

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

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**FINANCIAL STATEMENTS AND  
ADDITIONAL INFORMATION AND  
INDEPENDENT AUDITORS' REPORT**

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**YEAR ENDED SEPTEMBER 30, 2003**

## INDEPENDENT AUDITORS' REPORT

Honorable Felix P. Camacho  
Governor of Guam:

We have audited the accompanying balance sheets of the Tourist Attraction Fund and of those funds related to the Government of Guam Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, as of September 30, 2003, and the related statements of revenues, expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of the Government of Guam's management. Our responsibility is to express an opinion on these financial statements based on our audit. The summarized comparative information has been derived from the Tourist Attraction Fund and funds related to the Government of Guam Limited Obligation Infrastructure Improvement Bonds, 1997 Series A's 2002 financial statements and in our report dated January 31, 2005, we expressed an unqualified opinion on those financial statements.

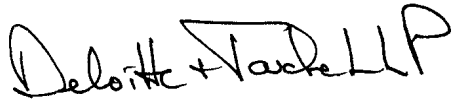
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the financial statements present only the Tourist Attraction Fund and those funds related to the Government of Guam Limited Obligation Infrastructure Improvement Bonds, 1997 Series A. They are not intended to present the financial position and results of operations of the Government of Guam in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the respective financial position of the Tourist Attraction Fund and of those funds related to the Government of Guam Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, as of September 30, 2003, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information (construction project status and additional supplementary information) on pages 9 to 12 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Government of Guam's management. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2005 on our consideration of the Tourist Attraction Fund and of those funds related to the Government of Guam Limited Obligation Infrastructure Improvement Bonds 1997 Series A's internal control over financial reporting and our tests of its compliance and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

January 31, 2005

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Balance Sheet  
September 30, 2003

	Tourist Attraction Fund	Capital Projects Fund	Debt Service Fund	Totals (Memorandum Only)	
				2003	2002
<b><u>ASSETS</u></b>					
Cash and cash equivalents, restricted	\$ -	\$ 20,513,481	\$ 13,548,433	\$ 34,061,914	\$ 52,002,718
Taxes receivable	1,281,608	-	-	1,281,608	1,439,188
Due from other funds	-	5,334,542	7,303,490	12,638,032	54,087
Total assets	<u>\$ 1,281,608</u>	<u>\$ 25,848,023</u>	<u>\$ 20,851,923</u>	<u>\$ 47,981,554</u>	<u>\$ 53,495,993</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 16,187	\$ 956,901	\$ -	\$ 973,088	341,239
Due to other funds	11,498,559	-	-	11,498,559	5,088,872
Accrued expenditures	985,000	642,550	-	1,627,550	946,573
Total liabilities	<u>12,499,746</u>	<u>1,599,451</u>	<u>-</u>	<u>14,099,197</u>	<u>6,376,684</u>
<b><u>FUND BALANCES</u></b>					
Fund balances:					
Reserved for:					
Continuing appropriations	25,106,540	5,065,724	-	30,172,264	45,066,864
Debt service	-	-	20,851,923	20,851,923	14,932,486
Encumbrances	99,786	11,313,634	-	11,413,420	19,093,323
Unreserved (deficit)	<u>(36,424,464)</u>	<u>7,869,214</u>	<u>-</u>	<u>(28,555,250)</u>	<u>(31,973,364)</u>
Total fund balances (deficit)	<u>(11,218,138)</u>	<u>24,248,572</u>	<u>20,851,923</u>	<u>33,882,357</u>	<u>47,119,309</u>
Total liabilities and fund balances	<u>\$ 1,281,608</u>	<u>\$ 25,848,023</u>	<u>\$ 20,851,923</u>	<u>\$ 47,981,554</u>	<u>\$ 53,495,993</u>

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended September 30, 2003

	Tourist Attraction Fund	Capital Projects Fund	Debt Service Fund	Totals (Memorandum Only)	
				2003	2002
<b>Revenues:</b>					
Taxes	\$ 13,116,354	\$ -	\$ -	\$ 13,116,354	\$ 15,395,306
Use of money and property	-	355,679	26,016	381,695	760,580
<b>Total revenues</b>	<b>13,116,354</b>	<b>355,679</b>	<b>26,016</b>	<b>13,498,049</b>	<b>16,155,886</b>
<b>Expenditures/expenses:</b>					
General and administrative	-	-	-	-	133,195
Capital outlay	-	9,730,741	-	9,730,741	5,434,201
Payments to Guam Visitor's Bureau	9,668,559	-	-	9,668,559	13,973,581
Interest	-	-	3,435,701	3,435,701	3,626,201
Principal	-	-	3,900,000	3,900,000	3,720,000
<b>Total expenditures</b>	<b>9,668,559</b>	<b>9,730,741</b>	<b>7,335,701</b>	<b>26,735,001</b>	<b>26,887,178</b>
Excess (deficiency) of revenues over expenditures	3,447,795	(9,375,062)	(7,309,685)	(13,236,952)	(10,731,292)
<b>Transfers:</b>					
Operating transfers in	-	-	13,229,122	13,229,122	9,144,816
Operating transfers out	(13,229,122)	-	-	(13,229,122)	(9,144,816)
(Deficiency) excess of revenues and transfers over expenditures	(9,781,327)	(9,375,062)	5,919,437	(13,236,952)	(10,731,292)
Fund balances at beginning of year	(1,436,811)	33,623,634	14,932,486	47,119,309	57,850,601
Fund balances at end of year	\$ (11,218,138)	\$ 24,248,572	\$ 20,851,923	\$ 33,882,357	\$ 47,119,309

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM**  
**TOURIST ATTRACTION FUND**

Notes to Financial Statements  
September 30, 2003

(1) Summary of Significant Accounting Policies

A. Tourist Attraction Fund

The Tourist Attraction Fund was established by Public Law 10-166 to fund various recreational projects and visitor industry activities. Public Law 19-5 provided that 25 percent of all revenues collected by the Fund be appropriated to the Infrastructure Improvement Fund. The accounts of the Fund are incorporated into the general-purpose financial statements of the Government of Guam.

Public Law 24-111 authorized the issuance and sale of the Government of Guam Limited Obligation Infrastructure Bonds, 1997 Series A, in the aggregate principal amount not to exceed \$76,275,000, for which Bank of Hawaii was appointed Trustee. Public Law 24-111 repealed Public Law 19-5 and effective on the date of sale of the bonds, all remaining unobligated sums in the Government of Guam Infrastructure Improvement Fund were transferred to the Tourist Attraction Fund.

B. Fund Accounting

The assets, liabilities and fund balance of the Government of Guam Tourist Attraction Fund and funds related to the Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, are reported in three self-balancing funds as follows:

- Special Revenue Fund - used to account for hotel occupancy taxes pledged in support of the bond issue and for various recreational projects and visitor industry activities.
- Capital Projects Fund - used to account for the construction of capital improvement projects from bond proceeds.
- Debt Service Fund - used to account for funds required by the bond indenture to redeem bond principal and to pay bond interest as such becomes due.

C. Basis of Accounting

The Funds' accounts are presented on the modified accrual basis of accounting. Expenditures and transfers are recorded when the corresponding liability has been incurred.

Revenues are recognized as they become susceptible to accrual; generally when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tourist Attraction Fund considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Hotel occupancy taxes are recorded as revenue when received in cash. The hotel occupancy tax is an excise tax assessed and collected monthly against transient occupants of a room or rooms in a hotel, lodging house, or similar facility located in Guam. From April 1, 1995 and thereafter the rate is set at eleven percent of the rental price charged or paid per occupancy per day. If the room or rooms are rented more than once within a twenty-four hour period, each time of occupancy shall be subject to the tax for such accommodations. This tax applies and is collectible when the sale is made, regardless of the time when the price is paid or delivered. It shall be paid by the consumer to the operator or owner of the hotel or rooming house facility.

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Notes to Financial Statements  
September 30, 2003

(1) Summary of Significant Accounting Policies, Continued

D. Appropriations

Section 26 of Public Law 25-98 authorized the reprogramming and re-appropriation of appropriations from completed capital improvement projects. Specifically, except for item (21), all unexpended, un-obligated and unencumbered balances of the appropriations in Subsection (i) of Section 1505, Article 5, Chapter 1 of Title 5 of the Guam Code Annotated, were reprogrammed and re-appropriated as follows: (1) 99% to the Department of Education for the repair and renovation of public school buildings and structures with priority given to the repair and reconstruction of the C.L. Taitano Elementary School and (2) 1% to the Guam Police Department for the renovation of its crime laboratory located in Tiyan.

For the fiscal year ended September 30, 2003, \$134,248 and \$0 were expended for the reconstruction of the C.L. Taitano Elementary School and the renovation of the Guam Police Department, respectively.

E. Cash and Cash Equivalents

Money market funds, purchased U.S. Government debt securities and commercial paper held by the Bond Trustee, which mature within ninety days or less total \$34,048,655 and are classified as cash and cash equivalents. All cash and cash equivalents are classified as Category 1 investments of the three credit risk categories promulgated in Governmental Accounting Standards Board (GASB) Statement No. 3 as follows:

1. Securities insured or registered in the name of the governmental entity or held by the entity or by its agent in the entity's name.
2. Securities uninsured and unregistered and held by the counterparty's trust department, or its agent in the entity's name.
3. Securities uninsured and unregistered and held by the counterparty, its trust department, or its agent, but not held in the entity's name.

F. Interfund Receivables/Payables

During the course of its operations, the Tourist Attraction Fund 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 balance sheet.

These balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made, and are scheduled to be collected in the subsequent year.

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Notes to Financial Statements  
September 30, 2003

(1) Summary of Significant Accounting Policies, Continued

F. Interfund Receivables/Payables, Continued

The interfund balances at September 30, 2003, are summarized below:

	Tourist Attraction Fund		
	Special Revenue Fund	Highway Bond Capital Projects Fund	Debt Service Fund
Due from:			
Tourist Attraction Fund	\$ -	\$ -	\$ 7,303,490
General Fund	-	<u>5,334,542</u>	-
	\$ -	\$ <u>5,334,542</u>	\$ <u>7,303,490</u>
Due to:			
Debt Service Fund	\$ 7,303,490	\$ -	\$ -
General Fund	<u>4,195,069</u>	-	-
	\$ <u>11,498,559</u>	\$ -	\$ -
Net due from (due to) other funds	\$ <u>(11,498,559)</u>	\$ <u>5,334,542</u>	\$ <u>7,303,490</u>

G. Restricted Assets

Certain assets of the governmental funds are classified as restricted assets because their use is completely restricted through bond indentures. Specifically, the Tourist Attraction Fund has cash and cash equivalents in the Capital Projects Fund and the Debt Service Fund restricted as defined by the bond indenture and further described in Note 3.

H. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Fund Balance

In the financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The unreserved fund balances for the funds represent the amount available for budgeting future operations.



**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Notes to Financial Statements  
September 30, 2003

(1) Summary of Significant Accounting Policies, Continued

K. New Accounting Standards

For fiscal year 2005, the Government of Guam will be implementing GASB Statement No. 40, Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3). The Government of Guam has not evaluated the financial statement impact of GASB Statement No. 40.

(2) Interfund Transfer Activity

Interfund transfers from the Tourist Attraction Fund to the Debt Service Fund represent the transfer of pledged revenues as required by the bond indenture. Interfund transfers from the Debt Service Fund to the Tourist Attraction Fund represent the amount necessary to reimburse the Tourist Attraction Fund for operational expenses incurred by Guam Visitors Bureau (GVB). Payments from the Tourist Attraction Fund to GVB represent expenditures for beautification projects.

(3) Bonds Payable

The Government of Guam Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, were dated December 1, 1997 and were issued in fully registered form, in denominations of \$5,000 or multiples thereof in the aggregate principal amount of \$76,275,000. The bonds mature annually on November 1, 1999 through November 1, 2012, and subsequently on November 1, 2012 and 2017 (term bonds). Interest on the bonds is payable semiannually on May 1 and November 1 of each year. The term bonds are subject to mandatory sinking fund requirements and to redemption prices (as percentages of the face value of the bonds) as follows:

November 1, 2007 to October 31, 2008	102%
November 1, 2008 to October 31, 2009	101%
November 1, 2009 and thereafter	100%

Minimum debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 4,085,000	\$ 3,230,970	\$ 7,315,970
2005	4,285,000	3,011,258	7,296,258
2006	4,505,000	2,774,889	7,279,889
2007	4,735,000	2,520,789	7,255,789
2008	4,990,000	2,253,351	7,243,351
2009-2013	20,570,000	7,619,597	28,189,597
2014-2017	<u>21,025,000</u>	<u>2,730,625</u>	<u>23,755,625</u>
	\$ <u>64,195,000</u>	\$ <u>24,141,479</u>	\$ <u>88,336,479</u>

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Notes to Financial Statements  
September 30, 2003

(3) Bonds Payable, Continued

The 1997 Series A bonds are limited obligations of the Government of Guam payable entirely from a first lien and pledge of revenues. Revenues are defined in the bond indenture as all amounts received from the imposition of hotel occupancy taxes. The Government of Guam has pledged to maintain these revenues at a level sufficient to equal the sum of 125 percent of the aggregate debt service becoming due within the next fiscal year, plus amounts required to be deposited pursuant to the tax certificate for the bonds and amounts required to meet the bond reserve fund requirement.

In accordance with the bond indenture, the depository has established a trust account known as the "Construction Fund." Amounts deposited therein are used to (1) implement infrastructure improvement projects prescribed in Public Law 23-137, adopted on January 2, 1997, (2) pay the cost of bond issuance and letter of credit fees and (3) pay the principal and interest on the bonds should other sources be insufficient.

All pledged revenues are to be deposited into a special account entitled the "Revenue Fund." In addition, all interest and other profit derived from investments, except those in the "Construction Fund," are to be transferred monthly to the "Revenue Fund." Transactions of the "Revenue Fund" account are accounted for in the Debt Service Fund. On the twentieth day of each month following the month the revenues are deposited, the depository is to deposit into the following funds (all accounted for within the Debt Service Fund) the specified amounts in the following order of priority:

- Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the then current calendar month upon all bonds then outstanding, plus (2) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal payment date, would aggregate to the amount of the principal becoming due and payable on the outstanding serial bonds on such principal payment date, plus (3) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal payment date, would aggregate to the aggregate amount of mandatory sinking fund account payments required to be paid for the outstanding term bonds on such principal payment date.
- Rebate Fund - an amount, if any, needed to be deposited therein pursuant to the rebate certificate with respect to the 1997 Series A Bonds.
- Bond Reserve Fund - an amount, if any, needed to equal the least of (1) the maximum annual debt service, (2) 10% of the proceeds received from the sale of the bonds or (3) 125% of average annual debt service on the bonds or an amount as may be specified by supplemental indentures providing for the issuance of a series of bonds. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling due by their terms, and (3) the aggregate amount of all mandatory sinking fund payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund.
- Bond Expense Fund - an amount equal to the amount of bond expenses estimated by the trustee to be due and payable during the next succeeding calendar month.

**GOVERNMENT OF GUAM**  
**TOURIST ATTRACTION FUND**

Notes to Financial Statements  
September 30, 2003

(3) Bonds Payable, Continued

During the year ended September 30, 2003, payments to the trustee totaled \$7,335,701, of which \$3,900,000 represents payment on principal and \$3,435,701 of interest.

Bonds payable at September 30, 2002	\$ 68,095,000
Principal repayment	<u>3,900,000</u>
Bonds payable at September 30, 2003	\$ <u>64,195,000</u>

At September 30, 2003, \$20,851,923 of the bonds payable is reserved for in the Debt Service Fund for debt service purposes.

At September 30, 2003, management of the Funds is of the opinion that it is in compliance with the bond covenants as outlined in the bond indenture.

(4) Encumbrances

Encumbrances are recognized for commitments for goods and services yet to be received. Encumbrances generally arise from contracts and purchase orders. The Government of Guam has also elected to encumber funds based on inter-departmental work requests.

**GOVERNMENT OF GUAM**  
**TOURIST ATTRACTION FUND**

Construction Project Status  
September 30, 2003

Project Title	Budget	Expenditures Year Ended September 30, 2003	Cumulative Expenditures	Outstanding Encumbrances	Budget Available
1985 Series A Construction Fund Projects:					
1989 Series A Construction Fund Projects (DOA)					
Public Market Project	\$ 1,663,541	\$ -	\$ 1,661,691	\$ 1,850	\$ -
Inarajan Boat Launching Ramp	171,185	-	156,328	14,857	-
Merizo Flood Control	258,463	-	256,343	2,120	-
Completion of San Vitores Road	966,901	-	794,592	172,309	-
Tumon Sewage Reversal	2,852,579	-	2,801,515	51,064	-
Route 4A from Route 4 to Talofoto Village Proper	364,638	-	315,254	49,384	-
Macheche Road Anti-Skid & Pavement Markers, Latte Heights	315,841	-	305,841	10,000	-
Sub-total	<u>6,593,148</u>	<u>-</u>	<u>6,291,564</u>	<u>301,584</u>	<u>-</u>
Typhoon Omar Homeless FEMA Projects:					
Power Lines - Dededo Subdivision (FEMA/GHC)	2,653,838	-	2,633,838	20,000	-
Power Lines - Ija, Inarajan Subdivision	540,420	-	490,420	50,000	-
Sub-total	<u>3,194,258</u>	<u>-</u>	<u>3,124,258</u>	<u>70,000</u>	<u>-</u>
1989 Series A - Construction Projects (GWA)					
CHAOT Sewer System Upgrade: Misc. No.	996,887	-	908,082	88,805	-
1997 Series A - Tumon Bay Capital Projects:					
Tumon Bay Projects (GWA):					
Gun Beach - Fafai Wastewater System	5,400,000	2,377,762	454,607	2,871,477	(303,846)
Tumon Pump Station Force Main	3,600,000	739,819	1,010,617	247,964	1,601,600
Refurbishing Northern District Sewage	1,800,000	110,480	1,054,071	58,531	576,918
Refurbishing Agana Sewage Plant	2,000,000	18,665	944,994	139,254	897,087
Oka Point Collector Lines	2,000,000	1,094,756	435,566	469,678	-
Design/ Construction Tumon Waterlines	4,200,000	791,699	1,617,423	907,731	883,147
Drilling Tumon Water Sources	5,913,951	-	4,173,994	298,240	1,441,717
Sub-total	<u>24,913,951</u>	<u>5,133,181</u>	<u>9,691,272</u>	<u>4,992,875</u>	<u>5,096,623</u>

See accompanying independent auditor's report.

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Construction Project Status, Continued  
September 30, 2003

Project Title	Budget	Expenditures Year Ended September 30, 2003	Cumulative Expenditures	Outstanding Encumbrances	Budget Available
Tumon Bay Projects (DPW):					
Tumon Bay Infrastructure Design Fees	1,592,430	-	1,580,276	145	12,009
Tumon Bay Beautification Gov Flores/Matapang	7,225,000	1,256,916	2,623,999	3,320,617	23,468
Landscape San Vitores to Beach	3,900,000	1,716,283	844,929	1,489,219	(150,431)
Bus Shelter Construction	141,468	-	141,468	-	-
San Vitores Roadway Power Underground	5,000,000	-	4,789,017	210,983	-
Service Tumon Underground Power Lines	40,691	-	16,186	24,505	-
Sub-total	<u>17,899,589</u>	<u>2,973,199</u>	<u>9,995,875</u>	<u>5,045,469</u>	<u>(114,954)</u>
Tumon Bay Projects (GPA):					
San Vitores Power - Underground	4,457,815	-	4,457,815	-	-
San Vitores Substation/ Lines	5,661,200	755,493	4,124,355	705,807	75,545
Sub-total	<u>10,119,015</u>	<u>755,493</u>	<u>8,582,170</u>	<u>705,807</u>	<u>75,545</u>
C.L. Taitano School Projects (DPW):					
Repair/ Reconstruction C.L. Taitano School	4,000,000	134,248	3,824,434	32,808	8,510
Tumon Bay Projects (DPW):					
Const. Management Service/ Acanta Mall to Hilton Intersection	1,000,000	730,620	193,094	76,286	-
L.O. Infrastructure Improvement Bonds (DOA):					
Trustee Fees	9,600	4,000	5,600	-	-
Total	<u>\$ 68,726,448</u>	<u>\$ 9,730,741</u>	<u>\$ 42,616,349</u>	<u>\$ 11,313,634</u>	<u>\$ 5,065,724</u>

See accompanying independent auditors' report.

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Supplementary Information - Balance Sheets  
September 30, 2003 and 2002

	Tourist Attraction Fund		Capital Projects Fund		Debt Service Fund	
	2003	2002	2003	2002	2003	2002
<b><u>ASSETS</u></b>						
Cash and cash equivalents - restricted	\$ -	\$ -	\$ 20,513,481	\$ 34,841,172	\$ 13,548,433	\$ 17,161,546
Taxes receivable	1,281,608	1,439,188	-	-	-	-
Due from other funds	-	-	5,334,542	54,087	7,303,490	-
Total assets	<u>\$ 1,281,608</u>	<u>\$ 1,439,188</u>	<u>\$ 25,848,023</u>	<u>\$ 34,895,259</u>	<u>\$ 20,851,923</u>	<u>\$ 17,161,546</u>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 16,187	\$ 16,187	\$ 956,901	\$ 325,052	\$ -	\$ -
Due to other funds	11,498,559	2,859,812	-	-	-	2,229,060
Accrued expenditures	985,000	-	642,550	946,573	-	-
Total liabilities	<u>12,499,746</u>	<u>2,875,999</u>	<u>1,599,451</u>	<u>1,271,625</u>	<u>-</u>	<u>2,229,060</u>
<b><u>FUND BALANCES</u></b>						
Fund balances (deficit):						
Reserved for:						
Continuing appropriations	25,106,540	33,835,222	5,065,724	11,231,642	-	-
Debt service	-	-	-	-	20,851,923	14,932,486
Encumbrances	99,786	81,222	11,313,634	19,012,101	-	-
Unreserved fund balances (deficit)	<u>(36,424,464)</u>	<u>(35,353,255)</u>	<u>7,869,214</u>	<u>3,379,891</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(11,218,138)</u>	<u>(1,436,811)</u>	<u>24,248,572</u>	<u>33,623,634</u>	<u>20,851,923</u>	<u>14,932,486</u>
Total liabilities and fund balances	<u>\$ 1,281,608</u>	<u>\$ 1,439,188</u>	<u>\$ 25,848,023</u>	<u>\$ 34,895,259</u>	<u>\$ 20,851,923</u>	<u>\$ 17,161,546</u>

See accompanying independent auditors' report.

**GOVERNMENT OF GUAM  
TOURIST ATTRACTION FUND**

Supplementary Information - Comparative Statements of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
Years Ended September 30, 2003 and 2002

	Tourist Attraction Fund		Capital Projects Fund		Debt Service Fund	
	2003	2002	2003	2002	2003	2002
Revenues:						
Taxes	\$ 13,116,354	\$ 15,395,306	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	355,679	655,104	26,016	105,476
Total revenues	<u>13,116,354</u>	<u>15,395,306</u>	<u>355,679</u>	<u>655,104</u>	<u>26,016</u>	<u>105,476</u>
Expenditures/expenses:						
General and administrative	-	133,195	-	-	-	-
Capital projects	-	-	9,730,741	5,434,201	-	-
Payments to Guam Visitor's Bureau	9,668,559	13,973,581	-	-	-	-
Interest	-	-	-	-	3,435,701	3,626,201
Principal	-	-	-	-	3,900,000	3,720,000
Total expenditures	<u>9,668,559</u>	<u>14,106,776</u>	<u>9,730,741</u>	<u>5,434,201</u>	<u>7,335,701</u>	<u>7,346,201</u>
Excess (deficiency) of revenues over expenditures	3,447,795	1,288,530	(9,375,062)	(4,779,097)	(7,309,685)	(7,240,725)
Transfers:						
Transfers in	-	-	-	-	13,229,122	9,144,816
Transfers out	<u>(13,229,122)</u>	<u>(9,144,816)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Deficiency) excess of revenues and transfers over expenditures	(9,781,327)	(7,856,286)	(9,375,062)	(4,779,097)	5,919,437	1,904,091
Fund balances (deficit) at beginning of year	<u>(1,436,811)</u>	<u>6,419,475</u>	<u>33,623,634</u>	<u>38,402,731</u>	<u>14,932,486</u>	<u>13,028,395</u>
Fund balances (deficit) at end of year	<u>\$ (11,218,138)</u>	<u>\$ (1,436,811)</u>	<u>\$ 24,248,572</u>	<u>\$ 33,623,634</u>	<u>\$ 20,851,923</u>	<u>\$ 14,932,486</u>

See accompanying independent auditors' report.