



BURGER • COMER • MAGLIARI
CERTIFIED PUBLIC ACCOUNTANTS

February 15, 2017

To the Board of Trustees
Government of Guam Retirement Fund

We have audited the financial statements of Government of Guam Retirement Fund (the Fund) for the year ended September 30, 2016, and have issued our report thereon dated February 15, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in the proposal that we submitted. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Fund are described in Note 4 to the financial statements. We determined that the Board and management are informed about new accounting pronouncements that must be adopted, as well as any changes in accounting principles that would have a material effect on the financial statements. We noted no transactions entered into by the Fund during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The Fund did adopt the following Governmental Accounting Standards Board Statements during the year ended September 30, 2016:

GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement does not change the accounting policies of the Fund, which had already adopted GASB Statements 67 and 68 during the year ended September 30, 2015. Paragraphs 117-122 of GASB Statement No. 73 apply to the Fund.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement reduces the number of categories of authoritative GAAP from four to two, and addresses the use of authoritative and nonauthoritative literature when the accounting treatment for a transaction is not covered within an authoritative GAAP source. GASB Statement No. 76 supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

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Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no significant uncorrected misstatements of the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 15, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Fund's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Fund's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The Board of Trustees
Government of Guam Retirement Fund
February 15, 2017
Page 3

This information is intended solely for the use of the Board of Trustees and management of Government of Guam Retirement Fund and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Bump Conner Magfin". The signature is written in a cursive style with a large initial "B" and a distinct flourish at the end.