



Guam Economic Development and Commerce Authority FY 2003 Financial Highlights

January 28, 2005

The Guam Economic Development and Commerce Authority (GEDCA) ended fiscal year 2003 with net income of \$1 million compared to a loss of \$76,000 in FY 2002. The increase in net income was mainly due to the one-time sale of the Big 8 Dock, which garnered \$1.4 million. Had it not been for this sale, GEDCA would have had a loss of \$386,000.

Deloitte & Touche issued a qualified opinion on GEDCA's travel expenses of \$71,523. There was a similar qualification in FY 2002 of \$140,985 for travel expenditures due to supporting documents being destroyed during Supertyphoon Pongsona.

Overall revenues increased by \$223,000, going from \$2.15 million in 2002 to \$2.28 million in 2003 with rental income increasing \$77,000, while bond service fees increased \$56,000. Although revenues increased, this was offset by an increase in operating expenses. Operating expenses increased by \$186,000 from \$2.69 million to \$2.87 million. Miscellaneous expenses increased by \$40,000 going from \$87,000 in FY 2002 to \$128,000 in FY 2003. Of that amount, \$8,000 was spent on the Annual Christmas Board of Directors Meeting. Additionally, GEDCA paid \$950 in Directors Fees for the first quarter of FY 2003 and \$5,100 during FY 2002. These payments ceased in the second quarter of FY 2003 due to a moratorium being placed on compensation for boards and commissions.

Although the full effect of Supertyphoon Pongsona is still being determined, FEMA estimated GEDCA's total typhoon repairs and replacements costs to be \$1.08 million. Of these costs, FEMA is expected to reimburse \$655,000, the landlord is to reimburse \$130,000, and GEDCA will absorb the remaining amount of \$298,000.

GEDCA now accounts for revenues received from the Tobacco Settlement Agreement (TSA). FY 2002 figures were restated to reflect the tobacco funds, which amounted to \$1.65 million, compared to \$1.63 million in FY 2003.

GEDCA did not realize any questioned costs or findings for federal expenditures in fiscal year 2003 therefore GEDCA qualified as a low-risk auditee, making them one of only a few government of Guam entities to obtain this status. For a more detailed commentary of GEDCA's operations, refer to the Management Discussion and Analysis in the audit report.

