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April 13, 2009

The Board of Directors
Guam Economic Development Authority:

We have performed an audit of the financial statements of Guam Economic Development Authority and subsidiary (GEDA), as of and for the year ended September 30, 2008, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated April 13, 2009.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of GEDA is responsible.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

Our responsibility under auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described in our engagement letter dated November 18, 2008. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of GEDA's financial statements and the accompanying supplementary information, and to disclaim an opinion on the required supplementary information for the year ended September 30, 2008 in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects;

- To express an opinion on whether the supplementary information that accompanies the basic financial statements is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole;

- To report on GEDA's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2008 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*; and

- To report on GEDA's compliance with requirements applicable to each major federal program and on internal control over compliance in accordance with the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* (OMB Circular A-133).

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the GEDA are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Board of Directors of their responsibilities.

We considered GEDA's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GEDA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GEDA's internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

We also considered GEDA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Our audit does not, however, provide a legal determination of GEDA's compliance with those requirements.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. We are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

AUDIT ADJUSTMENTS AND UNCORRECTED MISSTATEMENTS

As the result of our audit work, we identified matters that resulted in audit adjustments that we believe either individually or in the aggregate with others have had a significant effect on GEDA's financial reporting process. Such adjustments, listed in Appendix B, have been recorded in the accounting records and are reflected in the 2008 financial statements.

In addition, we have attached to this letter, as Appendix C, a summary of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

SIGNIFICANT ACCOUNTING POLICIES

GEDA's significant accounting policies are set forth in Note 1 to GEDA's 2008 financial statements. During the year ended September 30, 2008, there were no significant changes in previously adopted accounting policies or their application. New accounting policies adopted during the year ended September 30, 2008 are also set forth in Note 1 to GEDA's 2008 financial statements.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

Critical accounting policies are those that are both most important to the portrayal of GEDA's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

We had no oral discussions with management regarding critical accounting policies and practices related to the year ended September 30, 2008.

ALTERNATIVE ACCOUNTING TREATMENTS

We had no discussions with management regarding alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, related to the year ended September 30, 2008.

DISAGREEMENTS WITH MANAGEMENT

We have not had any disagreements with management related to matters that are material to GEDA's 2008 financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

We are not aware of any consultations that management may have had with other accountants about auditing and accounting matters during 2008.

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO OUR INTITIAL ENGAGEMENT OR RETENTION

Throughout the year, routine discussions regarding the application of accounting principles or auditing standards were held with management in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions were not held in connection with our retention as auditors.

SIGNIFICANT DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

In our judgment, we received the full cooperation of GEDA's management and staff and had unrestricted access to GEDA's senior management in the performance of our audit.

MANAGEMENT'S REPRESENTATIONS

We have made specific inquiries of GEDA's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations GEDA is required to provide to its independent auditors under generally accepted auditing standards. We have attached to this letter, as Appendix A, a copy of the representation letter we obtained from management.

This report is intended solely for the information and use of the Board of Directors, the management of Guam Economic Development Authority, and the Office of the Public Auditor of Guam and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Deloitte + Touche LLP

GEDA
GUAM ECONOMIC DEVELOPMENT AUTHORITY
Aturidåd Inadilånton Ikunumihan Guahan

I Maga' Lahen Guahan
Governor of Guam
Felix P. Camacho

I Segundo Na Maga' Lahen Guahan
Lt. Governor of Guam
Michael W. Cruz M.D.

Adminastradot
Administrator
Anthony C. Blaz

April 13, 2009

Deloitte & Touche LLP
361 South Marine Drive
Tamuning, Guam 96913

We are providing this letter in connection with your audits of the consolidated statements of net assets (deficiency) of the Guam Economic Development Authority (the Authority) and its subsidiary (a component unit of the Government of Guam), which also include the accounts of the Tobacco Settlement Authority (TSA), and of the statements of fiduciary net assets of the Guam Development Fund Act, Agricultural Development Fund, the Microenterprise Development Program, the Guam Territorial Aquarium Foundation, the Music and Legends of Guam Fund, , the U.S. Base Realignment and Closure Committee and the Housing and Urban Development Fund (the Funds), as of September 30, 2008 and 2007, and the related consolidated statements of operations and net assets (deficit) and cash flows, and the related Fund statements of revenues, expenditures and changes in fund balances (deficits), for the years then ended, for the purpose of expressing an opinion as to whether the consolidated financial statements and the Fund financial statements present fairly, in all material respects, the financial positions, and results of operations and/or changes in net assets and fund balances and/or cash flows of the Authority and of the Funds in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the following:

a. The fair presentation in the consolidated financial statements and in the various Fund financial statements of the financial positions, results of operations and changes in the net assets and fund balances of the various funds and cash flows in conformity with accounting principles generally accepted in the United States of America.

b. The fair presentation of the required supplementary information, including Management's Discussion and Analysis, accompanying the basic consolidated financial statements and the various Fund financial statements that are presented for the purpose of additional analysis for the basic consolidated financial statements and the various Funds financial statements.

c. Compliance with local and federal laws, rules and regulations, including compliance with the requirements of OMB Circular A-133, and provisions of grants and contracts relating to the Authority's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of: providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations.

d. Establishing and maintaining effective internal control over financial reporting.

e. The design and implementation of programs and controls to prevent and detect fraud.

f. The review and approval of the financial statements and related notes, including review of the Stand-alone Business-Type Activities Checklist by the Government Finance Officers Association and we acknowledge your role in the preparation of this information. Specifically, we agreed with the adjusting entries included in Appendix B.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The consolidated and the Fund financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. In addition:

   a. The financial statements properly classify all funds and activities.

   b. All funds that meet the quantitative criteria in Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

   c. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.

   d. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.

   e. Required supplementary information is measured and presented within prescribed guidelines.

2. The Authority has made available to you all:

   a. Financial records and related data for all financial transactions of the Authority and for all Funds administered by the Corporation.

   b. Minutes of meetings of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

   c. Information related to federal claims for advances and reimbursements. Federal claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

3. There has been no:

   a. Action taken by the Authority's management that contravenes the provisions of federal laws and Guam laws and regulations, or of contracts and grants applicable to the Authority and for all funds administered by the Authority.

   b. Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements.

Deloitte & Touche LLP
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4. We believe the effects of any uncorrected financial statement misstatements aggregated by you during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of such uncorrected misstatements has been attached as Appendix A.

5. We have no knowledge of any fraud or suspected fraud affecting the Authority involving (a) management, (b) employees who have significant roles in internal control over financial reporting, or (c) others if the fraud could have a material effect on the financial statements.

6. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, analysts, regulators, or others.

7. There are no unasserted claims or assessments, other than those referred to in Note 7 to the consolidated financial statements and Note 5 to the various Fund financial statements that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board ("FASB") Statement No. 5, *Accounting for Contingencies*..

9. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of OMB Circular A-133, and provisions of grants and contracts relating to the Authority's operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. The Authority is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.

10. We have:

    a. Identified the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each federal program. The types of requirements identified include: activities allowed or disallowed; allowable costs/cost principles; cash management; equipment and real property management; matching, level of effort, or earmarking; procurement; reporting; and special tests and provisions.

    b. Complied, in all material respects, with the requirements identified above in connection with federal awards.

    c. Made available all information related to federal financial reports and claims for advances and reimbursements. Federal financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared and are prepared on a basis consistent with that presented in the Schedule of Expenditures of Federal Awards.

    d. Identified and disclosed all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.

11. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.

12. The Authority has not performed a formal risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud. However, management has made available to you their understanding about the risks of fraud in the Company and do not believe that the

financial statements are materially misstated as a result of fraud.

Except where otherwise stated below, matters less than $10,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

13. Except as listed in Appendix A, there are no transactions that have not been properly recorded in the accounting records underlying the financial statements.

14. The Authority has no plans or intentions that may affect the carrying value or classification of assets and liabilities.

15. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:

    a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral).

    b. Guarantees, whether written or oral, under which the Authority is contingently liable.

    c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.

    d. All impaired loans receivable.

    e. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

16. In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:

    a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.

    b. The effect of the change would be material to the financial statements.

17. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:

    a. The concentration exists at the date of the financial statements.

    b. The concentration makes the enterprise vulnerable to the risk of a near-term severe impact.

    c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.

18. There are no:

    a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5, *Accounting for Contingencies*, except as disclosed and/or recorded in the financial statements.

20. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.

21. The Authority has complied with all aspects of contractual agreements that would have an effect on the financial statements in the event of noncompliance, including all requirements associated with the 2007 Series bonds.

22. No events have occurred subsequent to September 30, 2008 to the dates of our signatures below that require consideration as adjustments to or disclosures in the financial statements.

23. There are no control deficiencies in the design or operation of internal control over financial reporting that could adversely affect the Authority's ability to initiate, record, process, and report financial information.

24. We have disclosed to you any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

25. No Authority or agency of the Federal Government or Government of Guam has reported a material instance of noncompliance to us.

26. With regard to the fair value measurements and disclosures of certain assets, we believe that:

    a. The measurement methods, including the related assumptions, used in determining fair value were appropriate and were consistently applied.

    b. The completeness and adequacy of the disclosures related to fair values are in conformity with accounting principles generally accepted in the United States of America.

    c. No events have occurred subsequent to September 30, 2008 that require adjustment to the fair value measurements and disclosures included in the financial statements.

27. During fiscal year 2008, the Authority implemented the following pronouncements:

    - GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of other post-employment benefits expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

      The Government of Guam has determined that implementation of GASB Statement No 45 does not have a material effect on its financial statements or on the financial statements of its component units.

    - GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*, which establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing, and includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components.

- GASB Statement No. 50, *Pension Disclosures an amendment of GASB Statements No. 25 and 27,* which more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits.

The implementation of these pronouncements did not have a material effect on the Authority's or the various trust funds' financial statements.

In December 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement No. 49 provides guidance and consistency under which a governmental entity would be required to report a liability related to pollution remediation. The provisions of this statement are effective for periods beginning after December 15, 2007. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Authority.

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

In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The provisions of this statement are effective for periods beginning after June 15, 2008. Management does not believe that the implementation of this statement will have a material effect on the financial statements of the Authority.

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

28. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.

29. The Authority is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, interfund receivables, and accounts receivable, as well as estimates used to determine such amounts. Management believes the allowances are adequate to absorb currently estimated bad debts in the account balances.

30. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value. All inventories are the property of the Authority and do not include any items consigned to it, any items billed to customers, or any items for which the liability has not been recorded. All inventories are not held for resale, but are given away as promotional items.

Deloitte & Touche LLP
April 13, 2009

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31. We believe that all expenditures that have been deferred to future periods are recoverable.

32. We have no intention of terminating our participation in the Government of Guam Retirement plans or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of our pension plans to which we contribute. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.

33. We represent to you that, subsequent to September 30, 2008, there were no changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to reportable conditions (including material weaknesses).

34. The Authority has obligated, expended, received, and used public funds of the Authority in accordance with the purpose for which such funds have been appropriated or otherwise authorized by Guam or federal law. Such obligation, expenditure, receipt, or use of public funds was in accordance with any limitations, conditions, or mandatory directions imposed by Guam or federal law.

35. Money or similar assets handled by the Authority on behalf of the Government of Guam or Federal Government have been properly and legally administered and the accounting and recordkeeping related thereto is proper, accurate, and in accordance with law.

36. The Authority has complied, in all material respects, with the requirements identified in item 11 (a) above in connection with federal awards.

37. The Authority is responsible for complying, and has complied, with OMB Circular A-133.

38. No evidence of fraud or dishonesty in fiscal operations of programs administered by the Authority has been discovered.

39. On October 21, 2004, GEDA entered into a pledge and security agreement with a financial institution to essentially guarantee the repayment of a loan to Guam Motion Pictures Company (GMPC) to a maximum amount of $800,000. GMPC was incorporated in Guam for the sole purpose of producing a motion picture entitled *Max Havoc: Curse of the Dragon*. The loan called for interest-only payments through June 2006, at which time the principal became due. Repayment of the loan was contingent upon the successful distribution of the final production. Additionally, GEDA obtained a UCC-1 security agreement over GMPC's assets, as well as a continuing guaranty from GMPC's president. In accordance with the agreement, $800,000 was transferred from the GDFA loan fund investment account to an interest-bearing money market account with the financial institution as collateral. GEDA provided for the likely loss of the cash collateral in the full amount as of September 30, 2005. During the year ended September 30, 2006, GMPC defaulted on the loan and the cash collateral was called upon for debt repayment. GEDA is currently in litigation with GMPC and the guarantor; however, the ultimate recovery, if any, is not determinable.

40. Management believes that the deferred charges of $903,350 as September 30, 2008 can be recovered through fees from ongoing or pending bonds that should be issued during the years ended September 30, 2009 and 2010.

Deloitte & Touche LLP
April 13, 2009

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Ricardo C. Duenas Chairperson of the Board	4/2[illegible]/2009 Date
Anthony Blaz Administrator	4-20-2009 Date
Christina Garcia Deputy Administrator	4/17/2009 Date

#	Name	Debit	Credit
GEDA			
APPENDIX B			
SEPTEMBER 30, 2008			
ENTITY: GEDA			
#	**Name**	**Debit**	**Credit**
	1 AJE To adjust receivable balances - 5310 (Posted)		
1400	Other Receivable	112,147.00	-
1401	DUE TO FROM GOVGUAM AGENCIES	89,231.00	-
5140	Interest - Investments	5,308.00	-
1457	Deferred Charge	-	206,686.00
		206,686.00	206,686.00
	To correct balances of acct #1400 and 1401 due to over-allocation of bond closing fees. (also to reverse $5,308 accrued investment interest at 9/30/07) and to record GPA FY 08 fee under the MOU.		
	2 AJE To adjust allowance for doubtful accounts - 5310 (Posted)		
1205	Allow For Uncollect - Leases	20,038.00	-
8007	PROVISION FOR BAD DEBTS	-	20,038.00
		20,038.00	20,038.00
	To decrease allwoance for uncollectible receivables based on updated analysis.		
	3 AJE To adjust grant receivable - 5342 (Posted)		
7709	Advertising & Promotions	430.00	-
7801	Travel - Off Island	8,915.00	-
1402	Receivable - Grants	-	32,497.00
0012	Audit - Receivable from DOA	23,152.00	-
		32,497.00	32,497.00
	To adjust incorrect posting of transactions in grant receivable. Balance should be zero at 9/30/08.		
	4 AJE To adjust DCSL balance - 6252 (Posted)		
2220	RESERVE FOR OTHER LEAVE	-	13,924.00
7127	Employee Benefit-DC Sick Leave	13,924.00	-
		13,924.00	13,924.00
	To ajdust DCSL balance as of 9/30/08.		
	5 AJE To adjust BAS AP balance (update 9/30 inv) - 6141 (Posted)		
2011	Accounts Payable	-	23,071.00
1457	Deferred Charge	23,071.00	-
		23,071.00	23,071.00
	To adjust BAS payable blaance to the 9/30/08 statement/invoice.		
	6 AJE To adjust unfundd retirement liablity - 6261 (Posted)		
2190	UNFUNDED RETIRE. CONTRIBUTION	-	54,259.00
7121	Employee Benefit - Retirement	54,259.00	-
		54,259.00	54,259.00
	To adjust the unfunded retirement liability as of 9/30/08.		

GEDA			
APPENDIX B			
SEPTEMBER 30, 2008			
ENTITY: GBDC			
#	**Name**	**Debit**	**Credit**
	1 AJE To writoff nonexistent assets - GEDA5610 (Posted)		
1740	AUTOMOBILES	-	34,851.00
1741	ACCUM. DEPRE. - AUTOMOBILES	34,851.00	-
		34,851.00	34,851.00
	To write off fully amortized automobiles which were disposed in the PYs (no longer in existence as of 9/30/08).		
	2 AJE GDFA write off GBDC loan - GDFA5342 (Posted)		
2400	NOTES PAYABLE	327,921.00	-
Audit	Transfer-in	-	327,921.00
		327,921.00	327,921.00
ENTITY: TSA			
#	**Name**	**Debit**	**Credit**
	1 AJE To record cash activity in series 2001 funds - 5140 (Posted)		
5100	Cash and Cash Equivalent	-	859,168.68
8110	Interest Income	-	107,101.32
8300	Interest Expense - Semi-Annual Payment	426,270.00	-
6100A	Current Portion of Series 2001 A	540,000.00	-
		966,270.00	966,270.00
	To record transactions in 2001 series funds.		
	2 AJE To record series 2001 amortization thru defeasance - 5140 (Posted)		
5500	Deferred Bond Issuance Costs	-	10,960.00
6320	Discount on Bond Issuance	-	9,528.00
6321	Discount on Bond Issuance - Capital Appreciation Bond	-	54,560.00
8304	Interest Expense - CAB Discount Accretion	54,560.00	-
8303	Interest Expense - Issuance Discount Amortization	9,528.00	-
8302	Interest Expense - Debt Issuance Costs	10,960.00	-
		75,048.00	75,048.00
	To record amortization of series 2001 bond issuance cost and discount through fedeasance.		
	3 AJE To record defeasance of 2001 bonds - 5140 (Posted)		
5500	Deferred Bond Issuance Costs	-	460,308.00
6320	Discount on Bond Issuance	-	400,165.00
6300A	Series 2001 A Bond Payable	8,775,000.00	-
6300B	Series 2001 B Bond Payable	14,990,000.00	-
6100A	Current Portion of Series 2001 A	1,275,000.00	-
6100B	Current Portion of Series 2001 B	-	-
6310A	Series 2007 A Bond Payable	-	26,807,871.00
6322	Bond defeasance cost	2,628,344.00	-
		27,668,344.00	27,668,344.00
	To record defeasance of series 2001 bonds.		

GEDA			
APPENDIX B			
SEPTEMBER 30, 2008			
	4 AJE To record series 2007 bond - 5141 (Posted)		
5100	Cash and Cash Equivalent	32,761.00	-
6320	Discount on Bond Issuance	1,796,167.00	-
6310A	Series 2007 A Bond Payable	-	6,767,129.00
6310B	Series 2007 B Bond Payable - CAB	-	3,407,077.00
9000	Transfer out to other Government of Guam agencies	8,345,278.00	-
		10,174,206.00	10,174,206.00
	To adjust 2007 series bond principal and record issuance discount and transfer out to GovGuam.		
	5 AJE To record cash activity in series 2007 funds - 5141 (Posted)		
5100	Cash and Cash Equivalent	141,911.51	-
5500	Deferred Bond Issuance Costs	826,800.68	-
8100	Tobacco Settlement Revenue - Receipts	-	2,788,040.73
8110	Interest Income	-	69,272.67
8310	Trustee fees	7,311.21	-
8300	Interest Expense - Semi-Annual Payment	850,710.00	-
8311	Professional fees	5,580.00	-
6310A	Series 2007 A Bond Payable	1,025,000.00	-
		2,857,313.40	2,857,313.40
	To record other cash activities in the 2007 series bond trust funds, including issuance costs.		
	6 AJE To record amortization of various - 6150 (Posted)		
5500	Deferred Bond Issuance Costs	-	45,882.00
6320	Discount on Bond Issuance	-	99,676.00
8303	Interest Expense - Issuance Discount Amortization	99,676.00	-
8302	Interest Expense - Debt Issuance Costs	45,882.00	-
6322	Bond defeasance cost	-	258,172.00
8305	Interest Expense - Bond Defeasance Cost Amortization	258,172.00	-
		403,730.00	403,730.00
	To amortize 2001 bond defeasance cost, 2007 bond issuance discount and costs from issuance date to 9/30/08.		
	7 AJE To adjust accrued interest - 2260{a}{b} (Posted)		
6120	Interest Payable	-	590,000.00
6120	Interest Payable	311,000.00	-
8301	Interest Expense - Accrual Adjustment	590,000.00	-
8301	Interest Expense - Accrual Adjustment	-	311,000.00
		901,000.00	901,000.00
	To reverse prior year accrued interest payable and record accrued payable on new bond.		
	8 AJE To record series 2007B - CAB discount - 6140 (Posted)		
6321	Discount on Bond Issuance - Capital Appreciation Bond	13,366,542.00	-
6310C	Series 2007 B Bond Payable - Accretion	-	13,366,542.00
		13,366,542.00	13,366,542.00
	To record 2007 series B capital appreciation bond accretion through 9/30/08 (based on Turbo Redemption schedule).		

GEDA			
APPENDIX B			
SEPTEMBER 30, 2008			
	9 AJE To amortize CAB discount - 6140 (Posted)		
6321	Discount on Bond Issuance - Capital Appreciation Bond	-	178,955.00
8306	Interest Expense - Series B CAB Accretion	178,955.00	-
		178,955.00	178,955.00
ENTITY: GDFA			
#	**Name**	**Debit**	**Credit**
	1 AJE To increase loan loss allowance - GDFA 5341 (Posted)		
1330	ALLOW FOR DOUBTFUL ACCOUNTS	-	536,271.00
1340	INTEREST SUSPENSE ON D/L	-	-
8007	PROVISION FOR BAD DEBTS	536,271.00	-
		536,271.00	536,271.00
	To increase allowance for loan losses based per audit.		
	2 AJE To reverse 9/30/07 accr invest int - GDFA 2262 (Posted)		
5140	Interest - Investments	20,591.00	-
1400	Other Receivable	-	20,591.00
		20,591.00	20,591.00
	To reverse 9/30/07 accrued interest on investments.		
	3 AJE To write off GBDC loan - GDFA 5341 (Posted)		
1300	DIRECT LOANS RECEIVABLE	-	327,921.00
1320	LEGAL FEES/COSTS ON D/L RECVBL	-	1,629.00
0009	Audit - Transfer out	329,550.00	-
		329,550.00	329,550.00
ENTITY: ADF			
#	**Name**	**Debit**	**Credit**
	1 AJE To reverse 9/30/07 accr int receivable - ADF 2262 (Posted)		
5140	Interest - Investments	1,326.00	-
1400	Other Receivable	-	1,326.00
		1,326.00	1,326.00
	To reverse 9/30/07 accrued interest on investments.		

GEDA APPENDIX C SEPTEMBER 30, 2008						TOTAL
	BALANCE SHEET					
	ASSETS	LIABILITIES	RETAINED EARNINGS b/f	OTHER EQUITY A/Cs	INCOME STATEMENT	TOTAL SHOULD EQUAL 0
	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)	
KNOWN MISSTATEMENTS						
						0
GEDA						0
						0
To accrue COLA supplemental benefit		(6,357)			6,357	0
						0
To write off long standing AP		4,822			(4,822)	0
						0
To accrue payroll exp for 9/29/08& 9/30/08		(8,000)			8,000	0
						0
To offset unearned rent and receivable	(16,438)	16,438				0
						0
To expense travel cost relating to GFOA training recorded in other receivables	(4,266)				4,266	0
						0
TSA						0
						0
To adjust investment balance (GE CP)	41,662				(41,662)	0
						0
ADF						0
						0
To correct foreclosed land to total credit bid	2,280					2,280
	(2,280)					(2,280)
						0
Total known misstatements	20,958	6,903	0	0	(27,861)	0
LIKELY MISSTATEMENTS						0
						0
						0
Total likely misstatements	0	0	0	0	0	0
TOTAL KNOWN + LIKELY	20,958	6,903	0	0	(27,861)	0