$30.4 million, the first positive balance since 2013.

Graph 1



GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

THE GENERAL FUND OF THE GOVERNMENT OF GUAM, CONTINUED

- In 2021, the General Fund generated an excess of revenues over expenditures of \$24.4 million. For the last three years, the Administration has placed emphasis on maximizing federal revenues, reducing costs previously met by the General Fund. This effort is the biggest single contribution to the deficit reduction. Taken together with Other Financing Sources of \$7.5 million, a surplus of \$31.9 million has been reported.

The fund surplus of \$31.9 million in FY2021 has eliminated the carry forward deficit on the general fund and has resulted in a fund balance of \$30.4m at the end of the year. This is a significant event since this surplus was achieved without borrowing and is the outcome of financial discipline. Eliminating the deficit demonstrates that all known prior year liabilities have been satisfied, allowing future budgets to concentrate on current year activities and providing a clearer view of government priorities. A surplus in the General Fund, or any fund, is the outcome of two factors. For FY2021, there was an excess of revenues over budgeted revenues, on a modified accrual basis of \$77.6 million (budgetary basis \$63.5 million). This surplus, however, did not flow through to the fund balance, principally because the FY2021 budget permitted unspent appropriations from prior years to be carried forward and spent in FY2021 (continuing appropriations). Such expenditures together with post budget appropriations enacted by the Legislature are recognized in FY2021 and offset the revenue excess. Continuing appropriations for FY2021 are \$15,582,742 million for the General Fund and \$292,844,392 million for other funds. In FY2020, continuing appropriations were \$20.4 million for the General Fund and \$43.2 million for other funds.

- 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 service costs related to the closure of the Ordot landfill facility of Guam Solid Waste Authority (GSWA). Until April 2019, this enterprise was operating under Federal receivership and the Court permitted GSWA to use income received from tipping fees 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, were debt service costs in support of the Guam Department of Education, which also became the responsibility of the General Fund. The General Fund continues to pay these obligations. This additional debt burden exacerbated past deficits also caused by unanticipated expenditures and revenue shortfalls.

Graph 2

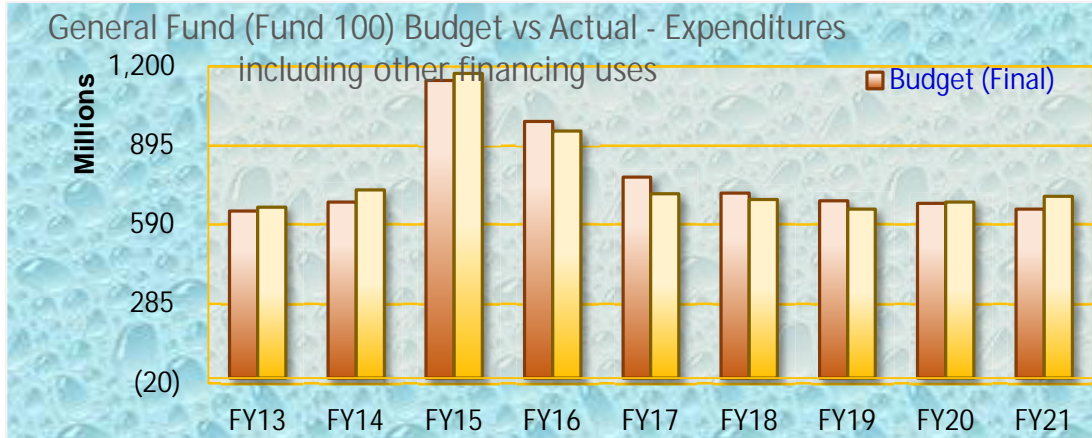


GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

THE GENERAL FUND OF THE GOVERNMENT OF GUAM, CONTINUED

Graph 3



FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The liabilities and deferred inflows of GovGuam exceeded its assets and deferred outflows of resources as of September 30, 2021 by \$2.464 billion (net position). Unrestricted net position, which may be used to meet GovGuam's ongoing obligations to citizens and creditors, was a negative \$3.558 billion, a decrease of \$3 million (or 0.1%) from the previous year.
- For the fiscal year ended September 30, 2021, GovGuam's total net position decreased by \$36 million (or 1.5%) from a negative \$2.428 billion in the prior year to a negative \$2.464 billion. This was primarily attributable to expenses for governmental activities of \$2.069 billion exceeding revenues for governmental activities of \$2.032 billion.
- The total deferred outflows of resources increased to \$790 million, a \$103.8 million (or 15.1%) increase. This was due to the increase in deferred outflows for OPEB and net pension liabilities in the amounts of \$66.9 million and \$37.4 million, respectively, offset by the decrease in deferred loss on refunding in the amount of \$0.5 million. The total deferred inflows of resources increased to \$611.4 million, a \$166.5 million (or 37.4%) increase. This was due to the increase in deferred inflows for OPEB liabilities in the amount of \$169.6 million offset by the decrease in deferred inflows for net pension liabilities in the amount of \$3.1 million. Deferred outflows and inflows of resources for OPEB and pension consist mainly of estimated amounts included in respective actuarial valuations and the financial adjustments required because these valuations are calculated based on prior year census data as required by the accounting standard.
- GovGuam's assets increased during the current year to \$2.499 billion, an increase of \$475 million. This increase was primarily due to the increase in current assets of \$538 million (or 110%) offset by a decrease in restricted assets of \$28.7 million (or 21%).

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

FINANCIAL HIGHLIGHTS, CONTINUED

Government-Wide Highlights, Continued

- GovGuam's liabilities increased during the current year to \$5.141 billion, an increase of \$448 million. This increase was primarily due to the increase in current liabilities of \$501 million (or 90.5%) offset by a decrease in long-term liabilities of \$53.7 million (or 1.3%). The increase in current liabilities is associated with funds received from the federal government in excess of current expenditures incurred of \$645 million, an increase of \$545 million (or 544%) offset by a decrease in tax refund liabilities of \$86.1 million (or 52.4%). The decrease in long-term liabilities is associated primarily with a reduction in long-term debt of \$43.9 million (or 3.9%). In accordance with GASB Statement No. 68, Accounting and Financial Reporting For Pensions, GovGuam's liability for pensions increased to \$1.084 billion, an increase of \$29 million for the fiscal year ended September 30, 2021. In accordance with GASB Statement No. 75, Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions, GovGuam's liability for postemployment benefits other than pension decreased to \$1.696 billion, a decrease of \$42 million for the fiscal year ended September 30, 2021.
- For the fiscal year ended September 30, 2021, GovGuam's expenses for governmental activities were \$2.069 billion and were funded by \$1.207 billion in program revenues, including federal supplements of \$1.128 billion, and \$825 million in taxes and other general revenues.
- Program revenues increased by \$216.2 million (or 21.8%) from the previous fiscal year. The change was primarily due to an increase, compared with prior year, in operating grants and contributions including \$96.6 million in federal assistance received and expended under the American Rescue Plan Act (ARPA) of 2021. Conversely, general revenues decreased by \$5.2 million (or 0.6%) from the previous fiscal year. The change was due to an increase, compared with prior year, in income tax collections of \$27.9 million (or 8.6%) offset by a decrease in Section 30 federal tax collections of \$17.2 million (or 20.9%) and other taxes of \$16.3 million (or 13.8%).

Governmental Fund Highlights

Set forth below are financial highlights for the General Fund for FY2021. The financial cycle begins with appropriations of estimated revenues in the annual budget legislation. By statute the budget must be balanced with budgeted annual expenditures and cash allocations met by estimated annual revenues in the General Fund and in other Governmental funds (special revenue funds). The annual budget may be amended or supplemented by additional legislation as revenues are realized. A shortfall in revenues of 3.5% or more requires a fiscal realignment to bring expenditures in line with expected reduced revenues.

A surplus in realized revenues over the budget estimate may be further appropriated by the legislature in further legislation. However, if either the original or subsequent legislation has an allowance for continuing appropriations (allowances for prior year expenditure shortfalls compared with budget) or payment of prior year obligations, the expected revenue surplus may be restricted by the amounts of additional expenditures which such allowances represent.

The amount of federal funding which is anticipated or committed in agreed grants cannot be appropriated by the legislature and is at the discretion of the Governor as established by the Organic Act and subsequent decisions of the District Court. Local funds required to match federal grants and contributions are included in budget legislation.

- General Fund revenues of \$728.9 million were higher than estimated collections of \$649.7 million. The net increase of \$79.2 million is primarily attributable to income tax collections of \$89.9 million above budget offset by gross receipts tax and Section 30 federal tax collections of \$7.6 million and \$3.5 million, respectively, below budget.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

FINANCIAL HIGHLIGHTS, CONTINUED

Governmental Fund Highlights, Continued

- For the fiscal year ended September 30, 2021, the General Fund reported revenues (including transfers in) of \$782.4 million, a slight increase of \$0.1 million from fiscal year 2020 revenues and transfers in of \$782.3 million. Correspondingly, the General Fund reported expenditures (including transfers out) of \$750.8 million, an increase of \$14.8 million (or 2%) from fiscal year 2020 expenditures and transfers out of \$736 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.

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.
- 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 and dependability 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 other entities in this report. Although legally separate, these component units are reported because GovGuam is financially accountable for them. The University of Guam, Guam Community College and Guam Memorial Hospital Authority are partially supported by appropriations from the General Fund and certain special revenue funds.

Governmental Fund and Fiduciary 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).

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

FINANCIAL HIGHLIGHTS, CONTINUED

Governmental Fund and Fiduciary Fund Financial Statements, Continued

GovGuam presents separate statements for the following 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 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 a trust arrangement, can be used only for the trust beneficiaries. GovGuam is responsible for ensuring that 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. The largest element of these Fiduciary funds is the Government of Guam Retirement Fund ("GGRF"). Retirement benefits for GovGuam employees are funded by employer and employee contributions. These contributions are invested by GGRF to provide retirement annuities (defined benefits and DB1.75 plans and annuities or payouts under the defined contribution plans). Supplemental benefits to defined benefit retirees and annual Cost of Living Allowance payments to all retirees are funded by annual appropriations from the General Fund. The General Fund also pays to GGRF under annual appropriations Medicare premium subsidies for retirees so that they may participate in the retiree health plan insurance for which Medicare is primary insurance. This allows the retiree to pay reduced health insurance premiums. Neither the supplemental payment nor Medicare premiums are reported as transactions of GGRF in their annual financial statements.

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2021, GovGuam reported positive balances in two of the categories of net position. By far, the largest portion of GovGuam's net position (\$458.2 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 (\$635.4 million) represents resources that are subject to external restrictions or enabling legislation as to the purpose for which they can be used.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Net Position

The summary of Net Position (condensed) presented below, with comparable balances for fiscal year 2020, discloses this relationship:

	GovGuam's Net Position As of September 30			
	Governmental Activities 2021	Governmental Activities 2020	\$ Change 2021-2020	% Change 2021-2020
Current assets	\$ 1,026,458,642	\$ 488,427,081	\$ 538,031,561	110.2%
Current liabilities	1,054,601,598	553,546,077	501,055,521	90.5%
Net current liabilities	(28,142,956)	(65,118,996)	36,976,040	-56.8%
Restricted assets	106,994,079	135,664,273	(28,670,194)	-21.1%
Long-term assets	1,365,436,555	1,400,640,065	(35,203,510)	-2.5%
Long-term debt	1,086,285,968	1,130,207,528	(43,921,560)	-3.9%
Other long-term liabilities	3,000,541,806	3,010,276,163	(9,734,357)	-0.3%
Total long-term liabilities	4,086,827,774	4,140,483,691	(53,655,917)	-1.3%
Net long-term liabilities	(2,721,391,219)	(2,739,843,626)	18,452,407	-0.7%
Deferred outflows of resources	789,742,531	685,981,812	103,760,719	15.1%
Deferred inflows of resources	(611,403,046)	(444,939,615)	(166,463,431)	37.4%
Net position:				
Net investment in capital assets	458,209,689	475,475,509	(17,265,820)	-3.6%
Restricted	635,370,479	657,190,456	(21,819,977)	-3.3%
Unrestricted	(3,557,780,779)	(3,560,922,117)	3,141,338	-0.1%
Total net position	\$ (2,464,200,611)	\$ (2,428,256,152)	\$ (35,944,459)	1.5%

The negative balance of unrestricted net position is primarily attributable to GovGuam's OPEB and pension liabilities of \$1.696 billion and \$1.084 billion, respectively, and having long-term liabilities that are greater than associated 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 payments for amounts falling due during the fiscal year in annual budgets.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position

For the fiscal year ended September 30, 2021, GovGuam's total negative net position increased by \$35.9 million (or 1.5%) from a negative net position of \$2.428 billion in the prior year, to a negative net position of \$2.464 billion. For the year ended September 30, 2021, the net position of the primary government changed as follows, with comparable amounts for fiscal year 2020:

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

	Governmental Activities 2021	Governmental Activities 2020	\$ Change 2021-2020	% Change 2021-2020
Revenues:				
Program revenues:				
Charges for services	\$ 78,491,667	\$ 78,899,974	\$ (408,307)	-0.5%
Operating grants and contributions	1,128,066,710	911,437,900	216,628,810	23.8%
	<u>1,206,558,377</u>	<u>990,337,874</u>	<u>216,220,503</u>	21.8%
General revenues:				
Income taxes	352,818,156	324,932,867	27,885,289	8.6%
Gross receipts taxes	296,805,879	296,518,767	287,112	0.1%
Section 30 federal tax collections	65,109,936	82,309,451	(17,199,515)	-20.9%
Other taxes	101,737,268	118,075,662	(16,338,394)	-13.8%
Other general revenues	8,817,398	8,628,866	188,532	2.2%
	<u>825,288,637</u>	<u>830,465,613</u>	<u>(5,176,976)</u>	-0.6%
Total revenues	<u>2,031,847,014</u>	<u>1,820,803,487</u>	<u>211,043,527</u>	11.6%
Expenses:				
General government	201,144,071	186,962,708	14,181,363	7.6%
Protection of life and property	149,766,388	139,725,000	10,041,388	7.2%
Public health	487,821,377	392,047,878	95,773,499	24.4%
Community services	48,212,513	44,049,418	4,163,095	9.5%
Culture and recreation	10,441,145	20,250,022	(9,808,877)	-48.4%
Individual and collective rights	123,060,466	62,496,103	60,564,363	96.9%
Public welfare	441,078,039	392,509,688	48,568,351	12.4%
Transportation	54,596,094	45,016,266	9,579,828	21.3%
Public education	424,737,770	399,983,547	24,754,223	6.2%
Environmental protection	42,606,638	27,214,251	15,392,387	56.6%
Economic development	18,291,977	25,452,120	(7,160,143)	-28.1%
Interest	67,059,654	78,214,118	(11,154,464)	-14.3%
Total expenses	<u>2,068,816,132</u>	<u>1,813,921,119</u>	<u>254,895,013</u>	14.1%
	(36,969,118)	6,882,368	(43,851,486)	-637.2%
Contributions from (to) permanent funds	<u>1,024,659</u>	<u>2,925,120</u>	<u>(1,900,461)</u>	-65.0%
Change in net position	(35,944,459)	9,807,488	(45,751,947)	-466.5%
Net position, beginning of year	<u>(2,428,256,152)</u>	<u>(2,438,063,640)</u>	<u>9,807,488</u>	-0.4%
Net position, end of year	<u>\$ (2,464,200,611)</u>	<u>\$ (2,428,256,152)</u>	<u>\$ (35,944,459)</u>	1.5%

GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

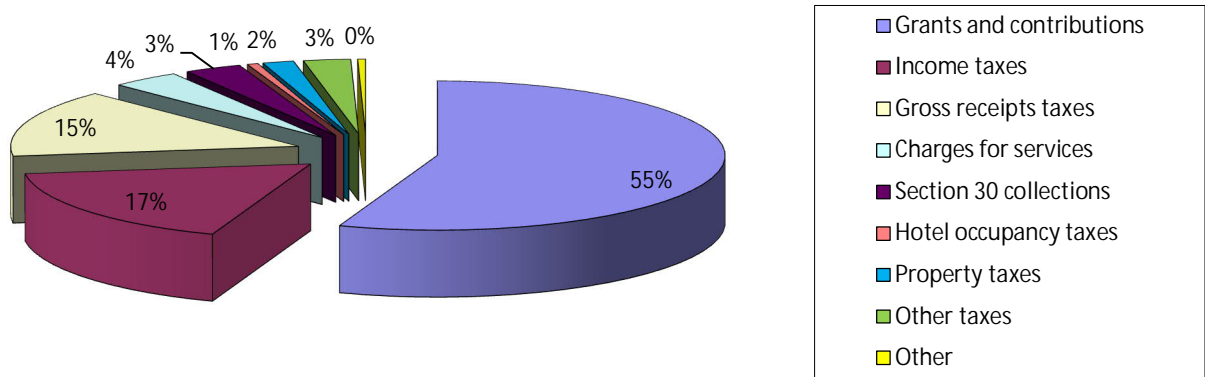
FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position, Continued

Program revenues increased by \$216.2 million (or 21.8%) from the previous year. The change was primarily due to an increase, compared with prior year, in operating grants and contributions. Conversely, general revenues decreased by \$5.2 million (or 0.6%) from the previous fiscal year. The change was due to an increase, compared with prior year, in income tax collections of \$27.9 million (or 8.6%) offset by a decrease in Section 30 federal tax collections of \$17.2 million (or 20.9%) and other taxes of \$16.3 million (or 13.8%). GovGuam’s total revenues from governmental activities, including local revenues, totaled \$2.032 billion in fiscal year 2021, an increase of \$211 million (or 11.6%) compared with prior year. The cost of governmental activities totaled \$2.069 billion in fiscal year 2021, an increase of \$254.9 million (or 14.1%) compared with prior year, resulting in an increase in the negative net position before contributions to permanent funds of \$37 million.

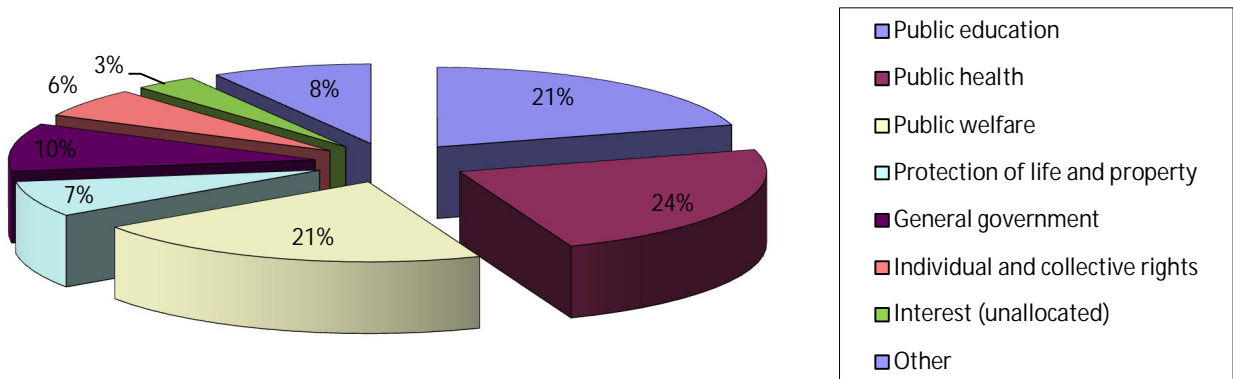
Graphs 4 and 5 below show the major components of revenues and cost of governmental activities.

Graph 4
GovGuam’s Revenue Sources
For the Year Ended September 30, 2021



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam, which comprises 40.6% and 55.5%, respectively, of the total revenues for fiscal year 2021. Charges for services and other revenues provided 3.9% of the total revenues.

Graph 5
GovGuam’s Cost of Governmental Activities
For the Year Ended September 30, 2021



GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

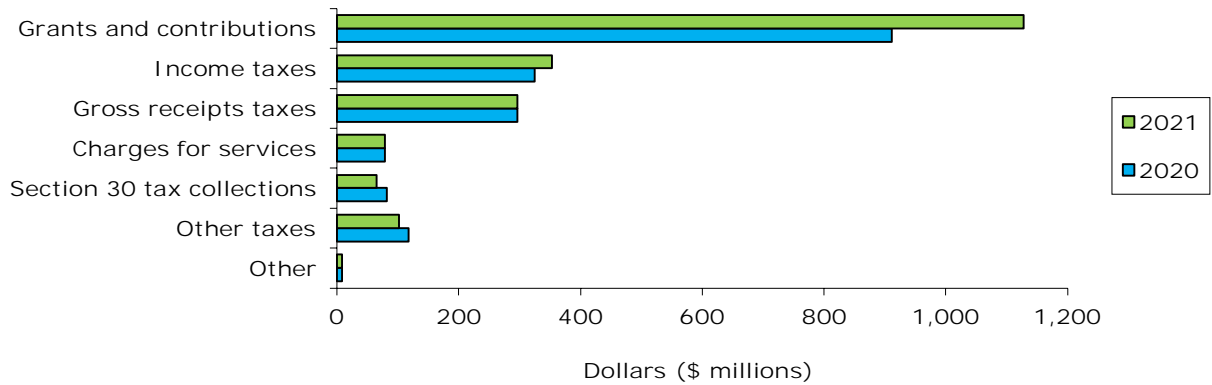
FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position, Continued

GovGuam’s expenses cover a range of services. The largest expenses were for public health, public welfare and public education, which comprise 23.6%, 21.3% and 20.5%, respectively, of the total expenses for fiscal year 2021. Other expenses that make up a portion of the costs of governmental activities include transportation (\$54.6 million), community services (\$48.2 million), environmental protection (\$42.6 million), economic development (\$18.3 million), and culture and recreation (\$10.4 million).

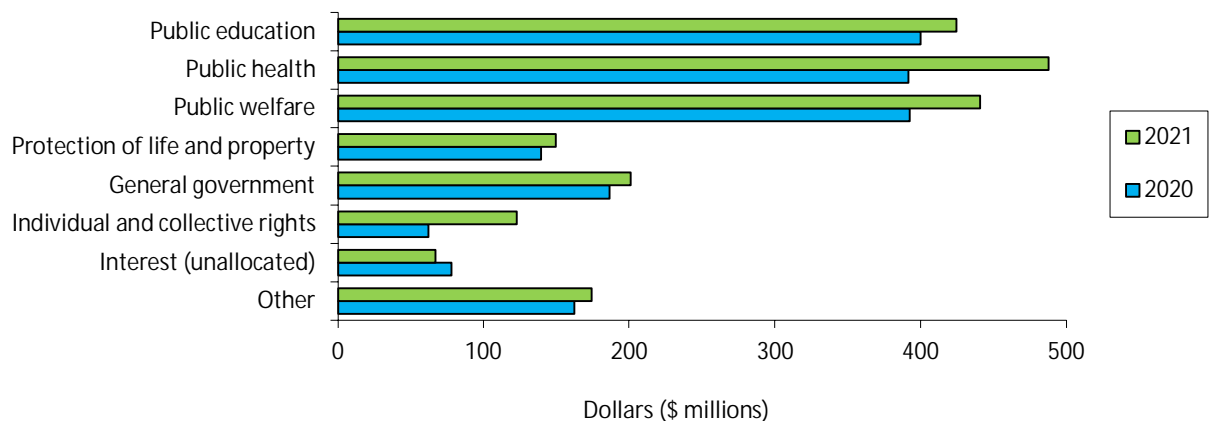
Graphs 6 and 7 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2021 and 2020.

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



Other taxes in fiscal year 2021 included hotel occupancy taxes of \$12.4 million, down from \$26.4 million (or 53%) in fiscal year 2020; liquid fuel taxes of \$10.1 million, down from \$12 million (or 16.1%) in fiscal year 2020; and limited gaming taxes of \$1.4 million, down from \$1.8 million (or 20.5%) in fiscal year 2020. Real property taxes, excise taxes, tobacco taxes and alcoholic beverage taxes collectively remained consistent with prior year at \$77.8 million, down slightly from \$77.9 million (or 0.1%) in fiscal year 2020.

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, 2021

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position, Continued

Other expenses in fiscal year 2021 included community services expenses of \$48.2 million, up from \$44 million (or 9.5%) in fiscal year 2020; culture and recreation expenses of \$10.4 million, down from \$20.2 million (or 48%) in fiscal year 2020; transportation expenses of \$54.6 million, up from \$45 million (or 21%) in fiscal year 2020; environmental protection expenses of \$42.6 million, up from \$27.2 million (or 56.6%) in fiscal year 2020; and economic development expenses of \$18.3 million, down from \$25.5 million (or 28.1%) in fiscal year 2020.

Analysis of Changes in Net Position

During the current fiscal year, GovGuam's total net position decreased by \$35.9 million compared with the prior fiscal year increase of \$9.8 million. The key element of this change compared with prior fiscal year is an increase in expenses, net of program revenues, of \$38.7 million (or 4.7%), and a decrease in general revenues and contributions to permanent fund of \$5.2 million (or 0.6%) and \$1.9 million (or 65%), respectively. The elements of these changes are reflected below:

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

	Governmental Activities 2021	Governmental Activities 2020	\$ Change 2021-2020	% Change 2021-2020
General revenues:				
Taxes	\$ 816,471,239	\$ 821,836,747	\$ (5,365,508)	-0.7%
Other general revenues	8,817,398	8,628,866	188,532	2.2%
Total general revenues	<u>825,288,637</u>	<u>830,465,613</u>	<u>(5,176,976)</u>	-0.6%
Expenses, net of program revenues:				
General government	135,643,725	136,544,475	(900,750)	-0.7%
Protection of life and property	125,048,253	105,793,385	19,254,868	18.2%
Public health	88,338,766	78,292,556	10,046,210	12.8%
Community services	25,364,708	31,298,537	(5,933,829)	-19.0%
Culture and recreation	8,282,098	18,411,879	(10,129,781)	-55.0%
Individual and collective rights	64,213,828	44,821,769	19,392,059	43.3%
Public welfare	(5,515,699)	-	(5,515,699)	
Transportation	33,502,444	9,961,312	23,541,132	236.3%
Public education	301,012,808	319,545,652	(18,532,844)	-5.8%
Environmental protection	15,263,805	1,693,277	13,570,528	801.4%
Economic development	4,043,365	(993,715)	5,037,080	-506.9%
Interest (unallocated)	67,059,654	78,214,118	(11,154,464)	-14.3%
Total expenses, net	<u>862,257,755</u>	<u>823,583,245</u>	<u>38,674,510</u>	4.7%
	(36,969,118)	6,882,368	(43,851,486)	-637.2%
Contributions from (to) permanent fund	<u>1,024,659</u>	<u>2,925,120</u>	<u>(1,900,461)</u>	-65.0%
Change in net position	<u>\$ (35,944,459)</u>	<u>\$ 9,807,488</u>	<u>\$ (45,751,947)</u>	-466.5%

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Analysis of Changes in Net Position, Continued

General revenues decreased marginally by \$5.2 million (or 0.6%) from the previous fiscal year. The decrease was primarily due to a decrease in taxes compared with prior year. Tax revenue collections remained comparable with the previous fiscal year; however, there were significant changes within the respective tax revenue categories as follows: Section 30 federal income tax collections decreased by \$17.2 million (or 20.9%) while hotel occupancy tax collections decreased by \$14 million (or 53.1%). These decreases were offset by an increase in income tax collections of \$27.9 million (or 8.6%) in fiscal year 2020. For the year ended September 30, 2021, tax collections of the primary government with comparable amounts for fiscal year 2020 were as follows:

GovGuam's Tax Revenues
For the Years Ended September 30

	Governmental Activities 2021	Governmental Activities 2020	\$ Change 2021-2020	% Change 2021-2020
Income	\$ 352,818,156	\$ 324,932,867	\$ 27,885,289	8.6%
Gross receipts	296,805,879	296,518,767	287,112	0.1%
Section 30 Federal income tax	65,109,936	82,309,451	(17,199,515)	-20.9%
Hotel occupancy	12,372,113	26,366,511	(13,994,398)	-53.1%
Property	35,612,339	34,159,248	1,453,091	4.3%
Tobacco	34,977,877	35,817,232	(839,355)	-2.3%
Liquid fuel	10,100,087	12,042,192	(1,942,105)	-16.1%
Alcoholic beverages	3,519,174	3,955,987	(436,813)	-11.0%
Excise	3,760,517	3,979,588	(219,071)	-5.5%
Limited gaming	1,395,161	1,754,904	(359,743)	-20.5%
Total tax revenues	<u>\$ 816,471,239</u>	<u>\$ 821,836,747</u>	<u>\$ (5,365,508)</u>	-0.7%

Tax revenues decreased by \$5.4 million (or 0.7%) from \$821.8 million in the prior year to \$816.4 million. This decrease was primarily due to a decrease in: (1) hotel occupancy tax collections of \$14 million (or 53.1%), down from \$26.4 million in the prior year to \$12.4 million; (2) Section 30 federal tax collections of \$17.2 million (or 20.9%), down from \$82.3 million in the prior year to \$65.1 million; and (3) liquid fuel tax collections of \$1.9 million (16.1%), down from \$12 million in the prior year to \$10.1 million. These decreases were offset by an increase in income tax collections of \$27.9 million (or 8.6%), up from \$324.9 million in the prior year to \$352.8 million.

Section 30 federal tax collections represent income tax collections which the federal government has collected from individuals or entities located on Guam and which are "covered over" to GovGuam. Each year, an estimated amount is agreed between the U.S. Department of the Interior and GovGuam of the amount and it is paid in September each year on account of the ensuing fiscal year. The estimated amount is subject to verification and finalization based on figures provided by the Internal Revenue Service, usually three years after the estimate has been paid. In order to fund War Claims paid out by the Federal Foreign Claims Settlement Commission ("FCSC") under Public Law 114-328, Section 30 payments between 2018 and 2020 were reduced by a total of \$39.7 million. FCSC has recently advised that they have either paid out or denied all claims submitted to them. Accordingly, the Section 30 remittance is no longer subject to such deduction and \$76.1 million was received in September 2021 for FY2022. Further remittances can be anticipated to refund amounts over withheld.

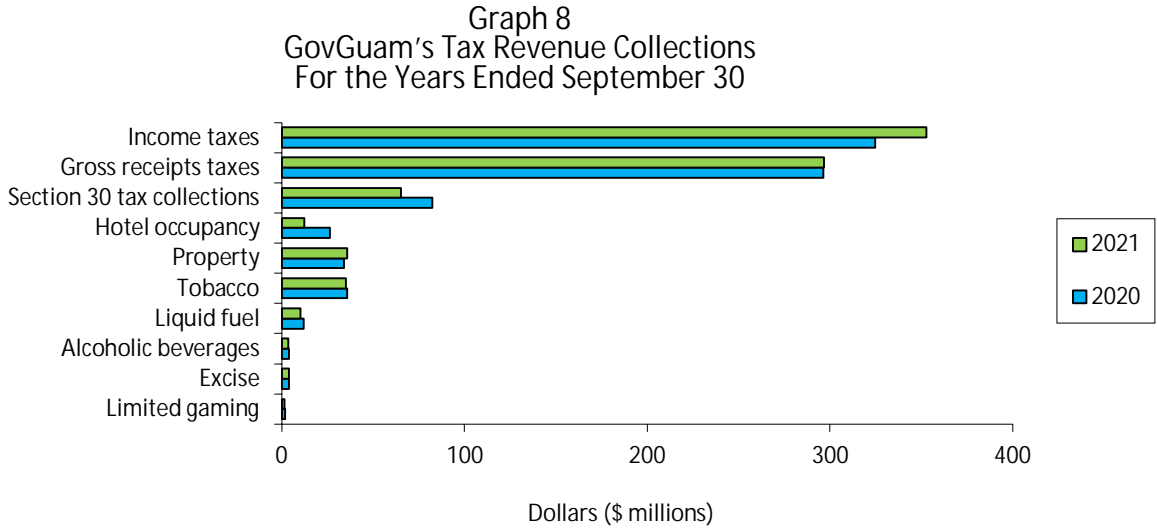
GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

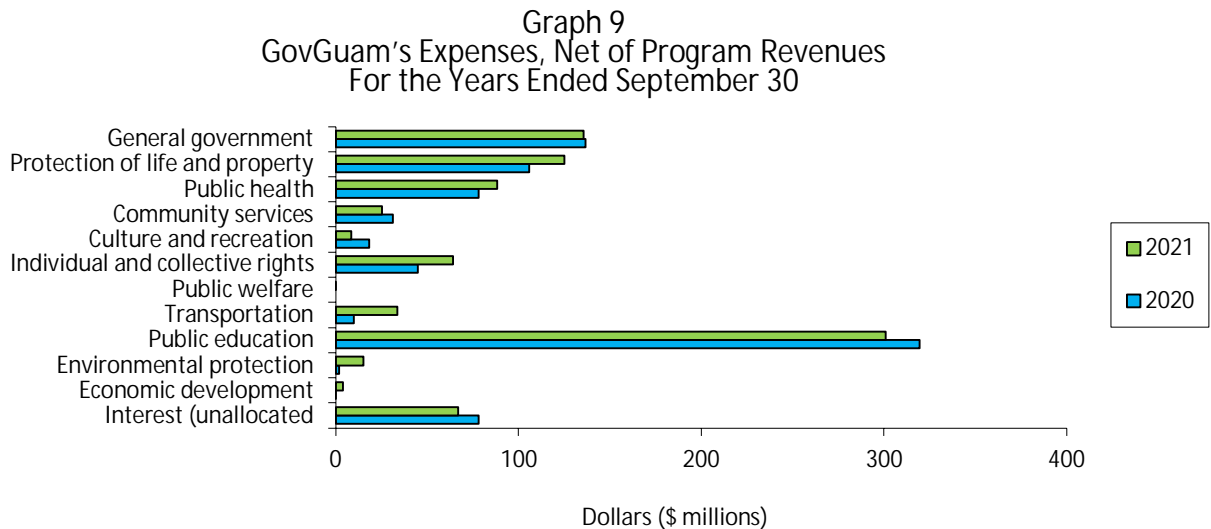
Analysis of Changes in Net Position, Continued

Graph 8 below shows a comparison of the tax revenue collections for fiscal years 2021 and 2020.



Cost of governmental activity expenses, net of program revenues, increased compared with prior year by \$38.7 million (or 4.7%) primarily due to an increase in net transportation expense of \$23.5 million (or 236%), net individual and collective rights expense of \$19.4 million (or 43.3%), net protection of life and property expense of \$19.3 million (or 18.2%), net environmental protection expense of \$13.6 million (or 801%), and net public health expense of \$10 million (or 12.8%), offset by a decrease in public education expense of \$18.5 million (or 5.8%), net interest expense of \$11.2 million (or 14.3%), net culture and recreation expense of \$10.1 million (or 55%), and net community services expense of \$5.9 million (or 19%).

Graph 9 below shows a comparison of cost of governmental activity expenses, net of program revenues, for fiscal years 2021 and 2020.



GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Financial Ratios

The ratios for Governmental Funds and Government-wide.

	<u>2021</u>	<u>2020</u>
Governmental Funds:		
Current Ratio	1.55:1	1.97:1
Expenditures as a Percentage of Total Expenditures:		
General government	6.20%	5.95%
Protection of life and property	7.40%	7.70%
Public education (including payments to UOG and GCC)	19.1%	19.2%
Public health (including payments to GMHA)	23.9%	21.9%
Public welfare	21.1%	21.8%
Debt service	6.00%	6.47%
Government-wide (includes Component Units):		
Public Debt as a percentage of GDP	44.80%	45.18%
Public Debt as a percentage of Revenues	91.3%	129.2%
Public Debt per Capita - Primary Government	\$7,430	\$6,236
Public Debt per Capita - Component Units	\$9,595	\$8,922

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 2021, GovGuam's governmental funds reported a combined fund balance surplus of \$586.8 million, an increase of \$13.1 million compared with a combined fund surplus of \$573.7 million at the end of fiscal year 2020. This is primarily attributable to the operating surplus in the General Fund of \$31.9 million, reducing the cumulative prior year deficit of \$1.5 million, offset by operating deficits in other governmental funds of \$20 million.

General Fund - this fund is the chief operating fund of GovGuam. At the end of the fiscal year, the total cumulative fund surplus of the General Fund was \$30.4 million, a decrease in the cumulative prior year deficit of \$1.5 million due to fund surplus of \$31.9 million in the current year.

Federal Grants Assistance Fund - this fund has a total fund deficit of \$0.1 million, which primarily represents federal grant program expenditures for which the corresponding federal grant revenues have yet to be recognized at year-end. This fund reports the regular federal funding grants which were made available to GovGuam before the COVID-19 pandemic and the enhanced funding granted to GovGuam to defray expenditures related to or directly caused by the public health pandemic. This includes: Medicaid federal matching, Economic Impact Payments (Stimulus), Federal Emergency Management Agency ("FEMA") reimbursements, Public Health subsidies, and Compact Impact receipts.

ARPA Assistance Fund - this fund was created in fiscal year 2021 to account for the receipt and payment of federal assistance grants created under the American Recovery Plan Act 2021 (ARPA), which was signed into law by President Biden on March 11, 2021. During the year ended September 30, 2021, GovGuam was the recipient of \$579 million, of which \$96.6 million was expended at year-end. The ARPA mandated that EITC paid by GovGuam will be reimbursed by the Federal government. The ARPA also provides for reimbursement to Guam of the Child Tax Credit.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS, CONTINUED

CARES Act Unemployment Assistance Fund - this fund was created in fiscal year 2020 to account for the receipt and payment of Federal Pandemic Unemployment Compensation (FPUC) and Pandemic Unemployment Assistance (PUA) benefits to eligible recipients, which began on June 22, 2020. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) enacted by the U.S. Congress provided for certain unemployment benefits associated with the COVID-19 pandemic. The grant was awarded on April 1, 2020, with payable weeks beginning on or after January 27, 2020. During the year ended September 30, 2021, GovGuam was the recipient under combined FPUC and PUA benefits of \$380.3 million to fund a territorial unemployment program for those workers who lost their jobs as a result of the effect on the local economy of the public health emergency. This program was set up in about eight (8) weeks of the funding being available and the federal grant included over \$4 million for administrative costs. The majority of payments are made by direct deposit with remaining check payments issued using the new self-sealing check forms. These two processes were made possible by software written around efficient applications.

COVID-19 Fund - this fund accounts for funding made available to Guam under the provisions under the Coronavirus Aid, Relief, and Economic Security Act. This Act, as well as including funding for many COVID-related initiatives, provided direct funding to states, territories and tribal governments for those governments to spend in a way that their governors and leaders determined to be most effective to meet local conditions. During the year ended September 30, 2020, GovGuam was the recipient of \$117.9 million, of which \$53.1 million was expended in fiscal year 2021. These funds are subject to periodic reporting to the United States ("U.S.") Treasury and review by the U.S. Treasury, Office of the Inspector General. The original legislation mandated these funds must be spent by December 30, 2020. This date was extended to December 31, 2021 by the Consolidated Appropriations Act of 2021. As of March 31, 2021, all funds had been expended.

GDOE Federal Grants Fund - this 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 \$116.8 million, which funded various education-related programs, and which was higher than fiscal year 2020 revenues and transfers in of \$75.1 million by \$41.7 million (or 55.5%).

Chamorro Lands Fund - this fund has a total fund balance of \$454.1 million, which increased by \$1 million compared with prior year. This increase represented the value of new leases executed during fiscal year 2021.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2021, there was no change in appropriations between the original and final budget for Executive Branch operations. Actual revenues collected (including operating transfers in) of \$728.9 million were higher than budgeted amounts of \$649.7 million by \$79.2 million (or 12.2%). The net increase is due primarily to the increase in income tax collections of \$89.9 million above budget offset by gross receipts tax collections of \$7.6 million below budget.

Budgetary expenditures (including operating transfers out) of \$701.3 million were higher than authorized appropriations of \$649.7 million. The net increase of \$51.6 million is primarily attributable to retiree health insurance premium expenditures exceeding budgeted amounts by \$13.1 million together with the requirement for the General Fund to cover budgetary shortfalls of the Unfunded Liability Fund, the Tourist Attraction Fund, and the Customs, Agriculture and Quarantine Inspection Services Fund of \$15.8 million, \$1.1 million and \$1 million, respectively.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2021 amounted to \$1.895 billion, net of accumulated depreciation of \$983.3 million, leaving a net book value of \$911.3 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

	Governmental Activities 2021	Governmental Activities 2020	\$ Change 2021-2020	% Change 2021-2020
Landfill cells	\$ 48,556,361	\$ 23,163,293	\$ 25,393,068	109.6%
Buildings	368,170,208	380,698,636	(12,528,428)	-0.8%
Machinery, equipment and furniture	10,516,971	14,286,577	(3,769,606)	-26.4%
Infrastructure	414,501,656	438,864,612	(24,362,956)	-5.6%
Land	50,656,897	50,586,352	70,545	0.1%
Construction in progress	18,902,877	39,933,669	(21,030,792)	-52.7%
Total	<u>\$ 911,304,970</u>	<u>\$ 947,533,139</u>	<u>\$ (36,228,169)</u>	-3.8%

Capital asset additions for the fiscal year ended September 30, 2021 amounted to \$23.4 million. Major capital asset additions for fiscal year 2021 were as follows:

- \$11 million for acquisition and construction of the Layon landfill Cell # 3.
- \$4.7 million for various FHA road infrastructure projects completed and ongoing throughout the island.
- \$2 million for infrastructure projects for the Guam Department of Education including Simon Sanchez High School renovations.

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

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 \$979 million. Of this amount, \$25 million comprises debt backed by the full faith and credit of GovGuam and \$954 million is revenue-bonded debt that is payable from and secured solely by specific revenue sources. In addition to this bonded debt, GovGuam had loans payable and outstanding of \$10.3 million at year-end. A breakdown of GovGuam's total long-term debt is shown below.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED

Long-Term Debt, Continued

GovGuam's Outstanding Debt
As of September 30

	Governmental Activities 2021	Governmental Activities 2020	\$ Change 2021-2020	% Change 2021-2020
General Obligation Bonds				
2019 Series A	\$ 25,360,000	\$ 27,045,000	\$ (1,685,000)	-6.2%
Limited Obligation Bonds (revenue backed):				
2011 Series A Hotel Occupancy Tax	-	73,020,000	(73,020,000)	-100.0%
2011 Series A Business Privilege Tax	210,100,000	215,575,000	(5,475,000)	-2.5%
2012 Series B Business Privilege Tax	96,390,000	99,040,000	(2,650,000)	-2.7%
2015 Series D Business Privilege Tax	362,285,000	400,825,000	(38,540,000)	-9.6%
2016 Series A Section 30	206,950,000	217,325,000	(10,375,000)	-4.8%
2021 Series A Hotel Occupancy Tax	58,865,000	-	58,865,000	
2021 Series E Business Privilege Tax	19,070,000	-	19,070,000	
Loans payable:				
Guam Congress Building loan	3,505,834	3,686,349	(180,515)	-4.9%
Judicial Building Loan	<u>6,767,668</u>	<u>6,767,668</u>	<u>-</u>	0.0%
Total	<u>\$ 989,293,502</u>	<u>\$ 1,043,284,017</u>	<u>\$ (53,990,515)</u>	-5.2%

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 amounts to \$1.354 billion as of October 2020, the date that such certification was performed. Total debt outstanding as of September 30, 2021, subject to the debt ceiling limitation is \$989.3 million. The legal debt margin as of September 30, 2021 was \$364.7 million. During the year ended September 30, 2021, GovGuam's overall total long-term debt decreased by \$54 million. The decrease in long-term debt was the result of debt service associated with GovGuam's general obligation and bonded debt of \$1.7 million and \$52.1 million, respectively.

GovGuam's underlying Standard and Poor's Corporation bond ratings were as follows:

- \$25.4 million General Obligation Bonds, 2019 Series A (BB-/Stable).
- \$210.1 million Business Privilege Tax Bonds, 2011 Series A (BB/Stable).
- \$96.4 million Business Privilege Tax Bonds, 2012 Series B (BB/Stable).
- \$362.3 million Business Privilege Tax Bonds, 2015 Series D (BB/Stable).
- \$206.9 million Section 30 Bonds, 2016 Series A (BB/Stable).
- \$58.9 million Hotel Occupancy Tax Bonds, 2021 Series A (BB/Stable).
- \$19.1 million Business Privilege Tax Bonds, 2021 Series E (BB/Stable).

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

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

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED

Long-Term Debt, Continued

Primary Government and Component Units have taken advantage of the recent decrease in interest rates to refinance callable bonds achieving savings of millions in debt service.

Primary Government Refinancings

On October 6, 2020, in order to obtain lower debt service costs, \$65.4 million in 2020 Series A COPS were issued at a True Interest Cost (TIC) rate of 4.93% to refinance and prepay the rental payments of the outstanding 2010A Certificates, to finance the acquisition, construction and installation of energy improvements to John F. Kennedy High School, to fund capitalized interest for a portion of the Certificates and pay certain delivery costs of the Certificates. This issue achieved Net Present Value savings of approximately \$7.96 million over the life of the bonds and a reduction in debt service costs of \$16.7 million.

On March 31, 2021, \$58.9 million in 2021 Series A refunding bonds were issued at a TIC of 3.16% to refund all of the outstanding 2011A Hotel Occupancy Tax Revenue Bonds and to pay certain issuance costs of the Bonds. This issue achieved Net Present Value savings of approximately \$19 million over the life of the bonds and a reduction in debt service costs of \$21.8 million.

On May 18, 2021, GovGuam entered into a forward delivery bond purchase agreement for \$258.6 million in 2021 Series F (tax exempt) refunding bonds to be issued on or before October 7, 2021 to refund all or a portion of the outstanding 2011A and 2012B Business Privilege Tax Bonds and to pay certain issuance costs of the Bonds. On May 27, 2021, \$19.1 million in 2021 Series E (taxable) refunding bonds were issued at a TIC of 2.92% to refund a portion of the outstanding 2015D Business Privilege Tax Refunding Bonds and to pay certain issuance costs of the Bonds. These issues achieved Net Present Value savings of approximately \$52.1 million over the life of the bonds and a reduction in debt service costs of \$63.4 million.

Component Unit Refinancings

Antonio B. Won Pat International Airport Authority: On August 17, 2021, \$143.4 million in 2021 Series A Revenue Bonds were issued at a TIC of 4.07% to refund all of the outstanding 2013 Series A bonds, 2013 Series B bonds and 2019 Series A bonds, and a portion of the 2013 Series C bonds and 2019 Series B bonds. This issue achieved Net Present Value savings of approximately \$3 million and debt service savings of \$5.6 million over the life of the bonds.

Guam Power Authority: On April 12, 2022, \$257.6 million in 2022 Series A Revenue Bonds were issued at a TIC 4.3% to refund all of the outstanding 2012 Series A bonds. This issue achieved Net Present Value savings of approximately \$5.8 million and approximately \$28.2 million in debt service savings over the life of the bonds.

GOVERNMENT OF GUAM

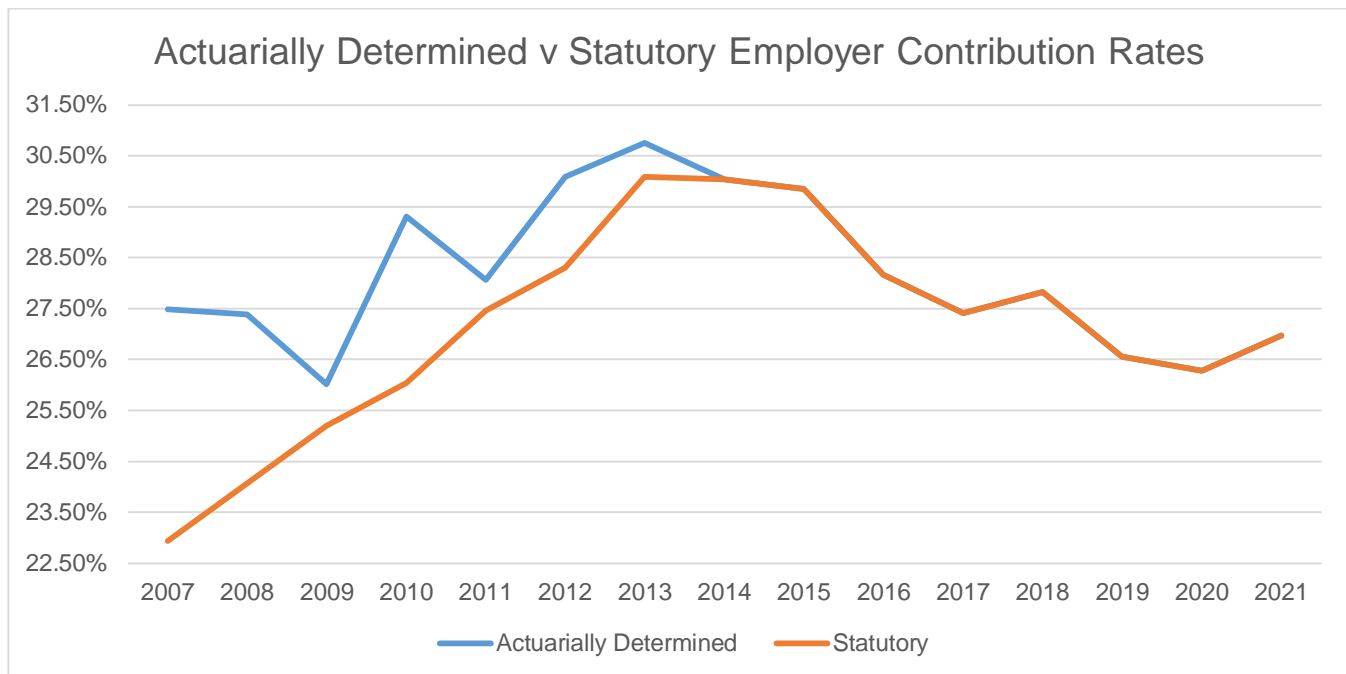
Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

GOVGUAM'S PENSION

GovGuam 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 2033. The Government of Guam Retirement Fund (GGRF) Actuarial Valuation as of September 30, 2019, which was used for determining the year end September 30, 2021 statutory contributions, is available for review and may be accessed on their website www.ggrf.com. Based on this report:

- The unfunded actuarial accrued liability decreased from \$1.175 billion as of September 30, 2018 to \$1.155 billion as of September 30, 2019.
- The annual payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has increased from \$108.2 million to \$112.1 million. As a result, the required contribution rate increased from 26.28% of payroll to 26.97% (Graph 11).
- GovGuam funds its unfunded actuarial accrued liability and amortizes it over the remaining 13.58 years with sufficient annual contribution to fully pay the liability by 2033.

Graph 11



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.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

GOVGUAM'S PENSION, CONTINUED

- Existing employees currently participating in the Defined Contribution Retirement System had a nine-month window between April 2017 and December 2017 in which they could 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 were 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. GGFR also designated the DC Plan as the GovGuam default plan.
- 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, 2019 reported an overall decrease of \$20 million in unfunded liability despite the addition of the DB 1.75 Plan members and retirees.

ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS

In common with the rest of the world, Guam's economy, especially the sector associated with tourism was adversely affected by the COVID-19 pandemic which began in March 2020. For 2020, Gross Domestic Product has been estimated at \$5.844 billion (U.S. Department of Commerce, Bureau of Economic Analysis report dated December 1, 2021), a reduction of 11.0% from the previous year, adjusted for inflation. However, construction continued largely at a pre-pandemic place with limitations only from labor availability and supply chain issues.

Federal legislation also provided funding for the first time for federally mandated welfare programs operating through the tax code. On a permanent basis, Guam has received for calendar year 2021 tax returns, and will receive for subsequent years, full reimbursement for Earned Income Tax Credit (“EITC”) and Child Tax Credit (“CTC”). Previously Guam was required to fund these benefits with local funds as Guam is required to mirror the provisions of the Internal Revenue Code.

Federal support from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, a \$2.2 trillion economic stimulus bill passed by the 116th U.S. Congress in 2020 and signed into law as PL 116-136 and The American Rescue Plan Act of 2021, also called ARPA or the \$1.9 trillion COVID-19 Stimulus Package signed into law in 2021 as PL 117-2, provided and continues to provide sufficient economic support to stabilize the worst effects of economic decline. Guam also received other federal support in the form of enhanced Medicaid matching, increased SNAP benefits paid directly to beneficiaries and several public health program initiatives targeted at limiting the spread of the virus and improving the health of the general population.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS, CONTINUED

On November 15, 2021, President Biden signed into law Infrastructure Investment and Jobs Act as PL 117-58. This law provides \$1.2 trillion in infrastructure funding for states, territories and tribes. Much of this funding is to be awarded by competitive applications and Guam is well positioned to take advantage of this opportunity for infrastructure renovation and improvements which encompass roads, broadband access, water supply, coastal erosion prevention and other projects. Sponsoring federal agencies are currently formulating rules and application criteria for programs to be launched. The Governor has determined that a portion of these funds should be used towards the funding required to construct and commission a new public medical complex to house the Department of Public Health and Social services, Guam Behavioral Health and Wellness center and a new Guam Memorial Hospital.

The military Build-Up efforts continue with over \$853 million in military construction projects in progress. The FY2020 National Defense Authorization Act included \$529.3 million for Guam infrastructure with the draft proposals for FY2021 at over \$470.6 million. Actual expenditures were \$365 million in FY2020, with the Government of Japan contributing \$197 million.

For civilian development, the Tsubaki Hotel, a new 340 room luxury hotel was completed in June 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 the Japanese retailer Don Don Donki to open in Tamuning.

Guam's unemployment rate rose to 17.9% as of September 2020, significantly higher than the U.S. unemployment for the same period of 7.8%, but had reduced to 8.1% by September 2021. This was primarily due to several factors directly related to the COVID-19 pandemic, with the primary employment industry being service-related in tourism. The unemployment rate continues to decline and was 7.2 at December 2021, compared with 3.7% in the US.

After the District Court of Guam transferred solid waste operations to the Guam Solid Waste Authority (GSWA) in May 2019 and the issuance of a \$30 million General Obligation Bond with debt service, construction of a new cell at the Layon landfill continues. GSWA issued a contract and began construction of the new cell at the Layon landfill site. 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. Remaining estimated closure and remediation costs have grown to \$?? million.

On May 24, 2021, the U.S. Supreme Court reversed a lower court ruling and found in favor of GovGuam concerning the Ordot dump inherited by the Government from the U.S. Navy. As a result of the ruling, GovGuam can now proceed with a claim against the United States for the Ordot Dump's closure and remediation costs, which are estimated at \$160 million, under the Comprehensive Environmental Response, Compensation, and Liability Act.

The Leon Guerrero-Tenorio administration is committed to fiscal responsibility. The Administration has focused on stabilizing the finances, collecting taxes due, maximizing cost contributions from federal fund sources and collecting this funding and reviewing spending priorities. Aside from maximizing the expenditure which can be attributed to federal funding and a successful program of refunding debt to take advantage of attractive interest rates, its planning and budgeting for federal support funding received emphasizes the reality that the funding is intended to last four years and should not be fully expended in the first year when economic stability remains uncertain.

In FY2020, it was anticipated that GovGuam would be faced with a severe reduction in revenues as a result of the COVID-19 pandemic. The FY2022 Budget submitted by the Governor to the Legislature was 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. Tax revenues realized in FY2020 and FY2021 have exceeded budget expectations resulting in additional revenues.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2021

COVID-19 PANDEMIC

On March 14, 2020, Governor Lourdes A Leon Guerrero declared a Public Health Emergency in response to the COVID-19 outbreak. Schools and non-essential businesses were closed and GovGuam closed its offices and required non-essential employees to work from home.

GovGuam injected funds into the private sector economy which was immediately hit by the cessation of tourism and closure of restaurants, entertainment and other island-based businesses. These incentives included a deferral of a proportion of BPT, advance of local funding to begin the payment of Economic Impact Stimulus (EIP) payments and deferral of due dates for business license renewals.

In April 2020, GovGuam received CARES Act funding and EIP funds. Immediate payments of EIP payments were made and CARES Act monies were used to support the exceptional expenses which had been and continue to be incurred by the Government in support of the effort to combat the Coronavirus. In May 2020 cash payments were made to certain lower income households under Prugrãman Sãlappe' Ayudon I Taotao and in June 2020 payments of Pandemic Unemployment Assistance and its associated Federal Pandemic Unemployment Compensation to unemployed individuals were started as well as business interruption payments to businesses affected by the economic downturn. The federal government provided funding for two further EIP payments which were quickly issued to taxpayer filers. GovGuam has continued to support all who have been affected by the COVID economic slowdown, with such programs as LEAP for businesses, All-Rise and Prugrãman Sãlappe, for individuals, vaccination and testing clinics, bereavement grants and protective equipment.

Although the number of Guamanians infected with the virus has been very much lower than in the US mainland and many other countries, the economic impact on Guam's economy with its focus on tourism has been harsh. The public health emergency is continuing and its duration is unknown. The COVID-19 virus has generated new variants which, in turn, have led to three surges. The length and depth of the economic downturn cannot be determined. Nevertheless, GovGuam is committed to paying its debt obligations and maintaining all essential and necessary services to the people of Guam.

ANNUAL COMPREHENSIVE FINANCIAL REPORT AND POPULAR ANNUAL FINANCIAL REPORT

GovGuam will be publishing an Annual Comprehensive 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, investors and creditors. This financial report seeks to demonstrate the Island's accountability for the money it receives and spends. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Division of Accounts, Attention: Gaudencio Rosario, Deputy Financial Manager, P.O. Box 7420, Tamuning, Guam 96931. Telephone No: (671) 475-1150/1169 Facsimile: (671) 472-8483 Website Address: www.da.doa.guam.gov.

GOVERNMENT OF GUAM

Statement of Net Position
September 30, 2021

	Primary Government	Component Units
<u>ASSETS</u>		
Cash and cash equivalents	\$ 833,178,649	\$ 210,903,534
Investments	8,848,641	38,425,814
Receivables, net	168,387,263	174,215,901
Due from primary government	-	2,028,932
Due from component units	3,385,339	-
Due from private purpose trusts	3,516,119	-
Inventories	2,468,521	59,021,508
Prepayments	4,904,189	4,387,629
Deposits and other assets	1,769,921	18,279,740
Restricted assets:		
Cash and cash equivalents	105,791,975	559,321,633
Investments	1,202,104	163,560,302
Unamortized bond issuance costs	-	1,684,472
Capital assets:		
Nondepreciable capital assets	69,559,774	391,259,075
Capital assets, net of accumulated depreciation	841,745,196	1,653,270,051
Land and other real estate	454,131,585	-
Land held for development	-	2,532,193
Total assets	2,498,889,276	3,278,890,784
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred loss on refunding	89,223,363	66,040,494
Deferred outflows from pensions	201,541,124	114,848,163
Deferred outflows from OPEB	498,978,044	273,588,865
Deferred unrecovered fuel costs	-	14,168,085
Total deferred outflows of resources	789,742,531	468,645,607
<u>LIABILITIES</u>		
Accounts payable and other current liabilities	125,420,642	57,675,254
Contracts payable	-	39,849,818
Accrued interest payable	14,319,088	23,830,829
Accrued payroll and other	24,288,701	9,602,688
Payable to federal agencies	644,946,981	-
Provision for tax refunds	78,208,234	-
Economic stimulus payments payable	17,941,366	-
COLA liability	4,408,433	-
Due to primary government	-	385,339
Due to component units	2,028,932	-
Unearned revenues	76,141,259	17,164,875
Deposits and other liabilities	25,822,464	39,038,616
Long-term liabilities:		
Due within one year	62,463,704	45,287,751
Due in more than one year	4,065,439,568	2,899,883,132
Total liabilities	5,141,429,372	3,132,718,302
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows from pensions	28,618,154	12,642,803
Deferred inflows from OPEB	582,784,892	288,638,976
Deferred gain on refunding	-	36,497
Total deferred inflows of resources	611,403,046	301,318,276
Commitments and contingencies		
<u>NET POSITION</u>		
Net investment in capital assets	458,209,689	863,137,545
Restricted for:		
Capital projects	9,101,906	35,746,159
Retirement of indebtedness	78,395,766	79,784,962
Endowment - nonexpendable	454,131,585	54,516,178
Public health	22,146,624	-
Environmental protection	16,884,284	-
Other purposes	54,710,314	100,121,178
Unrestricted	(3,557,780,779)	(819,806,209)
Total net position	\$ (2,464,200,611)	\$ 313,499,813

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM
Statement of Activities
Year Ended September 30, 2021

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	\$ 201,144,071	\$ 22,582,627	\$ 42,917,719	\$ -	\$ (135,643,725)	\$ -
Protection of life and property	149,766,388	9,639,664	15,078,471	-	(125,048,253)	-
Public health	487,821,377	5,337,863	394,144,748	-	(88,338,766)	-
Community services	48,212,513	3,552	22,844,253	-	(25,364,708)	-
Culture and recreation	10,441,145	597,720	1,561,327	-	(8,282,098)	-
Individual and collective rights	123,060,466	2,440,526	56,406,112	-	(64,213,828)	-
Public welfare	441,078,039	-	446,593,738	-	5,515,699	-
Transportation	54,596,094	10,120,321	10,973,329	-	(33,502,444)	-
Public education	424,737,770	4,384,632	119,340,330	-	(301,012,808)	-
Environmental protection	42,606,638	22,517,854	4,824,979	-	(15,263,805)	-
Economic development	18,291,977	866,908	13,381,704	-	(4,043,365)	-
Interest (unallocated)	67,059,654	-	-	-	(67,059,654)	-
Total primary government	\$ 2,068,816,132	\$ 78,491,667	\$ 1,128,066,710	\$ -	(862,257,755)	-
Component Units:						
Antonio B. Won Pat International Airport Authority	\$ 65,406,699	\$ 23,444,220	\$ 20,428,336	\$ 22,340,926	-	806,783
Guam Community College	39,533,999	5,438,478	9,502,386	-	-	(24,593,135)
Guam Housing and Urban Renewal Authority	53,239,573	1,596,258	50,326,904	1,657,470	-	341,059
Guam Memorial Hospital Authority	180,766,130	110,961,397	27,603,792	861,888	-	(41,339,053)
Guam Power Authority	338,736,273	329,349,535	15,064,047	826,290	-	6,503,599
Guam Waterworks Authority	123,765,082	99,672,517	188,768	64,592,719	-	40,688,922
Port Authority of Guam	58,014,433	55,059,326	1,995,703	219,393	-	(740,011)
University of Guam	110,676,406	21,151,683	54,281,114	-	-	(35,243,609)
Nonmajor component units	20,347,859	9,415,615	1,998,009	-	-	(8,934,235)
	\$ 990,486,454	\$ 656,089,029	\$ 181,389,059	\$ 90,498,686	-	(62,509,680)
General revenues:						
Taxes:						
Income					352,818,156	-
Gross receipts					296,805,879	-
Section 30 Federal income tax collections					65,109,936	-
Hotel occupancy					12,372,113	-
Property					35,612,339	-
Tobacco					34,977,877	-
Liquid fuel					10,100,087	-
Alcoholic beverages					3,519,174	-
Excise					3,760,517	-
Limited gaming					1,395,161	-
Investment earnings					957,277	10,922,688
Contributions from primary government					-	95,236,424
Other					7,860,121	14,815,420
Total general revenues					825,288,637	120,974,532
Contributions to permanent fund					1,024,659	-
Total general revenues and contributions to permanent fund					826,313,296	120,974,532
Change in net position					(35,944,459)	58,464,852
Net position at beginning of year					(2,428,256,152)	255,034,961
Net position at end of year					\$ (2,464,200,611)	\$ 313,499,813

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Balance Sheet
Governmental Funds
September 30, 2021

ASSETS	Special Revenue					GDOE Federal Grants	Permanent Chamorro Lands	Other Governmental Funds	Total
	General	Federal Grants Assistance	ARPA Assistance	CARES Act Unemployment Assistance	COVID-19				
Cash and cash equivalents	\$ 231,513,116	\$ 3,616,598	\$ 480,408,379	\$ 20,725,663	\$ 435,821	\$ 60,014	\$ -	\$ 96,419,058	\$ 833,178,649
Investments	210,316	-	-	-	-	-	-	8,638,325	8,848,641
Land and other real estate	-	-	-	-	-	-	454,131,585	-	454,131,585
Receivables, net:									
Taxes	55,893,331	-	-	-	-	-	-	2,951,605	58,844,936
Federal agencies	14,007,839	57,167,548	-	8,481,577	-	24,368,246	-	-	104,025,210
Other	1,189,465	-	-	-	-	-	-	4,327,652	5,517,117
Due from component units	3,000,000	-	-	-	-	-	-	385,339	3,385,339
Due from other funds	68,115,151	-	4,927,774	-	-	-	-	24,683,308	97,726,233
Due from private purpose trust funds	3,516,119	-	-	-	-	-	-	-	3,516,119
Inventories	2,468,521	-	-	-	-	-	-	-	2,468,521
Prepayments	4,816,764	-	-	-	-	2,075	-	85,350	4,904,189
Deposits and other assets	1,140,561	-	-	-	-	-	-	4,360	1,144,921
Restricted assets:									
Cash and cash equivalents	77,331,831	-	-	-	-	-	-	28,460,144	105,791,975
Investments	-	-	-	-	-	-	-	1,202,104	1,202,104
Total assets	\$ 463,203,014	\$ 60,784,146	\$ 485,336,153	\$ 29,207,240	\$ 435,821	\$ 24,430,335	\$ 454,131,585	\$ 167,157,245	\$ 1,684,685,539
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)									
Liabilities:									
Accounts payable	\$ 115,336,570	\$ 365,126	\$ -	\$ 3,000,503	\$ -	\$ 1,408,433	\$ -	\$ 5,310,010	\$ 125,420,642
Accrued payroll and other	16,132,104	3,228,147	84,521	-	159	1,059,210	-	3,784,560	24,288,701
Due to components	2,028,932	-	-	-	-	-	-	-	2,028,932
Due to other funds	29,611,082	11,330,513	-	26,206,737	434,667	17,183,369	-	12,959,865	97,726,233
Payable to federal agencies	77,200,340	45,933,636	482,110,832	-	995	30,322	-	39,670,856	644,946,981
Unearned revenues	76,141,259	-	-	-	-	-	-	-	76,141,259
Provision for tax refunds	78,208,234	-	-	-	-	-	-	-	78,208,234
Provision for economic stimulus payments	14,800,566	-	3,140,800	-	-	-	-	-	17,941,366
COLA liability	4,408,433	-	-	-	-	-	-	-	4,408,433
Deposits and other liabilities	18,984,354	-	-	-	-	4,749,001	-	2,089,109	25,822,464
Total liabilities	432,851,874	60,857,422	485,336,153	29,207,240	435,821	24,430,335	-	63,814,400	1,096,933,245
Deferred inflows of resources:									
Deferred revenues	-	-	-	-	-	-	-	975,543	975,543
Total liabilities and deferred inflows of resources	432,851,874	60,857,422	485,336,153	29,207,240	435,821	24,430,335	-	64,789,943	1,097,908,788
Fund balances (deficit):									
Non-spendable	2,461,744	-	-	-	-	-	454,131,585	-	456,593,329
Restricted	82,331,174	-	-	-	-	-	-	25,612,714	107,943,888
Committed	19,067,746	-	-	-	-	-	-	76,797,060	95,864,806
Unassigned:									
General fund	(73,509,524)	-	-	-	-	-	-	-	(73,509,524)
Special revenue funds	-	(73,276)	-	-	-	-	-	(42,472)	(115,748)
Total fund balances (deficit)	30,351,140	(73,276)	-	-	-	-	454,131,585	102,367,302	586,776,751
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 463,203,014	\$ 60,784,146	\$ 485,336,153	\$ 29,207,240	\$ 435,821	\$ 24,430,335	\$ 454,131,585	\$ 167,157,245	\$ 1,684,685,539

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, 2021**

Total fund balance - governmental funds	\$	586,776,751
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		625,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	50,656,897
Construction in progress		18,902,877
Depreciable capital assets and infrastructure		1,825,029,131
Accumulated depreciation		<u>(983,283,935)</u>
Capital assets, net of accumulated depreciation		911,304,970
Revenues are not available soon enough after year end to pay for the current period's expenditures and therefore are unavailable deferred inflows of resources in the governmental funds		975,543
Accrued interest payable is not recognized in governmental funds		(14,319,088)
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		(1,076,012,465)
Notes payable		(10,273,502)
Capital lease obligations		(153,735,835)
Due to IRS		(19,937,926)
Tax credits payable		(2,383,629)
Net pension liability		(1,083,874,501)
OPEB liability		(1,695,689,492)
Compensated absences payable		(24,360,005)
DCRS sick leave liability		(22,370,170)
Landfill closure and postclosure costs		<u>(39,265,747)</u>
Long-term liabilities		(4,127,903,272)
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		89,223,363
Deferred outflows from pensions		201,541,124
Deferred outflows from OPEB		<u>498,978,044</u>
		789,742,531
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of:		
Deferred inflows from pensions		(28,618,154)
Deferred inflows from OPEB		<u>(582,784,892)</u>
		(611,403,046)
Net position of governmental activities	\$	<u><u>(2,464,200,611)</u></u>

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended September 30, 2021**

	Special Revenue					GDOE Federal Grants	Permanent Chamorro Lands	Other Governmental Funds	Total
	General	Federal Grants Assistance	ARPA Assistance	CARES Act Unemployment Assistance	COVID-19				
Revenues:									
Taxes	\$ 718,494,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,976,751	\$ 816,471,239
Intergovernmental	7,529,123	466,011,678	96,601,857	380,263,943	53,130,550	111,060,824	-	9,320,109	1,123,918,084
Licenses and permits	707,438	-	-	-	-	-	-	47,005,755	47,713,193
Charges for services	11,100,762	-	-	-	-	-	-	19,664,292	30,765,054
Fines and forfeits	829,459	-	-	-	-	-	-	617,964	1,447,423
Interest and investment earnings	471,765	-	580	-	51	-	1,024,659	484,881	1,981,936
Contributions from component units	4,058,489	-	-	-	-	-	-	90,137	4,148,626
Other	6,215,311	-	-	-	30	-	-	1,644,780	7,860,121
Total revenues	749,406,835	466,011,678	96,602,437	380,263,943	53,130,631	111,060,824	1,024,659	176,804,669	2,034,305,676
Expenditures:									
Current:									
General government	62,177,239	33,386,629	2,795,470	-	1,563,006	-	-	26,451,808	126,374,152
Protection of life and property	120,233,911	10,630,997	65,471	-	4,382,003	-	-	14,028,762	149,341,144
Public health	6,044,282	331,063,193	28,502,849	-	35,108,705	-	-	39,562,567	440,281,596
Community services	21,520,181	22,788,013	-	-	56,240	-	-	3,518,710	47,883,144
Recreation	1,892,704	1,306,641	-	-	39,515	-	-	1,214,915	4,453,775
Individual and collective rights	49,158,122	50,794,772	848,616	-	527,739	-	-	11,662,110	112,991,359
Public welfare	-	-	41,568,210	380,263,943	4,245,886	-	-	-	426,078,039
Transportation	-	10,578,917	-	-	39,228	-	-	4,682,567	15,300,712
Public education	200,824,568	1,670,965	-	-	-	111,060,824	-	19,298,996	332,855,353
Environmental protection	328,357	4,241,255	-	-	37,992	-	-	18,578,818	23,186,422
Economic development	6,190,540	6,748,922	-	-	18,347	-	-	1,100,609	14,058,418
Payments to:									
GovGuam Retirement Fund	4,090,648	-	-	-	-	-	-	-	4,090,648
Guam Community College	17,025,631	11,584	-	-	195,154	-	-	2,743,371	19,975,740
Guam Housing Corporation	844,027	-	-	-	-	-	-	-	844,027
Guam Memorial Hospital Authority	26,188,247	2,951,851	7,276,089	-	4,488,223	-	-	1,946,336	42,850,746
Guam Power Authority	-	-	15,000,000	-	-	-	-	-	15,000,000
Guam Waterworks Authority	-	-	-	-	225,827	-	-	-	225,827
Guam Preservation Trust	-	-	-	-	-	-	-	408,000	408,000
Guam Visitors Bureau	-	215,171	-	-	-	-	-	5,324,249	5,539,420
Port Authority of Guam	-	103,210	-	-	998,637	-	-	-	1,101,847
University of Guam	30,020,833	387,442	-	-	214,770	-	-	2,092,444	32,715,489
Miscellaneous appropriations	72,438,489	486,618	-	-	31,910	-	-	960,140	73,917,157
Capital projects	-	1,083,621	-	-	-	-	-	11,063,523	12,147,144
Debt service:									
Principal retirement	36,467,177	-	-	-	-	3,573,260	-	2,660,515	42,700,952
Interest and fiscal charges	69,601,591	-	-	-	-	2,164,240	-	6,755,560	78,521,391
Total expenditures	725,046,547	478,449,801	96,056,705	380,263,943	52,173,182	116,798,324	-	174,054,000	2,022,842,502
Excess (deficiency) of revenues over (under) expenditures	24,360,288	(12,438,123)	545,732	-	957,449	(5,737,500)	1,024,659	2,750,669	11,463,174
Other financing sources (uses):									
Proceeds from refunded bonds issued	19,070,000	-	-	-	-	-	-	58,865,000	77,935,000
Premium from refunded bonds issued	-	-	-	-	-	-	-	12,790,466	12,790,466
Payment to refunding bond escrow agent	(18,790,307)	-	-	-	-	-	-	(70,317,349)	(89,107,656)
Transfers in from other funds	32,979,923	18,337,025	-	-	-	5,737,500	-	24,364,796	81,419,244
Transfers out to other funds	(25,755,082)	(5,737,500)	(545,732)	-	(957,449)	-	-	(48,423,481)	(81,419,244)
Total other financing sources (uses), net	7,504,534	12,599,525	(545,732)	-	(957,449)	5,737,500	-	(22,720,568)	1,617,810
Net change in fund balances (deficit)	31,864,822	161,402	-	-	-	-	1,024,659	(19,969,899)	13,080,984
Fund balances (deficit) at beginning of year	(1,513,682)	(234,678)	-	-	-	-	453,106,926	122,337,201	573,695,767
Fund balances (deficit) at end of year	\$ 30,351,140	\$ (73,276)	\$ -	\$ -	\$ -	\$ -	\$ 454,131,585	\$ 102,367,302	\$ 586,776,751

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, 2021**

Total net change in fund balances - governmental funds	\$	13,080,984
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		(125,000)
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:		
For the current year, these amounts consist of:		
Capital outlays, net of disposals	\$ 23,098,083	
Depreciation expense	<u>(59,326,252)</u>	
		(36,228,169)
Amounts presented in the statement of activities, but not in the change in fund balances due to difference in revenue recognition under different bases of accounting		
		(1,434,003)
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:		
Proceeds from refunding bonds issued	(77,935,000)	
Premium on refunding bonds issued	(12,790,466)	
Limited Obligation bonds defeased	70,540,000	
Business Privilege Tax bonds defeased	26,490,000	
Deferred loss on debt defeasance	4,975,497	
Repayment of General Obligation bonds	1,685,000	
Repayment of Limited Obligation bonds	12,855,000	
Repayment of Business Privilege Tax bonds	20,175,000	
Repayment of loans	180,515	
Repayment of capital leases	7,805,437	
Reduction in tax credits payable	-	
Amortization of loss on defeasance	(5,522,393)	
Amortization of bond premiums	4,187,712	
Amortization of bond discounts	<u>(1,466,200)</u>	
		51,180,102
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	1,364,777	
Change in compensated absences payable	1,504,692	
Change in landfill closure and postclosure care costs	(13,996,257)	
Change in DCRS sick leave liability	(2,240,571)	
Net pension activity	11,433,570	
Net OPEB activity	<u>(60,484,584)</u>	
		(62,418,373)
Change in net position of governmental activities	\$	<u><u>(35,944,459)</u></u>

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,630,905	\$ 19,508,400	\$ -
Time certificates of deposit	-	1,000,000	-
Investments at fair value:			
Common stocks	1,569,712,500	-	-
U.S. Government securities	290,366,005	-	-
Corporate bonds and notes	311,990,454	-	-
Money market funds	41,646,341	-	-
Mutual funds	668,979,620	-	-
Total investments	2,882,694,920	-	-
Accounts receivable:			
Employer contributions	5,309,949	-	-
Member contributions	1,739,857	-	-
Interest and penalties on contributions	341,264	-	-
Accrued investment income	5,533,557	-	-
Due from brokers for unsettled trades	5,669,029	-	-
Service credits	1,433,490	-	-
Supplemental/Insurance benefits advanced	1,996,097	-	-
Other	5,001,676	350	-
Total receivables	27,024,919	350	-
Deposits and other assets	-	-	13,317,866
Capital assets	551,019	-	-
Total assets	2,918,901,763	20,508,750	13,317,866
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred supplemental COLA payments	1,698,785	-	-
Deferred outflows of resources from pensions	1,173,727	-	-
Deferred outflows of resources from OPEB	3,002,642	-	-
Total deferred outflows from resources	5,875,154	-	-
<u>LIABILITIES</u>			
Unearned revenue	1,525,025	-	-
Accounts payable and accrued expenses	4,261,671	-	-
Accrued payroll and other	263,322	-	-
Due to other funds	-	3,516,107	-
Deposits and other liabilities	-	14,915,290	-
Due to brokers for unsettled trades	17,914,127	-	-
Net pension liability	6,152,247	-	-
OPEB liability	10,883,182	-	-
Total liabilities	40,999,574	18,431,397	\$ -
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources from pensions	409,314	-	-
Deferred inflows of resources from OPEB	4,045,167	-	-
Total deferred inflows from resources	4,454,481	-	-
<u>NET POSITION</u>			
Restricted for:			
Employees' pension benefits	2,879,322,862	-	-
Individuals, organizations and other governments	-	2,077,353	13,317,866
Total net position	\$ 2,879,322,862	\$ 2,077,353	\$ 13,317,866

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2021

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
Additions:			
Contributions:			
Employer contributions	\$ 138,161,117	\$ -	\$ -
Member contributions	55,419,859	-	-
Use of money and property	-	1,783,307	-
Total contributions and revenues	<u>193,580,976</u>	<u>1,783,307</u>	<u>-</u>
Net investment income:			
Net increase in fair value of investments	424,690,304	-	-
Interest	42,964,348	-	-
Dividends	13,838,784	-	-
Other	781,291	-	-
Total investment income	<u>482,274,727</u>	<u>-</u>	<u>-</u>
Less: investment expenses	<u>6,089,171</u>	<u>-</u>	<u>-</u>
Net investment income	<u>476,185,556</u>	<u>-</u>	<u>-</u>
Total additions	<u>669,766,532</u>	<u>1,783,307</u>	<u>-</u>
Deductions:			
Benefits	248,524,621	-	-
Refunds	30,912,561	-	-
Interest on refunded contributions	630,421	-	-
Administrative and general expense	5,666,004	-	-
Individual and collective rights	-	1,684,759	-
Total deductions	<u>285,733,607</u>	<u>1,684,759</u>	<u>-</u>
Change in net position held in trust for:			
Employees' pension benefits	384,032,925	-	-
Individuals, organizations, and other governments	-	98,548	-
	<u>384,032,925</u>	<u>98,548</u>	<u>-</u>
Net position at beginning of year, as previously reported	2,377,797,381	1,978,805	-
Implementation of GASB Statement No. 84	117,492,556	-	13,317,866
Net position at beginning of year, as restated	<u>2,495,289,937</u>	<u>1,978,805</u>	<u>13,317,866</u>
Net position at end of year	<u>\$ 2,879,322,862</u>	<u>\$ 2,077,353</u>	<u>\$ 13,317,866</u>

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Position
Component Units
September 30, 2021

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
ASSETS										
Cash and cash equivalents	\$ 1,494,299	\$ 17,503,447	\$ 17,060,056	\$ 3,215,291	\$ 70,929,564	\$ 46,444,630	\$ 10,314,359	\$ 19,812,539	\$ 24,129,349	\$ 210,903,534
Investments	-	2,055,374	-	-	-	-	-	16,109,436	20,261,004	38,425,814
Receivables, net	12,138,637	4,277,412	9,033,001	40,458,886	41,836,292	23,427,608	6,047,237	12,987,521	24,009,307	174,215,901
Due from primary government	-	-	-	2,028,932	-	-	-	-	-	2,028,932
Inventories	157,998	410,842	288,077	3,470,138	49,234,350	4,284,336	501,825	666,236	7,706	59,021,508
Prepayments	-	-	129,728	-	3,307,389	849,867	42	-	100,603	4,387,629
Deposits and other assets	-	9,144,387	-	-	-	1,994,164	-	7,004,459	136,730	18,279,740
Restricted assets:										
Cash and cash equivalents	14,205,997	356,700	1,786,071	-	133,020,673	292,163,144	104,505,687	3,484,891	9,798,470	559,321,633
Investments	52,208,363	20,178,236	-	-	50,433,584	-	-	39,678,676	1,061,443	163,560,302
Unamortized bond issuance costs	-	-	-	-	1,684,472	-	-	-	-	1,684,472
Capital assets:										
Nondepreciable capital assets	120,992,157	7,685,696	4,232,222	1,490,690	36,268,758	172,829,317	15,388,197	12,867,195	19,504,843	391,259,075
Capital assets, net of accumulated depreciation	373,956,130	31,814,187	13,279,372	29,516,643	448,242,102	594,394,314	101,532,587	55,374,059	5,160,657	1,653,270,051
Land held for development	-	-	2,532,193	-	-	-	-	-	-	2,532,193
Total assets	575,153,581	93,426,281	48,340,720	80,180,580	834,957,184	1,136,387,380	238,289,934	167,985,012	104,170,112	3,278,890,784
DEFERRED OUTFLOWS OF RESOURCES										
Deferred amount on refunding	14,581,473	-	-	-	20,172,384	31,286,637	-	-	-	66,040,494
Deferred outflows from pensions	7,135,101	8,319,617	3,806,287	27,877,401	17,136,754	12,904,653	15,315,097	18,701,280	3,651,973	114,848,163
Deferred outflows from OPEB	18,247,009	18,003,525	5,740,974	60,832,747	48,852,130	48,780,079	33,005,118	31,798,297	8,328,986	273,588,865
Unrecovered fuel costs	-	-	-	-	14,168,085	-	-	-	-	14,168,085
Total deferred outflows of resources	39,963,583	26,323,142	9,547,261	88,710,148	100,329,353	92,971,369	48,320,215	50,499,577	11,980,959	468,645,607
LIABILITIES										
Accounts payable	2,700,145	1,740,769	1,277,138	13,691,213	25,155,024	2,637,415	2,020,595	6,334,408	2,118,547	57,675,254
Contracts payable	13,756,249	245,737	-	-	-	25,847,832	-	-	-	39,849,818
Accrued interest payable	2,060,623	-	-	-	13,995,961	7,324,101	-	-	450,144	23,830,829
Accrued payroll and other	4,332,166	441,909	162,740	2,312,799	389,832	933,446	738,773	-	291,023	9,602,688
Due to primary government	385,339	-	-	-	-	-	-	-	-	385,339
Unearned revenue	-	1,290,999	1,653,385	5,825,818	-	-	277,679	7,872,581	244,413	17,164,875
Deposits and other liabilities	2,318,256	7,336,574	437,236	653,074	19,521,395	4,160,995	851,722	2,962,951	796,413	39,038,616
Long-term liabilities:										
Due within one year	1,852,201	295,300	354,619	1,723,239	23,674,083	10,405,125	3,866,757	1,087,398	2,029,029	45,287,751
Due in more than one year	276,275,058	101,723,787	36,507,644	336,731,116	787,613,794	829,773,029	233,051,681	228,747,512	69,459,511	2,899,883,132
Total liabilities	303,680,037	113,075,075	40,392,762	360,937,259	870,350,089	881,081,943	240,807,207	247,004,850	75,389,080	3,132,718,302
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows from pensions	704,214	558,781	305,532	2,340,868	3,238,796	985,049	1,733,156	2,007,162	769,245	12,642,803
Deferred inflows from OPEB	28,800,329	18,033,077	5,275,426	61,261,323	51,902,993	37,575,154	30,266,358	44,589,031	10,935,285	288,638,976
Deferred amount on refunding	36,497	-	-	-	-	-	-	-	-	36,497
Total deferred inflows of resources	29,541,040	18,591,858	5,580,958	63,602,191	55,141,789	38,560,203	31,999,514	46,596,193	11,704,530	301,318,276
NET POSITION										
Net investment in capital assets	314,733,483	38,812,237	16,813,819	31,007,333	10,090,844	286,341,746	92,602,604	57,980,680	14,754,799	863,137,545
Restricted:										
Capital projects	25,983,877	-	-	-	-	9,762,282	-	-	-	35,746,159
Retirement of indebtedness	-	-	-	-	26,587,498	8,741,678	44,455,786	-	-	79,784,962
Endowment - nonexpendable	-	22,342,749	-	-	-	-	-	32,173,429	-	54,516,178
Other purposes	-	1,398,123	21,680,375	-	13,560,665	9,515,170	9,237,520	25,333,573	19,395,752	100,121,178
Unrestricted (deficit)	(58,821,273)	(74,470,619)	(26,579,933)	(286,656,055)	(40,444,348)	(4,644,273)	(132,492,482)	(190,604,136)	(5,093,090)	(819,806,209)
Total net position	\$ 281,896,087	\$ (11,917,510)	\$ 11,914,261	\$ (255,648,722)	\$ 9,794,659	\$ 309,716,603	\$ 13,803,428	\$ (75,116,454)	\$ 29,057,461	\$ 313,499,813

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, 2021**

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Non-major Component Units	Total
Expenses	\$ 65,406,699	\$ 39,533,999	\$ 53,239,573	\$ 180,766,130	\$ 338,736,273	\$ 123,765,082	\$ 58,014,433	\$ 110,676,406	\$ 20,347,859	\$ 990,486,454
Program revenues:										
Charges for services	23,444,220	5,438,478	1,596,258	110,961,397	329,349,535	99,672,517	55,059,326	21,151,683	9,415,615	656,089,029
Operating grants and contributions	20,428,336	9,502,386	50,326,904	27,603,792	15,064,047	188,768	1,995,703	54,281,114	1,998,009	181,389,059
Capital grants and contributions	22,340,926	-	1,657,470	861,888	826,290	64,592,719	219,393	-	-	90,498,686
Total program revenues	66,213,482	14,940,864	53,580,632	139,427,077	345,239,872	164,454,004	57,274,422	75,432,797	11,413,624	927,976,774
Net program revenues (expenses)	806,783	(24,593,135)	341,059	(41,339,053)	6,503,599	40,688,922	(740,011)	(35,243,609)	(8,934,235)	(62,509,680)
General revenues:										
Payments from GovGuam	14,271	21,416,630	383,049	32,784,876	-	-	-	34,262,734	6,374,864	95,236,424
Investment earnings	762,933	-	4,213	-	1,724,846	112,720	-	5,122,714	3,195,262	10,922,688
Other	-	5,384,283	214,560	95,802	400,000	5,654,592	18,707	2,967,179	80,297	14,815,420
Total general revenues	777,204	26,800,913	601,822	32,880,678	2,124,846	5,767,312	18,707	42,352,627	9,650,423	120,974,532
Change in net position	1,583,987	2,207,778	942,881	(8,458,375)	8,628,445	46,456,234	(721,304)	7,109,018	716,188	58,464,852
Net position at beginning of year, as previously reported	280,312,100	(14,125,288)	10,971,380	(247,190,347)	1,166,214	263,260,369	14,524,732	(82,225,472)	28,004,658	254,698,346
Implementation of GASB Statement No. 84	-	-	-	-	-	-	-	-	336,615	336,615
Net position at beginning of year, as restated	280,312,100	(14,125,288)	10,971,380	(247,190,347)	1,166,214	263,260,369	14,524,732	(82,225,472)	28,341,273	255,034,961
Net position at the end of the year	\$ 281,896,087	\$ (11,917,510)	\$ 11,914,261	\$ (255,648,722)	\$ 9,794,659	\$ 309,716,603	\$ 13,803,428	\$ (75,116,454)	\$ 29,057,461	\$ 313,499,813

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2021

(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 of Representatives 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.

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. Except for the Deferred Section 457 Compensation Plan, each component unit of GovGuam has a September 30 year-end. The Deferred Section 457 Compensation Plan has a December 31 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, 2021

(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 terms of two or four years. GPA is fiscally dependent upon GovGuam whereby GPA cannot issue bonded debt without legislative approval.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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) - 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 (and Other Employee Benefit) Trust Fund.
- (b) GovGuam Deferred 457 Compensation Plan - investment options are monitored by the GGRF Board of Trustees.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

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.

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
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Guam Power Authority P.O. Box 2977 Hagatna, GU 96932	Guam Waterworks Authority P.O. Box 3010 Hagatna, GU 96932
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Port Authority of Guam 1026 Cabras Hwy, Ste. 201 Piti, GU 96925	University of Guam University Drive Mangilao, GU 96923
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Guam Community College P.O. Box 23069, GMF Barrigada, GU 96921	Guam Housing and Urban Renewal Authority 117 Bien Venida Avenue Sinajana, GU 96926
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Guam Housing Corporation P.O. Box 3457 Hagatna, GU 96932	Guam Preservation Trust Suite 211, 194 Hernan Cortes Avenue Hagatna, GU 96932
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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
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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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

The Public Utilities Commission (PUC) is a related organization under GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. 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.

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, 2021. 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. Deferred outflows of resources that are attributable to related debt are also included in this component.
- 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 \$635,370,479 of restricted net position, of which \$93,741,222 is restricted by enabling legislation.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

B. Government-Wide Financial Statements, Continued

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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

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.

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, termination benefits, claims and judgments, 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 additional major funds that are of specific public interest, namely the COVID-19 Fund and 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:

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

Fund Accounting, Continued:

- General Fund - this fund is the primary operating fund of GovGuam. It is used to account for all governmental transactions, including the Guam Census Office, 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. federal assistance grants and contracts utilized by GovGuam to finance general governmental operations.
- ARPA Assistance Fund - a Special Revenue Fund that accounts for all activities of U.S. federal assistance grants created under the American Rescue Plan Act (ARPA) of 2021.
- CARES Act Unemployment Assistance Fund - a Special Revenue Fund that accounts for all activities of U.S. federal unemployment programs created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act including Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC).
- COVID-19 Fund - a Special Revenue Fund that accounts for economic stimulus funding received as a direct result of the COVID-19 pandemic.
- 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 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.

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 (and Other Employee Benefit) Trust Funds - these funds account for resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension and other postemployment benefit (OPEB) plans.
- Private Purpose Funds - these funds account for resources held in trust under which principal and income benefit certain individuals.
- Custodial Funds - these funds account for assets held on behalf of other governmental entities, other organizations, or individuals, which are custodial in nature.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

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.

G. Restricted Assets

As of September 30, 2021, certain assets of the primary government are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures), court orders and grantors including: \$872,495 externally restricted under a Chamorro Lands loan guarantee program; \$5,979,054 externally restricted for Child Support; \$807,513 externally restricted for GDOE extracurricular school activities; \$92,580,745 externally restricted under various bond issues (including \$80,155,051 for future debt service requirements and \$12,425,694 in unspent bond proceeds); \$796,153 externally restricted under the Congress building loan agreement for future debt service requirements; \$902,104 externally restricted under the Judicial building loan agreement for future debt service requirements; and \$5,056,015 externally restricted for Court ordered post closure costs.

H. Land and Other Real Estate

Land and other real estate held as investments in permanent funds of \$454,131,585, which comprise \$445,468,993 held by the Chamorro Land Trust Commission and \$8,662,592 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. Accordingly, land and other real estate investments are valued using Level 3 inputs. 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

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.

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 comprise supplies while inventories of 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 interfund goods and services are provided or reimbursable expenditures occur; transactions are recorded in the accounting system; and 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

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 are depreciated on a straight-line basis over the estimated useful lives of the assets.

M. Provision for Tax Refunds

During the calendar year, GovGuam collects individual and corporate income taxes through withholdings and payments from taxpayers. As of 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, 2021, GovGuam recorded a provision for unpaid tax refunds in the amount of \$78,208,234, which includes amounts relating to the U.S. Federal Earned Income Tax Credit (EITC).

N. Unearned Revenue/Payable to Federal Agencies

Unearned revenue is recorded when cash is received prior to being earned and relates to Section 30 federal income tax collections remitted from the United States Government in the amount of \$76,141,259, which pertains to revenues of the following fiscal year.

Amounts received in advance from federal agencies relating to expenditure-driven grants are reported as "payables to federal agencies" in the statement of net position and the governmental funds balance sheet. Revenues are recognized when all applicable program eligibility requirements associated with the federal grant are met by GovGuam as the recipient.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

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 and other postemployment benefits, long-term liabilities to other governmental entities, and closure and post-closure costs associated with the Ordot Dump and Layon Landfill. Capital lease liabilities consist of lease contracts that transfer substantially all of the benefits and risks of ownership of property to GovGuam. 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 \$1,353,534,832 as of October 31, 2020, the date that such certification was performed. Total debt outstanding as of September 30, 2021, subject to the debt ceiling limitation is \$989,293,502.

P. 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.

Q. Deferred Outflows/Inflows of Resources

In the government-wide financial statements, the statement of net position will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflow of resources represents 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.

In the governmental fund financial statements, deferred inflows of resources consist of unavailable revenue, which is revenue that does not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

R. 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.

“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 public health, environmental protection and 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

R. Fund Equity/Net Position, Continued

- 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. However, most governmental funds cannot end a fiscal year in deficit.

S. 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 \$22,370,170 as of September 30, 2021 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

T. Pensions

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, and pension benefits afforded to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices following completion of their respective terms.

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.

U. Other Post-Employment Benefits (OPEB)

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 single-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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

U. Other Post-Employment Benefits (OPEB), Continued

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 rolls are 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-seventy seconds percent (7/72%) of the value thereof and seven-eightieths (7/18%) of the value of the improvements thereon. In addition to this levy, there is hereby levied on improvements on all land property in Guam with a value of \$1,000,000 or more a yearly tax at the rate of seven eightieths percent (7/18%) of the value thereon.

W. Encumbrances

GovGuam utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. As of September 30, 2021, GovGuam has encumbrances summarized as follows:

<u>General</u>	<u>Federal Grants Assistance</u>	<u>ARPA Assistance</u>	<u>GDOE Federal Grants</u>	<u>Other Governmental</u>	<u>Total</u>
<u>\$ 16,994,447</u>	<u>\$ 67,090,644</u>	<u>\$ 221,835</u>	<u>\$ 58,180,269</u>	<u>\$ 17,375,598</u>	<u>\$159,862,793</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards

In 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which postponed the effective dates of GASB Statement No. 84, 89, 90, 91, 92 and 93 by one year and GASB Statement No. 87 by 18 months; however, earlier application of the provisions addressed in GASB Statement No. 95 is encouraged and is permitted to the extent specified in each pronouncement as originally issued. In accordance with GASB Statement No. 95, management has elected to postpone implementation of these statements.

During the year ended September 30, 2021, GovGuam implemented the following pronouncements:

- GASB Statement No. 84, Fiduciary Activities, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Certain assets and liabilities previously reported as part of the agency fund classification of the statement of fiduciary net position are now reported in the fiduciary fund financial statements as custodial funds. The adoption of GASB Statement No. 84 resulted in the restatement of GovGuam's October 1, 2020 net position for the pension (and other employee benefit) trust funds and custodial funds of \$117,492,556 and \$13,317,866, respectively.
- GASB Statement No. 90, Majority Equity Interests - An Amendment of GASB Statements No. 14 and 61, which improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 93, Replacement of Interbank Offered Rates, which establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Interbank Offered Rate (LIBOR) for hedging derivative instruments. The provision removing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of derivative instruments is effective for the year ended September 30, 2022. The implementation of this statement did not have a material effect on the accompanying financial statements.

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Management believes that this Statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 87 will be effective for fiscal year ending September 30, 2022.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards, Continued

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Management does not believe that this Statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 89 will be effective for fiscal year ending September 30, 2022.

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management does not believe that this Statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 91 will be effective for fiscal year ending September 30, 2023.

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, the terminology used to refer to derivative instruments and the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefits. The requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reissuance recoveries and terminology used to refer to derivative instruments are effective upon issuance. In accordance with GASB Statement No. 95, the remaining requirements of GASB Statement No. 92 is effective for the fiscal year ending September 30, 2022.

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. Management does not believe that this Statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 94 will be effective for fiscal year ending September 30, 2023.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards, Continued

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Management does not believe that this Statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 96 will be effective for fiscal year ending September 30, 2023.

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management does not believe that this Statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 97 will be effective for fiscal year ending September 30, 2022.

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, 2020 from which summarized information was derived.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2021

(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, 2021, the carrying amount of the primary government's total cash and cash equivalents and time certificates of deposit was \$947,152,774 and the corresponding bank balances were \$1,019,445,777. Of the bank balances, \$347,033,842 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 \$672,411,935 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 as of September 30, 2021.

As of September 30, 2021, bank deposits in the amount of \$1,250,000 were FDIC insured and bank deposits in the amount of \$420,003 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 amounts 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 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, 2021, 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 amounts of investments in any one issuer that represents five percent (5%) or more of total investments for GovGuam.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(2) Deposits and Investments, Continued

B. Investments, Continued

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, GovGuam will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. GovGuam's investments are held and administered by trustees in accordance with various bond indentures for the purpose of funding various health-related projects under a tobacco settlement agreement and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam's name by GovGuam's custodial financial institutions as of September 30, 2021.

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, 2021, the primary government's short-term investments of \$10,050,745 represent amounts held in time certificates of deposit.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

- 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;
 - 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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

- 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.

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 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

- 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, 2021 are classified as follows:

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>457 Deferred Compensation</u>	<u>Total</u>
Common stocks	\$ 1,569,712,500	\$ -	\$ -	\$ 1,569,712,500
Fixed income securities	602,356,459	-	-	602,356,459
Money market funds	41,646,341	-	-	41,646,341
Mutual funds	<u>45,212,862</u>	<u>487,910,003</u>	<u>135,856,755</u>	<u>668,979,620</u>
	<u>\$ 2,258,928,162</u>	<u>\$ 487,910,003</u>	<u>\$ 135,856,755</u>	<u>\$ 2,882,694,920</u>

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 short-term and long-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. Mutual funds held by the 457 Deferred Compensation Plan of \$30,543,391 have exposure to interest rate risk.

As of September 30, 2021, GGRF's investments in debt securities were as follows:

	<u>Investment Maturities (In Years)</u>				<u>Fair Value</u>
	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>Greater Than 10</u>	
U.S. Treasury notes	\$ -	\$ 33,983,794	\$ 38,866,140	\$ 91,084,669	\$ 163,934,603
U.S. government agencies	50,195	7,170,127	6,376,793	112,834,287	126,431,402
Corporate notes and bonds	<u>18,020,609</u>	<u>112,865,894</u>	<u>131,974,238</u>	<u>49,129,713</u>	<u>311,990,454</u>
	<u>\$ 18,070,804</u>	<u>\$ 154,019,815</u>	<u>\$ 177,217,171</u>	<u>\$ 253,048,669</u>	<u>\$ 602,356,459</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. As of September 30, 2021, GGRF held mortgage-backed securities valued at approximately \$120,800,000.

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

GGRF's credit quality distribution for debt securities as of September 30, 2021 is as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Amount</u>
Government Bonds	Aaa/Aa/A	\$ 61,144,717
Corporate Bonds	Baa/Ba/B	211,010,020
Corporate Bonds	Caa/Ca/C	18,917,244
U.S. Government Guaranteed	Not Rated	290,156,342
Not Rated	Not Rated	<u>21,128,136</u>
		<u>\$ 602,356,459</u>

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. As of September 30, 2021, 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. As of September 30, 2021, GGRF held approximately \$31,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$9,000,000 was issued by Canadian companies, \$3,000,000 by Dutch companies, \$3,000,000 by Australian companies, \$2,000,000 by German companies, \$1,000,000 by Swiss companies, and \$13,000,000 by 13 other country companies.

As of September 30, 2021, 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 as of September 30, 2021 was approximately \$165,000,000. Of this total, approximately \$42,000,000 relates to companies whose functional currency is Japanese Yen, \$43,000,000 relates to companies whose functional currency is the Euro, \$16,000,000 relates to companies whose functional currency is the Swiss Franc, \$12,000,000 relates to companies whose functional currency is the Australian Dollar, \$16,000,000 relates to companies whose functional currency is the British Pound, and the remaining \$36,000,000 relates to companies representing eight separate functional currencies.

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

The Guam Code Annotated and GGRF's investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits and investments. The Guam Code Annotated requires that a financial institution secure deposits made by GovGuam agencies by pledging securities in: "(a) Treasury notes or bonds of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and 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.

GGRF has the following recurring fair value measurements as of September 30, 2021:

	<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:				
Equity securities	\$1,569,712,500	\$1,569,712,500	\$ -	\$ -
U.S. Treasury notes	163,934,603	-	163,934,603	-
Corporate notes and bonds	311,990,454	-	311,990,454	-
Mortgage-backed securities	<u>126,431,402</u>	-	<u>126,431,402</u>	-
	2,172,068,959	<u>\$1,569,712,500</u>	<u>\$ 602,356,459</u>	<u>\$ -</u>
Investments measured at NAV:				
Mutual funds	668,979,620			
Money market funds	<u>41,646,341</u>			
	<u>\$2,882,694,920</u>			

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(3) Receivables and Tax Abatements

A. Receivables

Primary Government

Receivables as of September 30, 2021, for the primary government's individual major governmental funds and nonmajor governmental funds in the aggregate, including allowances for uncollectible accounts, are as follows:

	General	Federal Grants Assistance	ARPA Assistance	CARES Act Unemployment Assistance	COVID-19	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
Receivables:									
Taxes	\$ 205,837,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,951,604	\$ 208,789,269
Federal	14,007,839	57,167,548	-	8,481,577	-	24,368,246	-	-	104,025,210
Other	<u>12,940,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,129,039</u>	<u>23,069,719</u>
	232,786,184	57,167,548	-	8,481,577	-	24,368,246	-	13,080,643	335,884,198
Allowance for uncollectible accounts	<u>(161,695,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,801,386)</u>	<u>(167,496,935)</u>
	<u>\$ 71,090,635</u>	<u>\$ 57,167,548</u>	<u>\$ -</u>	<u>\$ 8,481,577</u>	<u>\$ -</u>	<u>\$ 24,368,246</u>	<u>\$ -</u>	<u>\$ 7,279,257</u>	<u>\$ 168,387,263</u>

Fiduciary Funds

Receivables record by the fiduciary funds includes contributions receivable owed to the GovGuam Retirement Fund (GGRF) for employer and member contributions from various GovGuam agencies. As of September 30, 2021, employer contributions receivable totaled \$5,309,949; member contributions receivable totaled \$1,739,857; and interest and penalties receivable totaled \$341,264.

B. Tax Abatements

As of September 30, 2021, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements, Continued

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.

Harmon Industrial Park Roadway Tax Incentive Program was created under Public Law 33-191 and 34-10, which provides business entities that comprise the Harmon Industrial Park Association with tax benefits to encourage the rehabilitation and improvement of the Harmon Industrial Park roadway. Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of gross receipts tax not to exceed \$1,000,000 over a four year period or \$250,000 for each year of the program;
- Up to 100% abatement of excise tax not to exceed \$3,000,000 over a four year period or \$750,000 for each year of the program.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements, Continued

During the year ended September 30, 2021, information relevant to the disclosure of these programs is as follows:

Guam Registered Apprenticeship Program:		
Gross receipts tax		\$ 3,037,640
Harmon Industrial Park Association:		
Gross receipts tax		250,000
Excise tax		1,426,768
Qualifying Certificate Program:		
Gross receipts tax		6,408,558
Income tax		3,136,796
Special Hotel Qualifying Certificate Program:		
Excise tax		561,668
Real property tax		<u>6,691</u>
		<u>\$ 14,828,121</u>

(4) Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds as of September 30, 2021, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Federal Grants Assistance	\$ 11,330,513
General	CARES Act Unemployment Assistance	26,206,737
General	COVID-19	434,667
General	GDOE Federal Grants	17,183,369
General	Nonmajor governmental funds	12,959,865
ARPA Assistance	General	4,927,774
Nonmajor governmental funds	General	<u>24,683,308</u>
		<u>\$ 97,726,233</u>

Receivables and payables between funds reflected as due to/from component units as of September 30, 2021, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Guam Memorial Hospital Authority	\$ 3,000,000	\$ 2,028,932
Other governmental funds:		
Antonio B. Won Pat International Airport Authority	<u>385,339</u>	<u>-</u>
	<u>\$ 3,385,339</u>	<u>\$ 2,028,932</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(5) Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2021, are as follows:

	Estimated Useful Lives	Balance October 1, 2020	Additions	Transfers	Retirements	Balance September 30, 2021
Governmental activities:						
Nondepreciable capital assets:						
Land		\$ 50,586,352	\$ 70,545	\$ -	\$ -	\$ 50,656,897
Construction in progress		<u>39,933,669</u>	<u>18,022,633</u>	<u>(38,756,516)</u>	<u>(296,909)</u>	<u>18,902,877</u>
		<u>90,520,021</u>	<u>18,093,178</u>	<u>(38,756,516)</u>	<u>(296,909)</u>	<u>69,559,774</u>
Depreciable capital assets:						
Landfill cells	Capacity	71,093,441	-	30,180,186	-	101,273,627
Buildings	40 - 60 yrs	628,015,612	969,341	743,643	-	629,728,596
Machinery, equipment and furniture	5 - 20 yrs	134,216,737	1,774,615	-	(227,324)	135,764,028
Infrastructure	25 yrs	<u>947,872,335</u>	<u>2,557,858</u>	<u>7,832,687</u>	<u>-</u>	<u>958,262,880</u>
		<u>1,781,198,125</u>	<u>5,301,814</u>	<u>38,756,516</u>	<u>(227,324)</u>	<u>1,825,029,131</u>
Less accumulated depreciation:						
Landfill cells		(47,930,148)	(4,787,118)	-	-	(52,717,266)
Buildings		(247,316,976)	(14,241,412)	-	-	(261,558,388)
Machinery, equipment and furniture		(119,930,160)	(5,544,221)	-	227,324	(125,247,057)
Infrastructure		<u>(509,007,723)</u>	<u>(34,753,501)</u>	<u>-</u>	<u>-</u>	<u>(543,761,224)</u>
		<u>(924,185,007)</u>	<u>(59,326,252)</u>	<u>-</u>	<u>227,324</u>	<u>(983,283,935)</u>
Depreciable capital assets, net		<u>857,013,118</u>	<u>(54,024,438)</u>	<u>38,756,516</u>	<u>-</u>	<u>841,745,196</u>
		<u>\$ 947,533,139</u>	<u>\$ (35,931,260)</u>	<u>\$ -</u>	<u>\$ (296,909)</u>	<u>\$ 911,304,970</u>

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

General government	\$ 7,737,191
Protection of life and property	1,261,522
Public health	280,679
Community services	29,905
Recreation	343,098
Individual and collective rights	1,014,268
Transportation	27,816,363
Public education	13,274,422
Environmental protection	5,423,959
Economic development	<u>2,144,845</u>
	<u>\$ 59,326,252</u>

(6) Long-Term Obligations

General Obligation Bonds (GOB):

As of September 30, 2021, the primary government had the following general obligation bonds outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
General Obligation Bonds:					
Series A, 2019	July 25, 2019	\$ 27,610,000	5%	November 15, 2031	\$ 25,360,000
Add: unamortized bond premium					<u>3,356,467</u>
					<u>\$ 28,716,467</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

General Obligation Bonds (GOB), Continued:

A summary of the general obligation bond premium activity for the year ended September 30, 2021 is as follows:

Balance - October 1, 2020	\$ 3,692,107
Current-year amortization	<u>(335,640)</u>
Balance - September 30, 2021	<u>\$ 3,356,467</u>

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,775,000	\$ 1,223,625	\$ 2,998,625
2023	1,865,000	1,132,625	2,997,625
2024	1,960,000	1,037,000	2,997,000
2025	2,060,000	936,500	2,996,500
2026	2,165,000	830,875	2,995,875
2027 - 2031	12,610,000	2,370,500	14,980,500
2032	<u>2,925,000</u>	<u>73,125</u>	<u>2,998,125</u>
	<u>\$ 25,360,000</u>	<u>\$ 7,604,250</u>	<u>\$ 32,964,250</u>

GOB Series A, 2019 Bonds

The GOB Series A, 2019 bonds were issued for the purpose of providing proceeds to fund the construction of a new cell for the Layon landfill (the Series 2019 Project) and are backed solely by the full faith and credit of GovGuam. The Issuance Certificate, dated July 1, 2019, sets forth the establishment of accounts, the periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following funds and accounts are established under the Certificate dated July 1, 2019:

Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depository for the payment of the expenses of GovGuam 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.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account will be disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

Construction Account - Moneys on deposit in the Construction Account will be disbursed by the Depository for the payment of the project costs associated with the Series 2019 Project.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB):

As of September 30, 2021, the primary government had the following limited obligation bonds outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Limited Obligation Bonds:					
Series A (BPT), 2011	December 1, 2011	\$ 235,000,000	3.5% - 5.3%	January 1, 2042	\$ 210,100,000
Series B (BPT), 2012 Taxable	June 6, 2012	\$ 27,375,000	4.4% - 4.9%	January 1, 2046	15,065,000
Series B (BPT), 2012	June 6, 2012	\$ 81,325,000	4.1% - 5.0%	January 1, 2042	81,325,000
Series D, (BPT) 2015	September 9, 2015	\$ 410,485,000	4.0% - 5.0%	November 15, 2039	362,285,000
Series A (Section 30), 2016	August 17, 2016	\$ 236,605,000	5%	December 1, 2046	206,950,000
Series A (HOT), 2021	March 31, 2021	\$ 58,865,000	5%	November 1, 2040	58,865,000
Series E (BPT), 2021	May 27, 2021	\$ 19,070,000	3.25%	November 15, 2026	<u>19,070,000</u>
					953,660,000
					<u>93,635,998</u>
					<u>\$ 1,047,295,998</u>
Add: unamortized bond premium					

A summary of the limited obligation bond premium and discount activity for the year ended September 30, 2021 is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Net</u>
Balance - October 1, 2020	\$ 84,697,604	\$ (1,466,200)	\$ 83,231,404
Additions	12,790,466	-	12,790,466
Deletions	-	1,466,200	1,466,200
Current-year amortization	<u>(3,852,072)</u>	<u>-</u>	<u>(3,852,072)</u>
Balance - September 30, 2021	\$ <u>93,635,998</u>	\$ <u>-</u>	\$ <u>93,635,998</u>

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 19,430,000	\$ 28,942,582	\$ 48,372,582
2023	21,915,000	45,804,084	67,719,084
2024	39,105,000	44,321,635	83,426,635
2025	39,605,000	42,438,056	82,043,056
2026	41,515,000	40,497,050	82,012,050
2027 - 2031	230,925,000	170,020,050	400,945,050
2032 - 2036	279,020,000	105,130,344	384,150,344
2037 - 2041	235,515,000	38,281,713	273,796,713
2042 - 2046	42,195,000	4,181,088	46,376,088
2047	<u>4,435,000</u>	<u>110,875</u>	<u>4,545,875</u>
	\$ <u>953,660,000</u>	\$ <u>519,727,477</u>	\$ <u>1,473,387,477</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

BPT Series A, 2011, Series B, 2012, Series D, 2015, Series E, 2021 Bonds

On May 27, 2021, GovGuam issued \$19,070,000 in Business Privilege Tax Revenue Bonds, 2021 Series E to refund \$26,490,000 of outstanding Business Privilege Tax Revenue Bonds, 2015 Series D bonds. Of the net proceeds of \$18,790,307 together with available funds of \$8,986,540 held by GovGuam, \$27,776,847 was deposited to an Escrow Fund to be 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 Business Privilege Tax Revenue Bonds, 2015 Series D bonds. 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 \$1,286,847, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2021 Series E bonds. The unamortized balance of the deferred loss on refunding is \$1,207,656 as of September 30, 2021.

The BPT Series A, 2011, Series B, 2012, Series D, 2015, and Series E 2021 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of business privilege tax revenues. These bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, COLA settlement payments, health insurance premium payments and delinquent retirement fund contributions, advance refunding 2007 and 2009 GOB bonds, and funding capitalized interest (collectively, the Eligible Expenses). Total principal and interest remaining on the BPT Series A, 2011, Series B, 2012, Series D, 2015, and Series E 2021 bonds is \$1,062,097,102 payable through January 2046. For the year ended September 30, 2021, principal and interest paid and total gross receipts tax revenues were \$55,382,386 and \$294,524,001, respectively. (see Note 16)

The General Indenture, dated December 1, 2011, as updated by supplemental indentures, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following rate covenant together with funds and accounts are established under the General Indenture dated December 1, 2011:

Rate Covenant - GovGuam has covenanted that it will impose, levy, and enforce taxes of the type now imposed by 11 GCA §26201 and collect Business Privilege Tax revenues. Furthermore, GovGuam has covenanted that it will not reduce the rate of levy and collection of pledged business privilege tax revenues below 3% nor will GovGuam reduce the services or the products activities to which the pledged business privilege tax applies, nor will GovGuam upwardly adjust any exception or exclusion to, or otherwise impair, the pledged business privilege tax.

Escrow Fund - Moneys on deposit in the Escrow Fund to be disbursed to pay the principal of and interest on the refunded 2007 and 2009 GOB bonds.

Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depository for the payment of Eligible Expenses of GovGuam to be funded from Bond proceeds and the costs associated with the issuance of the Bonds.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

BPT Series A, 2011, Series B, 2012, Series D, 2015 Bonds, Continued

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account will be disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

Capitalized Interest Account - Moneys on deposit in the Capitalized Interest Account will be disbursed by the Depository for the payment of 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; (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the General Indenture; (4) paying Parity Payment Agreement Payments due and payable; and (5) paying Credit Agreement Reimbursement Payments due and payable. As of September 30, 2021, GovGuam is not a party to any Parity Payment or Credit Agreement Reimbursement Payment Agreements.

Revenue Fund - the General Indenture created a Revenue Fund into which GovGuam, shall deposit all business privilege tax revenues, upon receipt, and which the Trustee, as Depository, will maintain and hold pursuant to the General Indenture.

On September 9, 2015, GovGuam issued \$410,485,000 in Business Privilege Tax Revenue Bonds, 2015 Series D 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 an issue premium of \$44,650,254), \$454,758,932 was deposited to an Escrow Fund to be 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 is \$61,353,939 as of September 30, 2021.

Section 30 Series A, 2016 Bonds

The Section 30 Series A, 2016 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of Section 30 revenues. These bonds were issued for the purpose of refunding 2009 Section 30 LOB 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 Authority (the 2016 Hospital Working Capital Project). Total principal and interest remaining on the Section 30 Series A, 2016 bonds is \$311,565,750 payable through December 2046. For the year ended September 30, 2021, principal and interest paid and total Section 30 revenues were \$20,981,875 and \$65,109,936, respectively.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

Section 30 Series A, 2016 Bonds, Continued

The General Indenture, dated June 1, 2009, as amended and restated by an Amended and Restated Indenture, dated August 1, 2016, as updated by supplemental indentures, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following revenue covenant together with funds and accounts are established under the Amended and Restated Indenture dated August 1, 2016:

Revenue Covenant - GovGuam has covenanted that it will not issue or incur any obligations having a claim on the Section 30 Revenues prior to the claim of the Section 30 Series A, 2016 bonds and any bonds on a parity therewith. GovGuam has also covenanted that it 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.

Escrow Fund - Moneys on deposit in the Escrow Fund to be disbursed to pay the principal of and interest on the refunded 2009 Section 30 LOB bonds and 2013 Series B certificates of participation.

Project Account - Moneys on deposit in the Project Account will be disbursed by the Depository for the payment of 2016 Hospital Working Capital Project Costs.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account will be disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

Section 30 Revenue Fund - the Amended and Restated Indenture created the Section 30 Revenue Fund into which GovGuam shall deposit all Section 30 revenues, upon receipt, and which the Trustee, as Depository, will maintain and hold pursuant to the Amended and Restated Indenture. In accordance with the Amended and Restated Indenture, the Trustee created the following funds within the Section 30 Revenue Fund:

- Bond Reserve Fund - the Trustee is required to hold and maintain within the Bond Reserve Fund an amount equal to the Bond Reserve Fund Requirement. The Bond Reserve Fund Requirement means, as of any date of calculation and with respect to any Bonds, monies in the aggregate amount within each Bond Year at least sufficient to pay and provide for the sum of: (1) an aggregate amount equal to at least 125% of aggregate annual debt service for such Bond Year; (2) an aggregate amount equal to the amounts required to be deposited in the Rebate Fund during such Bond Year required by the Amended and Restated Indenture, plus the amount of Bond Expenses estimated by the Trustee to be payable during such Bond Year; and (3) such amounts as may be required pursuant to the Amended and Restated Indenture (and any supplemental indenture for the issuance of additional Bonds) to increase or restore the Bond Reserve Fund to the Bond Reserve Fund Requirement. As of September 30, 2021, GovGuam maintains \$21,290,879 in this fund in accordance with the Bond Reserve Fund Requirement.
- Debt Service Fund - the Trustee is required to hold and maintain within the Debt Service Fund an amount equal to the sum of: (1) the interest then due or to become due on all outstanding bonds during the period ending on November 30 of the next succeeding fiscal year; and (2) the principal (including any Mandatory Sinking Account Payments) then due or to become due on all outstanding bonds during the period ending on November 30 of the next succeeding fiscal year.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

Section 30 Series A, 2016 Bonds, Continued

On August 17, 2016, GovGuam issued \$236,605,000 in Limited Obligation (Section 30) Bonds, 2016 Series A 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 Authority. Of the net proceeds of \$280,547,958 (including an issue premium of \$43,942,958), \$211,658,081 was deposited to an Escrow Fund to be 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 is \$23,067,296 as of September 30, 2021.

HOT Series A, 2021 Bonds

The HOT Series A, 2021 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of hotel occupancy tax revenues. These bonds were issued for the purpose of advance refunding 2011 HOT Bonds. Total principal and interest remaining on the HOT Series A, 2021 bonds is \$99,724,625 payable through November 2040. For the year ended September 30, 2021, principal and interest paid and total hotel occupancy tax revenues were \$7,469,022 and \$12,372,113, respectively.

The General Indenture, dated April 1, 2011, as supplemented by a supplemental indenture, dated April 1, 2021, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following rate covenant together with funds and accounts are established under the General Indenture dated April 1, 2021:

Rate Covenant - GovGuam has covenanted that it will impose, levy, and enforce taxes of the type now imposed by 11 GCA §30101 and collect Hotel Occupancy Tax revenues (or may, in its sole and absolute discretion, but shall not be obligated to, pay into the Revenue Fund moneys from any other legally available source) in the aggregate amount within each Bond Year at least sufficient to pay and provide for the sum of: (1) an aggregate amount equal to at least 125% of aggregate annual debt service for such Bond Year; (2) an aggregate amount equal to the amounts required to be deposited in the Rebate Fund during such Bond Year required by the General Indenture, plus the amount of Bond Expenses estimated by the Trustee to be payable during such Bond Year; and (3) such amounts as may be required pursuant to the General Indenture (and any supplemental indenture for the issuance of additional Bonds) to increase or restore the Bond Reserve Fund to the Bond Reserve Fund Requirement.

Construction Fund - Moneys on deposit in the Construction Account will be disbursed by the Depository for the payment of Infrastructure Improvement Project Costs.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account will be disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

HOT Series A, 2021 Bonds, Continued

Capitalized Interest Account - Moneys on deposit in the Capitalized Interest Account will be disbursed by the Depository for the payment of 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; (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the General Indenture; and (4) paying Parity Payment Agreement Payments due and payable. As of September 30, 2021, GovGuam is not a party to any Parity Payment Agreements.

Bond Reserve Fund - the General Indenture created a Bond Reserve Fund available for the purpose of paying debt service on Bonds (including Payment Agreement Payments) in the event of a deficiency in the Bond Fund. GovGuam is required to maintain an amount within the Bond Reserve Fund equal to the maximum annual debt service for the then current or future fiscal year on all outstanding HOT Series A, 2021 bonds. 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) the maximum annual debt service, calculated on all such Bonds Outstanding as of such date, (B) 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 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. As of September 30, 2021, GovGuam maintains \$8,833,775 in this fund in accordance with the Bond Reserve Fund Requirement.

Revenue Fund - the General Indenture created a Revenue Fund into which GovGuam shall deposit all hotel occupancy tax revenues, upon receipt, and which the Trustee, as Depository, will maintain and hold pursuant to the General Indenture.

On March 31, 2021, GovGuam issued \$58,865,000 in Hotel Occupancy Tax Revenue Bonds, 2021 Series A to refund \$70,540,000 of outstanding Hotel Occupancy Tax Revenue Bonds, 2011 Series A bonds. Of the net proceeds of \$70,317,349 (including an issue premium of \$12,790,466) together with available funds of \$2,445,101 held by GovGuam, \$72,762,450 was deposited to an Escrow Fund to be 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 Hotel Occupancy Tax Revenue Bonds, 2011 Series A bonds. 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 \$3,688,650, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2011 bonds. The unamortized balance of the deferred loss on refunding is \$3,594,472 as of September 30, 2021.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

Events of Default

The respective Certificates and Indentures specify that any one or more of the following events will be considered an Event of Default:

(A) Default by GovGuam in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise; default by GovGuam in the redemption from any Mandatory Sinking Account Payment of any Term Bonds in the amounts and at the times provided therefor; or default by GovGuam in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(B) Default by GovGuam in the observance of any of the covenants, agreements or conditions on its part contained in the Issuance Certificates or in the Bonds, if such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to GovGuam by the Trustee or to GovGuam and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; or

(C) The assumption, under the provisions of any law relating to bankruptcy or insolvency or any similar law relating to creditor's rights, by any court of competent jurisdiction, of custody or control of GovGuam or of the whole or any substantial part of its property, if such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control.

In the event that the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee shall transfer such amount as is necessary to satisfy such deficiency. If after making all such transfers, the amount in such Fund or Account is insufficient, the Trustee shall promptly issue a notice of default to Bondholders.

Acceleration of Maturities

If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to GovGuam, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Issuance Certificates or in the Bonds contained to the contrary notwithstanding.

If an Event of Default occurs and is continuing, all moneys then held or thereafter received by the Trustee or the Depository under any of the provisions of the respective Certificates and Indentures is required to be under the control of and applied by the Trustee as outlined in the respective Certificates and Indentures.

Management of GovGuam believes that it is in compliance with all significant covenants, limitations and restrictions of the respective Certificates and Indentures as of September 30, 2021.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Direct Borrowings:

As of September 30, 2021, the primary government had the following direct borrowings outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Direct Borrowings:					
Judicial Building loan	January 16, 2020	\$ 15,000,000	3.6%	December 1, 2051	\$ 6,767,668
Congress Building loan	April 28, 2014	\$ 4,000,000	4.5%	September 1, 2035	<u>3,505,834</u>
					\$ <u>10,273,502</u>

Annual debt service requirements to maturity for the direct borrowings are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 183,205	\$ 397,632	\$ 580,837
2023	287,060	388,343	675,403
2024	330,905	376,242	707,147
2025	3,067,277	350,758	3,418,035
2026	141,281	228,666	369,947
2027 - 2031	786,921	1,062,816	1,849,737
2032 - 2036	940,936	908,801	1,849,737
2037 - 2041	1,126,300	723,437	1,849,737
2042 - 2046	1,347,434	502,303	1,849,737
2047 - 2051	1,611,989	237,748	1,849,737
2052	<u>450,194</u>	<u>12,240</u>	<u>462,434</u>
	\$ <u>10,273,502</u>	\$ <u>5,188,986</u>	\$ <u>15,462,488</u>

Judicial Building Loan

In 2020, GovGuam refinanced a loan facility by entering into a \$15,000,000 credit agreement for the purpose of funding the acquisition of real property, additional renovations to existing facilities, and repayment of the existing 2006 loan. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues. The credit agreement, dated January 16, 2020, requires that all funds, monies, securities, and deposits, which comprise the Judicial Building Fund, shall be maintained in accounts with the lender. Furthermore, the credit agreement contains a provision that in the event of default, the lender has the ability to satisfy the indebtedness, in whole or in part, by enforcing and collecting any obligation subject to this pledge and assignment, or by applying any amounts in the Judicial Building Fund to obligations secured hereby. Total principal and interest remaining on the note payable is \$11,402,799 payable through December 2051. For the year ended September 30, 2021, principal and interest paid and total judicial fees, fines and building rental revenues were \$243,636 and \$1,330,776, respectively.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(6) Long-Term Obligations, Continued

Direct Borrowings, Continued:

Congress Building Loan

In 2014, GovGuam entered into a bank loan to fund the modernization, refurbishment and renovation of the Guam Congress Building. The note is collateralized by the pledge and assignment of Capitol District Fund revenues. The credit agreement, dated April 28, 2014, requires that all funds, monies, securities, and deposits, which comprise the Capitol District Fund, shall be maintained in accounts with the lender. Furthermore, the credit agreement contains a provision that in the event of default, the lender has the ability to satisfy the indebtedness, in whole or in part, by enforcing and collecting any obligation subject to this pledge and assignment, or by applying any amounts in the Capitol District Fund to obligations secured hereby. Total principal and interest remaining on the note payable is \$4,059,689 payable through September 2035. For the year ended September 30, 2021, principal and interest paid and total building rental revenues were \$365,290 and \$248,813, respectively.

Management of GovGuam believes that it is in compliance with all significant covenants, limitations and restrictions of the respective credit agreements as of September 30, 2021.

Changes in Long-Term Obligations:

Changes in long-term obligations for the year ended September 30, 2021, are as follows:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 27,045,000	\$ -	\$ (1,685,000)	\$ 25,360,000	\$ 1,775,000
Limited obligation bonds	1,005,785,000	77,935,000	(130,060,000)	953,660,000	19,430,000
Direct borrowings:					
Bank loans	10,454,017	-	(180,515)	10,273,502	183,205
	<u>\$ 1,043,284,017</u>	<u>\$ 77,935,000</u>	<u>\$ (131,925,515)</u>	<u>\$ 989,293,502</u>	<u>\$ 21,388,205</u>

(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, 2021, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net position:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Other long-term liabilities:					
Compensated absences	\$ 25,864,697	\$ 7,836,415	\$ (9,341,107)	\$ 24,360,005	\$ 10,485,944
Capital lease obligations	161,541,272	-	(7,805,437)	153,735,835	8,268,000
DCRS sick leave liability	20,129,599	4,713,723	(2,473,152)	22,370,170	-
Net pension liability	1,054,836,233	31,419,039	(2,380,771)	1,083,874,501	-
OPEB liability	1,737,832,562	13,393,823	(55,536,893)	1,695,689,492	-
Tax credits payable	2,383,629	-	-	2,383,629	2,383,629
Due to IRS	19,937,926	-	-	19,937,926	19,937,926
Landfill closure	25,269,490	16,244,228	(2,247,971)	39,265,747	-
	<u>\$ 3,047,795,408</u>	<u>\$ 73,607,228</u>	<u>\$ (79,785,331)</u>	<u>\$ 3,041,617,305</u>	<u>\$ 41,075,499</u>

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(7) Changes in Long-Term Liabilities, Continued

In addition, other long-term liabilities include an amount due to landowners in the original amount of \$29,112,970, inclusive of interest. In 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, 2021, tax credits in the amount of \$309,101 were redeemed in lieu of payments with a remaining amount of \$2,383,629 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 Grants Assistance	ARPA	CARES Act Unemploy. Assistance	COVID-19	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
Nonspendable:									
P.I. Development Bank	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Land trust	-	-	-	-	-	-	454,131,585	-	454,131,585
Inventories	1,461,744	-	-	-	-	-	-	-	1,461,744
	<u>2,461,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,131,585</u>	<u>-</u>	<u>456,593,329</u>
Restricted:									
Debt service reserve	82,034,187	-	-	-	-	-	-	10,680,667	92,714,854
Child Tax Credit Admin.	296,987	-	-	-	-	-	-	-	296,987
GDOE school activities	-	-	-	-	-	-	-	807,513	807,513
Landfill closure/post closure	-	-	-	-	-	-	-	4,150,133	4,150,133
Tourism-related projects	-	-	-	-	-	-	-	7,990,756	7,990,756
Chamorro Loan Guarantee	-	-	-	-	-	-	-	872,495	872,495
Landfill-related projects	-	-	-	-	-	-	-	1,111,150	1,111,150
	<u>82,331,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,612,714</u>	<u>107,943,888</u>
Committed:									
General government	4,688,731	-	-	-	-	-	-	24,181,560	28,870,291
Protection of life and property	198,419	-	-	-	-	-	-	9,773,783	9,972,202
Public health	745,213	-	-	-	-	-	-	21,401,411	22,146,624
Community services	896,373	-	-	-	-	-	-	61,863	958,236
Recreation	-	-	-	-	-	-	-	331,933	331,933
Individual and collective rights	10,742,823	-	-	-	-	-	-	4,375,817	15,118,640
Transportation	-	-	-	-	-	-	-	460,827	460,827
Public education	1,698,026	-	-	-	-	-	-	1,105,747	2,803,773
Environmental protection	-	-	-	-	-	-	-	12,734,151	12,734,151
Economic development	6,800	-	-	-	-	-	-	1,468,319	1,475,119
Other purposes	91,361	-	-	-	-	-	-	901,649	993,010
	<u>19,067,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,797,060</u>	<u>95,864,806</u>
Unassigned	(73,509,524)	(73,276)	-	-	-	-	-	(42,472)	(73,625,272)
	<u>\$ 30,351,140</u>	<u>\$ (73,276)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,131,585</u>	<u>\$ 102,367,302</u>	<u>\$ 586,776,751</u>

(9) Deficit Net Position

The following individual component units reflect a deficit net position as of September 30, 2021:

Guam Community College	\$ <u>11,917,510</u>
Guam Memorial Hospital Authority	\$ <u>255,648,722</u>
University of Guam	\$ <u>75,116,454</u>
Guam Economic Development Authority	\$ <u>13,896,932</u>
Guam Educational Telecommunications Corporation	\$ <u>632,041</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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, 2021, are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Federal Grants Assistance Fund	\$ 11,269,362	\$ -
COVID-19 Fund	-	901,897
Nonmajor governmental funds	<u>14,485,720</u>	<u>32,078,026</u>
	<u>25,755,082</u>	<u>32,979,923</u>
Federal Grants Assistance Fund:		
General Fund	-	11,269,362
GDOE Federal Grants Fund	5,737,500	-
Nonmajor governmental funds	<u>-</u>	<u>7,067,663</u>
	<u>5,737,500</u>	<u>18,337,025</u>
ARPA Assistance Fund:		
Nonmajor governmental funds	<u>545,732</u>	<u>-</u>
COVID-19 Fund:		
General Fund	901,897	-
Nonmajor governmental funds	<u>55,552</u>	<u>-</u>
	<u>957,449</u>	<u>-</u>
GDOE Federal Grants Fund:		
Federal Grants Assistance Fund	<u>-</u>	<u>5,737,500</u>
Nonmajor governmental funds:		
General Fund	32,078,026	14,485,720
Federal Grants Assistance Fund	7,067,663	-
ARPA Assistance Fund	-	545,732
COVID-19 Fund	-	55,552
Nonmajor governmental funds	<u>9,277,792</u>	<u>9,277,792</u>
	<u>48,423,481</u>	<u>24,364,796</u>
	<u>\$ 81,419,244</u>	<u>\$ 81,419,244</u>

Transfers are used to 1) move revenues from the fund that enabling legislation or budget requires to collect them to the fund that enabling legislation or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) record reductions in interfund loans for amounts that are not expected to be repaid. Specifically, GovGuam transferred a total of \$18,337,025 from the General Fund and the nonmajor governmental funds to the Federal Grants Assistance Fund representing local match requirements under various federal grant awards; \$11,130,377 from the General Fund to the nonmajor governmental funds to fund charter school activities; and \$32,078,026 from the nonmajor governmental funds to the General Fund to finance General Fund operations, including public school operations and debt service requirements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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, retirees under the DB and DCRS Plans who retired prior to September 30, 2020 are eligible to receive an annual ad hoc cost of living allowance (COLA). GovGuam also provides other pension benefits to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices.

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.

Plan Membership: As of September 30, 2020 (the measurement date), plan membership consisted of the following:

	<u>DB</u> <u>Members</u>	<u>DCRS</u> <u>Members</u>	<u>Other</u>	<u>Total</u>
Inactive currently receiving benefits	7,399	-	11	7,410
Inactive entitled to but not yet receiving benefits	3,257	-	-	3,257
Active	<u>4,440</u>	<u>6,810</u>	<u>3</u>	<u>11,253</u>
	<u>15,096</u>	<u>6,810</u>	<u>14</u>	<u>21,920</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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(11) Pensions, Continued

A. General Information About the Pension Plans, Continued:

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 retirees 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 and DCRS retirees in a lump sum amount of \$2,000. Other pension benefits are provided to Governors and Lieutenant Governors under GCA 8172 and to Judges and Justices under GCA 6112. Governors and Lieutenant Governors are eligible to retire after completing their term and receive a basic annuity of 50% of annual salary at retirement. Judges and Justices are eligible to retire after age 65 with 15 years of service, or at any age with 20 years of service, and receive a basic annuity of 90% of annual salary at retirement. These other pension benefits, 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 such other pension benefits, ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

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). On February 4, 2020, the Guam Legislature terminated the GRSP. Commencing April 1, 2017, eligible employees elected, during the "election window", to participate in the DB 1.75 Plan with an effective date of January 1, 2018.

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 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. Benefits are fully vested upon attaining 5 years of credited service.

Members of the DB 1.75 Plan may retire at age 62 with 5 years of credited service, or at age 60 with 5 years of credited service without survivor benefits, or at age 55 with 25 years of credited service but the retirement annuity shall be reduced $\frac{1}{2}$ of 1% for each month that the age of the member is less than 62 years (6% per year). Credited service is earned for each year of actual employment by the member as an employee. Upon retirement, a retired member is entitled to a basic retirement annuity equal to an annual payment of 1.75% of average annual salary multiplied by years of credited service. Average annual salary means the average of annual base salary for the three years of service that produce the highest average.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(11) Pensions, Continued

A. General Information About the Pension Plans, Continued:

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, 2019 actuarial valuation was used for determining the year ended September 30, 2021 statutory contributions. Member contributions are required at 9.52% of base pay.

As a result of actuarial valuations performed as of September 30, 2019, 2018 and 2017, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2021, 2020 and 2019, respectively, have been determined as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Normal costs (% of DB Plan payroll)	13.70%	13.86%	13.54%
Employee contributions (DB Plan employees)	<u>9.52%</u>	<u>9.52%</u>	<u>9.52%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>4.18%</u>	<u>4.34%</u>	<u>4.02%</u>
Employer portion of normal costs (% of total payroll)	2.18%	2.39%	2.29%
Unfunded liability cost (% of total payroll)	<u>21.44%</u>	<u>20.70%</u>	<u>21.29%</u>
Government contribution as a % of total payroll	<u>23.62%</u>	<u>23.09%</u>	<u>23.58%</u>
Statutory contribution rates as a % of DB Plan payroll:			
Employer	<u>26.97%</u>	<u>26.28%</u>	<u>26.56%</u>
Employee	<u>9.52%</u>	<u>9.52%</u>	<u>9.52%</u>

GovGuam's contributions to the DB Plan for the years ended September 30, 2021, 2020 and 2019 were \$42,689,585, \$43,829,335 and \$46,268,549, respectively, which were equal to the statutorily required contributions for the respective years then ended.

GovGuam's contributions to the supplemental annuity benefit payments and the COLA payments for the years ended September 30, 2021, 2020 and 2019 were \$17,727,154, \$17,786,783 and \$17,918,474, 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 6.2% 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, 2021 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 6.2% of the member's regular pay is deposited into the DCRS. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(11) Pensions, Continued

A. General Information About the Pension Plans, Continued:

GovGuam's contributions to the DCRS Plan for the years ended September 30, 2021, 2020 and 2019 were \$49,371,506, \$44,252,369 and \$40,867,891, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts, \$38,016,593, \$33,812,659 and \$31,309,325 were contributed toward the unfunded liability of the DB Plan for the years ended September 30, 2021, 2020 and 2019, respectively.

GovGuam's contributions to the other pension benefit payments for Governors/Lieutenant Governors, Judges and Justices for the years ended September 30, 2021, 2020 and 2019 were \$550,648, \$707,000 and \$634,000, respectively, which were equal to the statutorily required contributions for the respective years then ended.

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

Pension Liability: As of September 30, 2021, the GovGuam reporting entity reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2020, which is comprised of the following:

	Primary Government	Fiduciary Funds	Component Units	Total
Defined Benefit Plan	\$ 803,105,297	\$ 4,731,261	\$ 438,500,337	\$ 1,246,336,895
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	226,949,578	1,187,227	93,753,164	321,889,969
Ad Hoc COLA Plan for DCRS Retirees	45,290,857	233,759	20,868,856	66,393,472
Governors/Lt. Governors, Judges and Justices	<u>8,528,769</u>	-	-	<u>8,528,769</u>
	<u>\$ 1,083,874,501</u>	<u>\$ 6,152,247</u>	<u>\$ 553,122,357</u>	<u>\$ 1,643,149,105</u>

Changes in Net Pension Liability: As of September 30, 2021, the GovGuam reporting entity reported changes in net pension liability measured as of September 30, 2020, which is summarized as follows:

Defined Benefit Plan:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of October 1, 2020	\$ <u>3,217,236,208</u>	\$ <u>2,002,773,533</u>	\$ <u>1,214,462,675</u>
Changes for the year:			
Service cost	30,727,858		30,727,858
Interest	219,229,232		219,229,232
Differences between actual and expected experience	4,358,611		4,358,611
Contributions from employer		118,981,678	(118,981,678)
Contributions from employees		25,864,221	(25,864,221)
Net investment income		80,879,016	(80,879,016)
Benefit payments	(236,231,202)	(236,231,202)	
Administrative expense	-	(3,283,434)	<u>3,283,434</u>
Net changes	<u>18,084,499</u>	<u>(13,789,721)</u>	<u>31,874,220</u>
Balance as of September 30, 2021	\$ <u>3,235,320,707</u>	\$ <u>1,988,983,812</u>	\$ <u>1,246,336,895</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(11) Pensions, Continued

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

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of October 1, 2020	\$ <u>324,192,725</u>	\$ _____ -	\$ <u>324,192,725</u>
Changes for the year:			
Service cost	5,745,863		5,745,863
Interest	8,475,815		8,475,815
Differences between actual and expected experience	(6,755,997)		(6,755,997)
Changes of assumptions	12,978,647		12,978,647
Contributions from employer		22,747,084	(22,747,084)
Benefit payments	<u>(22,747,084)</u>	<u>(22,747,084)</u>	<u>-</u>
Net changes	<u>(2,302,756)</u>	<u>-</u>	<u>(2,302,756)</u>
Balance as of September 30, 2021	\$ <u>321,889,969</u>	\$ _____ -	\$ <u>321,889,969</u>

Ad Hoc COLA Plan for DCRS Retirees:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of October 1, 2020	\$ <u>59,884,421</u>	\$ _____ -	\$ <u>59,884,421</u>
Changes for the year:			
Service cost	2,600,513		2,600,513
Interest	1,632,063		1,632,063
Differences between actual and expected experience	985,969		985,969
Changes of assumptions	3,562,706		3,562,706
Contributions from employer		2,272,200	(2,272,200)
Benefit payments	<u>(2,272,200)</u>	<u>(2,272,200)</u>	<u>-</u>
Net changes	<u>6,509,051</u>	<u>-</u>	<u>6,509,051</u>
Balance as of September 30, 2021	\$ <u>66,393,472</u>	\$ _____ -	\$ <u>66,393,472</u>

Governors/Lt. Governors, Judges and Justices:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of October 1, 2020	\$ <u>8,133,113</u>	\$ _____ -	\$ <u>8,133,113</u>
Changes for the year:			
Service cost	199,366		199,366
Interest	213,634		213,634
Differences between actual and expected experience	259,781		259,781
Changes of assumptions	329,075		329,075
Contributions from employer		606,200	(606,200)
Benefit payments	<u>(606,200)</u>	<u>(606,200)</u>	<u>-</u>
Net changes	<u>395,656</u>	<u>-</u>	<u>395,656</u>
Balance as of September 30, 2021	\$ <u>8,528,769</u>	\$ _____ -	\$ <u>8,528,769</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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, 2019 to the current measurement date of September 30, 2020:

	<u>Defined Benefit Plan</u>		<u>Ad Hoc COLA/ Supplemental Annuity Plan For DB Retirees</u>		<u>Ad Hoc COLA Plan For DCRS Retirees</u>	
	<u>Primary Government</u>	<u>Component Units</u>	<u>Primary Government</u>	<u>Component Units</u>	<u>Primary Government</u>	<u>Component Units</u>
Proportion at prior measurement date, September 30, 2019	<u>64.71%</u>	<u>35.29%</u>	<u>70.54%</u>	<u>29.46%</u>	<u>67.27%</u>	<u>32.73%</u>
Proportion at current measurement date, September 30, 2020	<u>64.43%</u>	<u>35.57%</u>	<u>70.52%</u>	<u>29.48%</u>	<u>68.22%</u>	<u>31.78%</u>
Increase/(decrease)	<u>-0.28%</u>	<u>0.28%</u>	<u>-0.02%</u>	<u>0.02%</u>	<u>0.95%</u>	<u>-0.95%</u>

Pension Expense (Benefit): For the year ended September 30, 2021, 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 Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Defined Benefit Plan	\$ 56,023,514	\$ 360,831	\$ 41,828,710	\$ 98,213,055
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	17,621,382	142,599	8,147,356	25,911,337
Ad Hoc COLA Plan for DCRS Retirees	4,211,961	4,266	1,772,486	5,988,713
Governors/Lt. Governors, Judges and Justices	<u>1,001,856</u>	<u>-</u>	<u>-</u>	<u>1,001,856</u>
	<u>\$ 78,858,713</u>	<u>\$ 507,696</u>	<u>\$ 51,748,552</u>	<u>\$ 131,114,961</u>

Deferred Outflows and Inflows of Resources: As of September 30, 2021, 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/ Supplemental Annuity Plan for DB Retirees</u>		<u>Ad Hoc COLA Plan For DCRS Retirees</u>		<u>Governors/ Lt. Governors, Judges and Justices</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,004,691	\$ 3,921,013	\$ 143,988	\$ 3,624,040	\$ 4,367,978	\$ 1,061,846	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	57,541,539	-	-	-	-	-	-	-
Changes of assumptions	-	-	17,798,040	323,021	11,020,056	3,433,702	-	-
Contributions subsequent to the measurement date	80,726,670	-	16,099,154	-	1,616,000	-	550,648	-
Changes in proportion and difference between GovGuam contributions and proportionate share of contributions	<u>5,052,781</u>	<u>12,105,640</u>	<u>1,772,826</u>	<u>2,387,959</u>	<u>2,846,753</u>	<u>1,760,933</u>	<u>-</u>	<u>-</u>
	<u>\$ 145,325,681</u>	<u>\$ 16,026,653</u>	<u>\$ 35,814,008</u>	<u>\$ 6,335,020</u>	<u>\$ 19,850,787</u>	<u>\$ 6,256,481</u>	<u>\$ 550,648</u>	<u>\$ -</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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 as of September 30, 2021 will be recognized in pension expense as follows:

<u>Year Ending September 30</u>	<u>Defined Benefit Plan</u>	<u>Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees</u>	<u>Ad Hoc COLA Plan for DCRS Retirees</u>
2022	\$ 4,145,181	\$ 9,386,618	\$ 1,324,700
2023	19,271,956	3,851,691	1,324,700
2024	17,903,705	141,525	1,324,700
2025	7,251,516	-	1,324,700
2026	-	-	1,324,700
Thereafter	-	-	5,354,806
	<u>\$ 48,572,358</u>	<u>\$ 13,379,834</u>	<u>\$ 11,978,306</u>

As of September 30, 2021, 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/ Supplemental Annuity Plan for DB Retirees</u>		<u>Ad Hoc COLA Plan For DCRS Retirees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,094,577	\$ 1,515,261	\$ 59,484	\$ 1,044,543	\$ 2,012,649	\$ 488,996
Net difference between projected and actual earnings on pension plan investments	31,418,029	625,636	-	452,554	-	-
Changes of assumptions	-	-	7,352,394	133,440	5,077,757	1,582,163
Contributions subsequent to the measurement date	46,960,131	-	6,589,041	-	764,000	-
Changes in proportion and difference between contributions and proportionate share of contributions	<u>10,580,424</u>	<u>3,461,560</u>	<u>1,257,782</u>	<u>724,471</u>	<u>1,681,895</u>	<u>2,614,179</u>
	<u>\$ 90,053,161</u>	<u>\$ 5,602,457</u>	<u>\$ 15,258,701</u>	<u>\$ 2,355,008</u>	<u>\$ 9,536,301</u>	<u>\$ 4,685,338</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, 2019
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	May 1, 2033 (13.58 years remaining as of September 30, 2019)
Asset Valuation Method:	3-year smoothed market value (effective September 30, 2009)

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(11) Pensions, Continued

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

Inflation:	2.50% per year
Total payroll growth:	2.75% per year
Salary Increases:	4% to 7.5%
Retirement age:	50% probability of retirement upon first eligibility for unreduced retirement. Thereafter, the probability of retirement is 20% for each year until age 75 and increases to 100% at age 75.
Mortality:	RP-2000 healthy mortality table (males +3, females +2). Mortality for disabled lives is the RP 2000 disability mortality (males +6, females +4). Both tables are projected generationally from 2016 using 30% of Scale BB.

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of an actuarial experience study for the period October 1, 2011 to September 30, 2015. The rationale for each significant assumption is provided in the experience study. To the extent that actual experience differs from the assumptions, future pension costs will differ. The next experience study for the period October 1, 2015 to September 30, 2019 is scheduled to be performed prior to the next year's valuation.

The investment rate assumption as of September 30, 2020 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)	26.0%	7.01%
U.S. Equities (small cap)	4.0%	8.61%
Non-U.S. Equities	17.0%	8.66%
Non-U.S. Equities (emerging markets)	3.0%	10.59%
U.S. Fixed Income (aggregate)	24.0%	3.33%
Risk Parity	8.0%	5.66%
High Yield Bonds	8.0%	6.11%
Global Real Estate (REITs)	2.5%	8.55%
Master Limited Partnerships	7.5%	7.74%

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2020 was 7%, 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, 2020 was 2.21%, which is equal to the rate of return of a high quality bond index.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(11) Pensions, Continued

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

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 Discount Rate <u>6.0%</u>	Current Discount Rate <u>7.0%</u>	1% Increase in Discount Rate <u>8.0%</u>
Primary government	\$ 1,006,523,838	\$ 803,105,297	\$ 627,856,018
Fiduciary funds	5,936,351	4,731,261	3,703,016
Component units	<u>549,737,294</u>	<u>438,500,337</u>	<u>342,918,722</u>
	\$ <u>1,562,197,483</u>	\$ <u>1,246,336,895</u>	\$ <u>974,477,756</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

	1% Decrease in Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
Primary government	\$ 249,544,131	\$ 226,949,578	\$ 207,410,038
Fiduciary funds	1,309,293	1,187,227	1,008,226
Component units	<u>103,009,496</u>	<u>93,753,164</u>	<u>85,616,934</u>
	\$ <u>353,862,920</u>	\$ <u>321,889,969</u>	\$ <u>294,115,198</u>

Ad Hoc COLA Plan for DCRS Retirees:

	1% Decrease in Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
Primary government	\$ 51,371,281	\$ 45,290,857	\$ 40,122,093
Fiduciary funds	263,558	233,759	205,845
Component units	<u>23,667,537</u>	<u>20,868,856</u>	<u>18,484,863</u>
	\$ <u>75,302,376</u>	\$ <u>66,393,472</u>	\$ <u>58,812,801</u>

Governor/Lt. Governor, Judges and Justices:

	1% Decrease in Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
Primary government	\$ <u>9,350,675</u>	\$ <u>8,528,769</u>	\$ <u>7,827,354</u>

C. Payables to the Pension Plans:

As of September 30, 2021, GovGuam recorded a payable to GGRF of \$2,937,390, representing statutorily required contributions unremitted as of the year-end.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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 OPEB plan.

A. General Information About the OPEB Plan:

Plan Description: The OPEB plan is a single-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, 2020 (the measurement date), plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	8,114
Active plan members	<u>11,080</u>
	<u>19,194</u>

Benefits Provided: GovGuam provides postemployment 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, 2021

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

B. Total OPEB Liability:

As of September 30, 2021, the GovGuam reporting entity reported a total OPEB liability of \$2,518,489,145 of which GovGuam (the primary government) and its component units reported \$1,695,689,492 and \$822,799,653, respectively, for their proportionate share of the total OPEB liability measured as of September 30, 2020. The following presents GovGuam and its component units' change in proportion since the prior measurement date:

	<u>Primary Government</u>	<u>Component Units</u>
Proportion at prior measurement date, September 30, 2019	<u>68.06%</u>	<u>31.94%</u>
Proportion at current measurement date, September 30, 2020	<u>67.33%</u>	<u>32.67%</u>
Increase/(decrease) in proportion	<u>-0.73%</u>	<u>0.73%</u>

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

Inflation:	2.75%.
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 6-10 years, 5% for 11-15 years and 4% for service over 15 years.
Healthcare cost trend rates:	Non-Medicare and Medicare - 6% for Year 1-3 then reducing 0.25% annually to an ultimate rate of 4.25%. Part B - 4.25%. 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 is expected to decline year by year. Medical trend rates are applied to retiree contributions, Medicare Part B and Medicare 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.
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 30, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan.
Participation rates:	Medical - 100% of active employees covered under a GovGuam medical plan will elect to participate at retirement. Dental - 100% of active employees under a GovGuam dental plan will elect to participate at retirement. Life - 100% of eligible retirees 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

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

B. Total OPEB Liability, Continued:

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. 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. 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 rate: 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 retiree 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.

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: 1974-78 SOA LTD Non-Jumbo, with rates reduced by 50% for males and 75% for females as follows: 0.05% for males aged 20-39 years (0.03% for females); 0.10% - 0.18% for males aged 40-49 years (0.05% - 0.09% for females); 0.32% - 0.53% for males aged 50-59 years (0.16% - 0.27% for females); and 0.76% for males aged 60-64 years (0.38% for females).

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

OPEB plan fiduciary net position: As of September 30, 2021, an OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.

Discount rate: The discount rate used to measure the total OPEB liability was 2.21% as of September 30, 2020. 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 2.21% tax-exempt, high quality municipal bond rate as of September 30, 2020 was applied to all periods of projected benefit payments to determine the total OPEB liability.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

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

C. Changes in the Total OPEB Liability:

Changes in the total OPEB liability are as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
As of October 1, 2020	\$ <u>1,737,832,562</u>	\$ <u>11,398,171</u>	\$ <u>804,292,644</u>	\$ <u>2,553,523,377</u>
Changes for the year:				
Service cost	79,933,542	508,551	35,007,171	115,449,264
Interest	47,981,236	314,583	22,161,128	70,456,947
Change in proportionate share	(20,600,639)	(397,499)	20,998,138	-
Difference between expected and actual experience	188,551,871	1,210,153	90,280,897	280,042,921
Change of assumptions	(310,088,559)	(1,990,194)	(148,474,121)	(460,552,874)
Benefit payments	<u>(27,920,521)</u>	<u>(160,583)</u>	<u>(12,349,386)</u>	<u>(40,430,490)</u>
Net change	<u>(42,143,070)</u>	<u>(514,989)</u>	<u>7,623,827</u>	<u>(35,034,232)</u>
As of September 30, 2021	\$ <u>1,695,689,492</u>	\$ <u>10,883,182</u>	\$ <u>811,916,471</u>	\$ <u>2,518,489,145</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 Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
Primary government	\$ 2,013,192,242	\$ 1,695,689,492	\$ 1,442,592,084
Fiduciary funds	12,920,961	10,883,182	9,258,766
Component units	<u>963,940,597</u>	<u>811,916,471</u>	<u>690,730,397</u>
Total	\$ <u>2,990,053,800</u>	\$ <u>2,518,489,145</u>	\$ <u>2,142,581,247</u>

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	Healthcare Cost Trend Rates	1% Increase
Primary government	\$ 1,412,412,067	\$ 1,695,689,492	\$ 2,064,044,345
Fiduciary funds	9,065,066	10,883,182	13,247,337
Component units	<u>676,279,843</u>	<u>811,916,471</u>	<u>988,289,192</u>
Total	\$ <u>2,097,756,976</u>	\$ <u>2,518,489,145</u>	\$ <u>3,065,580,874</u>

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

For the year ended September 30, 2021, the GovGuam reporting entity reported total OPEB expense of \$134,036,076 of which GovGuam (the primary government), its fiduciary funds and its component units reported \$86,350,595, \$372,326 and \$47,313,155, respectively, for its proportionate share the total OPEB expense measured for the year ended September 30, 2020.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

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

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

As of September 30, 2021, 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 Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 155,238,820	\$ 162,275,267	\$ 996,345	\$ 1,041,506	\$ 74,330,208	\$ 175,437,087
Changes of assumptions	275,869,057	366,400,781	1,770,568	2,351,614	132,089,417	77,699,349
Contributions subsequent to the measurement date	30,546,962	-	235,729	-	12,811,924	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	<u>37,323,205</u>	<u>54,108,844</u>	<u>-</u>	<u>652,047</u>	<u>54,357,316</u>	<u>35,502,540</u>
	<u>\$ 498,978,044</u>	<u>\$ 582,784,892</u>	<u>\$ 3,002,642</u>	<u>\$ 4,045,167</u>	<u>\$ 273,588,865</u>	<u>\$ 288,638,976</u>

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 as of September 30, 2021 will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
2022	\$ (38,819,374)	\$ (431,034)	\$ (5,623,562)
2023	(68,747,803)	(602,716)	(5,623,562)
2024	(5,185,975)	(138,633)	(5,623,562)
2025	14,667,381	29,404	(7,656,453)
2026	<u>(16,268,039)</u>	<u>(135,275)</u>	<u>(3,334,896)</u>
	<u>\$ (114,353,810)</u>	<u>\$ (1,278,254)</u>	<u>\$ (27,862,035)</u>

(13) Commitments and Contingencies

A. 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, GovGuam 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(13) Commitments and Contingencies, Continued

B. Landfill Closure and Postclosure Costs

In 2004, GovGuam and the U.S. Environmental Protection Agency (EPA) filed a Consent Decree in the U.S. District Court. The consent decree included deadlines for the opening of a new landfill and implementing a plan to permanently close the Ordot Dump. In 2008, the Court issued a Court Order that placed the Solid Waste Division of the Department of Public Works (DPW) in Guam in Receivership. In 2009, the Court issued a Court Order associated with the DPW Solid Waste Division Receivership requiring GovGuam to provide for costs of the new landfill. In 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. In 2011, the Ordot Dump was finally closed and the Layon landfill opened on September 1, 2011.

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 of \$2,247,971 reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during the year ended September 30, 2021. The estimated landfill closure and post closure care liability as of September 30, 2021 is not included in the accompanying governmental fund financial statements. Instead, GovGuam has reported \$29,388,303 as a landfill closure and post closure care liability as of September 30, 2021 within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump. This amount represents an EPA estimate of \$31,636,274, inclusive of 35% industry standard cost contingency, less current year closure and post closure costs of \$2,247,971. In addition, GovGuam has reported an amount of \$9,877,444 for Layon landfill based on the use of 8.62% of the estimated capacity. 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. In 2019, GovGuam issued the GOB Series A, 2019 bonds for the purpose of providing proceeds to fund the construction of a new cell. 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 estimated based on what it would cost to perform all closure and post closure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

C. War Reparations

In 2016, the U.S. President 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. No claims were paid to eligible individuals during the year ended September 30, 2021.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(13) Commitments and Contingencies, Continued

E. Tax Refunds

In 2012, the U.S. District Court held a hearing regarding GovGuam's administration of the Guam Territorial Income Tax (GTIT) and the lack of timely payment of tax refunds. In 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.

F. Borrowing Authority

In 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. In 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, 2021, no commitments have been entered into with respect to these authorizations.

G. Municipal School Lease Agreements

GovGuam, on behalf of the Guam Department of Education (GDOE), has entered into capital leases that are, in substance, a purchase. At the date of acquisition, the assets are valued at the present value of the future minimum lease payments. Capital lease assets and obligations are recorded and reported in the governmental activity column of the government-wide financial statements. Interest expense for capital leases is not capitalized. Amortization of assets acquired under capital lease is included with depreciation expense. Details are as follows:

Guam Public School Facilities Project:

Guam Education Financing Foundation, Inc. (GEFF) was incorporated in Guam as a not-for-profit corporation for the purpose of financing the construction of four new schools to be leased to GDOE upon completion. In 2006, GEFF issued \$50,880,000 in Certificates of Participation (COPs), 2006 Series A, and \$14,015,000 in COPs, 2006 Series B, 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. In 2008, GEFF issued \$7,520,000 in COPs, 2008 Series A, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(13) Commitments and Contingencies, Continued

G. Municipal School Lease Agreements, Continued

Guam Public School Facilities Project, Continued:

In 2005, GovGuam, on behalf of GDOE, entered into a twenty-year lease agreement with GEFf for the use of the four new schools, which commenced in October 2006. In 2016, GEFf issued \$25,665,000 in COPs, 2016 Series A, and \$12,905,000 in COPs, 2016 Series B. 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. Accordingly, the lease agreement was amended effective August 1, 2016.

Annual rental payments for the use of the Leased Schools and Facilities commenced on December 1, 2006 and are funded by a pledge of U.S. Compact Impact grant revenues through December 1, 2022, which are paid to a trustee, who then remits those amounts to the holders of the COPs, with the remaining payments subject to future appropriations by the Guam Legislature. After a period of twenty years and after all lease payments have been made, title to the Leased Schools and Facilities will transfer to GDOE upon the payment of all required rents.

Rental payments made under the lease include a base rent and additional rent. The base rent is equal to the required principal and interest payment due under the COPs. The additional rent of \$1,000,000 per year of the lease is used by GEFf for the payment of certain ongoing costs, including maintenance and insurance.

John F. Kennedy High School Project:

CaPFA Capital Corp. 2010A (CaPFA) was incorporated in the State of Florida as a not-for-profit corporation for the purpose of financing the new John F. Kennedy (JFK) High School to be leased to GDOE upon completion. In 2010, CaPFA issued \$65,735,000 in COPs, 2010 Series A, to finance the demolition, acquisition, construction, renovation and installation of facilities comprising the new 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. In 2010, GovGuam, on behalf of GDOE, entered into a thirty-year lease agreement with CaPFA for the use of the new High School, which commenced in August 2011.

Annual rental payments for the use of the new High School commenced on December 1, 2010, which are paid to a trustee, who then remits those amounts to the holders of the COPs and are funded by annual appropriations by the Guam Legislature. After a period of thirty years and after all lease payments have been made, title to the new High School will transfer to GDOE upon the payment of all required rents.

Rental payments made under the lease include a base rent and additional rent. The base rent is equal to the required principal and interest payment due under the COPs. The additional rent of \$1,568,000 per year of the lease is used by CaPFA for the payment of certain ongoing costs, including maintenance and insurance.

On October 6, 2020, CaPFA issued \$65,420,000 in COPs, 2020 Series A, to refinance and prepay the rental payments of the outstanding 2010 Series A COPs, to finance the acquisition, construction and installation of energy improvements to the JFK High School, to fund capitalized interest for a portion of the COPs and pay certain delivery costs of the COPs. As of September 30, 2021, energy improvements have not been recorded and will be accordingly accounted for when construction is complete.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(13) Commitments and Contingencies, Continued

G. Municipal School Lease Agreements, Continued

Okkodo High School Expansion Project:

Guam Education Financing Foundation II, Inc. (GEFF II) was incorporated in Guam as a not-for-profit corporation for the purpose of financing the expansion of Okkodo High School to be leased to GDOE upon completion. In 2013, GEFF II issued \$21,818,000 in COPs, 2013 Series A, and \$1,000,000 in COPs, 2013 Series B, to finance the expansion. 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 current owners of Okkodo High School. In 2013, GovGuam, on behalf of GDOE, entered into an eighteen-year lease agreement with GEFF II for the use of the expansion, which commenced in July 2014. In 2016, the COPs, 2013 Series B, were refunded through the issuance of the Limited Obligation (Section 30) 2016 Series A, bonds.

Annual rental payments for the use of the expansion commenced on June 1, 2013, which are paid to a trustee, who then remits those amounts to the holders of the COPs and are funded by annual appropriations by the Guam Legislature. After a period of eighteen years and after all lease payments have been made, title to the expansion will transfer to GDOE upon the payment of all required rents.

Rental payments made under the lease include a base rent and additional rent. The base rent is equal to the required principal and interest payment due under the COPs. The additional rent of \$650,000 per year of the lease is used by GEFF II for the payment of certain ongoing costs, including maintenance and insurance.

Tiyan Lease:

In 2009, GovGuam, on behalf of GDOE, entered 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 2011 and subsequently occupied by Untalan Middle School in 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 Academy Charter School and the Guam Police Department, representing a small portion of the total Tiyan property under lease. In 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.

In 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 Antonio B. Won Pat International Airport Authority under lease with the lessor and will be up for renewal in December 2041.

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(13) Commitments and Contingencies, Continued

G. Municipal School Lease Agreements, Continued

Future minimum lease obligations to maturity for the municipal school lease agreements are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 8,268,000	\$ 12,060,050	\$ 20,328,050
2023	8,972,783	11,518,345	20,491,128
2024	9,592,828	10,926,680	20,519,508
2025	10,133,086	10,294,128	20,427,214
2026	10,694,876	9,622,891	20,317,767
2027 - 2031	31,622,644	39,263,880	70,886,524
2032 - 2036	38,608,983	25,413,724	64,022,707
2037 - 2041	<u>35,842,635</u>	<u>7,346,092</u>	<u>43,188,727</u>
	\$ <u>153,735,835</u>	\$ <u>126,445,790</u>	\$ <u>280,181,625</u>

Assets acquired through the aforementioned capital leases are as follows:

Assets:		
Buildings and leasehold improvements		\$ 239,159,248
Less accumulated depreciation		(50,950,264)
		<u>188,208,984</u>
Land		<u>435,280</u>
		\$ <u>188,644,264</u>

H. Cost of Living Adjustment (COLA) Liability

In 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 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 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, 2021, the outstanding COLA liability amounted to \$4,408,433. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased commencing October 1, 2011.

I. 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, 2021

(13) Commitments and Contingencies, Continued

J. 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.

K. University of Guam (UOG) Building

In 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. The Foundation subsequently entered into a \$21,700,000 loan from the USDA for the renovation and expansion of the facilities. Future minimum lease payments are as follows:

<u>Year Ending</u> <u>September 30,</u>		
2022	\$	869,736
2023		869,736
2024		869,736
2025		869,736
2026		869,736
Thereafter		<u>27,831,552</u>
		<u>\$ 32,180,232</u>

L. 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 as of September 30, 2021. The estimated accumulated amount of unused sick leave as of September 30, 2021, is \$133,464,134, of which an estimated \$22,370,170 has been accrued and may be convertible to pay members of the DCRS upon retirement.

M. 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. 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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. As of September 30, 2021, 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	\$ 8,239,331
Operations and Maintenance Reserve Fund	12,381,319
Operations and Maintenance Fund	2,033,608
General Revenue Fund	5,313,699
Self-Insurance Fund	8,392,472
Capital Improvement Fund	4,140,655
Construction Fund	171
Bond Reserve Funds	16,544,546
Debt Service Funds	8,368,310
Renewal and Replacement Fund	<u>1,000,249</u>
	<u>\$ 66,414,360</u>

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. As of September 30, 2021, restricted cash and cash equivalents held for this purpose amounted to \$356,700.

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. As of September 30, 2021, restricted investments held for this purpose amounted to \$20,178,236.

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2021, GHURA maintains certain cash and cash equivalents for restricted purposes, which are summarized as follows:

Low Rent Housing Program	\$ 1,033,016
Section 8 Housing Choice Voucher Program	<u>753,055</u>
	<u>\$ 1,786,071</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

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. As of September 30, 2021, 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	\$ 7,636,028
Interest and Principal Funds	39,685,396
Working Capital Funds	22,288,823
Bond Reserve Funds	48,502,496
Revenue Funds	11,081,782
Energy Sense Fund	2,478,883
Surplus Funds	<u>42,302,132</u>
	<u>\$ 173,975,540</u>

Furthermore, GPA maintained restricted cash and cash equivalents based on a PUC rate order. As of September 30, 2021, these consisted of \$9,478,717 held for a self-insurance fund.

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 2010, 2013, 2014, 2016, 2017 and 2020 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA's trustees. As of September 30, 2021, restricted cash and cash equivalents held by the trustees, in trust for GWA, in these funds and accounts are as follows:

Construction Funds	\$ 187,873,644
Bond Reserve Fund	43,059,471
Debt Service Fund	12,780,605
Operations, Maintenance, Renewal and Replacement Fund	17,423,213
Operations and Maintenance Fund	3,083,482
Revenue Fund	8,741,680
Capital Improvement Fund	<u>6,017,960</u>
	<u>\$ 278,980,055</u>

Furthermore, GWA maintained restricted cash and cash equivalents based on PUC rate orders. As of September 30, 2021, these consisted of the following:

Customer Deposit Fund	\$ 2,101,144
Legislative Surcharge Fund	352,410
Meter Reserve Fund	905,935
Sewer Hook-up Revolving Fund	61,318
Island Water and Sewer Infrastructure Development Fund	<u>9,762,282</u>
	<u>\$ 13,183,089</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

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. As of September 30, 2021, restricted cash and cash equivalents held by the trustees, in trust for PAG, in these funds and accounts are as follows:

Construction Fund	\$ 45,474,646
Bond Reserve Fund	5,337,736
Debt Service Fund	1,438,541
Working Capital Reserve Fund	3,091,053
Operations and Maintenance Fund	3,207
Operations and Maintenance Reserve Fund	10,552,976
Renewal and Replacement Reserve Fund	2,525,314
Revenue Fund	4,627,927
General Reserve Fund	12,014,291
Capital Improvement Fund	<u>10,202,474</u>
	<u>\$ 95,268,165</u>

Furthermore, PAG maintained restricted cash and cash equivalents for specific capital projects related accounts. As of September 30, 2021, these consisted of the following:

Crane Replacement Sinking Fund	\$ 4,938,996
Facility Maintenance Fund	<u>4,298,526</u>
	<u>\$ 9,237,522</u>

University of Guam (UOG):

As of September 30, 2021, UOG maintained restricted cash and cash equivalents and investments for the following purposes:

Enhancement of Learning Resources and Technology	\$ 3,484,891
Guam Cancer Trust Fund	4,348,387
Debt Service and Operations and Maintenance Reserve Funds	1,518,007
Endowment Funds	<u>18,077,745</u>
	<u>\$ 27,429,030</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. As of September 30, 2021, restricted investments held for this purpose amounted to \$15,734,537.

Guam Housing Corporation (GHC):

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. As of September 30, 2021, restricted cash and cash equivalents and investments held for this purpose amounted to \$4,805,389.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

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. As of September 30, 2021, restricted short-term money market fund investments held for this purpose amounted to \$5,881,410.

Guam Visitors Bureau (GVB):

Cash and cash equivalent balances are classified as restricted due to the specific nature and purpose of their existence. As of September 30, 2021, cash and cash equivalents held by GVB include \$173,114 in the Cultural and Sports Ambassadors Fund.

B. Deposits and Investments

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

As of September 30, 2021, the carrying amount of AWPIAA's total cash and cash equivalents was \$15,700,296, of which \$1,494,299 is maintained in banks and, at times, may exceed federal depository insurance limits. The remaining amount of \$14,205,997 represents short-term investments held and administered by AWPIAA's trustees. Based on negotiated trust and custody agreements, all of these investments were held by AWPIAA's trustees in AWPIAA's name in accordance with various trust agreements and bond indentures. As of September 30, 2021, \$250,000 of bank deposits was covered by federal depository insurance.

As of September 30, 2021, 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 as of September 30, 2021.

AWPIAA has the following recurring fair value measurements as of September 30, 2021:

	<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:				
Fixed income:				
U.S. Treasury obligations	\$ 3,576,252	\$ 3,576,252	\$ -	\$ -
U.S. Government agencies	821,194	-	821,194	-
Corporate notes	1,655,868	-	1,655,868	-
Exchange Traded Products	<u>8,362,695</u>	<u>8,362,695</u>	-	-
Total investments by fair value level	14,416,009	<u>\$ 11,938,947</u>	<u>\$ 2,477,062</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Money market funds	22,297,013			
Investments measured at amortized cost:				
Time certificates of deposit	5,946,147			
Interest-earning contracts	<u>9,549,194</u>			
	<u>\$ 52,208,363</u>			

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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, 2021, AWPIAA's investments in debt securities were as follows:

	Investment Maturities (In Years)				Total
	Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. treasury obligations	\$ 1,083,488	\$ 2,492,764	\$ -	\$ -	\$ 3,576,252
U.S. government agencies:					
Federal Home Loan Mortgage Corporation	-	488,163	-	-	488,163
Federal Farm Credit Bank	-	333,031	-	-	333,031
Corporate notes	248,902	1,378,922	28,044	-	1,655,868
	<u>\$ 1,332,390</u>	<u>\$ 4,692,880</u>	<u>\$ 28,044</u>	<u>\$ -</u>	<u>\$ 6,053,314</u>

Guam Community College (GCC):

As of September 30, 2021, the carrying amount of GCC's cash and cash equivalents and time certificates of deposit was \$17,860,147 and the corresponding bank balance was \$18,022,449, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2021, bank deposits in the amount of \$743,068 were FDIC insured.

GCC has the following recurring fair value measurements as of September 30, 2021:

	Fair Value Measurements Using			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Mutual fund	\$ 2,055,374	\$ 2,055,374	\$ -	\$ -

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	\$ 1,056,143
Certificates of deposit	2,725,591
Fixed income	4,456,227
Exchange-traded funds	852,205
Common stocks	11,088,070
	<u>\$ 20,178,236</u>

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2021, the carrying amount of GHURA's total cash and cash equivalents was \$18,846,127 and the corresponding bank balances were \$18,575,781, 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, 2021, bank deposits in the amount of \$250,000 were FDIC insured or collateralized by U.S. securities.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2021, the carrying amount of GMHA's total cash and cash equivalents was \$3,215,291 and the corresponding bank balances were \$5,107,054, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2021, bank deposits in the amount of \$250,000 were FDIC insured.

Guam Power Authority (GPA):

As of September 30, 2021, the carrying amount of GPA's total cash and cash equivalents and time certificates of deposit was \$203,950,237 and the corresponding bank balances were \$205,059,738. Of the bank balance amount, \$83,936,460 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$121,063,074 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, 2021, bank deposits in the amount of \$1,046,613 were FDIC insured.

As of September 30, 2021, 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 as of September 30, 2021.

GPA has the following recurring fair value measurements as of September 30, 2021:

	<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:				
Fixed income:				
Mutual funds	\$ 4,875,160	\$ 4,875,160	\$ -	\$ -
Investments measured at amortized cost:				
Commercial paper	13,742,000			
Guaranteed investment certificate	31,816,424			
	<u>\$ 50,433,584</u>			

As of September 30, 2021, GPA'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>	
Guaranteed investment certificate	\$ -	\$ -	\$ -	\$31,816,424	\$31,816,424
Mutual funds	4,875,160	-	-	-	4,875,160
Commercial paper	13,742,000	-	-	-	13,742,000
	<u>\$18,617,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,816,424</u>	<u>\$50,433,584</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Power Authority (GPA), Continued:

GPA's exposure to credit risk as of September 30, 2021, was as follows:

Moody's or Standard & Poor's Credit Rating

P-1	\$ 13,742,000
Aa3	31,816,424
Not rated	<u>4,875,160</u>
	\$ <u>50,433,584</u>

Guam Waterworks Authority (GWA):

As of September 30, 2021, the carrying amount of GWA's total cash and cash equivalents was \$338,607,774 and the corresponding bank balances were \$339,210,732. Of the bank balance amount, \$33,223,476 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$305,987,256 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, 2021, bank deposits in the amount of \$784,351 were FDIC insured.

Port Authority of Guam (PAG):

As of September 30, 2021, the carrying amount of PAG's total cash and cash equivalents was \$114,820,046 and the corresponding bank balance was \$114,912,814. Of the bank balance amount, \$19,645,318 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$95,267,496 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, 2021, bank deposits in the amount of \$500,000 were FDIC insured.

University of Guam (UOG):

As of September 30, 2021, the carrying amount of UOG's total cash and cash equivalents and time certificates of deposit was \$26,235,315 and the corresponding bank balance was \$26,110,856. Of the bank balance amount, \$4,584,477 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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, 2021:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. Treasury obligations	\$ 2,198,453	\$ -	\$ 2,198,453	\$ -
U.S. Government agencies	1,638,817	1,638,817	-	-
Corporate bonds	2,432,528	-	2,432,528	-
Equity securities	12,984,244	12,984,244	-	-
Mutual funds	3,345,215	3,345,215	-	-
Exchange-traded funds	6,768,080	6,768,080	-	-
Total investments by fair value level	29,367,337	\$ 24,736,356	\$ 4,630,981	\$ -
Investments measured at amortized cost:				
Time certificates of deposit	5,560,608			
Money market funds	3,607,623			
	<u>\$ 38,535,568</u>			

As of September 30, 2021, UOG's investments in debt securities were as follows:

	Investment Maturities (In Years)				Total
	Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. treasury notes	\$ 164,995	\$ 695,901	\$ 1,073,062	\$ 264,495	\$ 2,198,453
U.S. government agencies	-	-	-	1,638,817	1,638,817
Corporate notes and bonds	105,915	479,871	1,794,453	52,289	2,432,528
	<u>\$ 270,910</u>	<u>\$ 1,175,772</u>	<u>\$ 2,867,515</u>	<u>\$ 1,955,601</u>	<u>\$ 6,269,798</u>

UOG's exposure to credit risk as of September 30, 2021, was as follows:

<u>Moody's Rating</u>	<u>Domestic</u>
Aaa	\$ 2,033,458
A1 - A3	1,128,683
Baa3	77,002
Ba1 - Ba3	788,317
B1 - B3	415,554
Caa1	22,971
Not rated	1,803,813
	<u>\$ 6,269,798</u>

The University of Guam Endowment Foundation, Inc.'s investments 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	\$ 217,351
Mutual funds	2,273,287
U.S. Government notes and bonds	202,035
Domestic equities	2,920,026
Exchange traded funds	11,639,845
	<u>\$ 17,252,544</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Housing Corporation (GHC):

As of September 30, 2021, the carrying amount of GHC's cash and cash equivalents was \$11,539,519, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2021, bank deposits in the amount of \$2,411,162 were FDIC insured.

GHC has the following recurring fair value measurements as of September 30, 2021:

	<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:				
U.S. government agencies:	\$ 407,314	\$ -	\$ 407,314	\$ -
Investments measured at amortized cost:				
Money market investments	654,129			
	<u>\$ 1,061,443</u>			

As of September 30, 2021, GHC's investments in debt securities were as follows:

	<u>Moody's Credit Rating</u>	<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. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	\$ -	\$ -	\$ -	\$ 407,314	\$ 407,314

Guam Economic Development Authority (GEDA):

As of September 30, 2021, the carrying amount of GEDA's cash and cash equivalents was \$8,830,029, of which \$4,943,612 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$3,886,417 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 as of September 30, 2021. As of September 30, 2021, bank deposits in the amount of \$500,000 were FDIC insured.

GEDA has the following recurring fair value measurements as of September 30, 2021:

	<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:				
Exchange-traded funds	\$ 17,046,997	\$ 17,046,997	\$ -	\$ -

Guam Preservation Trust (GPT):

As of September 30, 2021, the carrying amount of GPT's cash and cash equivalents and time certificates of deposit was \$256,356 and the corresponding bank balance was \$1,464,628, which is maintained in financial institutions subject to FDIC insurance.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Preservation Trust (GPT), Continued:

GPT has the following recurring fair value measurements as of September 30, 2021:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equities	\$ 444,400	\$ 444,400	\$ -	\$ -
Investments measured at amortized cost:				
Exchange-traded funds	257,372			
Money market investments	762,400			
	<u>\$ 1,464,172</u>			

Guam Visitors Bureau (GVB):

As of September 30, 2021, the carrying amount of GVB's cash and cash equivalents and time certificates of deposit was \$13,951,247 and the corresponding bank balance was \$14,163,590, of which \$13,926,051 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$237,539 represents bank deposits in financial institutions not subject to depository insurance. As of September 30, 2021, bank deposits in the amount of \$388,152 were FDIC insured.

As of September 30, 2021, investments include time certificates of deposit in the amount of \$1,749,835 with original maturities of more than three months, which are fully FDIC insured.

Guam Educational Telecommunications Corporation (GETC):

As of September 30, 2021, the carrying amount of GETC's cash and cash equivalents was \$1,100,503, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2021, bank deposits were fully FDIC insured.

C. Receivables

Receivables as of September 30, 2021, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat		Guam Housing and		Guam Guam		Port Waterworks		Nonmajor Component		Total
	International	Guam	Urban	Memorial	Guam	Guam	Authority	University of	Units		
	Airport Authority	Community College	Renewal Authority	Hospital Authority	Power Authority	Waterworks Authority	Authority of Guam	Guam			
Trade	\$ 6,444,472	\$ 3,041,419	\$ 278,095	\$255,909,508	\$37,077,298	\$20,116,866	\$ 6,188,132	\$10,378,200	\$ 216,376	\$ 339,650,366	
Federal agencies	5,957,810	470,834	1,596,819	2,642,317	7,854,793	11,436,000	158,963	7,503,807	135,534	37,756,877	
Loans	-	-	7,036,353	-	-	-	-	16,545,433	22,702,238	46,284,024	
Interest	-	-	3,697	-	-	-	-	-	50,929	54,626	
Other	<u>100,355</u>	<u>2,453,848</u>	<u>362,562</u>	<u>103,409</u>	<u>1,542,479</u>	<u>459,564</u>	<u>-</u>	<u>2,439,986</u>	<u>1,563,263</u>	<u>9,025,466</u>	
	12,502,637	5,966,101	9,277,526	258,655,234	46,474,570	32,012,430	6,347,095	36,867,426	24,668,340	432,771,359	
Allowance	<u>(364,000)</u>	<u>(1,688,689)</u>	<u>(244,525)</u>	<u>(216,167,416)</u>	<u>(4,638,278)</u>	<u>(8,584,822)</u>	<u>(299,858)</u>	<u>(23,879,905)</u>	<u>(659,033)</u>	<u>(256,526,526)</u>	
	<u>\$ 12,138,637</u>	<u>\$ 4,277,412</u>	<u>\$ 9,033,001</u>	<u>\$ 42,487,818</u>	<u>\$41,836,292</u>	<u>\$23,427,608</u>	<u>\$ 6,047,237</u>	<u>\$12,987,521</u>	<u>\$24,009,307</u>	<u>\$ 176,244,833</u>	

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

C. Receivables, Continued

Guam Housing and Urban Renewal Authority (GHURA):

Loan receivables consist primarily for first time homebuyers to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. As of September 30, 2021, loans under GHURA's Down Payment and Closing Cost Assistance Program of \$331,587 are interest free with a maximum loan amount of the lesser of \$18,000 or 18% of the purchase price and are collateralized by second mortgages on real estate. As of September 30, 2021, loans under GHURA's Renewal Homes Program of \$4,216,766 carry a 3% interest rate with a 30-year term.

On December 3, 2020, the U.S. Department of Housing and Urban Development (HUD) entered into a \$12 million loan facility with GHURA under the Community Development Block Grant Section 108 Loan Guarantee Program. GHURA simultaneously entered into a subrecipient loan agreement with "The Learning Institute" (the subrecipient), a Guam nonprofit corporation, for the purpose of funding construction, rehabilitation or installation of public facilities eligible under 24 CFR 570.703 (1), in connection with the iLearn Academy Charter School Project. During the year ended September 30, 2021, various drawdowns totaling \$2,488,000 were made against this facility.

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, 2021, loan receivables are reserved in the amount of \$16,545,433.

Guam Housing Corporation (GHC):

Loan receivables from first time homebuyers under GHC's Low Cost Housing Assistance, Community Affordable Housing Action Trust (CAHAT), Hazard Mitigation, Down Payment and Closing Cost Assistance (DPCCA), and the Sagan Linayan Project programs. As of September 30, 2021, loans under these GHC programs of \$22,702,238 are due in varying monthly installments, interest free, with varying maturities, collateralized by first mortgages on real estate.

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government as of September 30, 2021, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
Antonio B. Won Pat International Airport Authority:		
Other nonmajor governmental funds	\$ <u> -</u>	\$ <u> 385,339</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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, 2021, are as follows:

	Estimated Useful Lives	Balance October 1, 2020	Transfers and Additions	Transfers and Deletions	Balance September 30, 2021
Nondepreciable capital assets:					
Land		\$ 110,800,495	\$ 562,500	\$ -	\$ 111,362,995
Construction in progress		<u>381,727,706</u>	<u>202,410,367</u>	<u>(304,241,993)</u>	<u>279,896,080</u>
		<u>492,528,201</u>	<u>202,972,867</u>	<u>(304,241,993)</u>	<u>391,259,075</u>
Depreciable capital assets:					
Capital lease assets	20 - 40 yrs	32,466,516	-	-	32,466,516
Buildings and improvements	5 - 60 yrs	1,769,346,484	13,870,778	156,697,685	1,939,914,947
Machinery, equipment and furniture	2 - 40 yrs	262,422,602	22,083,785	(1,133,706)	283,372,681
Infrastructure	10 - 50 yrs	<u>1,295,258,457</u>	<u>128,329,647</u>	<u>(7,836,299)</u>	<u>1,415,751,805</u>
		3,359,494,059	164,284,210	147,727,680	3,671,505,949
Less accumulated depreciation		<u>(1,912,329,180)</u>	<u>(111,555,022)</u>	<u>5,648,304</u>	<u>(2,018,235,898)</u>
Depreciable capital assets, net		<u>1,447,164,879</u>	<u>52,729,188</u>	<u>153,375,984</u>	<u>1,653,270,051</u>
		<u>\$ 1,939,693,080</u>	<u>\$ 255,702,055</u>	<u>\$ (150,866,009)</u>	<u>\$ 2,044,529,126</u>

F. Bonds Payable

As of September 30, 2021, the discretely presented component units had the following bonds payable outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Antonio B. Won Pat International Airport Authority (AWPIAA):					
Revenue Bonds Series C, 2013	September 1, 2013	\$ 199,040,000	5.00% - 6.37%	October 1, 2043	\$ 43,500,000
Revenue Bonds Series B, 2019	November 14, 2019	\$ 18,400,000	3.13%	October 1, 2024	3,900,000
Revenue Bonds Series A, 2021	August 17, 2021	\$ 143,430,000	2.50% - 4.46%	October 1, 2043	<u>143,430,000</u>
					<u>190,830,000</u>
Add: unamortized bond premium					<u>450,700</u>
					<u>\$ 191,280,700</u>
Guam Power Authority (GPA):					
Revenue Bonds Series A, 2012	October 1, 2012	\$ 340,620,000	5%	October 1, 2034	\$ 305,740,000
Revenue Bonds Series A, 2014	September 17, 2014	\$ 76,470,000	4% - 5%	October 1, 2044	70,820,000
Revenue Bonds Series A, 2017	December 21, 2017	\$ 148,670,000	5%	October 1, 2040	<u>148,355,000</u>
					<u>524,915,000</u>
Add: unamortized bond premium					<u>31,905,390</u>
					<u>\$ 556,820,390</u>
Guam Waterworks Authority (GWA):					
Revenue Bonds Series A, 2013	December 12, 2013	\$ 172,630,000	5.00% - 5.25%	July 1, 2043	\$ 24,500,000
Revenue Bonds Series A, 2014	August 7, 2014	\$ 70,000,000	5%	July 1, 2035	64,610,000
Revenue Bonds Series A, 2016	February 24, 2016	\$ 143,310,000	5%	January 1, 2046	139,030,000
Revenue Bonds Series A, 2017	December 13, 2017	\$ 107,660,000	5%	July 1, 2040	105,325,000
Revenue Bonds Series A, 2020	June 4, 2020	\$ 134,000,000	5%	January 1, 2050	134,000,000
Revenue Bonds Series B, 2020	August 26, 2020	\$ 166,075,000	2.75% - 3.70%	July 1, 2043	<u>166,075,000</u>
					<u>633,540,000</u>
Add: unamortized bond premium					<u>40,654,335</u>
					<u>\$ 674,194,335</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Port Authority of Guam (PAG):					
Revenue Bonds Series A, 2018	July 11, 2018	\$ 29,980,000	5%	July 1, 2048	29,980,000
Revenue Bonds Series B, 2018	July 11, 2018	\$ 23,145,000	5%	July 1, 2037	21,825,000
Revenue Bonds Series C, 2018	July 11, 2018	\$ 18,320,000	3.59% - 4.58%	July 1, 2028	<u>13,475,000</u>
					65,280,000
Add: unamortized bond premium					<u>4,512,826</u>
					\$ <u>69,792,826</u>
Guam Housing Corporation (GHC):					
Housing Bonds Series A, 1998	April 15, 1998	\$ 50,000,000	4.70% - 5.75%	September 1, 2031	\$ <u>3,030,000</u>
Guam Economic Development Authority (GEDA):					
Tobacco Settlement Asset-Backed Bonds Series A, 2007	December 1, 2007	\$ 33,575,000	5.25% - 5.62%	June 1, 2047	23,580,000
Tobacco Settlement Asset-Backed Bonds Series B, 2007	December 1, 2007	\$ 3,407,077	Accreted	June 1, 2057	<u>16,773,618</u>
					40,353,618
Less: unamortized bond discount					(428,308)
Less: unaccreted capital appreciation bonds					<u>(7,721,369)</u>
					\$ <u>32,203,941</u>

A summary of bond premium, bond discount and unaccreted interest activity for the year ended September 30, 2021 is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Unaccreted Interest</u>	<u>Net</u>
Balance - October 1, 2020	\$ 85,814,982	\$ (481,744)	\$ (8,344,249)	\$ 76,988,989
Current-year amortization	<u>(8,291,731)</u>	<u>53,436</u>	<u>622,880</u>	<u>(2,716,165)</u>
Balance - September 30, 2021	\$ <u>77,523,251</u>	\$ <u>(428,308)</u>	\$ <u>(7,721,369)</u>	\$ <u>69,373,574</u>

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

In 2013, AWPIAA issued \$247,335,000 in Revenue Bonds, 2013 Series A, B and C, to refund \$145,415,000 of outstanding 2003 Series A, B and C bonds and to provide additional proceeds to fund airport facility additions, extensions and improvements and the 2013 Bond Reserve Account. Of the net proceeds of \$281,962,084 (including an issue premium of \$2,891,161 and funds of \$31,735,923 released from bond reserve fund and debt service fund accounts), \$149,056,972 was deposited to an Escrow Fund to be 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 2003 Series A, B and C bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The current refunding resulted in a gain on defeasance of \$3,008,461. This gain was offset against the unamortized loss on defeasance of \$2,422,781 from prior refunding and resulting in a net credit of \$585,680, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2003 bonds. The unamortized balance of the deferred gain on refunding is \$36,497 as of September 30, 2021. The bond premium has been deferred and amortized over the term of the 2013 bonds using the effective interest rate method.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

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

In 2019, AWPIAA issued \$37,045,000 in Revenue Bonds, Series A and B, to refund \$37,045,000 of outstanding 2013 Series C bonds. Of the net proceeds of \$43,112,434 (including an issue premium of \$1,951,243 and funds of \$4,116,191 released from bond reserve fund and debt service fund accounts), \$41,925,068 was deposited to an Escrow Fund to be 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 2013 Series C bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a loss on defeasance of \$690,098, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2013 bonds. The unamortized balance of the deferred loss on refunding is \$425,463 as of September 30, 2021. The bond premium has been deferred and amortized over the term of the 2019 bonds using the effective interest rate method.

On August 17, 2021, AWPIAA issued \$143,430,000 in Revenue Bonds, Series A, to refund all of the outstanding 2013 Series A bonds, 2013 Series B bonds and 2019 Series A bonds, and a portion of the 2013 Series C bonds and 2019 Series B bonds. Of the net proceeds of \$142,191,796 (including funds of \$106,016 released from bond reserve fund and debt service fund accounts), \$141,183,965 was deposited to an Escrow Fund to be 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 2013 and 2019 bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a loss on defeasance of \$14,156,010, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2019 and 2021 bonds. The unamortized balance of the deferred loss on refunding is \$14,156,010 as of September 30, 2021.

AWPIAA revenue bonds are payable solely from and collateralized by a pledge of AWPIAA revenues, which includes all rents, fees and charges received by AWPIAA for the use of the airport facilities. The bond indentures for the 2013, 2019 and 2021 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, 2021

(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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 3,423,023	\$ 3,423,023
2023	-	8,074,221	8,074,221
2024	-	8,074,221	8,074,221
2025	3,900,000	8,074,221	11,974,221
2026	10,700,000	7,952,034	18,652,034
2027 - 2031	58,360,000	34,609,958	92,969,958
2032 - 2036	47,810,000	22,789,939	70,599,939
2037 - 2041	40,630,000	13,411,686	54,041,686
2042 - 2044	<u>29,430,000</u>	<u>2,843,966</u>	<u>32,273,966</u>
	<u>\$ 190,830,000</u>	<u>\$ 109,253,269</u>	<u>\$ 300,083,269</u>

Guam Power Authority (GPA):

In 2012, GPA issued \$340,620,000 in Revenue Bonds, 2012 Series A, to refund \$356,050,000 of outstanding 1993 Series A and 1999 Series A bonds and to provide additional proceeds to fund the Senior Bond Reserve Fund. Of the net proceeds of \$374,138,709 (including an issue premium of \$33,518,709), \$358,502,697 was deposited to an Escrow Fund to be 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 1993 Series A and 1999 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advance refunding resulted in a loss on defeasance of \$17,283,801, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 1993 and 1999 bonds. The unamortized balance of the deferred loss on refunding is \$6,247,337 as of September 30, 2021. The bond premium has been deferred and amortized over the term of the 2012 bonds using the effective interest rate method. (see Note 16)

In 2014, GPA issued \$76,470,000 in Revenue Bonds, 2014 Series A. Of the net proceeds of \$84,301,290 (including an issue premium of \$7,831,290), \$81,632,000 was made available to fund electric power system improvements, the 2014 Capitalized Interest account and the 2014 Senior Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2014 bonds using the effective interest rate method.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

In 2017, GPA issued \$148,670,000 in Revenue Bonds, 2017 Series A, to refund \$150,440,000 of outstanding 2010 Series A bonds. Of the net proceeds of \$168,546,259 (including an issue premium of \$17,876,459 and funds of \$1,999,800 released from a bond fund account), \$166,007,863 was deposited to an Escrow Fund to be 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 2010 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advance refunding resulted in a loss on defeasance of \$18,390,430, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2010 bonds. The unamortized balance of the deferred loss on refunding is \$13,925,047 as of September 30, 2021. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

GPA revenue bonds are payable solely from and collateralized by a pledge of GPA revenues, which includes all rates and charges received by GPA in connection with the operation of the electric power system. The respective bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 130% of the annual debt service. The respective bond indentures also 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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 21,540,000	\$ 25,657,250	\$ 47,197,250
2023	22,705,000	24,551,125	47,256,125
2024	24,020,000	23,383,000	47,403,000
2025	25,210,000	22,152,250	47,362,250
2026	26,475,000	20,860,125	47,335,125
2027 - 2031	153,630,000	82,537,000	236,167,000
2032 - 2036	138,535,000	43,496,375	182,031,375
2037 - 2041	94,675,000	16,581,725	111,256,725
2042 - 2045	<u>18,125,000</u>	<u>1,781,775</u>	<u>19,906,775</u>
	\$ <u>524,915,000</u>	\$ <u>261,000,625</u>	\$ <u>785,915,625</u>

Guam Waterworks Authority (GWA):

In 2013, GWA issued \$172,630,000 in Revenue Bonds, 2013 Series A. Of the net proceeds of \$171,097,017 (including an issue discount of \$1,532,983), \$168,135,608 was made available to fund water and wastewater system improvements, the 2013 Capitalized Interest account and the 2013 Bond Reserve Fund account. The bond discount has been deferred and amortized over the term of the 2013 bonds using the effective interest rate method.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

In 2014, GWA issued \$85,600,000 in Revenue Bonds, 2014 Series A and B, to refund \$85,985,000 of outstanding 2005 Series A bonds. Of the net proceeds of \$92,533,038 (including a net issue premium of \$5,648,970 and funds of \$1,284,068 released from bond reserve fund and bond fund accounts), \$90,996,860 was deposited to an Escrow Fund to be 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 2005 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advance refunding resulted in a loss on defeasance of \$2,468,670, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2005 bonds. The unamortized balance of the deferred loss on refunding is \$1,162,480 as of September 30, 2021. The bond premium has been deferred and amortized over the term of the 2014 bonds using the effective interest rate method.

In 2016, GWA issued \$143,310,000 in Revenue Bonds, 2016 Series A. Of the net proceeds of \$161,534,842 (including an issue premium of \$18,224,842), \$159,066,988 was made available to fund water and wastewater system improvements, the 2016 Capitalized Interest account and the 2016 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2016 bonds using the effective interest rate method.

In 2017, GWA issued \$107,660,000 in Revenue Bonds, 2017 Series A, to refund \$109,105,000 of outstanding 2010 Series A bonds. Of the net proceeds of \$124,047,361 (including an issue premium of \$13,854,833 and funds of \$2,532,528 released from bond reserve fund and bond fund accounts), \$122,155,917 was deposited to an Escrow Fund to be 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 2010 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advance refunding resulted in a loss on defeasance of \$11,791,115, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2010 bonds. The unamortized balance of the deferred loss on refunding is \$9,163,847 as of September 30, 2021. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

In 2020, GWA issued \$134,000,000 Revenue Bonds, 2020 Series A. Of the net proceeds of \$145,017,480 (including an issue premium of \$11,017,480), \$143,035,802 was made available to fund water and wastewater system improvements, the 2020 Capitalized Interest account and the 2020 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2020 bonds using the effective interest rate method.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

In 2020, GWA issued \$166,075,000 Revenue Bonds, 2020 Series B, to refund \$142,595,000 of outstanding 2013 Series A bonds. Of the net proceeds of \$167,376,076 (including funds of \$1,301,076 released from bond reserve fund and bond fund accounts), \$165,243,685 was deposited to an Escrow Fund to be 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 2013 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advance refunding resulted in a loss on defeasance of \$22,348,953 representing the difference between the reacquisition price and the carrying amount of the 2013 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GWA in effect reduced its aggregate debt service payments by \$13,533,562 over twenty-three years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of \$11,931,575. The unamortized balance of the deferred loss on refunding is \$20,960,310 as of September 30, 2021.

GWA revenue bonds are payable solely from and collateralized by a pledge of GWA revenues, which includes all rates and charges received by GWA (with the exception of certain legislative surcharge and system development charge revenues) in connection with the operation of the water and wastewater systems. The respective bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The respective bond indentures also require the establishment of special funds and accounts to be held and administered by GWA's trustees for the accounting of the bond proceeds.

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 9,745,000	\$ 29,296,402	\$ 39,041,402
2023	10,235,000	28,801,678	39,036,678
2024	10,760,000	28,282,065	39,042,065
2025	11,305,000	27,735,777	39,040,777
2026	11,875,000	27,161,815	39,036,815
2027 - 2031	75,815,000	126,315,150	202,130,150
2032 - 2036	96,715,000	107,932,718	204,647,718
2037 - 2041	121,110,000	84,194,615	205,304,615
2042 - 2046	151,980,000	55,109,670	207,089,670
2047 - 2050	<u>134,000,000</u>	<u>16,307,500</u>	<u>150,307,500</u>
	\$ <u>633,540,000</u>	\$ <u>531,137,390</u>	\$ <u>1,164,677,390</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Port Authority of Guam (PAG):

In 2018, PAG issued \$71,445,000 in Revenue Bonds, 2018 Series A, B and C. Of the net proceeds of \$77,308,470 (including an issue premium of \$5,296,754), \$75,312,854 was made available to fund capital improvements of port facilities, the retirement of existing debt, the 2018 Capitalized Interest account and the 2018 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2018 bonds using the effective interest rate method.

PAG revenue bonds are payable solely from and collateralized by a pledge of PAG revenues, which includes all rents, fees and charges received by PAG (with the exception of certain crane surcharge, facility maintenance fee and public marina revenues) for the use of the seaport facilities. The bond indentures for the 2018 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 PAG's trustees for the accounting of the bond proceeds.

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,560,000	\$ 3,182,633	\$ 5,742,633
2023	2,685,000	3,063,896	5,748,896
2024	2,820,000	2,935,842	5,755,842
2025	2,955,000	2,801,618	5,756,618
2026	3,085,000	2,670,118	5,755,118
2027 - 2031	10,845,000	11,395,846	22,240,846
2032 - 2036	8,625,000	9,262,250	17,887,250
2037 - 2041	11,005,000	6,879,000	17,884,000
2042 - 2046	14,050,000	3,838,750	17,888,750
2047 - 2048	<u>6,650,000</u>	<u>502,750</u>	<u>7,152,750</u>
	\$ <u>65,280,000</u>	\$ <u>46,532,703</u>	\$ <u>111,812,703</u>

Guam Housing Corporation (GHC):

In 1998, GHC issued \$50,000,000 in Housing Revenue Bonds, 1998 Series A. Of the net proceeds of \$52,268,630 (including an issue premium of \$1,183,630 and other funds released of \$1,085,000), \$51,340,143 was made available to fund a home financing program on Guam by purchasing fully modified, mortgage-backed securities guaranteed as to timely payment of principal and interest by the Federal Home Loan Mortgage Corporation.

GHC housing revenue bonds are payable solely from and collateralized by a pledge of GHC revenues and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GHC, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bond indenture includes certain debt service and reserve requirements and also require the establishment of special funds and accounts to be held and administered by GHC's trustees for the accounting of the bond proceeds.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Housing Corporation (GHC), Continued:

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 235,000	\$ 170,919	\$ 405,919
2023	245,000	157,263	402,263
2024	260,000	142,888	402,888
2025	275,000	127,794	402,794
2026	295,000	111,694	406,694
2027 - 2031	<u>1,720,000</u>	<u>283,188</u>	<u>2,003,188</u>
	\$ <u>3,030,000</u>	\$ <u>993,746</u>	\$ <u>4,023,746</u>

Guam Economic Development Authority (GEDA):

In 2007, GEDA issued \$36,982,077 in Tobacco Settlement Asset-Backed Bonds, 2007 Series A and B, to refund \$25,040,000 of outstanding 2001 Series A and B bonds and to provide additional proceeds to fund certain expenditures of GovGuam's General Fund and the 2007 Debt Service Reserve Account. Of the net proceeds of \$39,850,293 (including an issue discount of \$1,144,510 and funds of \$4,012,726 released from bond indenture accounts), \$27,132,871 was deposited to an Escrow Fund to be 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 2001 Series A and B bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advance refunding resulted in a loss on defeasance of \$2,628,344, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2001 bonds. The bond discount has been deferred and amortized over the term of the 2007 bonds using the effective interest rate method.

GEDA tobacco settlement asset-backed bonds are payable solely from and collateralized by a pledge of Tobacco Settlement Revenues (TSR) and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GEDA, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bond indenture includes certain debt service and reserve requirements and also require the establishment of special funds and accounts to be held and administered by GEDA's trustees for the accounting of the bond proceeds.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Economic Development Authority (GEDA), Continued:

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,480,000	\$ 587,461	\$ 2,067,461
2023	1,590,000	504,000	2,094,000
2024	1,700,000	414,562	2,114,562
2025	1,825,000	318,727	2,143,727
2026	4,757,533	242,578	5,000,111
2027 - 2031	10,344,175	-	10,344,175
2032 - 2034	<u>18,656,910</u>	<u>-</u>	<u>18,656,910</u>
	<u>\$ 40,353,618</u>	<u>\$ 2,067,328</u>	<u>\$ 42,420,946</u>

Changes in Bonds Payable:

	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2021</u>	<u>Due Within One Year</u>
Bonds payable:					
AWPIAA	\$ 176,400,000	\$ 143,430,000	\$ (129,000,000)	\$ 190,830,000	\$ -
GPA	545,430,000	-	(20,515,000)	524,915,000	21,540,000
GWA	642,810,000	-	(9,270,000)	633,540,000	9,745,000
PAG	67,745,000	-	(2,465,000)	65,280,000	2,560,000
GHC	3,265,000	-	(235,000)	3,030,000	235,000
GEDA	<u>40,528,618</u>	<u>-</u>	<u>(175,000)</u>	<u>40,353,618</u>	<u>1,480,000</u>
	<u>\$ 1,476,178,618</u>	<u>\$ 143,430,000</u>	<u>\$ (161,660,000)</u>	<u>\$ 1,457,948,618</u>	<u>\$ 35,560,000</u>

G. Direct Borrowings

As of September 30, 2021, the discretely presented component units had the following direct borrowings outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Antonio B. Won Pat International Airport Authority (AWPIAA):					
Bank loan	January 24, 2014	\$ 11,900,000	5.75%	January 23, 2024	\$ 3,479,080
Guam Housing and Urban Renewal Authority (GHURA):					
FmHA loan	March 26, 1980	\$ 2,000,000	6%	March 26, 2030	741,968
University of Guam (UOG):					
USDA rural development loan	June 12, 2003	\$ 13,500,000	4.50%	June 12, 2044	<u>10,260,574</u>
					<u>\$ 14,481,622</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

G. Direct Borrowings

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

In 2012, AWPIAA entered into a loan and related promissory note with a bank for the purpose of financing AWPIAA's Energy Performance Management program, which loan was subsequently modified on January 24, 2014. The loan is secured by a Security Agreement and a UCC-1 Financing Agreement with primary source of repayment to be realized from the Energy Performance contract and from AWPIAA's revenues after consideration of the 2013 Revenue Bonds pledge of revenues in the bond indenture. The loan is subject to the U.S. Department of Agriculture's written commitment to the bank to guaranty no less than 90% of the loan to AWPIAA. In the event that AWPIAA defaults in the payment of the loan or in the performance of any of its obligations under the loan agreement or the promissory note, or AWPIAA or any other party defaults in their respective obligations under any of the related security documents, the bank would have the option to declare the unpaid principal amount of the loan, together with any accrued and unpaid interest and charges, immediately due and payable.

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,407,853	\$ 159,647	\$ 1,567,500
2023	1,491,000	76,500	1,567,500
2024	<u>580,227</u>	<u>4,871</u>	<u>585,098</u>
	\$ <u>3,479,080</u>	\$ <u>241,018</u>	\$ <u>3,720,098</u>

Guam Housing and Urban Renewal Authority:

In 1980, GHURA entered into a Section 515 Rural Rental Housing loan with the Farmers Home Administration for the construction of elderly housing known as Guma Trankilidat. The loan is secured by a first mortgage and assignment of rental income and assessments. In the event that GHURA defaults in the payment of the loan or in the performance of any of its obligations under the promissory note, or GHURA or any other party defaults in their respective obligations under any of the related security documents, USDA would have the option to declare the unpaid principal amount of the loan, together with any accrued and unpaid interest and charges, immediately due and payable.

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 84,000	\$ 42,480	\$ 126,480
2023	89,000	37,480	126,480
2024	95,000	31,480	126,480
2025	101,000	25,480	126,480
2026	107,000	19,480	126,480
2027 - 2030	<u>265,968</u>	<u>19,132</u>	<u>285,100</u>
	\$ <u>741,968</u>	\$ <u>175,532</u>	\$ <u>917,500</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

G. Direct Borrowings, Continued

University of Guam (UOG):

In 2003, UOG entered into a rural development loan with the U.S. Department of Agriculture (USDA) for the purpose of financing costs associated with the design, construction and collateral equipment of the College of Business and Public Administration (BPA), and for the replacement of the roof of the Fine Arts Building. The loan security agreement requires revenues derived from the operation of the facility to be transferred to an account designated for debt service, operation and maintenance of the facility. After the payment of principal and interest, \$6,251 per month is required to be transferred to a reserve account until a sum of \$750,060 is accumulated. In addition, UOG assigned and granted to USDA its security interest in all equipment, furniture and fixtures located at the BPA building. The note contains a provision that in an event of default, USDA may, at its option, collect interest income and principal and exercise any other right or remedy provided by the Uniform Commercial Code after giving any notice required thereby.

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 301,721	\$ 448,339	\$ 750,060
2023	315,388	434,672	750,060
2024	329,674	420,386	750,060
2025	344,608	405,452	750,060
2026	360,218	389,842	750,060
2027 - 2031	2,061,141	1,689,159	3,750,300
2032 - 2036	2,572,219	1,178,081	3,750,300
2037 - 2041	3,210,024	540,276	3,750,300
2042 - 2044	<u>765,581</u>	<u>18,280</u>	<u>783,861</u>
	<u>\$ 10,260,574</u>	<u>\$ 5,524,487</u>	<u>\$ 15,785,061</u>

Changes in Direct Borrowings:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Direct borrowings:					
AWPIAA	\$ 4,801,616	\$ -	\$ (1,322,536)	\$ 3,479,080	\$ 1,407,853
GHURA	821,618	-	(79,650)	741,968	84,000
UOG	<u>10,541,087</u>	<u>-</u>	<u>(280,513)</u>	<u>10,260,574</u>	<u>301,721</u>
	<u>\$ 16,164,321</u>	<u>\$ -</u>	<u>\$ (1,682,699)</u>	<u>\$ 14,481,622</u>	<u>\$ 1,793,574</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

H. Capital Lease Financing

Guam Community College (GCC):

In 2019, GCC leased Building 100 owned by the GCC Foundation. The agreement was determined to be a capital lease and the related asset is recorded as capital lease asset under property, plant and equipment. The related lease liability is payable in annual installments of principal and interest of \$200,400, interest rate at 4.31%, for a period of thirty-nine (39) years. The lease will be payable from GCC's annual appropriations from the Territorial Educational Facilities Fund. The assets acquired through this capital lease are as follows:

Asset:		
Building		\$ 5,205,646
Less accumulated depreciation		<u>(272,397)</u>
		<u>\$ 4,933,249</u>

Future lease payments under the agreement are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 42,027	\$ 158,373	\$ 200,400
2023	43,840	156,560	200,400
2024	45,730	154,670	200,400
2025	47,702	152,698	200,400
2026	49,759	150,641	200,400
2027 - 2031	282,889	719,111	1,002,000
2032 - 2036	349,371	652,629	1,002,000
2037 - 2041	431,477	570,523	1,002,000
2042 - 2046	532,879	469,121	1,002,000
2047 - 2051	658,112	343,888	1,002,000
2052 - 2056	812,775	189,225	1,002,000
2057 - 2058	<u>376,290</u>	<u>24,510</u>	<u>400,800</u>
	<u>\$ 3,672,851</u>	<u>\$ 3,741,949</u>	<u>\$ 7,414,800</u>

Guam Power Authority (GPA):

In 2017, GPA extended a contract for temporary power services for an additional four years to provide 40 megawatts (MW) of generation, which included payments for the acquisition of the underlying power plant. The contract was determined to be a capital lease and the generating plant cost was recorded as production plant under capital lease. The lease has an effective interest rate of 5%. The contract expired in January 2021.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

I. Changes in Other Long-Term Liabilities

During the year ended September 30, 2021, the following changes occurred in other long-term liabilities:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Other long-term liabilities:					
Compensated absences	\$ 18,263,508	\$ 8,472,228	\$ (7,130,317)	\$ 19,605,419	\$ 7,723,843
Capital lease obligations	5,939,363	160,110	(2,426,622)	3,672,851	42,027
DCRS sick leave	11,259,788	2,711,358	(1,409,175)	12,561,971	-
Net pension liability	537,427,368	37,504,061	(21,809,072)	553,122,357	-
OPEB liability	<u>804,292,644</u>	<u>62,687,662</u>	<u>(55,063,835)</u>	<u>811,916,471</u>	-
	\$ <u>1,377,182,671</u>	\$ <u>111,535,419</u>	\$ <u>(87,839,021)</u>	\$ <u>1,400,879,069</u>	\$ <u>7,765,870</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 was for a period of five years with an option to extend for another five-year term. The option to extend was exercised and the PMC expired on September 30, 2020. On July 30, 2020, the Guam Public Utilities Commission approved GPA's petition and GPA subsequently entered into a new PMC with base period total cost of \$9,969,188 for three years with an option to extend for two additional one-year terms. 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. The option to extend was exercised and the PMC expires on February 28, 2026. As of September 30, 2021, the minimum future fixed management fees are as follows:

<u>Year Ending September 30,</u>	
2022	\$ 2,760,090
2023	2,842,893
2024	2,928,180
2025	3,016,025
2026	<u>363,003</u>
	\$ <u>11,910,191</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

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. As of September 30, 2021, the minimum future renewable energy purchases are as follows:

<u>Year Ending September 30,</u>	
2022	\$ 9,200,983
2023	9,196,204
2024	9,163,847
2025	9,209,954
2026	9,242,026
2027 - 2031	46,055,722
2032 - 2036	46,519,297
2037 - 2040	<u>38,321,837</u>
	<u>\$ 176,909,870</u>

In 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.

Energy Conversion Agreement:

In 2019, ownership of a power plant under an energy conversion agreement was transferred to GPA. GPA entered into an agreement with the same company to continue to manage and operate the power plant for a period of five years. The operation and maintenance fees are calculated based on factors stated in the agreement and paid on monthly basis. GPA also pays a monthly recapitalization fee of \$305,265 consisting of payments for capital and performance improvement projects, operations and maintenance fees, 4% cost of money and 10% contingency. The future minimum recapitalization fees for the aforementioned conversion agreement are as follows:

<u>Year Ending September 30,</u>	
2022	\$ 3,663,180
2023	3,663,180
2024	<u>1,221,060</u>
	<u>\$ 8,547,420</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor:

In response to the continued impact of the global pandemic and the decline in passenger traffic, the Antonio B. Won Pat International Airport Authority (AWPIAA) approved several financial relief programs throughout 2021. The first relief package was a deferral of all rents, fees and charges for all Airport Tenants for the months of March through May 2020. Subsequent financial relief was provided for the period of March 1 through September 30, 2021 for in terminal concessionaires whose contract payment terms required the higher of Minimum Annual Guarantees (MAG) or percentage of sales. During the temporary relief period, MAG rents were waived. In lieu of MAG, these tenants were provided terms which instead required the greater of a percentage of gross sales or terminal building rent based on the space they occupied and assessed at the main terminal building rental rate. In addition, the signatory airlines were provided financial relief during the 4th quarter of the fiscal year with a seventy percent discount on office rent at the Main Terminal Building.

In 2013, Lotte Duty Free Guam, LLC (Lotte) was selected as the primary concessionaire for the AWPIAA 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. The future minimum lease receipts for the aforementioned concession agreements are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2022	\$ 15,160,000
2023	<u>12,633,333</u>
	<u>\$ 27,793,333</u>

AWPIAA has lease agreements with scheduled air carriers, various other concessionaires and airport users. The agreements provide the lessees with the use of AWPIAA's system facilities, equipment and services. The signatory airline operating agreement and terminal building 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. On October 1, 2019, new but substantially similar agreements went into effect with nine of AWPIAA's eleven passenger air carriers servicing the airport. For the two remaining passenger air carriers, AWPIAA is currently negotiating and expects to execute a new agreement with one while another suspended its operations on Guam on December 7, 2019. Other ground lease agreements will expire 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> <u>September 30,</u>	
2022	\$ 3,986,000
2023	2,882,000
2024	2,739,000
2025	288,000
2026	297,000
Thereafter	<u>2,474,000</u>
	<u>\$ 12,666,000</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(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:

<u>Year Ending September 30,</u>	
2022	\$ 1,440,155
2023	1,440,155
2024	1,440,155
2025	1,440,155
2026	1,440,155
Thereafter	<u>7,307,174</u>
	<u>\$ 14,507,949</u>

Lease Obligations as Lessee:

In 2002, 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 which was extended for an additional 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 which was extended for an additional five years. The procurement for a commercial space was delayed due to the pandemic. GPA is currently in a month-to-month lease pending the result of the procurement process.

In 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:

<u>Year Ending September 30,</u>	
2022	\$ 1,833,929
2023	<u>5,105</u>
	<u>\$ 1,839,034</u>

Fuel Purchase and Bulk Storage Facility Contracts:

In 2017, GPA entered into a two-year agreement for the management and operations of its fuel bulk storage facility with an option to extend the contract for three additional one-year terms. GPA exercised the option to extend the contract for the three one-year terms through September 30, 2022. As of September 30, 2021, the minimum future management fees for the year ending September 30, 2022 are \$911,662.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Fuel Purchase and Bulk Storage Facility Contracts, Continued:

In 2019, Guam Power Authority (GPA) entered into diesel fuel supply contracts with IP&E Guam, Inc. and Mobil Oil Guam, Inc. These agreements are for two years commencing on January 1, 2020 with an option to extend for three years, renewable annually.

In 2020, GPA entered into a residual fuel oil supply contract with Hyundai Corporation. This agreement is for three years commencing on September 1, 2020 with an option to extend for two years, renewable annually.

U.S. Environmental Protection Agency (EPA):

In 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 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 2015, GPA submitted its compliance plan outlining the proposed timelines for inclusion in a consent decree. In February 2020, EPA and GPA signed the consent decree, which was subsequently approved in April 2020 by the U.S. District Court. The consent decree requires GPA to permanently retire the Cabras 1 and 2 units by October 31, 2022; bring the MEC 8 and 9 units into compliance by switching from residual fuel oil to ultra-low sulfur diesel oil and installing oxidation catalysts by December 31, 2021; construct a new power plant that will comply with the requirements of Clean Air Act to be activated by October 1, 2022; and pay \$400,000 as civil penalty.

The US District Court approved the consent decree on April 20, 2020 and this approval shall constitute the final judgement to GPA. GPA management is in the process of working through the objectives and requirements set forth by the consent decree. Because of the COVID-19 pandemic, GPA has encountered delays in completing some of the objectives set forth in the consent decree. GPA is in the process of negotiating extensions to some of the consent decree requirements, citing the force majeure clause in the agreement.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Environmental Monitoring:

In 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 and paid \$10,000,000 to AWPIAA. 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, 2021, AWPIAA estimated that its pollution remediation obligations amounted to \$273,066.

Primary Treatment Permits:

In 2011, the U.S. Environmental Protection Agency (EPA) informed GWA that its waiver request for primary treatment plants for Hagåtña and Northern District Wastewater Treatment Plants (WWTP) had been denied and that GWA would be required to upgrade the plants to secondary treatment. The upgrades were initially estimated to cost approximately \$300 million. New National Pollutant Discharge Elimination System (NPDES) permits were issued to these treatment plants effective January 1, 2020 which included secondary treatment standards, some of which these two plants are unable to meet.

In 2016 and 2017, the Office of Economic Adjustment, Department of Defense, awarded GWA \$55.3 and \$117.9 million, respectively, for projects to upgrade water and wastewater infrastructure, most specifically to upgrade the Northern District WWTP to full secondary treatment capabilities. The construction of the upgrades is scheduled to be completed by October 2022.

GWA continues discussions with EPA regarding the timing of required upgrades to the Hagåtña WWTP as part of a negotiated consent decree.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Stipulated Order, Continued:

In 2003, a Stipulated Order for Preliminary Relief was filed before the U.S. District Court. 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.

In 2006, the Court Order was amended, which required GWA to perform approximately \$220 million 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 Court Order. The District Court ordered the parties to stipulate as to the scope of the remaining projects and project completion dates. 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 included new projects that were not part of the amended Court Order. As of September 2021, of the 93 items required by the Court Order, 92 items are either complete or in progress (e.g., continuous reporting requirement). The one delayed project is related to the repair, rehabilitation or replacement of water reservoirs estimated to cost \$42 million. Issuance of the 2020A Series Revenue Bonds provided the additional funding needed to complete this last project.

GWA filed an unopposed motion in the U.S. District Court to extend the final completion deadline to June 23, 2023 from December 30, 2020. The Court approved the extension and GWA continues its work to complete the sole remaining compliance requirement by the new deadline.

(15) COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the spread of the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. On March 13, 2020, President Donald J. Trump declared a national emergency within the United States. Governor Lourdes A. Leon Guerrero issued Executive Order 2020-03 declaring a public health emergency in response to the COVID-19 outbreak. This public health emergency declaration has been extended through May 30, 2022 by subsequent Executive Orders. Furthermore, Executive Order 2020-04 ordered the closure of all non-essential GovGuam offices, prohibited large gatherings, and restricted entry into Guam from countries with confirmed COVID-19 cases. Almost all restrictions have currently been lifted and GovGuam offices have been operating normally.

On March 28, 2020, the U.S. President signed a major disaster declaration for Guam and ordered federal assistance to supplement local recovery efforts in connection with the COVID-19 pandemic. Federal assistance in the form of grants from the U.S. Treasury, Public Assistance reimbursements from FEMA, funding for Economic Impact Payments, and Pandemic Unemployment Assistance were made available to Guam under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and related legislation.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2021

(15) COVID-19 Pandemic, Continued

The federal government has continued to implement further economic assistance programs. The date by which CARES Act funds must be spent was extended from December 31, 2020 to December 31, 2021 by the Consolidated Appropriations Act, 2021. Additional funding measures included a second round of Economic Impact Payments, extension of Pandemic Unemployment Assistance payments to March 2021, the establishment of a Rental Assistance Program, a Homeowners Assistance program, funding for vaccines and testing, and infrastructure investment programs.

On March 11, 2021, the U.S. President signed the American Rescue Plan Act of 2021, which provided further federal assistance, including a third round of Economic Impact Payments, a further extension of Pandemic Unemployment Assistance through September 6, 2021, direct funding payments to Guam, totaling \$602 million, and permanent advance funding to defray Guam Tax Credit payments paid or allowed to taxpayers under mirror provisions of Guam Territorial Tax legislation for Earned Income Tax Credit and Child Tax Credit, beginning with calendar year 2021 tax returns.

GovGuam has established programs to support families and businesses which have experienced reductions in income due to economic conditions brought about by COVID-19 using both local and federal funding. Although it is not possible totally to counter act the consequences to families and businesses of the unprecedented shock to the island of the pandemic, these social and commercial programs have achieved a measure of stability.

Because of the evolving nature of the COVID-19 pandemic, GovGuam cannot predict the extent or duration of the outbreak. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, GovGuam expects this emergency to negatively impact certain local tax collections and disrupt general economic conditions locally, nationally and globally, for which the related financial impact cannot be reasonably estimated at this time.

In common with other States, territories, and tribal governments Guam is continuously evaluating the economic impact of the unusual conditions associated with the pandemic. Guam's aggressive vaccination program provided a high level of immunity to its population. However, conditions and circumstances throughout the world and, in particular, in markets which feed tourism demand for Guam, can quickly influence the local economy and the businesses which service it.

(16) Subsequent Events

Business Privilege Tax Refunding Bonds Series 2021F

On October 7, 2021, \$258,550,000 in 2021 Series F (tax exempt) refunding bonds were issued to refund all or a portion of the outstanding 2011A and 2012B Business Privilege Tax Bonds and to pay certain issuance costs of the Bonds.

Guam Power Authority Revenue Bonds

On April 12, 2022, \$257,570,000 in 2022 Series A refunding bonds were issued by Guam Power Authority to refund the outstanding 2012 Revenue Bonds and to pay certain issuance costs of the Bonds.

GOVERNMENT OF GUAM

REQUIRED SUPPLEMENTARY
INFORMATION

YEAR ENDED SEPTEMBER 30, 2021

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)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014	2013
GovGuam's proportion of the Net Pension Liability	64.43%	64.71%	65.68%	66.37%	66.76%	67.12%	67.89%	65.67%
GovGuam's proportionate share of the Net Pension Liability	\$ 803,105,297	\$ 785,926,191	\$ 774,529,797	\$ 758,224,443	\$ 913,724,199	\$ 964,364,934	\$ 846,150,680	\$ 855,888,933
GovGuam's covered-employee payroll	\$ 336,777,489	\$ 329,715,820	\$ 337,523,244	\$ 337,409,547	\$ 338,026,939	\$ 343,220,317	\$ 342,819,183	\$ 302,313,488
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%	283.11%
Plan fiduciary net position as a percentage of total Net Pension Liability	61.48%	62.25%	63.28%	60.63%	54.62%	52.32%	56.60%	53.94%

* Information for 2011 - 2012 is unavailable

See Accompanying Independent Auditor's 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)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014
GovGuam's proportion of the Net Pension Liability	70.52%	70.54%	71.01%	71.23%	71.03%	71.28%	71.81%
GovGuam's proportionate share of the Net Pension Liability	\$ 226,949,578	\$ 228,640,699	\$ 205,815,914	\$ 205,215,544	\$ 163,009,076	\$ 168,069,808	\$ 172,874,691
GovGuam's covered-employee payroll	\$ 368,491,906	\$ 359,329,166	\$ 364,852,623	\$ 362,006,602	\$ 359,651,048	\$ 364,484,142	\$ 362,608,201
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	61.59%	63.63%	56.41%	56.69%	45.32%	46.11%	47.68%

* Information for 2011 - 2013 is unavailable

See Accompanying Independent Auditor's 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)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014
GovGuam's proportion of the Net Pension Liability	68.22%	67.27%	67.34%	66.82%	66.58%	66.29%	62.23%
GovGuam's proportionate share of the Net Pension Liability	\$ 45,290,857	\$ 40,269,343	\$ 33,228,464	\$ 41,731,494	\$ 41,070,407	\$ 34,546,678	\$ 30,578,387
GovGuam's covered-employee payroll	\$ 176,872,760	\$ 158,365,829	\$ 178,104,693	\$ 251,801,078	\$ 243,054,382	\$ 235,917,381	\$ 218,564,816
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	25.61%	25.43%	18.66%	16.57%	16.90%	14.64%	13.99%

* Information for 2011 - 2013 is unavailable

See Accompanying Independent Auditor's 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)

Measurement Date: September 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 98,423,395	\$ 95,380,954	\$ 95,515,052	\$ 100,210,650	\$ 97,809,895	\$ 102,697,851	\$ 109,508,621	\$ 91,359,170
Contributions in relation to the contractually required contributio	<u>98,433,332</u>	<u>95,428,777</u>	<u>95,496,347</u>	<u>100,224,246</u>	<u>97,837,069</u>	<u>102,702,810</u>	<u>109,515,515</u>	<u>91,355,613</u>
Contribution deficiency (excess)	<u>\$ (9,937)</u>	<u>\$ (47,823)</u>	<u>\$ 18,705</u>	<u>\$ (13,596)</u>	<u>\$ (27,174)</u>	<u>\$ (4,959)</u>	<u>\$ (6,894)</u>	<u>\$ 3,557</u>
GovGuam's covered-employee payroll	\$ 336,777,489	\$ 329,715,820	\$ 337,523,244	\$ 337,409,547	\$ 338,026,939	\$ 343,220,317	\$ 342,819,183	\$ 302,313,488
Contributions as a percentage of covered-employee payroll	29.23%	28.94%	28.29%	29.70%	28.94%	29.92%	31.95%	30.22%

* Information for 2011 - 2012 is unavailable

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Defined Benefits Plan
Last Ten Fiscal Years* (Unaudited)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 3,217,236,208	\$ 3,211,537,542	\$ 2,901,439,073	\$ 3,015,826,383	\$ 3,013,242,314	\$ 2,871,562,108	\$ 2,829,439,663	\$ 2,811,399,525
Service cost	30,727,858	33,115,425	33,365,987	17,991,505	20,612,126	21,664,561	22,323,496	21,089,199
Interest	219,229,232	219,172,539	196,632,444	195,544,814	195,441,000	197,396,297	191,594,023	190,558,974
Change in benefit terms	-	-	296,541,199	-	-	-	-	-
Differences between expected and actual experience	4,358,611	(15,446,562)	4,912,586	(18,164,664)	(19,538,054)	60,142,810	27,739,034	-
Change of assumptions	-	-	-	(94,068,343)	16,886,580	67,558,187	-	-
Benefit payments	(236,231,202)	(231,142,736)	(221,353,747)	(215,690,622)	(210,817,583)	(205,081,649)	(199,534,108)	(193,608,035)
Total changes	18,084,499	5,698,666	310,098,469	(114,387,310)	2,584,069	141,680,206	42,122,445	18,040,138
Total Pension Liability - End of Year	\$ 3,235,320,707	\$ 3,217,236,208	\$ 3,211,537,542	\$ 2,901,439,073	\$ 3,015,826,383	\$ 3,013,242,314	\$ 2,871,562,108	\$ 2,829,439,663
Fiduciary Net Position - Beginning of Year	\$ 2,002,773,533	\$ 2,032,344,992	\$ 1,759,189,680	\$ 1,647,181,257	\$ 1,576,428,084	\$ 1,625,255,354	\$ 1,526,135,027	\$ 1,391,421,887
Contributions from employers	118,981,678	121,556,556	135,850,714	125,274,726	124,419,463	134,506,369	134,106,867	121,940,930
Member contributions	25,864,221	27,012,032	28,895,275	13,476,517	13,812,825	15,245,935	16,626,009	16,290,014
Net investment income	80,879,016	56,758,490	93,616,115	192,765,573	146,235,031	9,560,987	150,599,955	192,776,061
Benefit payments	(236,231,202)	(231,142,736)	(221,353,747)	(215,690,622)	(210,817,583)	(205,081,649)	(199,534,108)	(193,608,035)
Administrative expense	(3,283,436)	(3,755,801)	(3,794,742)	(3,817,771)	(2,896,563)	(3,058,912)	(2,678,396)	(2,685,830)
Changes in benefit terms	-	-	239,941,697	-	-	-	-	-
Total changes	(13,789,723)	(29,571,459)	273,155,312	112,008,423	70,753,173	(48,827,270)	99,120,327	134,713,140
Fiduciary Net Position - End of Year	\$ 1,988,983,810	\$ 2,002,773,533	\$ 2,032,344,992	\$ 1,759,189,680	\$ 1,647,181,257	\$ 1,576,428,084	\$ 1,625,255,354	\$ 1,526,135,027
Net Pension Liability - End of Year	\$ 1,246,336,897	\$ 1,214,462,675	\$ 1,179,192,550	\$ 1,142,249,393	\$ 1,368,645,126	\$ 1,436,814,230	\$ 1,246,306,754	\$ 1,303,304,636
Fiduciary Net Position as a % of Total Pension Liability	61.48%	62.25%	63.28%	60.63%	54.62%	52.32%	56.60%	53.94%
Covered employee payroll	\$ 522,644,057	\$ 509,497,662	\$ 513,866,473	\$ 508,300,483	\$ 506,322,283	\$ 511,366,411	\$ 504,943,000	\$ 460,347,780
Net Pension Liability as a % of Covered Employee Payroll	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%	283.11%

* Information for 2011 - 2012 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Ad Hoc
COLA/Supplemental Annuity Plan for DB Retirees
Last Ten Fiscal Years* (Unaudited)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 324,192,725	\$ 289,875,668	\$ 288,147,121	\$ 229,486,687	\$ 235,799,709	\$ 240,733,290	Not Available	Not Available
Service cost	5,745,863	4,684,670	5,409,487	1,317,502	1,429,929	1,502,600	Not Available	Not Available
Interest	8,475,815	11,846,251	10,165,793	14,637,733	15,129,472	15,720,592	Not Available	Not Available
Change in benefit terms	-	-	17,328,556	-	-	-	Not Available	Not Available
Differences between expected and actual experience	(6,755,997)	(1,430,304)	6,330,993	6,313,164	77,796	(1,804,353)	Not Available	Not Available
Change of assumptions	12,978,647	41,761,635	(14,202,705)	60,098,605	1,025,799	4,194,224	Not Available	Not Available
Benefit payments	(22,747,084)	(22,545,195)	(23,303,577)	(23,706,570)	(23,976,018)	(24,546,644)	Not Available	Not Available
Total changes	(2,302,756)	34,317,057	1,728,547	58,660,434	(6,313,022)	(4,933,581)		
Total Pension Liability - End of Year	\$ 321,889,969	\$ 324,192,725	\$ 289,875,668	\$ 288,147,121	\$ 229,486,687	\$ 235,799,709	\$ 240,733,290	Not Available
Fiduciary Net Position - Beginning of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Not Available	Not Available
Contributions from employers	22,747,084	22,545,195	23,303,577	23,706,570	23,976,018	24,546,644	Not Available	Not Available
Benefit payments	(22,747,084)	(22,545,195)	(23,303,577)	(23,706,570)	(23,976,018)	(24,546,644)	Not Available	Not Available
Total changes	-	-	-	-	-	-		
Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Not Available
Net Pension Liability - End of Year	\$ 321,889,969	\$ 324,192,725	\$ 289,875,668	\$ 288,147,121	\$ 229,486,687	\$ 235,799,709	\$ 240,733,290	
Fiduciary Net Position as a % of Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Covered employee payroll	\$ 522,644,057	\$ 509,497,662	\$ 513,866,473	\$ 508,300,483	\$ 506,322,283	\$ 511,366,411	\$ 504,943,000	
Net Pension Liability as a % of Covered Employee Payroll	61.59%	63.63%	56.41%	56.69%	45.32%	46.11%	47.68%	

* Information for 2011 - 2014 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Ad Hoc
COLA Plan for DCRS Retirees
Last Ten Fiscal Years* (Unaudited)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 59,884,421	\$ 49,342,424	\$ 62,445,490	\$ 61,688,067	\$ 52,115,736	\$ 46,880,986	Not Available	Not Available
Service cost	2,600,513	1,779,688	1,963,058	3,136,456	3,074,446	2,623,748	Not Available	Not Available
Interest	1,632,063	2,098,773	2,310,669	1,957,356	1,851,695	1,885,957	Not Available	Not Available
Change in benefit terms	-	-	(17,328,556)	-	-	-	Not Available	Not Available
Differences between expected and actual experience	985,969	(1,471,219)	5,034,446	1,904,493	1,265,643	(587,552)	Not Available	Not Available
Change of assumptions	3,562,706	9,978,755	(3,208,683)	(4,594,882)	4,802,047	2,510,997	Not Available	Not Available
Benefit payments	(2,272,200)	(1,844,000)	(1,874,000)	(1,646,000)	(1,421,500)	(1,198,400)	Not Available	Not Available
Total changes	<u>6,509,051</u>	<u>10,541,997</u>	<u>(13,103,066)</u>	<u>757,423</u>	<u>9,572,331</u>	<u>5,234,750</u>		
Total Pension Liability - End of Year	\$ 66,393,472	\$ 59,884,421	\$ 49,342,424	\$ 62,445,490	\$ 61,688,067	\$ 52,115,736	\$ 46,880,986	Not Available
Fiduciary Net Position - Beginning of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Not Available	Not Available
Contributions from employers	2,272,200	1,844,000	1,874,000	1,646,000	1,421,500	1,198,400	Not Available	Not Available
Benefit payments	(2,272,200)	(1,844,000)	(1,874,000)	(1,646,000)	(1,421,500)	(1,198,400)	Not Available	Not Available
Total changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Not Available
Net Pension Liability - End of Year	\$ 66,393,472	\$ 59,884,421	\$ 49,342,424	\$ 62,445,490	\$ 61,688,067	\$ 52,115,736	\$ 46,880,986	
Fiduciary Net Position as a % of Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Covered employee payroll	\$ 259,284,046	\$ 235,505,301	\$ 264,475,579	\$ 376,785,976	\$ 365,069,550	\$ 355,895,521		
Net Pension Liability as a % of Covered Employee Payroll	25.61%	25.43%	18.66%	16.57%	16.90%	14.64%		

* Information for 2011 - 2014 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Governors/Lt. Governors,
Judges and Justices
Last Ten Fiscal Years* (Unaudited)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 8,133,113	\$ 7,486,217	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Service cost	199,366	20,802	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Interest	213,634	300,535	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Change in benefit terms	-	-	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Differences between expected and actual experience	259,781	-	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Change of assumptions	329,075	966,475	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Benefit payments	(606,200)	(640,916)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Total changes	<u>395,656</u>	<u>646,896</u>						
Total Pension Liability - End of Year	\$ 8,528,769	\$ 8,133,113	\$ 7,486,217	Not Available	Not Available	Not Available	Not Available	Not Available
Fiduciary Net Position - Beginning of Year	\$ -	\$ -	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Contributions from employers	606,200	640,916	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Benefit payments	(606,200)	(640,916)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Total changes	<u>-</u>	<u>-</u>						
Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -	Not Available	Not Available	Not Available	Not Available	Not Available
Net Pension Liability - End of Year	\$ 8,528,769	\$ 8,133,113	\$ 7,486,217					
Fiduciary Net Position as a % of Total Pension Liability	0.00%	0.00%	0.00%					
Covered employee payroll	\$ 325,010	\$ 325,010						
Net Pension Liability as a % of Covered Employee Payroll	2624.16%	2502.42%						

* Information for 2011 - 2018 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios
Last Ten Fiscal Years* (Unaudited)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015
Service cost	\$ 79,933,542	\$ 51,686,447	\$ 67,161,371	\$ 75,604,392	\$ 60,755,660	Not Available
Interest	47,981,236	54,818,726	62,201,095	54,820,281	55,807,121	Not Available
Change in proportionate share	(20,600,639)	-	-	-	-	Not Available
Differences between expected and actual experience	188,551,871	-	(355,223,202)	-	-	Not Available
Change of assumptions	(310,088,559)	386,845,806	(137,613,595)	(163,423,981)	185,450,394	Not Available
Benefit payments	<u>(27,920,521)</u>	<u>(30,569,444)</u>	<u>(31,348,666)</u>	<u>(28,412,827)</u>	<u>(28,412,827)</u>	Not Available
Net change in total OPEB liability	(42,143,070)	462,781,535	(394,822,997)	(61,412,135)	273,600,348	
Total OPEB liability - beginning	<u>1,737,832,562</u>	<u>1,275,051,027</u>	<u>1,669,874,024</u>	<u>1,731,286,159</u>	<u>1,457,685,811</u>	Not Available
Total OPEB liability - ending	<u>\$ 1,695,689,492</u>	<u>\$ 1,737,832,562</u>	<u>\$ 1,275,051,027</u>	<u>\$ 1,669,874,024</u>	<u>\$ 1,731,286,159</u>	<u>\$ 1,457,685,811</u>
Covered payroll as of valuation date	\$ 340,876,632	\$ 325,277,582	\$ 315,220,947	\$ 309,713,634	\$ 309,713,634	Not Available
Total OPEB liability as a percentage of covered payroll	497.45%	534.26%	404.49%	539.17%	559.00%	Not Available

Notes to schedule:

<i>Discount rate</i>	2.21%	2.66%	4.18%	3.63%	3.058%	3.71%
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Changes of benefit terms:
None.

Changes of assumptions:
Discount rate has changed from respective measurement dates.

* Information for 2011 - 2015 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of the Proportionate Share of the Total OPEB Liability
Last Ten Fiscal Years * (Unaudited)

Measurement Date: September 30,	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the total OPEB Liability	67.33%	68.06%	68.01%	68.47%	68.35%	68.31%
GovGuam's proportionate share of the total OPEB Liability	\$ 1,695,689,492	\$ 1,737,832,562	\$ 1,275,051,027	\$ 1,669,874,024	\$ 1,731,286,159	\$ 1,457,685,811
GovGuam's covered-employee payroll	\$ 340,876,632	\$ 325,277,582	\$ 315,220,947	\$ 309,713,634	\$ 309,713,634	Not Available
GovGuam's proportionate share of the total OPEB Liability as a percentage of its covered-employee payroll	497.45%	534.26%	404.49%	539.17%	559.00%	Not Available
Plan fiduciary net position as a percentage of total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Information for 2011 - 2015 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of OPEB Contributions
Last Ten Fiscal Years* (Unaudited)

Measurement Date: September 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 166,853,449	\$ 129,192,837	\$ 159,772,803	\$ 166,905,346	\$ 144,374,924
Contributions in relation to the actuarially determined contribution	<u>27,920,521</u>	<u>30,569,444</u>	<u>31,348,666</u>	<u>28,412,827</u>	<u>28,412,827</u>
Contribution deficiency	<u>\$ 138,932,928</u>	<u>\$ 98,623,393</u>	<u>\$ 128,424,137</u>	<u>\$ 138,492,519</u>	<u>\$ 115,962,097</u>
Covered payroll as of valuation date	\$ 340,876,632	\$ 325,277,582	\$ 315,220,947	\$ 309,713,634	\$ 309,713,634
Contributions as a percentage of covered payroll	8.19%	9.40%	9.94%	9.17%	9.17%

* Information for 2011 - 2015 is not available

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

OTHER SUPPLEMENTARY
INFORMATION

YEAR ENDED SEPTEMBER 30, 2021

GOVERNMENT OF GUAM

General Fund
September 30, 2021

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, 2021, 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.

Census 2020 Fund - This fund accounts for all activities of the United States Census 2020 conducted by the Guam Census Office.

Dental Self Insured Fund - This fund accounts for all activities associated with the provision of dental benefits for employees and retirees.

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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

General Fund, Continued September 30, 2021

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.

GPD Special Assessment Fund - This fund was created by Public Law 24-285 to account for the training of Guam Police Department (GPD) personnel, or the purchase or repair of equipment for use by GPD, which are funded by a special assessment imposed on defendants of \$100 for any misdemeanor or \$250 for any felony offense.

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

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

Guam Geodetic Network Fund - This fund was created by Public Law 23-31 for the purpose of accounting for the updating of the 1963 geodetic network by the Department of Land Management.

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 receipt 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.

Guam War Claims Fund - This fund was created by Public Law 35-61 to account for the War Claims Program wherein, through a Memorandum of Agreement between GovGuam and the U.S. Department of Treasury, GovGuam advances the payment of adjudicated claims to be reimbursed from Section 30 federal tax collections.

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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

General Fund, Continued
September 30, 2021

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.

Rainy Day Fund - This fund was created by Public Law 22-24 for the purpose of establishing a reserve fund to be used for eliminating or reducing any General Fund deficit existing at the end of a fiscal year substantially resulting from an unexpected, substantial decline in revenues received or due to the General Fund; or for expenses caused by a Guam emergency.

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.

Unfunded Liability Fund - This fund accounts for all activities associated with liabilities incurred for unfunded expenditures.

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.

General Obligation Bond Series A 2019 Fund - This fund is used to account for funds transferred from the Solid Waste Operations Fund to redeem bond principal and to pay bond interest as such becomes due.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM
 Combining Schedule of Balance Sheet Accounts
 General Fund
 September 30, 2021

AS/400 Fund Number	100	618	309	628	633	686	502	255	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Census 2020	Child Tax Credit	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
ASSETS												
Cash and cash equivalents	\$ 70,492,508	\$ 9,992,594	\$ -	\$ -	\$ -	\$ -	\$ 85,037,097	\$ 677,078	\$ 66,433	\$ -	\$ 1,894	\$ 720,106
Investments	210,316	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:												
Taxes	55,893,331	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	12,456,920	586,572	-	-	-	-	-	-	-	-	-	-
Other	(216,022)	730,596	-	90,169	-	-	-	(5,716)	-	-	-	-
Due from component units	3,000,000	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	114,138,947	17,183,369	5,028	-	-	6,800	-	238,887	-	197,994	46	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	4,569,067	44,337	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:												
Cash and cash equivalents	53,880,028	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 315,425,095</u>	<u>\$ 28,537,468</u>	<u>\$ 5,028</u>	<u>\$ 90,169</u>	<u>\$ -</u>	<u>\$ 6,800</u>	<u>\$ 85,037,097</u>	<u>\$ 910,249</u>	<u>\$ 66,433</u>	<u>\$ 197,994</u>	<u>\$ 1,940</u>	<u>\$ 720,106</u>
LIABILITIES AND FUND BALANCE (DEFICIT)												
Accounts payable	\$ 84,422,449	\$ 18,456,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	8,619,326	6,837,601	-	-	-	-	-	-	-	-	-	-
Due to component units	2,028,932	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	42,802,097	-	-	-	-	-	8,148,505	-	-	-	-	9,523
Payable to federal agencies	608,735	-	-	-	-	-	76,591,605	-	-	-	-	-
Unearned revenue	76,141,259	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	78,208,234	-	-	-	-	-	-	-	-	-	-	-
Provision for economic stimulus payments	14,800,566	-	-	-	-	-	-	-	-	-	-	-
COLA liability	4,408,433	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	15,610,683	3,229,076	-	-	-	-	-	-	31,803	-	748	-
Total liabilities	<u>327,650,714</u>	<u>28,523,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,740,110</u>	<u>-</u>	<u>31,803</u>	<u>-</u>	<u>748</u>	<u>9,523</u>
Fund balance (deficit):												
Non-spendable	1,000,000	-	-	-	-	-	-	-	-	-	-	-
Restricted	58,595,879	-	-	-	-	-	296,987	-	-	-	-	-
Committed	-	1,692,998	-	90,169	-	6,800	-	910,249	-	197,994	1,192	710,583
Unassigned	(71,821,498)	(1,679,107)	5,028	-	-	-	-	-	34,630	-	-	-
Total fund balance (deficit)	<u>(12,225,619)</u>	<u>13,891</u>	<u>5,028</u>	<u>90,169</u>	<u>-</u>	<u>6,800</u>	<u>296,987</u>	<u>910,249</u>	<u>34,630</u>	<u>197,994</u>	<u>1,192</u>	<u>710,583</u>
Total liabilities and fund balance (deficit)	<u>\$ 315,425,095</u>	<u>\$ 28,537,468</u>	<u>\$ 5,028</u>	<u>\$ 90,169</u>	<u>\$ -</u>	<u>\$ 6,800</u>	<u>\$ 85,037,097</u>	<u>\$ 910,249</u>	<u>\$ 66,433</u>	<u>\$ 197,994</u>	<u>\$ 1,940</u>	<u>\$ 720,106</u>

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2021

AS/400 Fund Number	104	299	613	229	404	649	239	659	617	616	676
	Exxon Fuel Overcharge	Financial Management Revolving	GPD Special Assessment	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
ASSETS											
Cash and cash equivalents	\$ 96,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-	-	-
Other	28,738	112,792	-	-	-	-	-	-	-	595,887	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	336,874	425	54,588	-	-	-	-	-	180,032	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	2,303,109	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 125,049</u>	<u>\$ 449,666</u>	<u>\$ 425</u>	<u>\$ 54,588</u>	<u>\$ 2,303,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,919</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ 187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	124,862	-	-	-	950,932	7,325	-	-	-	-	27,486
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-
Provision for economic stimulus payments	-	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>125,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>950,932</u>	<u>7,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,486</u>
Fund balance (deficit):											
Non-spendable	-	-	-	-	1,352,177	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	-	449,666	425	54,588	-	-	-	-	-	775,919	-
Unassigned	-	-	-	-	-	(7,325)	-	-	-	-	(27,486)
Total fund balance (deficit)	<u>-</u>	<u>449,666</u>	<u>425</u>	<u>54,588</u>	<u>1,352,177</u>	<u>(7,325)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,919</u>	<u>(27,486)</u>
Total liabilities and fund balance (deficit)	<u>\$ 125,049</u>	<u>\$ 449,666</u>	<u>\$ 425</u>	<u>\$ 54,588</u>	<u>\$ 2,303,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,919</u>	<u>\$ -</u>

(continued)

GOVERNMENT OF GUAM
 Combining Schedule of Balance Sheet Accounts
 General Fund
 September 30, 2021

AS/400 Fund Number	201	298	303	321	293	329				288	
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
ASSETS											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 687	\$ 1,837,906	\$ -	\$ -	\$ 613,929	\$ 129,645	\$ 1,503,371	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	2,928	-	-	-
Other	301,979	-	-	-	29,992	-	-	153	1,307	154,710	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	1,870	136,165	518,983	280,424	-	3,968,996	77,577	-	-	-	3,090
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	38,088	165,272	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 303,849</u>	<u>\$ 136,165</u>	<u>\$ 518,983</u>	<u>\$ 281,111</u>	<u>\$ 1,867,898</u>	<u>\$ 3,968,996</u>	<u>\$ 77,577</u>	<u>\$ 617,010</u>	<u>\$ 169,040</u>	<u>\$ 1,823,353</u>	<u>\$ 3,090</u>
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 56,944	\$ 3,367,578	\$ 64,364	\$ 18,064	\$ 20,638	\$ 560,002	\$ -
Accrued payroll and other	-	-	-	-	98,350	-	-	-	-	82,195	-
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-
Provision for economic stimulus payments	-	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	8,894	-	-	-	726,084	-	13,213	-	-	-	-
Total liabilities	<u>8,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>881,378</u>	<u>3,367,578</u>	<u>77,577</u>	<u>18,064</u>	<u>20,638</u>	<u>642,197</u>	<u>-</u>
Fund balance (deficit):											
Non-spendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	294,955	136,165	518,983	281,111	986,520	601,418	-	598,946	148,402	1,181,156	3,090
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>294,955</u>	<u>136,165</u>	<u>518,983</u>	<u>281,111</u>	<u>986,520</u>	<u>601,418</u>	<u>-</u>	<u>598,946</u>	<u>148,402</u>	<u>1,181,156</u>	<u>3,090</u>
Total liabilities and fund balance (deficit)	<u>\$ 303,849</u>	<u>\$ 136,165</u>	<u>\$ 518,983</u>	<u>\$ 281,111</u>	<u>\$ 1,867,898</u>	<u>\$ 3,968,996</u>	<u>\$ 77,577</u>	<u>\$ 617,010</u>	<u>\$ 169,040</u>	<u>\$ 1,823,353</u>	<u>\$ 3,090</u>

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2021

AS/400 Fund Number	314	103	607	645	678	355	363	364				
	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Unfunded Liability	Unified Courts of Guam	Water System Revenue Bond Debt Service	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
ASSETS												
Cash and cash equivalents	\$ 6,998	\$ 13,339	\$ -	\$ 246	\$ -	\$ 2,589,440	\$ 57,733,534	\$ -	\$ -	\$ 231,513,116	\$ -	\$ 231,513,116
Investments	-	-	-	-	-	-	-	-	-	210,316	-	210,316
Receivables, net:												
Taxes	-	-	-	-	-	-	-	-	-	55,893,331	-	55,893,331
Federal agencies	-	-	-	-	-	961,419	-	-	-	14,007,839	-	14,007,839
Other	19,514	-	-	-	-	71,450	-	-	-	1,915,549	(726,084)	1,189,465
Due from component units	-	-	-	-	-	-	-	-	-	3,000,000	-	3,000,000
Due from other funds	-	1	-	-	7,175,138	3,892,038	-	-	8,097	148,405,369	(80,290,218)	68,115,151
Due from private purpose trust funds	-	-	-	-	-	3,516,119	-	-	-	3,516,119	-	3,516,119
Inventories	165,412	-	-	-	-	-	-	-	-	2,468,521	-	2,468,521
Prepayments	-	-	-	-	-	-	-	-	-	4,816,764	-	4,816,764
Deposits and other assets	-	-	-	-	-	140,561	-	-	-	1,140,561	-	1,140,561
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	21,290,879	2,160,924	77,331,831	-	77,331,831
Total assets	\$ 191,924	\$ 13,340	\$ -	\$ 246	\$ 7,175,138	\$ 11,171,027	\$ 57,733,534	\$ 21,290,879	\$ 2,169,021	\$ 544,219,316	\$ (81,016,302)	\$ 463,203,014
LIABILITIES AND FUND BALANCE (DEFICIT)												
Accounts payable	\$ -	\$ 188	\$ -	\$ -	\$ 7,175,138	\$ 1,192,118	\$ 2,000	\$ -	\$ -	\$ 115,336,570	\$ -	\$ 115,336,570
Accrued payroll and other	4,913	-	-	-	-	489,719	-	-	-	16,132,104	-	16,132,104
Due to component units	-	-	-	-	-	-	-	-	-	2,028,932	-	2,028,932
Due to other funds	77,444	-	-	-	-	-	57,731,534	21,592	-	109,901,300	(80,290,218)	29,611,082
Payable to federal agencies	-	-	-	-	-	-	-	-	-	77,200,340	-	77,200,340
Unearned revenue	-	-	-	-	-	-	-	-	-	76,141,259	-	76,141,259
Provision for tax refunds	-	-	-	-	-	-	-	-	-	78,208,234	-	78,208,234
Provision for economic stimulus payments	-	-	-	-	-	-	-	-	-	14,800,566	-	14,800,566
COLA liability	-	-	-	-	-	-	-	-	-	4,408,433	-	4,408,433
Deposits and other liabilities	-	-	-	14,012	-	75,925	-	-	-	19,710,438	(726,084)	18,984,354
Total liabilities	82,357	188	-	14,012	7,175,138	1,757,762	57,733,534	21,592	-	513,868,176	(81,016,302)	432,851,874
Fund balance (deficit):												
Non-spendable	109,567	-	-	-	-	-	-	-	-	2,461,744	-	2,461,744
Restricted	-	-	-	-	-	-	-	21,269,287	2,169,021	82,331,174	-	82,331,174
Committed	-	13,152	-	-	-	9,413,265	-	-	-	19,067,746	-	19,067,746
Unassigned	-	-	-	(13,766)	-	-	-	-	-	(73,509,524)	-	(73,509,524)
Total fund balance (deficit)	109,567	13,152	-	(13,766)	-	9,413,265	-	21,269,287	2,169,021	30,351,140	-	30,351,140
Total liabilities and fund balance (deficit)	\$ 191,924	\$ 13,340	\$ -	\$ 246	\$ 7,175,138	\$ 11,171,027	\$ 57,733,534	\$ 21,290,879	\$ 2,169,021	\$ 544,219,316	\$ (81,016,302)	\$ 463,203,014

GOVERNMENT OF GUAM
 Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
 General Fund
 Year Ended September 30, 2021

AS/400 Fund Number	100	618	309	628	633	686	502	255	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Census 2020	Child Tax Credit	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:												
Taxes:												
Income	\$ 352,818,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	296,805,879	-	-	-	-	-	-	-	-	-	-	-
Excise	3,760,517	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	65,109,936	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	4,960,638	-	-	(531,671)	300,000	-	-	-	-	-	-
Licenses and permits	-	-	-	-	6,659	-	-	-	-	-	-	153,838
Charges for services	1,397,360	54,624	-	-	-	-	-	7,797,153	-	1,851,625	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	462,815	-	-	-	-	338	-	518	174	-	1	196
Contributions from component units	2,926,187	450,000	-	-	-	-	-	-	-	-	-	-
Other	5,626,343	-	-	-	-	-	-	-	493,476	-	-	-
Total revenues	728,907,193	5,465,262	-	-	6,659	(531,333)	300,000	7,797,671	493,650	1,851,625	1	154,034
Expenditures by Function:												
Current:												
General government	31,866,943	-	-	-	1,586,861	-	3,013	7,125,111	-	-	-	-
Protection of life and property	117,395,709	-	-	-	-	-	-	-	-	803,170	-	-
Public health	4,179,149	-	-	-	-	-	-	-	13,554	-	-	26,403
Community services	10,674,665	-	-	-	-	-	-	-	-	-	-	-
Recreation	1,791,960	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	7,729,824	-	-	-	-	-	-	-	-	-	-	-
Public education	-	200,818,032	-	-	-	-	-	-	-	-	-	-
Environmental protection	33,000	-	-	-	-	-	-	-	-	-	-	-
Economic development	3,738,769	-	-	-	-	2,030,029	-	-	-	-	-	-
Payments to:												
GovGuam Retirement Fund	4,090,648	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	17,025,631	-	-	-	-	-	-	-	-	-	-	-
Guam Housing Corporation	844,027	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	8,208,795	-	-	-	-	-	-	-	-	-	-	-
University of Guam	30,020,833	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	64,521,822	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal retirement	30,550,000	4,232,177	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	55,188,791	13,100,175	-	-	-	-	-	-	-	-	-	-
Total expenditures	387,860,566	218,150,384	-	-	1,586,861	2,030,029	3,013	7,125,111	13,554	803,170	-	26,403
Excess (deficiency) of revenues over (under) expenditures	341,046,627	(212,685,122)	-	-	(1,580,202)	(2,561,362)	296,987	672,560	480,096	1,048,455	1	127,631
Other financing sources (uses):												
Proceeds from refunded bonds issued	19,070,000	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(18,790,307)	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	213,300,208	193,342,737	-	1,507,857	-	-	-	-	-	-	-
Transfers out to other funds	(313,408,863)	-	(193,342,737)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	(313,129,170)	213,300,208	-	-	1,507,857	-	-	-	-	-	-	-
Net change in fund balances (deficit)	27,917,457	615,086	-	-	(72,345)	(2,561,362)	296,987	672,560	480,096	1,048,455	1	127,631
Fund balances (deficit) at beginning of year	(40,143,076)	(601,195)	5,028	90,169	72,345	2,568,162	-	237,689	(445,466)	(850,461)	1,191	582,952
Fund balances (deficit) at end of year	\$ (12,225,619)	\$ 13,891	\$ 5,028	\$ 90,169	\$ -	\$ 6,800	\$ 296,987	\$ 910,249	\$ 34,630	\$ 197,994	\$ 1,192	\$ 710,583

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2021

AS/400 Fund Number	104	299	613	229	404	649	239	659	617	616	676
	Exxon Fuel Overcharge	Financial Management Revolving	GPD Special Assessment	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
Revenues:											
Taxes:											
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	303,488	-	1,253	177,112	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	10	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	10	303,488	-	1,253	177,112	-	-	-	-	-	-
Expenditures by Function:											
Current:											
General government	750	118,796	-	-	-	3,600	63,839	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	51,196	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Housing Corporation	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	17,979,452	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	51,946	118,796	-	-	-	3,600	63,839	-	17,979,452	-	-
Excess (deficiency) of revenues over (under) expenditures	(51,936)	184,692	-	1,253	177,112	(3,600)	(63,839)	-	(17,979,452)	-	-
Other financing sources (uses):											
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	121,151	-	-	-	-	-	63,839	215,851	18,371,187	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	121,151	-	-	-	-	-	63,839	215,851	18,371,187	-	-
Net change in fund balances (deficit)	69,215	184,692	-	1,253	177,112	(3,600)	-	215,851	391,735	-	-
Fund balances (deficit) at beginning of year	(69,215)	264,974	425	53,335	1,175,065	(3,725)	-	(215,851)	(391,735)	775,919	(27,486)
Fund balances (deficit) at end of year	\$ -	\$ 449,666	\$ 425	\$ 54,588	\$ 1,352,177	\$ (7,325)	\$ -	\$ -	\$ -	\$ 775,919	\$ (27,486)

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2021

AS/400 Fund Number	201	298	303	321		293	329				288
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
Revenues:											
Taxes:											
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	20,191	-	114,665	-
Licenses and permits	-	64,888	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	673	-	-	4,851	-	-	228
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	64,888	-	-	673	-	-	25,042	-	114,665	228
Expenditures by Function:											
Current:											
General government	-	25,099	-	-	8,568,964	-	2,250,431	1,221,581	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	10,805,471	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	1,839,261	4,936,110	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Housing Corporation	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	25,099	-	-	8,568,964	10,805,471	2,250,431	1,221,581	1,839,261	4,936,110	-
Excess (deficiency) of revenues over (under) expenditures	-	39,789	-	-	(8,568,291)	(10,805,471)	(2,250,431)	(1,196,539)	(1,839,261)	(4,821,445)	228
Other financing sources (uses):											
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	8,071,497	10,805,471	2,268,941	1,311,828	1,308,228	4,525,982	-
Transfers out to other funds	-	-	-	-	(252,000)	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	7,819,497	10,805,471	2,268,941	1,311,828	1,308,228	4,525,982	-
Net change in fund balances (deficit)	-	39,789	-	-	(748,794)	-	18,510	115,289	(531,033)	(295,463)	228
Fund balances (deficit) at beginning of year	294,955	96,376	518,983	281,111	1,735,314	601,418	(18,510)	483,657	679,435	1,476,619	2,862
Fund balances (deficit) at end of year	\$ 294,955	\$ 136,165	\$ 518,983	\$ 281,111	\$ 986,520	\$ 601,418	\$ -	\$ 598,946	\$ 148,402	\$ 1,181,156	\$ 3,090

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2021

AS/400 Fund Number	314	103	607	645	678	355	363	364				
	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Unfunded Liability	Unified Courts of Guam	Water System Revenue Bond Debt Service	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:												
Taxes:												
Income	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	352,818,156	\$ -	\$ 352,818,156
Gross receipts	-	-	-	-	-	-	-	-	-	296,805,879	-	296,805,879
Excise	-	-	-	-	-	-	-	-	-	3,760,517	-	3,760,517
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	65,109,936	-	65,109,936
Intergovernmental	-	-	-	-	-	2,665,300	-	-	-	7,529,123	-	7,529,123
Licenses and permits	200	-	-	-	-	-	-	-	-	707,438	-	707,438
Charges for services	-	-	-	-	-	-	-	-	-	11,100,762	-	11,100,762
Fines and forfeits	-	-	-	-	-	829,459	-	-	-	829,459	-	829,459
Interest and investment earnings	2	2	-	-	-	-	1,121	696	140	471,765	-	471,765
Contributions from component units	-	-	682,302	-	-	-	-	-	-	4,058,489	-	4,058,489
Other	95,492	-	-	-	-	-	-	-	-	6,215,311	-	6,215,311
Total revenues	95,694	2	682,302	-	-	3,494,759	1,121	696	140	749,406,835	-	749,406,835
Expenditures by Function:												
Current:												
General government	96,909	750	-	-	9,244,592	-	-	-	-	62,177,239	-	62,177,239
Protection of life and property	-	-	-	-	2,035,032	-	-	-	-	120,233,911	-	120,233,911
Public health	-	-	-	-	1,825,176	-	-	-	-	6,044,282	-	6,044,282
Community services	-	-	-	-	40,045	-	-	-	-	21,520,181	-	21,520,181
Recreation	-	-	-	-	100,744	-	-	-	-	1,892,704	-	1,892,704
Individual and collective rights	-	-	-	-	446,041	34,206,886	-	-	-	49,158,122	-	49,158,122
Public education	-	-	-	-	6,536	-	-	-	-	200,824,568	-	200,824,568
Environmental protection	-	-	-	-	244,161	-	-	-	-	328,357	-	328,357
Economic development	-	-	-	-	421,742	-	-	-	-	6,190,540	-	6,190,540
Payments to:												
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	4,090,648	-	4,090,648
Guam Community College	-	-	-	-	-	-	-	-	-	17,025,631	-	17,025,631
Guam Housing Corporation	-	-	-	-	-	-	-	-	-	844,027	-	844,027
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	26,188,247	-	26,188,247
University of Guam	-	-	-	-	-	-	-	-	-	30,020,833	-	30,020,833
Miscellaneous appropriations	-	-	7,764,000	-	152,667	-	-	-	-	72,438,489	-	72,438,489
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	1,685,000	36,467,177	-	36,467,177
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,312,625	69,601,591	-	69,601,591
Total expenditures	96,909	750	7,764,000	-	14,516,736	34,206,886	-	-	2,997,625	725,046,547	-	725,046,547
Excess (deficiency) of revenues over (under) expenditures	(1,215)	(748)	(7,081,698)	-	(14,516,736)	(30,712,127)	1,121	696	(2,997,485)	24,360,288	-	24,360,288
Other financing sources (uses):												
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	19,070,000	-	19,070,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(18,790,307)	-	(18,790,307)
Transfers in from other funds	-	-	7,081,698	-	15,794,026	30,346,657	2,748,762	-	3,042,521	514,228,441	(481,248,518)	32,979,923
Transfers out to other funds	-	-	-	-	-	-	-	-	-	(507,003,600)	481,248,518	(25,755,082)
Total other financing sources (uses), net	-	-	7,081,698	-	15,794,026	30,346,657	2,748,762	-	3,042,521	7,504,534	-	7,504,534
Net change in fund balances (deficit)	(1,215)	(748)	-	-	1,277,290	(365,470)	2,749,883	696	45,036	31,864,822	-	31,864,822
Fund balances (deficit) at beginning of year	110,782	13,900	-	(13,766)	(1,277,290)	9,778,735	(2,749,883)	21,268,591	2,123,985	(1,513,682)	-	(1,513,682)
Fund balances (deficit) at end of year	109,567	13,152	\$ -	(13,766)	\$ -	9,413,265	\$ -	21,269,287	2,169,021	30,351,140	\$ -	30,351,140

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
September 30, 2021

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 Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	Other		354 Other		
<u>ASSETS</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Total</u>	
Cash and cash equivalents	\$ 92,375,410	\$ 4,043,648	\$ -	\$ 96,419,058	
Investments	8,638,325	-	-	8,638,325	
Receivables, net:					
Taxes	2,951,605	-	-	2,951,605	
Other	4,327,652	-	-	4,327,652	
Due from component units	385,339	-	-	385,339	
Due from other funds	24,507,409	175,899	-	24,683,308	
Prepayments	85,350	-	-	85,350	
Deposits and other assets	-	4,360	-	4,360	
Restricted assets:					
Cash and cash equivalents	7,232,176	12,394,213	8,833,755	28,460,144	
Investments	300,000	902,104	-	1,202,104	
Total assets	<u>\$ 140,803,266</u>	<u>\$ 17,520,224</u>	<u>\$ 8,833,755</u>	<u>\$ 167,157,245</u>	
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 2,093,973	\$ 3,216,037	\$ -	\$ 5,310,010	
Accrued payroll and other	3,784,560	-	-	3,784,560	
Due to other funds	8,975,711	3,984,154	-	12,959,865	
Payable to federal agencies	39,670,856	-	-	39,670,856	
Deposits and other liabilities	2,089,109	-	-	2,089,109	
Total liabilities	<u>56,614,209</u>	<u>7,200,191</u>	<u>-</u>	<u>63,814,400</u>	
Deferred inflows of resources:					
Deferred revenues	975,543	-	-	975,543	
Total liabilities and deferred inflows of resources	<u>57,589,752</u>	<u>7,200,191</u>	<u>-</u>	<u>64,789,943</u>	
Fund balances:					
Restricted	6,626,294	10,152,665	8,833,755	25,612,714	
Committed	76,797,060	-	-	76,797,060	
Unassigned	(209,840)	167,368	-	(42,472)	
Total fund balances	<u>83,213,514</u>	<u>10,320,033</u>	<u>8,833,755</u>	<u>102,367,302</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 140,803,266</u>	<u>\$ 17,520,224</u>	<u>\$ 8,833,755</u>	<u>\$ 167,157,245</u>	

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Function, and
Changes in Fund Balances
Year Ended September 30, 2021

AS/400 Fund Number	Other		354	
	Special Revenue	Capital Project	Other Debt Service	Total
Revenues:				
Taxes:				
Property	\$ 35,612,339	\$ -	\$ -	\$ 35,612,339
Hotel	12,372,113	-	-	12,372,113
Liquid fuel	10,100,087	-	-	10,100,087
Tobacco	34,977,877	-	-	34,977,877
Alcoholic beverages	3,519,174	-	-	3,519,174
Limited gaming	1,395,161	-	-	1,395,161
Intergovernmental	9,320,109	-	-	9,320,109
Licenses and permits	46,292,943	712,812	-	47,005,755
Charges for services	19,664,292	-	-	19,664,292
Fines and forfeits	-	617,964	-	617,964
Interest and investment earnings	483,048	828	1,005	484,881
Contributions from component units	90,137	-	-	90,137
Other	1,644,780	-	-	1,644,780
Total revenues	175,472,060	1,331,604	1,005	176,804,669
Expenditures by Function:				
Current:				
General government	26,451,808	-	-	26,451,808
Protection of life and property	14,028,762	-	-	14,028,762
Public health	39,562,567	-	-	39,562,567
Community services	3,518,710	-	-	3,518,710
Recreation	1,214,915	-	-	1,214,915
Individual and collective rights	11,223,622	438,488	-	11,662,110
Transportation	4,682,567	-	-	4,682,567
Public education	19,298,996	-	-	19,298,996
Environmental protection	18,578,818	-	-	18,578,818
Economic development	1,100,609	-	-	1,100,609
Payments to:				
Guam Community College	2,743,371	-	-	2,743,371
Guam Memorial Hospital Authority	1,946,336	-	-	1,946,336
Guam Preservation Trust	408,000	-	-	408,000
Guam Visitors Bureau	5,324,249	-	-	5,324,249
University of Guam	2,092,444	-	-	2,092,444
Miscellaneous appropriations	960,140	-	-	960,140
Capital projects	-	11,063,523	-	11,063,523
Debt service:				
Principal retirement	180,515	-	2,480,000	2,660,515
Interest and fiscal charges	1,522,902	243,636	4,989,022	6,755,560
Total expenditures	154,839,331	11,745,647	7,469,022	174,054,000
Excess (deficiency) of revenues over (under) expenditures	20,632,729	(10,414,043)	(7,468,017)	2,750,669
Other financing sources (uses):				
Proceeds from refunded bonds issued	58,865,000	-	-	58,865,000
Premium from refunded bonds issued	12,790,466	-	-	12,790,466
Payment to refunding bond escrow agent	(70,317,349)	-	-	(70,317,349)
Transfers in from other funds	20,829,236	-	3,535,560	24,364,796
Transfers out to other funds	(48,423,481)	-	-	(48,423,481)
Total other financing sources (uses), net	(26,256,128)	-	3,535,560	(22,720,568)
Net change in fund balances	(5,623,399)	(10,414,043)	(3,932,457)	(19,969,899)
Fund balances at beginning of year	88,836,913	20,734,076	12,766,212	122,337,201
Fund balances at end of year	\$ 83,213,514	\$ 10,320,033	\$ 8,833,755	\$ 102,367,302

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds September 30, 2021

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, 2021, follows.

Aboveground Storage Tank Management Fund - The fund was created by Public Law 34-140 to account for all fees, assessments, fines, and forfeitures collected relative to the regulation of above ground storage facilities.

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.

Alcoholic Beverage Compliance Fees and Fines Fund - The fund was created by Public Law 31-199 to account for all fees and fines collected relative to the regulated conduct of special tasting and sampling events at approved locations.

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 fees and money collected by the Board under this Chapter shall be accounted for by the Board and deposited in a special fund known as the 'Guam Board of Accountancy Fund.'" 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 Guam Accountancy Act of 2003.

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 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.

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.

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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2021

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.

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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2021

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.

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.

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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2021

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.

Historic Preservation Archaeological Mitigation Fund - This fund was created by Public Law 29-147 to account for penalties and fines imposed by the Historic Preservation Office for failure to comply with the obtaining of a Certificate of Approval.

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.

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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2021

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.

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, and/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.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2021

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.

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

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.

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 Auditor's Report.

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	674	236	265	667	661	611	266		282	624	669	415	646
	Aboveground Storage Tank Management	Accessible Parking	Air Pollution Control	Alcoholic Beverage Compliance Fees and Fines	Arts in Public Buildings	Banking and Insurance Enforcement	Board of Accountancy	Capitol District	Carrier Off-duty Services Revolving	Chamorro Land Trust Operations	Chamorro Land Trust Survey and Infrastructure	Chamorro Loan Guarantee	Child Care Revolving
ASSETS													
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,517	\$ 1,298,578	\$ -	\$ -	\$ 2,096,362	\$ 667	\$ -	\$ -
Investments	-	-	-	-	-	-	758,230	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	5,550	-
Other	-	-	-	-	-	-	12,620	-	-	662,658	5,556	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	188,867	3,446	170,878	91,300	5,880	46,004	-	-	31,406	-	251,314	224,899	58,417
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	796,153	-	-	-	572,495	-
Investments	-	-	-	-	-	-	-	-	-	-	-	300,000	-
Total assets	\$ 188,867	\$ 3,446	\$ 170,878	\$ 91,300	\$ 5,880	\$ 623,521	\$ 2,069,428	\$ 796,153	\$ 31,406	\$ 2,759,020	\$ 257,537	\$ 1,102,944	\$ 58,417
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	9,468	-	-	-	-	-	31,406	27,544	15,349	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	116,324	-	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	286	-	-	-
Total liabilities	-	-	9,468	-	-	-	25,029	-	31,406	144,154	15,349	-	-
Deferred inflows of resources:													
Deferred revenues	-	-	-	-	-	-	-	-	-	748,440	2,791	3,539	-
Total liabilities and deferred inflows of resources	-	-	9,468	-	-	-	25,029	-	31,406	892,594	18,140	3,539	-
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	796,153	-	-	-	872,495	-
Committed	188,867	3,446	161,410	91,300	5,880	623,521	2,044,399	-	-	1,866,426	239,397	226,910	58,417
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	188,867	3,446	161,410	91,300	5,880	623,521	2,044,399	796,153	-	1,866,426	239,397	1,099,405	58,417
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 188,867	\$ 3,446	\$ 170,878	\$ 91,300	\$ 5,880	\$ 623,521	\$ 2,069,428	\$ 796,153	\$ 31,406	\$ 2,759,020	\$ 257,537	\$ 1,102,944	\$ 58,417

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	105	250	213	272	325	209 Customs, Agriculture and Quarantine Inspection Services	267	630	235	246	683	681	281
	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation		Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Education Stabilization	Emergency Rental Assistance	Enhanced 911 Emergency Reporting System
ASSETS													
Cash and cash equivalents	\$ 8,605,381	\$ -	\$ 1,351,362	\$ -	\$ 1,315,212	\$ 172,649	\$ -	\$ 2,946	\$ -	\$ -	\$ -	\$ 40,804,705	\$ 6,805,950
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	385,339	-	-	-	-	-	-	-
Due from other funds	-	368,083	-	461,447	46,959	-	328,560	-	2,841,684	41,720	-	-	-
Prepayments	-	-	-	-	-	85,350	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 8,605,381	\$ 368,083	\$ 1,351,362	\$ 461,447	\$ 1,362,171	\$ 643,338	\$ 328,560	\$ 2,946	\$ 2,841,684	\$ 41,720	\$ -	\$ 40,804,705	\$ 6,805,950
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ 106,250	\$ -	\$ -	\$ -	\$ 169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 497,025
Accrued payroll and other	236,330	-	28,302	-	-	169,190	-	-	85,370	-	19,389	36,441	89,279
Due to other funds	64,898	-	106,723	-	-	474,148	-	1	-	-	120	1,097,408	338,605
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	39,670,856	-
Deposits and other liabilities	-	-	-	-	210,162	-	-	-	-	-	-	-	-
Total liabilities	407,478	-	135,025	-	210,331	643,338	-	1	85,370	-	19,509	40,804,705	924,909
Deferred inflows of resources:													
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	407,478	-	135,025	-	210,331	643,338	-	1	85,370	-	19,509	40,804,705	924,909
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	8,197,903	368,083	1,216,337	461,447	1,151,840	-	328,560	2,945	2,756,314	41,720	-	-	5,881,041
Unassigned	-	-	-	-	-	-	-	-	-	-	(19,509)	-	-
Total fund balances (deficit)	8,197,903	368,083	1,216,337	461,447	1,151,840	-	328,560	2,945	2,756,314	41,720	(19,509)	-	5,881,041
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 8,605,381	\$ 368,083	\$ 1,351,362	\$ 461,447	\$ 1,362,171	\$ 643,338	\$ 328,560	\$ 2,946	\$ 2,841,684	\$ 41,720	\$ -	\$ 40,804,705	\$ 6,805,950

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	600	642	640	614	231	656						641	639
	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services	Government Ethics	GDOE School Activities	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Survey Infrastructure and Development	Guam Cancer Trust	Guam Charter Schools
ASSETS													
Cash and cash equivalents	\$ 1,194,025	\$ 522,099	\$ -	\$ 10	\$ -	\$ -	\$ 1,420,397	\$ 839	\$ 6,013,149	\$ 5,035	\$ 682,343	\$ 30	\$ 807
Investments	-	-	-	-	-	-	-	-	7,880,095	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	728,769	-	28,645	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	758,486	-	4,196	5,560	-	431,826	44,033	-	117,955	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	807,513	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,952,511	\$ 522,099	\$ 4,196	\$ 5,570	\$ 807,513	\$ 431,826	\$ 1,464,430	\$ 839	\$ 14,739,968	\$ 5,035	\$ 710,988	\$ 30	\$ 807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,421	\$ -	\$ 4,195	\$ -	\$ -
Accrued payroll and other	43,929	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	9,365	-	-	-	-	-	-	-	-	500,889	45	10,646
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	77,410	-	-	-	-
Total liabilities	43,929	9,365	-	-	-	-	-	-	161,831	-	505,084	45	10,646
Deferred inflows of resources:													
Deferred revenues	-	-	-	-	-	-	-	-	176,115	-	-	-	-
Total liabilities and deferred inflows of resources	43,929	9,365	-	-	-	-	-	-	337,946	-	505,084	45	10,646
Fund balances (deficit):													
Restricted	-	-	-	-	807,513	-	-	-	-	-	-	-	-
Committed	1,908,582	512,734	4,196	5,570	-	431,826	1,464,430	839	14,402,022	5,035	205,904	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(15)	(9,839)
Total fund balances (deficit)	1,908,582	512,734	4,196	5,570	807,513	431,826	1,464,430	839	14,402,022	5,035	205,904	(15)	(9,839)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 1,952,511	\$ 522,099	\$ 4,196	\$ 5,570	\$ 807,513	\$ 431,826	\$ 1,464,430	\$ 839	\$ 14,739,968	\$ 5,035	\$ 710,988	\$ 30	\$ 807

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	657 Guam Community College Capital Improvements	245 Guam Environmental Trust	608 Guam Plant Inspection and Permit	662 Guam Invasive Species Inspection Fee	244 Guam Museum	326 Guam Preservation Trust	651 Guam Procurement Advisory Council Support	270 Health and Human Services	602 Healthy Futures	241 Health Professional Licensure	311 Health and Security Trust	634 Historic Preservation Archaeological Mitigation
ASSETS												
Cash and cash equivalents	- \$	701,844 \$	287,174 \$	288,040 \$	- \$	227,833 \$	- \$	350,124 \$	4,386,017 \$	147,839 \$	21,911 \$	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:												
Taxes	-	-	-	-	-	-	-	-	1,286,785	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	714,077	10,217	8,117	1,931	56,381	2,130,237	453,655	-	95,983
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	- \$	701,844 \$	287,174 \$	1,002,117 \$	10,217 \$	235,950 \$	1,931 \$	406,505 \$	7,803,039 \$	601,494 \$	21,911 \$	95,983
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	181,957 \$	- \$	- \$	-
Accrued payroll and other	-	4,730	-	39,292	-	-	-	-	1,590,284	3,530	-	-
Due to other funds	23,244	136,097	23,848	-	-	-	-	-	-	-	10,907	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	23,244	140,827	23,848	39,292	-	-	-	-	1,772,241	3,530	10,907	-
Deferred inflows of resources:												
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	23,244	140,827	23,848	39,292	-	-	-	-	1,772,241	3,530	10,907	-
Fund balances (deficit):												
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Committed	-	561,017	263,326	962,825	10,217	235,950	1,931	406,505	6,030,798	597,964	11,004	95,983
Unassigned	(23,244)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	(23,244)	561,017	263,326	962,825	10,217	235,950	1,931	406,505	6,030,798	597,964	11,004	95,983
Total liabilities, deferred inflows of resources and fund balances (deficit)	- \$	701,844 \$	287,174 \$	1,002,117 \$	10,217 \$	235,950 \$	1,931 \$	406,505 \$	7,803,039 \$	601,494 \$	21,911 \$	95,983

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	652	658	632	351	222	655	232	671	294	653	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	Office of Attorney General
ASSETS												
Cash and cash equivalents	\$ -	\$ 714	\$ 43	\$ 181	\$ -	\$ 438,698	\$ 3,005,313	\$ -	\$ -	\$ -	\$ -	\$ 108,007
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:												
Taxes	-	-	-	-	-	88,463	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	53	708,222	54,331	70	140,322	3,378,648	-	11,023	-	1,193,342	225,551	130,337
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 53	\$ 708,936	\$ 54,374	\$ 251	\$ 140,322	\$ 3,905,809	\$ 3,005,313	\$ 11,023	\$ -	\$ 1,193,342	\$ 225,551	\$ 238,344
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	54,365	-	120,250	-	39,498	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	884,854	-	989	-	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	938,679	-	-	-	-	-
Total liabilities	-	-	54,374	-	120,250	-	1,863,031	-	989	-	-	-
Deferred inflows of resources:												
Deferred revenues	-	-	-	-	-	-	44,658	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	54,374	-	120,250	-	1,907,689	-	989	-	-	-
Fund balances (deficit):												
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Committed	53	708,936	-	251	20,072	3,905,809	1,097,624	11,023	-	1,193,342	225,551	238,344
Unassigned	-	-	-	-	-	-	-	-	(989)	-	-	-
Total fund balances (deficit)	53	708,936	-	251	20,072	3,905,809	1,097,624	11,023	(989)	1,193,342	225,551	238,344
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 53	\$ 708,936	\$ 54,374	\$ 251	\$ 140,322	\$ 3,905,809	\$ 3,005,313	\$ 11,023	\$ -	\$ 1,193,342	\$ 225,551	\$ 238,344

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	650	629	211	663	263	644	215	604	666	620	317	285
	Office of Vital Statistics Revolving	Pesticide Management	Plant Nursery Revolving	663 Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Market Revolving	Public Recreation Services	Public Transit	Rabies Prevention
ASSETS												
Cash and cash equivalents	\$ 45,486	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 117,845	\$ 2,576	\$ -	\$ 3,676	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	267,988	134,668	41,276	421,867	469,486	2,131	83,422	5,547	-	-	-	109,571
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 313,474	\$ 134,668	\$ 41,276	\$ 421,868	\$ 469,486	\$ 2,131	\$ 201,267	\$ 8,123	\$ -	\$ 3,676	\$ -	\$ 109,571
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	6,321	2,829	-	-	31,069	-	11,166	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	4,576	3,676	11,396	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	6,321	2,829	-	-	31,069	-	11,166	-	4,576	3,676	11,396	-
Deferred inflows of resources:												
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	6,321	2,829	-	-	31,069	-	11,166	-	4,576	3,676	11,396	-
Fund balances (deficit):												
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Committed	307,153	131,839	41,276	421,868	438,417	2,131	190,101	8,123	-	-	-	109,571
Unassigned	-	-	-	-	-	-	-	-	(4,576)	-	(11,396)	-
Total fund balances (deficit)	307,153	131,839	41,276	421,868	438,417	2,131	190,101	8,123	(4,576)	-	(11,396)	109,571
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 313,474	\$ 134,668	\$ 41,276	\$ 421,868	\$ 469,486	\$ 2,131	\$ 201,267	\$ 8,123	\$ -	\$ 3,676	\$ -	\$ 109,571

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	619	289	601	217	647	284	416	605	625	202	603	205
	Recycling Revolving	Safe Drinking Water	Safe Homes Safe Streets	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	Stray Dog Revolving	Street Light	Tax Collection	Territorial Educational Facilities
ASSETS												
Cash and cash equivalents	\$ 765	\$ -	\$ -	\$ 512	\$ -	\$ -	\$ 4,947,806	\$ 559,227	\$ -	\$ -	\$ -	\$ 1,488,747
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	534,060
Other	-	-	-	-	-	-	2,889,404	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	5,192,198	118,414	8,750	19,293	21,480	59,925	-	265,244	2,058	120,263	23,235	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	5,056,015	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 5,192,963	\$ 118,414	\$ 8,750	\$ 19,805	\$ 21,480	\$ 59,925	\$ 12,893,225	\$ 824,471	\$ 2,058	\$ 120,263	\$ 23,235	\$ 2,022,807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,175,545	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	3,236	-	-	-	-	-	118,851	-	-	-	23,235	409,651
Due to other funds	-	-	-	-	-	-	1,611,343	-	-	-	-	1,753,428
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	3,236	-	-	-	-	-	2,905,739	-	-	-	23,235	2,163,079
Deferred inflows of resources:												
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	3,236	-	-	-	-	-	2,905,739	-	-	-	23,235	2,163,079
Fund balances (deficit):												
Restricted	-	-	-	-	-	-	4,150,133	-	-	-	-	-
Committed	5,189,727	118,414	8,750	19,805	21,480	59,925	5,837,353	824,471	2,058	120,263	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(140,272)
Total fund balances (deficit)	5,189,727	118,414	8,750	19,805	21,480	59,925	9,987,486	824,471	2,058	120,263	-	(140,272)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 5,192,963	\$ 118,414	\$ 8,750	\$ 19,805	\$ 21,480	\$ 59,925	\$ 12,893,225	\$ 824,471	\$ 2,058	\$ 120,263	\$ 23,235	\$ 2,022,807

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	208	206	257	636	297	637	283	300	203	310	276	Total
	Territorial Highway	Tourist Attraction	Truck Enforcement Screening Station Facility	Under-ground Storage Tank Management	University of Guam Capital Improvements	Victim/Witness Travel-Housing	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	
ASSETS												
Cash and cash equivalents	\$ 1,683,562	\$ 506,708	\$ -	\$ 179,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,329	\$ 92,375,410
Investments	-	-	-	-	-	-	-	-	-	-	-	8,638,325
Receivables, net:												
Taxes	532,656	504,091	-	-	-	-	-	-	-	-	-	2,951,605
Other	-	-	-	-	-	-	-	-	-	-	-	4,327,652
Due from component units	-	-	-	-	-	-	-	-	-	-	-	385,339
Due from other funds	-	-	423,615	-	-	17,393	203,429	121,325	91,321	442,398	5,695	24,507,409
Prepayments	-	-	-	-	-	-	-	-	-	-	-	85,350
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	7,232,176
Investments	-	-	-	-	-	-	-	-	-	-	-	300,000
Total assets	\$ 2,216,218	\$ 1,010,799	\$ 423,615	\$ 179,369	\$ -	\$ 17,393	\$ 203,429	\$ 121,325	\$ 91,321	\$ 442,398	\$ 11,024	\$ 140,803,266
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	\$ 16,573	\$ 2,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,093,973
Accrued payroll and other	400,452	126,296	-	2,961	-	-	2,703	1,844	-	-	-	3,784,560
Due to other funds	899,409	881,703	-	11,069	-	-	-	-	-	-	-	8,975,711
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	39,670,856
Deposits and other liabilities	862,572	-	-	-	-	-	-	-	-	-	-	2,089,109
Total liabilities	2,179,006	1,010,799	-	14,030	-	-	2,703	1,844	-	-	-	56,614,209
Deferred inflows of resources:												
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	975,543
Total liabilities and deferred inflows of resources	2,179,006	1,010,799	-	14,030	-	-	2,703	1,844	-	-	-	57,589,752
Fund balances (deficit):												
Restricted	-	-	-	-	-	-	-	-	-	-	-	6,626,294
Committed	37,212	-	423,615	165,339	-	17,393	200,726	119,481	91,321	442,398	11,024	76,797,060
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(209,840)
Total fund balances (deficit)	37,212	-	423,615	165,339	-	17,393	200,726	119,481	91,321	442,398	11,024	83,213,514
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 2,216,218	\$ 1,010,799	\$ 423,615	\$ 179,369	\$ -	\$ 17,393	\$ 203,429	\$ 121,325	\$ 91,321	\$ 442,398	\$ 11,024	\$ 140,803,266

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, 2021

AS/400 Fund Number	674	236	265	667	661	611	266		282	624	669	415	646
	Aboveground Storage Tank Management	Accessible Parking	Air Pollution Control	Alcoholic Beverage Compliance Fees and Fines	Arts in Public Buildings	Banking and Insurance Enforcement	Board of Accountancy	Capitol District	Carrier Off-duty Services Revolving	Chamorro Land Trust Operations	Chamorro Land Trust Survey and Infrastructure	Chamorro Loan Guarantee	Child Care Revolving
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	163,910	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	111,250	2,852	187,054	39,670	-	424,313	565,983	-	686,724	786,511	23,568	-	7,280
Charges for services	-	-	-	-	-	-	-	248,813	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	222	54,395	198	-	726	-	421	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	750	-	-	-
Total revenues	111,250	2,852	187,054	39,670	-	424,535	620,378	249,011	686,724	787,987	23,568	164,331	7,280
Expenditures by Function:													
Current:													
General government	-	-	-	1,750	-	466,707	707,271	-	-	844,902	152,900	571	-
Protection of life and property	-	-	-	-	-	-	-	-	762,159	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	5,245	-	-	194,312	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	433	-	179,887	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	180,515	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	184,785	-	-	-	-	-
Total expenditures	433	5,245	179,887	1,750	194,312	466,707	707,271	365,300	762,159	844,902	152,900	571	-
Excess (deficiency) of revenues over (under) expenditures	110,817	(2,393)	7,167	37,920	(194,312)	(42,172)	(86,893)	(116,289)	(75,435)	(56,915)	(129,332)	163,760	7,280
Other financing sources (uses):													
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	252,000	48,275	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	252,000	48,275	-	-	-	-
Net change in fund balances (deficit)	110,817	(2,393)	7,167	37,920	(194,312)	(42,172)	(86,893)	135,711	(27,160)	(56,915)	(129,332)	163,760	7,280
Fund balances (deficit) at beginning of year	78,050	5,839	154,243	53,380	200,192	665,693	2,131,292	660,442	27,160	1,923,341	368,729	935,645	51,137
Fund balances (deficit) at end of year	\$ 188,867	\$ 3,446	\$ 161,410	\$ 91,300	\$ 5,880	\$ 623,521	\$ 2,044,399	\$ 796,153	\$ -	\$ 1,866,426	\$ 239,397	\$ 1,099,405	\$ 58,417

(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, 2021

AS/400 Fund Number	105	250	213	272	325	209 Customs, Agriculture and Quarantine Inspection Services	267 Dededo Buffer Strip Revolving	630 DLM Building Construction	235 DPW Building and Design	246 Drivers' Education	683 Education Stabilization	681 Emergency Rental Assistance	281 Enhanced 911 Emergency Reporting System
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	2,865,036	-	-	-	-	-	-	-	-	-	62,091	5,515,699	-
Licenses and permits	2,235,785	331,292	848,717	233,080	21,328	2,093,881	-	-	1,164,626	5,900	-	-	2,135,465
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	327	-	393	574	-	-	-	-	-	4,232	2,049
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	5,100,821	331,292	849,044	233,080	21,721	2,094,455	-	-	1,164,626	5,900	62,091	5,519,931	2,137,514
Expenditures by Function:													
Current:													
General government	-	-	584,909	-	-	-	-	-	1,377,057	-	81,600	5,519,931	-
Protection of life and property	-	16,732	-	-	17,650	3,966,383	-	-	-	-	-	-	2,297,097
Public health	5,304,609	-	-	343,691	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,304,609	16,732	584,909	343,691	17,650	3,966,383	-	-	1,377,057	-	81,600	5,519,931	2,297,097
Excess (deficiency) of revenues over (under) expenditures	(203,788)	314,560	264,135	(110,611)	4,071	(1,871,928)	-	-	(212,431)	5,900	(19,509)	-	(159,583)
Other financing sources (uses):													
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	1,035,551	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	1,035,551	-	-	-	-	-	-	-
Net change in fund balances (deficit)	(203,788)	314,560	264,135	(110,611)	4,071	(836,377)	-	-	(212,431)	5,900	(19,509)	-	(159,583)
Fund balances (deficit) at beginning of year	8,401,691	53,523	952,202	572,058	1,147,769	836,377	328,560	2,945	2,968,745	35,820	-	-	6,040,624
Fund balances (deficit) at end of year	\$ 8,197,903	\$ 368,083	\$ 1,216,337	\$ 461,447	\$ 1,151,840	\$ -	\$ 328,560	\$ 2,945	\$ 2,756,314	\$ 41,720	\$ (19,509)	\$ -	\$ 5,881,041

(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, 2021

AS/400 Fund Number	600	642	640	614	231	656						641	639
	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services	Government Ethics	GDOE School Activities	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Survey Infrastructure and Development	Guam Cancer Trust	Guam Charter Schools
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	367,370	-	-	-	-	-	-
Intergovernmental	-	522,099	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	1,285,086	-	6,400	4,560	-	1,153,395	-	-	502,529	-	348,290	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	250	5	-	-	-	-	367	3	400,928	12	8,207	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,254,803	-	-	-	-	-	-	-	-
Total revenues	1,285,336	522,104	6,400	4,560	1,254,803	1,153,395	367,737	3	903,457	12	356,497	-	-
Expenditures by Function:													
Current:													
General government	-	125	3,450	-	-	-	-	619	155,714	-	365,356	-	-
Protection of life and property	-	-	-	-	-	1,298,360	-	-	-	-	-	-	-
Public health	940,968	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	40,118	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	447,290	-	-	-	-	-	-	-	11,130,377
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	940,968	40,243	3,450	-	447,290	1,298,360	-	619	155,714	-	365,356	-	11,130,377
Excess (deficiency) of revenues over (under) expenditures	344,368	481,861	2,950	4,560	807,513	(144,965)	367,737	(616)	747,743	12	(8,859)	-	(11,130,377)
Other financing sources (uses):													
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	4,511,039	-	-	-	11,130,377
Transfers out to other funds	-	-	-	-	-	-	-	-	-	(4,511,039)	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	-	4,511,039	-	(4,511,039)	-	11,130,377
Net change in fund balances (deficit)	344,368	481,861	2,950	4,560	807,513	(144,965)	367,737	(616)	5,258,782	12	(4,519,898)	-	-
Fund balances (deficit) at beginning of year	1,564,214	30,873	1,246	1,010	-	576,791	1,096,693	1,455	9,143,240	5,023	4,725,802	(15)	(9,839)
Fund balances (deficit) at end of year	\$ 1,908,582	\$ 512,734	\$ 4,196	\$ 5,570	\$ 807,513	\$ 431,826	\$ 1,464,430	\$ 839	\$ 14,402,022	\$ 5,035	\$ 205,904	\$ (15)	\$ (9,839)

(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, 2021

AS/400 Fund Number	657 Guam Community College Capital Improvements	245 Guam Environmental Trust	608 Guam Plant Inspection and Permit	662 Guam Invasive Species Inspection Fee	244 Guam Museum	326 Guam Preservation Trust	651 Guam Procurement Advisory Council Support	270 Health and Human Services	602 Healthy Futures	241 Health Professional Licensure	311 Health and Security Trust	634 Historic Preservation Archaeological Mitigation
Revenues:												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	34,977,877	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	3,519,174	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	425,625	96,872	692,828	279,729	559,467	-	25,600	-	355,226	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	189	88	111	-	57	-	67	3,223	35	4	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	2	-	-	-
Total revenues	-	425,814	96,960	692,939	279,729	559,524	-	25,667	38,500,276	355,261	4	-
Expenditures by Function:												
Current:												
General government	-	-	-	-	-	-	-	-	150,000	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	1,134,950	-	-	-
Public health	-	-	-	-	-	-	-	-	32,479,526	220,264	-	-
Community services	-	-	-	-	-	-	-	-	2,208,413	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	4,017
Individual and collective rights	-	-	-	-	269,512	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	436,602	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	66,610	793,135	-	-	-	-	-	-	-	-
Payments to:												
Guam Community College	177,331	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	1,729,597	-	-	-
Guam Preservation Trust	-	-	-	-	-	408,000	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	1,000,000	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	177,331	436,602	66,610	793,135	269,512	408,000	-	-	38,702,486	220,264	-	4,017
Excess (deficiency) of revenues over (under) expenditures	(177,331)	(10,788)	30,350	(100,196)	10,217	151,524	-	25,667	(202,210)	134,997	4	(4,017)
Other financing sources (uses):												
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	177,331	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	(42,562)	-	-	-	-	-	(2,560)	(7,959,417)	-	-	-
Total other financing sources (uses), net	177,331	(42,562)	-	-	-	-	-	(2,560)	(7,959,417)	-	-	-
Net change in fund balances (deficit)	-	(53,350)	30,350	(100,196)	10,217	151,524	-	23,107	(8,161,627)	134,997	4	(4,017)
Fund balances (deficit) at beginning of year	(23,244)	614,367	232,976	1,063,021	-	84,426	1,931	383,398	14,192,425	462,967	11,000	100,000
Fund balances (deficit) at end of year	\$ (23,244)	\$ 561,017	\$ 263,326	\$ 962,825	\$ 10,217	\$ 235,950	\$ 1,931	\$ 406,505	\$ 6,030,798	\$ 597,964	\$ 11,004	\$ 95,983

(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, 2021

AS/400 Fund Number	652	658	632	351	222	655	232	671	294	653	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	Office of Attorney General
Revenues:												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	1,027,791	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	3,254,442	-	3,676,072	15	-	430,911	69,290	231,423
Charges for services	-	-	893,465	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	187	751	-	-	-	-	9
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	389,062	-	-	-	-	-	-	-	-	-
Total revenues	-	-	1,282,527	-	3,254,442	1,027,978	3,676,823	15	-	430,911	69,290	231,432
Expenditures by Function:												
Current:												
General government	-	-	1,365,894	-	3,234,370	79,242	-	-	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-	-	63,590	275
Public health	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	59,581	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	279,153	794,633	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	325,189	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Payments to:												
Guam Community College	-	-	-	-	-	-	2,566,040	-	-	-	-	-
Guam Memorial Hospital Authority	-	216,739	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	325,189	216,739	1,365,894	-	3,234,370	417,976	3,360,673	-	-	-	63,590	275
Excess (deficiency) of revenues over (under) expenditures	(325,189)	(216,739)	(83,367)	-	20,072	610,002	316,150	15	-	430,911	5,700	231,157
Other financing sources (uses):												
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	325,189	-	83,367	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	(301,951)	-	-	-	-	-	-
Total other financing sources (uses), net	325,189	-	83,367	-	-	(301,951)	-	-	-	-	-	-
Net change in fund balances (deficit)	-	(216,739)	-	-	20,072	308,051	316,150	15	-	430,911	5,700	231,157
Fund balances (deficit) at beginning of year	53	925,675	-	251	-	3,597,758	781,474	11,008	(989)	762,431	219,851	7,187
Fund balances (deficit) at end of year	\$ 53	\$ 708,936	\$ -	\$ 251	\$ 20,072	\$ 3,905,809	\$ 1,097,624	\$ 11,023	\$ (989)	\$ 1,193,342	\$ 225,551	\$ 238,344

(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, 2021

AS/400 Fund Number	650	629	211	663 Police Patrol Vehicle and Equipment	263	644	215	604	666	620	317	285
	Office of Vital Statistics Revolving	Pesticide Management	Plant Nursery Revolving	Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Market Revolving	Public Recreation Services	Public Transit	Rabies Prevention
Revenues:												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	223,459	196,658	16,752	362,866	996,985	562	273,025	609,278	-	38,253	-	47,559
Charges for services	-	-	-	-	-	-	-	-	-	-	2,923	-
Interest and investment earnings	35	-	-	1	-	-	32	18	-	10	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	223,494	196,658	16,752	362,867	996,985	562	273,057	609,296	-	38,263	2,923	47,559
Expenditures by Function:												
Current:												
General government	-	-	-	-	-	-	267,005	-	-	-	-	-
Protection of life and property	-	-	-	410,644	755,220	-	-	-	-	-	-	-
Public health	273,509	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	99,713	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	300,548	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	55,628	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	637	-	-	-	-	-	-	-	-	21,862
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	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	273,509	55,628	637	410,644	755,220	-	267,005	-	-	99,713	300,548	21,862
Excess (deficiency) of revenues over (under) expenditures	(50,015)	141,030	16,115	(47,777)	241,765	562	6,052	609,296	-	(61,450)	(297,625)	25,697
Other financing sources (uses):												
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	61,450	286,229	-
Transfers out to other funds	-	-	-	-	-	-	-	(601,173)	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	(601,173)	-	61,450	286,229	-
Net change in fund balances (deficit)	(50,015)	141,030	16,115	(47,777)	241,765	562	6,052	8,123	-	-	(11,396)	25,697
Fund balances (deficit) at beginning of year	357,168	(9,191)	25,161	469,645	196,652	1,569	184,049	-	(4,576)	-	-	83,874
Fund balances (deficit) at end of year	\$ 307,153	\$ 131,839	\$ 41,276	\$ 421,868	\$ 438,417	\$ 2,131	\$ 190,101	\$ 8,123	\$ (4,576)	\$ -	\$ (11,396)	\$ 109,571

(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, 2021

AS/400 Fund Number	619	289	601	217	647	284	416	605	625	202	603	205
	Recycling Revolving	Safe Drinking Water	Safe Homes Safe Streets	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	Stray Dog Revolving	Street Light	Tax Collection	Territorial Educational Facilities
Revenues:												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,448,429
Hotel	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	2,840,139	12,586	-	73,122	-	7,725	-	-	700	4,283,362	609,366	-
Charges for services	-	-	-	-	-	-	18,519,091	-	-	-	-	-
Interest and investment earnings	16	-	-	2	-	-	3,104	191	-	-	-	770
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-
Other	1	-	-	-	-	-	-	-	-	37	-	-
Total revenues	2,840,156	12,586	-	73,124	-	7,725	18,522,195	191	700	4,283,399	609,366	35,449,199
Expenditures by Function:												
Current:												
General government	-	-	-	-	-	-	-	-	-	4,163,136	894,024	-
Protection of life and property	-	-	-	53,319	-	-	-	40,369	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	1,075,870
Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	211,786
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	7,284,727
Environmental protection	920,460	915	-	-	-	42,508	16,834,756	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Payments to:												
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	500,000	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,420,460	915	-	53,319	-	42,508	16,834,756	40,369	-	4,163,136	894,024	8,572,383
Excess (deficiency) of revenues over (under) expenditures	1,419,696	11,671	-	19,805	-	(34,783)	1,687,439	(40,178)	700	120,263	(284,658)	26,876,816
Other financing sources (uses):												
Proceeds from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Premium from refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	601,284	-	-	-	284,658	-
Transfers out to other funds	-	-	-	-	-	-	(3,367,710)	-	-	-	-	(26,803,135)
Total other financing sources (uses), net	-	-	-	-	-	-	(2,766,426)	-	-	-	284,658	(26,803,135)
Net change in fund balances (deficit)	1,419,696	11,671	-	19,805	-	(34,783)	(1,078,987)	(40,178)	700	120,263	-	73,681
Fund balances (deficit) at beginning of year	3,770,031	106,743	8,750	-	21,480	94,708	11,066,473	864,649	1,358	-	-	(213,953)
Fund balances (deficit) at end of year	\$ 5,189,727	\$ 118,414	\$ 8,750	\$ 19,805	\$ 21,480	\$ 59,925	\$ 9,987,486	\$ 824,471	\$ 2,058	\$ 120,263	\$ -	\$ (140,272)

(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, 2021

AS/400 Fund Number	208	206	257 Truck Enforcement Screening Station Facility	636 Under- ground Storage Tank Management	297 University of Guam Capital Improve- ments	637 Victim/ Witness Travel- Housing	283 Water Protection	300 Water Research and Development	203 Wildlife Conservation	310 Workman's Compensation	276 Youth Tobacco Education and Prevention	Total
	Territorial Highway	Tourist Attraction										
Revenues:												
Taxes:												
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	35,612,339
Hotel	-	12,372,113	-	-	-	-	-	-	-	-	-	12,372,113
Liquid fuel	10,100,087	-	-	-	-	-	-	-	-	-	-	10,100,087
Tobacco	-	-	-	-	-	-	-	-	-	-	-	34,977,877
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	3,519,174
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	1,395,161
Intergovernmental	355,184	-	-	-	-	-	-	-	-	-	-	9,320,109
Licenses and permits	10,117,398	-	23,890	81,691	-	8,960	72,786	75,835	12,897	-	4,050	46,292,943
Charges for services	-	-	-	-	-	-	-	-	-	-	-	19,664,292
Interest and investment earnings	657	111	-	70	-	-	-	-	-	-	1	483,048
Contributions from component units	-	-	-	-	-	-	-	-	-	90,137	-	90,137
Other	3	-	-	-	-	-	-	-	-	122	-	1,644,780
Total revenues	20,573,329	12,372,224	23,890	81,761	-	8,960	72,786	75,835	12,897	90,259	4,051	175,472,060
Expenditures by Function:												
Current:												
General government	5,817,368	217,907	-	-	-	-	-	-	-	-	-	26,451,808
Protection of life and property	1,256,586	1,944,516	-	-	-	10,912	-	-	-	-	-	14,028,762
Public health	-	-	-	-	-	-	-	-	-	-	-	39,562,567
Community services	-	34,870	-	-	-	-	-	-	-	-	-	3,518,710
Recreation	-	1,051,604	-	-	-	-	-	-	-	-	-	1,214,915
Individual and collective rights	8,208,527	930,899	-	-	-	-	-	-	-	488,994	-	11,223,622
Transportation	4,370,024	-	11,995	-	-	-	-	-	-	-	-	4,682,567
Public education	-	-	-	-	-	-	-	-	-	-	-	19,298,996
Environmental protection	-	14,941	-	79,799	-	-	66,806	57,496	-	-	-	18,578,818
Economic development	-	213,961	-	-	-	-	-	-	4,404	-	-	1,100,609
Payments to:												
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	2,743,371
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-	1,946,336
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	408,000
Guam Visitors Bureau	-	5,324,249	-	-	-	-	-	-	-	-	-	5,324,249
University of Guam	-	150,000	-	-	442,444	-	-	-	-	-	-	2,092,444
Miscellaneous appropriations	822,171	137,969	-	-	-	-	-	-	-	-	-	960,140
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	180,515
Interest and fiscal charges	-	1,338,117	-	-	-	-	-	-	-	-	-	1,522,902
Total expenditures	20,474,676	11,359,033	11,995	79,799	442,444	10,912	66,806	57,496	4,404	488,994	-	154,839,331
Excess (deficiency) of revenues over (under) expenditures	98,653	1,013,191	11,895	1,962	(442,444)	(1,952)	5,980	18,339	8,493	(398,735)	4,051	20,632,729
Other financing sources (uses):												
Proceeds from refunded bonds issued	-	58,865,000	-	-	-	-	-	-	-	-	-	58,865,000
Premium from refunded bonds issued	-	12,790,466	-	-	-	-	-	-	-	-	-	12,790,466
Payment to refunding bond escrow agent	-	(70,317,349)	-	-	-	-	-	-	-	-	-	(70,317,349)
Transfers in from other funds	-	1,190,267	-	-	442,444	-	-	-	-	399,775	-	20,829,236
Transfers out to other funds	(1,297,969)	(3,535,560)	-	-	-	-	-	-	-	-	(405)	(48,423,481)
Total other financing sources (uses), net	(1,297,969)	(1,007,176)	-	-	442,444	-	-	-	-	399,775	(405)	(26,256,128)
Net change in fund balances (deficit)	(1,199,316)	6,015	11,895	1,962	-	(1,952)	5,980	18,339	8,493	1,040	3,646	(5,623,399)
Fund balances (deficit) at beginning of year	1,236,528	(6,015)	411,720	163,377	-	19,345	194,746	101,142	82,828	441,358	7,378	88,836,913
Fund balances (deficit) at end of year	\$ 37,212	\$ -	\$ 423,615	\$ 165,339	\$ -	\$ 17,393	\$ 200,726	\$ 119,481	\$ 91,321	\$ 442,398	\$ 11,024	\$ 83,213,514

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Project Funds
September 30, 2021

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, 2021, 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 Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2021

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	258 Layon Landfill Cell 3	Judicial Building	Total
ASSETS:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,043,648	\$ 4,043,648
Due from other funds	175,899	-	-	-	-	175,899
Deposits and other assets	-	-	-	-	4,360	4,360
Restricted assets:						
Cash and cash equivalents	-	8,639,085	-	3,755,128	-	12,394,213
Investments	-	-	-	-	902,104	902,104
Total assets	\$ 175,899	\$ 8,639,085	\$ -	\$ 3,755,128	\$ 4,950,112	\$ 17,520,224
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 571,341	\$ -	\$ 2,637,381	\$ 7,315	\$ 3,216,037
Due to other funds	-	76,988	8,531	6,597	3,892,038	3,984,154
Total liabilities	-	648,329	8,531	2,643,978	3,899,353	7,200,191
Fund balances:						
Restricted	-	7,990,756	-	1,111,150	1,050,759	10,152,665
Unassigned	175,899	-	(8,531)	-	-	167,368
Total liabilities and fund balances	\$ 175,899	\$ 8,639,085	\$ -	\$ 3,755,128	\$ 4,950,112	\$ 17,520,224

See Accompanying Independent Auditor's 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, 2021

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	258 Layon Landfill Cell 3	Judicial Building	Total
Revenues:						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 712,812	\$ 712,812
Fines and forfeits	-	-	-	-	617,964	617,964
Interest and investment earnings	-	(313)	22	1,119	-	828
Total revenues	<u>-</u>	<u>(313)</u>	<u>22</u>	<u>1,119</u>	<u>1,330,776</u>	<u>1,331,604</u>
Expenditures by function:						
Current:						
Individual and collective rights	-	-	-	-	438,488	438,488
Capital projects	-	42,000	-	11,021,523	-	11,063,523
Debt service:						
Interest and fiscal charges	-	-	-	-	243,636	243,636
Total expenditures	<u>-</u>	<u>42,000</u>	<u>-</u>	<u>11,021,523</u>	<u>682,124</u>	<u>11,745,647</u>
Net change in fund balances	-	(42,313)	22	(11,020,404)	648,652	(10,414,043)
Fund balances at beginning of year	<u>175,899</u>	<u>8,033,069</u>	<u>(8,553)</u>	<u>12,131,554</u>	<u>402,107</u>	<u>20,734,076</u>
Fund balances at end of year	<u>\$ 175,899</u>	<u>\$ 7,990,756</u>	<u>\$ (8,531)</u>	<u>\$ 1,111,150</u>	<u>\$ 1,050,759</u>	<u>\$ 10,320,033</u>

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Debt Service Funds
September 30, 2021

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, 2021, 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 Auditor's Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Pension Trusts
September 30, 2021

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, 2021, follows:

Defined Benefit 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 Contribution 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.

Deferred Section 457 Compensation Plan - a nonqualified deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code whose participation is voluntary for GovGuam employees who are members of the Defined Benefit Plan and the Defined Contribution Plan and mandatory for GovGuam employees who are members of the DB 1.75 Plan.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Pension (and Other Employee Benefit) Trusts
September 30, 2021

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,400,362	\$ 3,930,671	\$ 299,872	\$ 8,630,905
Investments at fair value:				
Common stocks	1,569,712,500	-	-	1,569,712,500
U.S. Government securities	290,366,005	-	-	290,366,005
Corporate bonds and notes	311,990,454	-	-	311,990,454
Money market funds	41,646,341	-	-	41,646,341
Mutual funds	45,212,862	487,910,003	135,856,755	668,979,620
Total investments	<u>2,258,928,162</u>	<u>487,910,003</u>	<u>135,856,755</u>	<u>2,882,694,920</u>
Accounts receivable:				
Employer contributions, net	4,634,911	675,038	-	5,309,949
Member contributions	848,107	673,556	218,194	1,739,857
Interest and penalties on contributions	341,264	-	-	341,264
Accrued investment income	5,533,557	-	-	5,533,557
Due from brokers for unsettled trades	5,669,029	-	-	5,669,029
Service credits	1,433,490	-	-	1,433,490
Supplemental/Insurance benefits advanced	1,996,097	-	-	1,996,097
Other	741,054	148,699	3,848,601	4,738,354
Due from DC plan	263,322	-	-	263,322
Total receivables	<u>21,460,831</u>	<u>1,497,293</u>	<u>4,066,795</u>	<u>27,024,919</u>
Capital assets	536,969	14,050	-	551,019
Total assets	<u>2,285,326,324</u>	<u>493,352,017</u>	<u>140,223,422</u>	<u>2,918,901,763</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred supplemental COLA payments	1,698,785	-	-	1,698,785
Deferred outflows of resources from pension	947,544	226,183	-	1,173,727
Deferred outflows of resources from OPEB	3,002,642	-	-	3,002,642
Total deferred outflows of resources	<u>5,648,971</u>	<u>226,183</u>	<u>-</u>	<u>5,875,154</u>
<u>LIABILITIES</u>				
Unearned revenue	1,525,025	-	-	1,525,025
Accounts payable and accrued expenses	3,664,175	597,496	-	4,261,671
Due to DB plan	-	263,322	-	263,322
Due to brokers for unsettled trades	17,914,127	-	-	17,914,127
Net pension liability	5,918,488	233,759	-	6,152,247
OPEB liability	10,883,182	-	-	10,883,182
Total liabilities	<u>39,904,997</u>	<u>1,094,577</u>	<u>-</u>	<u>40,999,574</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows of resources from pensions	214,625	194,689	-	409,314
Deferred inflows of resources from OPEB	4,045,167	-	-	4,045,167
Total deferred inflows of resources	<u>4,259,792</u>	<u>194,689</u>	<u>-</u>	<u>4,454,481</u>
<u>NET POSITION</u>				
Restricted for:				
Employees' pension benefits	\$ <u>2,246,810,506</u>	\$ <u>492,288,934</u>	\$ <u>140,223,422</u>	\$ <u>2,879,322,862</u>

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension (and Other Employee Benefit) Trusts
Year Ended September 30, 2021

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
Additions:				
Contributions:				
Employer	\$ 120,017,766	\$ 18,143,351	\$ -	\$ 138,161,117
Member	24,649,425	18,054,281	12,716,153	55,419,859
Total contributions	<u>144,667,191</u>	<u>36,197,632</u>	<u>12,716,153</u>	<u>193,580,976</u>
Net investment income:				
Net increase in fair value of investments	340,457,123	73,609,791	10,623,390	424,690,304
Interest	22,428,148	13,702,374	6,833,826	42,964,348
Dividends	13,838,784	-	-	13,838,784
Other	288,248	493,043	-	781,291
Total investment income	<u>377,012,303</u>	<u>87,805,208</u>	<u>17,457,216</u>	<u>482,274,727</u>
Less: investment expenses	<u>5,441,584</u>	<u>139,594</u>	<u>507,993</u>	<u>6,089,171</u>
Net investment income	<u>371,570,719</u>	<u>87,665,614</u>	<u>16,949,223</u>	<u>476,185,556</u>
Total additions	<u>516,237,910</u>	<u>123,863,246</u>	<u>29,665,376</u>	<u>669,766,532</u>
Deductions:				
Benefits	241,590,111	-	6,934,510	248,524,621
Refunds	1,940,106	28,972,455	-	30,912,561
Interest on refunded contributions	630,421	-	-	630,421
Administrative and general expenses	3,430,084	2,235,920	-	5,666,004
Total deductions	<u>247,590,722</u>	<u>31,208,375</u>	<u>6,934,510</u>	<u>285,733,607</u>
Change in net position held in trust for employees' pension benefits	<u>268,647,188</u>	<u>92,654,871</u>	<u>22,730,866</u>	<u>384,032,925</u>
Net position at beginning of year, as previously reported	1,978,163,318	399,634,063	-	2,377,797,381
Implementation of GASB Statement No. 84	-	-	117,492,556	117,492,556
Net position at beginning of year, as restated	<u>1,978,163,318</u>	<u>399,634,063</u>	<u>117,492,556</u>	<u>2,495,289,937</u>
Net position at end of year	<u>\$ 2,246,810,506</u>	<u>\$ 492,288,934</u>	<u>\$ 140,223,422</u>	<u>\$ 2,879,322,862</u>

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
September 30, 2021

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, 2021, 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 Auditor's Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Fiduciary Net Position
September 30, 2021

	20	21	22	23	24	25	26				
	PDSC Land Claims Trust	Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total
ASSETS:											
Cash and cash equivalents	\$ 13,427	\$ 12,760,565	\$ 41,293	\$ 2,216,824	\$ 1,602,438	\$ 445,669	\$ 2,428,184	\$ -	\$ 19,508,400	\$ -	\$ 19,508,400
Time certificates of deposit	-	1,000,000	-	-	-	-	-	-	1,000,000	-	1,000,000
Receivables	-	-	-	350	-	-	-	-	350	-	350
Due from other funds	-	-	-	-	66	-	-	136,948	137,014	(137,014)	-
Total assets	13,427	13,760,565	41,293	2,217,174	1,602,504	445,669	2,428,184	136,948	20,645,764	(137,014)	20,508,750
LIABILITIES											
Due to other funds	-	3,022,753	31,742	63,754	-	278,470	256,402	-	3,653,121	(137,014)	3,516,107
Deposits and other liabilities	12,586	10,737,812	9,551	2,153,420	1,602,504	122,538	139,931	136,948	14,915,290	-	14,915,290
Total liabilities	12,586	13,760,565	41,293	2,217,174	1,602,504	401,008	396,333	136,948	18,568,411	(137,014)	18,431,397
NET POSITION											
Restricted for:											
Individuals, organizations, and other governments	\$ 841	\$ -	\$ -	\$ -	\$ -	\$ 44,661	\$ 2,031,851	\$ -	\$ 2,077,353	\$ -	\$ 2,077,353

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
 Combining Statement of Changes in Fiduciary Net Position
 Year Ended September 30, 2021

	20	21	22	23	24	25	26				
	PDSC Land Claims Trust	Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total
Additions:											
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140	\$ 1,594,943	\$ 188,224	\$ 1,783,307	\$ -	\$ 1,783,307
Transfers in from other funds	-	-	-	-	-	432,838	-	-	432,838	(432,838)	-
Total additions	-	-	-	-	-	432,978	1,594,943	188,224	2,216,145	(432,838)	1,783,307
Deductions:											
Individual and collective rights	-	-	-	-	-	432,838	1,063,697	188,224	1,684,759	-	1,684,759
Transfers out to other funds	-	-	-	-	-	-	432,838	-	432,838	(432,838)	-
Total deductions	-	-	-	-	-	432,838	1,496,535	188,224	2,117,597	(432,838)	1,684,759
Change in net position held in trust for individuals, organizations, and other governments	-	-	-	-	-	140	98,408	-	98,548	-	98,548
Net position at beginning of year	841	-	-	-	-	44,521	1,933,443	-	1,978,805	-	1,978,805
Net position at end of year	<u>\$ 841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,661</u>	<u>\$ 2,031,851</u>	<u>\$ -</u>	<u>\$ 2,077,353</u>	<u>\$ -</u>	<u>\$ 2,077,353</u>

See Accompanying Independent Auditor's Report.

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GOVERNMENT OF GUAM

Fiduciary Funds - Custodial
September 30, 2021

Custodial funds are used to report resources held by GovGuam in a purely custodial capacity.

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Component Units September 30, 2021

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, 2021, 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 Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
Combining Statement of Net Position
September 30, 2021

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
ASSETS						
Cash and cash equivalents	\$ 7,795,573	\$ 2,948,619	\$ 256,356	\$ 12,028,298	\$ 1,100,503	\$ 24,129,349
Investments	-	17,046,997	1,464,172	1,749,835	-	20,261,004
Receivables, net	22,243,698	1,448,818	7,932	48,424	260,435	24,009,307
Inventories	-	7,706	-	-	-	7,706
Prepayments	75,580	-	-	25,023	-	100,603
Deposits and other assets	-	3,500	-	133,230	-	136,730
Restricted assets:						
Cash and cash equivalents	3,743,946	5,881,410	-	173,114	-	9,798,470
Investments	1,061,443	-	-	-	-	1,061,443
Capital assets:						
Nondepreciable capital assets	2,934,227	-	10,505,308	6,047,308	18,000	19,504,843
Capital assets, net of accumulated depreciation	2,798,600	354,404	47,092	462,863	1,497,698	5,160,657
Total assets	<u>40,653,067</u>	<u>27,691,454</u>	<u>12,280,860</u>	<u>20,668,095</u>	<u>2,876,636</u>	<u>104,170,112</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	939,083	1,199,855	-	1,261,443	251,592	3,651,973
Deferred outflows from OPEB	1,844,365	3,433,363	-	2,458,459	592,799	8,328,986
Total deferred outflows of resources	<u>2,783,448</u>	<u>4,633,218</u>	<u>-</u>	<u>3,719,902</u>	<u>844,391</u>	<u>11,980,959</u>
LIABILITIES						
Accounts payable	121,651	85,761	67,575	1,806,400	37,160	2,118,547
Accrued interest payable	14,519	435,625	-	-	-	450,144
Accrued payroll and other	-	245,125	-	-	45,898	291,023
Unearned revenue	67,124	106,559	25,408	2,200	43,122	244,413
Deposits and other liabilities	617,682	170,731	8,000	-	-	796,413
Long-term liabilities:						
Due within one year	341,374	1,480,000	4,602	187,746	15,307	2,029,029
Due in more than one year	13,937,062	41,343,738	52,979	11,774,781	2,350,951	69,459,511
Total liabilities	<u>15,099,412</u>	<u>43,867,539</u>	<u>158,564</u>	<u>13,771,127</u>	<u>2,492,438</u>	<u>75,389,080</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	155,849	229,729	-	285,533	98,134	769,245
Deferred inflows from OPEB	4,426,092	2,124,336	-	2,622,361	1,762,496	10,935,285
Total deferred inflows of resources	<u>4,581,941</u>	<u>2,354,065</u>	<u>-</u>	<u>2,907,894</u>	<u>1,860,630</u>	<u>11,704,530</u>
NET POSITION						
Net investment in capital assets	5,732,827	354,404	641,699	6,510,171	1,515,698	14,754,799
Restricted:						
Retirement of indebtedness	-	-	-	-	-	-
Other purposes	3,210,936	5,881,410	9,910,701	392,705	-	19,395,752
Unrestricted (deficit)	14,811,399	(20,132,746)	1,569,896	806,100	(2,147,739)	(5,093,090)
Total net position	<u>\$ 23,755,162</u>	<u>\$ (13,896,932)</u>	<u>\$ 12,122,296</u>	<u>\$ 7,708,976</u>	<u>\$ (632,041)</u>	<u>\$ 29,057,461</u>

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
Combining Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2021

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
Expenses	\$ 2,043,352	\$ 6,664,117	\$ 747,056	\$ 8,845,776	\$ 2,047,558	\$ 20,347,859
Program revenues:						
Charges for services	2,390,822	5,321,463	-	209,420	1,493,910	9,415,615
Operating grants and contributions	-	-	26,791	436,028	1,535,190	1,998,009
Total program revenues	2,390,822	5,321,463	26,791	645,448	3,029,100	11,413,624
Net program revenues (expenses)	347,470	(1,342,654)	(720,265)	(8,200,328)	981,542	(8,934,235)
General revenues:						
Payments from GovGuam	-	-	559,523	5,324,249	491,092	6,374,864
Investment earnings	5,759	3,042,266	141,922	5,046	269	3,195,262
Other	80,297	-	-	-	-	80,297
Total general revenues	86,056	3,042,266	701,445	5,329,295	491,361	9,650,423
Change in net position	433,526	1,699,612	(18,820)	(2,871,033)	1,472,903	716,188
Net position at beginning of year, as previously reported	25,841,112	(18,452,635)	12,141,116	10,580,009	(2,104,944)	28,004,658
Implementation of GASB Statement No. 84	(2,519,476)	2,856,091	-	-	-	336,615
Net position at beginning of year, as restated	23,321,636	(15,596,544)	12,141,116	10,580,009	(2,104,944)	28,341,273
Net position at the end of the year	\$ 23,755,162	\$ (13,896,932)	\$ 12,122,296	\$ 7,708,976	\$ (632,041)	\$ 29,057,461

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Other Information
September 30, 2021

A brief discussion of other information presented for additional analysis as of September 30, 2021, follows:

Charter Schools:
Combining Balance Sheet

Schedule of Personnel Count:
Primary Government

Schedule of Continuing Appropriations:
Primary Government

See Accompanying Independent Auditor's Report.

GOVERNMENT OF GUAM

Charter Schools
Combining Balance Sheet
September 30, 2021

	iLearn Academy Charter School	SiFA Academy Charter School	Guahan Academy Charter School	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 371,591	\$ 93,433	\$ 264,568	\$ 729,592
Receivables, net:				
Other	97,077	441,816	803,547	1,342,440
Inventories	8,698	-	-	8,698
Prepayments	81,200	-	-	81,200
Deposits and other assets	-	2,097	620,547	622,644
Total assets	<u>\$ 558,566</u>	<u>\$ 537,346</u>	<u>\$ 1,688,662</u>	<u>\$ 2,784,574</u>
<u>LIABILITIES AND FUND BALANCE (DEFICIT)</u>				
Accounts payable	\$ 48,690	\$ 2,649,000	\$ 2,780,524	\$ 5,478,214
Accrued payroll and other	-	28,370	673,872	702,242
Deposits and other liabilities	-	134,500	-	134,500
Total liabilities	<u>48,690</u>	<u>2,811,870</u>	<u>3,454,396</u>	<u>6,314,956</u>
Fund balance (deficit):				
Committed	509,876	-	-	509,876
Unassigned	-	(2,274,524)	(1,765,734)	(4,040,258)
Total fund balance (deficit)	<u>509,876</u>	<u>(2,274,524)</u>	<u>(1,765,734)</u>	<u>(3,530,382)</u>
Total liabilities and fund balance (deficit)	<u>\$ 558,566</u>	<u>\$ 537,346</u>	<u>\$ 1,688,662</u>	<u>\$ 2,784,574</u>

See Accompanying Independent Auditor's Report

GOVERNMENT OF GUAM

Charter Schools
 Combining Statement of Revenues, Expenditures By Object,
 and Changes in Fund Balances (Deficit)
 Year Ended September 30, 2021

	iLearn Academy Charter School	SiFA Academy Charter School	Guahan Academy Charter School	Total
Revenues:				
Taxes:				
Charges for services	\$ 116,028	\$ 17,686	\$ 69,979	\$ 203,693
Expenditures by Object:				
Salaries and wages - regular	1,639,796	563,017	2,355,923	4,558,736
Salaries and wages - fringe benefits	-	-	288,704	288,704
Contractual services	1,842,375	2,400,000	455,348	4,697,723
Supplies	-	-	225,206	225,206
Utilities - power and water	-	-	78,030	78,030
Communications	-	-	88,065	88,065
Miscellaneous	172,409	28,608	77,204	278,221
Total expenditures	<u>3,654,580</u>	<u>2,991,625</u>	<u>3,568,480</u>	<u>10,214,685</u>
Deficiency of revenues under expenditures	<u>(3,538,552)</u>	<u>(2,973,939)</u>	<u>(3,498,501)</u>	<u>(10,010,992)</u>
Other financing sources:				
Transfers in from other funds	<u>3,813,000</u>	<u>1,900,350</u>	<u>4,551,000</u>	<u>10,264,350</u>
Net change in fund balances (deficit)	274,448	(1,073,589)	1,052,499	253,358
Fund balances (deficit) at beginning of year	<u>235,428</u>	<u>(1,200,935)</u>	<u>(2,818,233)</u>	<u>(3,783,740)</u>
Fund balances (deficit) at end of year	<u>\$ 509,876</u>	<u>\$ (2,274,524)</u>	<u>\$ (1,765,734)</u>	<u>\$ (3,530,382)</u>

See Accompanying Independent Auditor's Report

GOVERNMENT OF GUAM

Schedule of Personnel Count - Primary Government
Year Ended September 30, 2021

<u>Department</u>	<u>Number of Employees</u>	<u>Amount</u>
Ancestral Lands Commission	3	\$ 156,855
Bureau of Budget and Management Research	16	1,223,639
Bureau of Statistics and Plans	37	3,322,434
Bureau of Women's Affairs	1	92,419
Chamorro Land Trust Commission	10	762,421
Civil Service Commission	9	737,096
Commission on Decolonization	3	155,994
Customs and Quarantine	133	11,150,771
Department of Administration	127	7,634,300
Department of Agriculture	80	4,981,097
Department of Chamorro Affairs	17	908,048
Department of Corrections	314	20,538,832
Department of Education	3,443	155,159,429
Department of Integrated Services for Individuals with Disabilities	18	1,208,110
Department of Labor	239	10,508,313
Department of Land Management	34	2,481,744
Department of Military Affairs	56	3,009,879
Department of Parks and Recreation	42	2,363,685
Department of Public Health and Social Services	564	34,330,829
Department of Public Works	261	16,762,282
Department of Revenue and Taxation	179	10,454,275
Department of Youth Affairs	78	5,678,870
Guam Behavioral Health and Wellness Center	299	18,375,491
Guam Commission for Educator Certification	3	216,018
Guam Contractors License Board	9	513,795
Guam Council on the Arts and Humanities Agency	6	429,886
Guam Educational and Telecommunications Corporation - KGTF	8	433,070
Guam Election Commission	13	1,113,946
Guam Energy Office	6	421,532
Guam Environmental Protection Agency	50	3,474,245
Guam Ethics Commission	2	109,392
Guam Fire Department	430	35,862,787
Guam Legislature	114	3,387,649
Guam PEALS Board	3	202,328
Guam Police Department	378	33,353,355
Guam Public Library System	17	824,844
Guam Regional Transit Authority	63	3,085,523
Guam Solid Waste Authority	36	2,366,692
Hagatna Restoration and Redevelopment	67	567,362
Mayors' Council of Guam	261	10,840,201
Medical Examiner	4	115,288
Office of I Maga'Hagan Guahan	70	9,585,612
Office of I Segundu Na Maga'Lahen Guahan	12	723,533
Office of Public Accountability	14	982,739
Office of Technology	13	1,314,636
Office of the Attorney General	202	14,396,102
Public Defender	64	3,729,006
Unified Courts of Guam	414	19,815,155
Veteran's Affairs Office	8	576,779
	<u>8,230</u>	<u>\$ 460,438,288</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 296,074,729
Federal Grants Assistance Fund	55,442,911
COVID-19 Fund	6,699,220
GDOE Federal Grants Fund	28,142,670
Other Governmental Funds	74,078,758
	<u>\$ 460,438,288</u>

See Accompanying Independent Auditor's Report

GOVERNMENT OF GUAM

Schedule of Continuing Appropriations - Primary Government
Year Ended September 30, 2021

<u>Department</u>	<u>Amount</u>
Bureau of Statistics and Plans	\$ 4,230,863
Customs and Quarantine	11,090
Department of Administration	1,879,461
Department of Agriculture	4,969,946
Department of Chamorro Affairs	693,149
Department of Corrections	2,526,437
Department of Integrated Services for Individuals with Disabilities	1,133,838
Department of Labor	139,033,410
Department of Land Management	308,110
Department of Military Affairs	12,947,085
Department of Parks and Recreation	865,165
Department of Public Works	7,752,934
Department of Public Health and Social Services	56,261,882
Department of Revenue and Taxation	1,162,985
Department of Youth Affairs	1,404,249
Guam Behavioral Health and Wellness Center	4,572,201
Guam Council of Arts and Humanities Agency	605,453
Guam Educational and Telecommunications Corporation - KGTF	145,495
Guam Election Commission	71,810
Guam Environmental Protection Agency	568,649
Guam Fire Department	897,633
Guam Police Department	3,073,204
Guam Public Library System	389,972
Mayors' Council of Guam	3,847,899
Office of I Maga'Hagan Guahan	53,739,048
Office of Technology	416,015
Office of the Attorney General	3,685,593
Guam Ancestral Land Commission	13,607
Office of I Segundu Na Maga'Lahen Guahan	1,219,951
	<u>\$ 308,427,134</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 15,582,742
Other Governmental Funds	292,844,392
	<u>\$ 308,427,134</u>

See Accompanying Independent Auditor's Report