

GOVERNMENT OF GUAM

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

YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT OF GUAM

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INDEPENDENT AUDITORS' 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, 2020, 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.

Auditors' 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, which represents 93%, 95% and 61%, 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%, 118% and 8%, 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 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam as of September 30, 2020, 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 Matter

COVID-19

As discussed in Note 15 to the financial statements, GovGuam determined that the COVID-19 pandemic may negatively impact its financial position. However, due to uncertainty surrounding the duration of the state of emergency, GovGuam is unable to reasonably estimate its ultimate financial impact. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

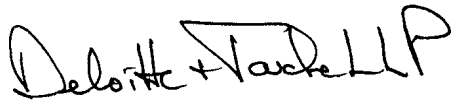
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as set forth in Section II of the foregoing table of contents, and the Schedule of Revenues, Expenditures and Changes in Deficit - Budget and Actual - General Fund and notes thereto, 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.

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 142 through 207 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 142 through 207 is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information on pages 208 through 211 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 May 29, 2021, 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 + Tatchell LLP". The signature is written in a cursive, stylized font.

May 29, 2021

GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

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, 2020. Please read it in conjunction with GovGuam’s financial statements, which follow this section. Fiscal year 2019 comparative information has been included, where appropriate.

OVERVIEW OF THE FINANCIAL STATEMENTS

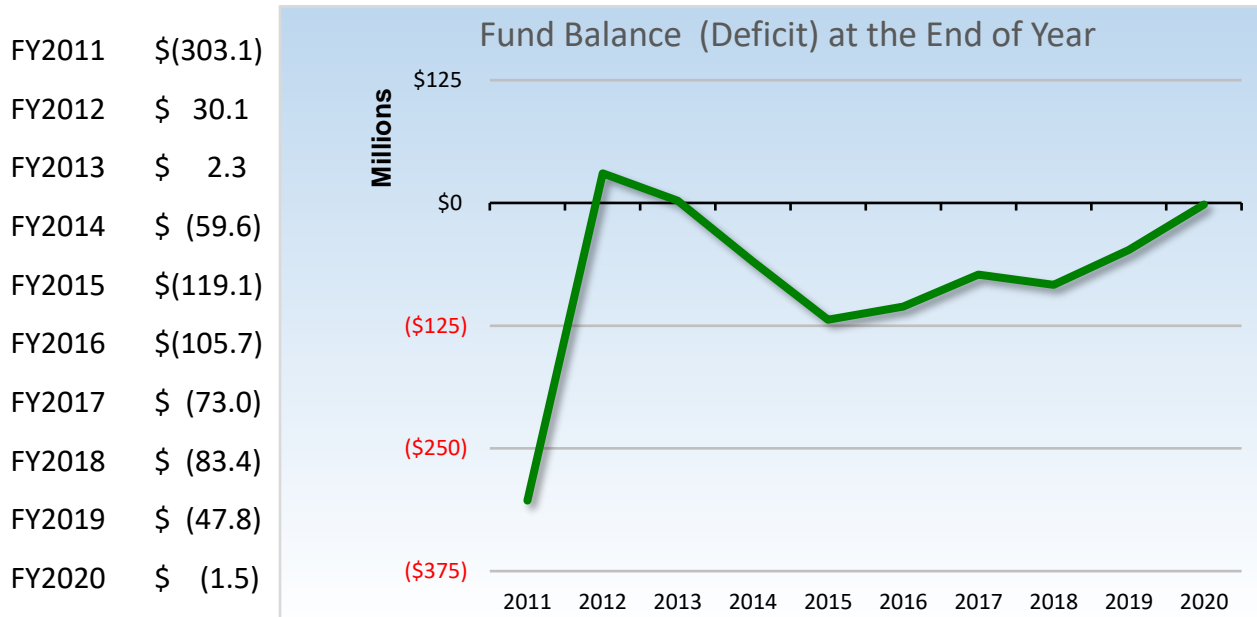
This discussion and analysis is intended to serve as an introduction to GovGuam’s basic financial statements. GovGuam’s basic financial statements are comprised of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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.

Graph 1



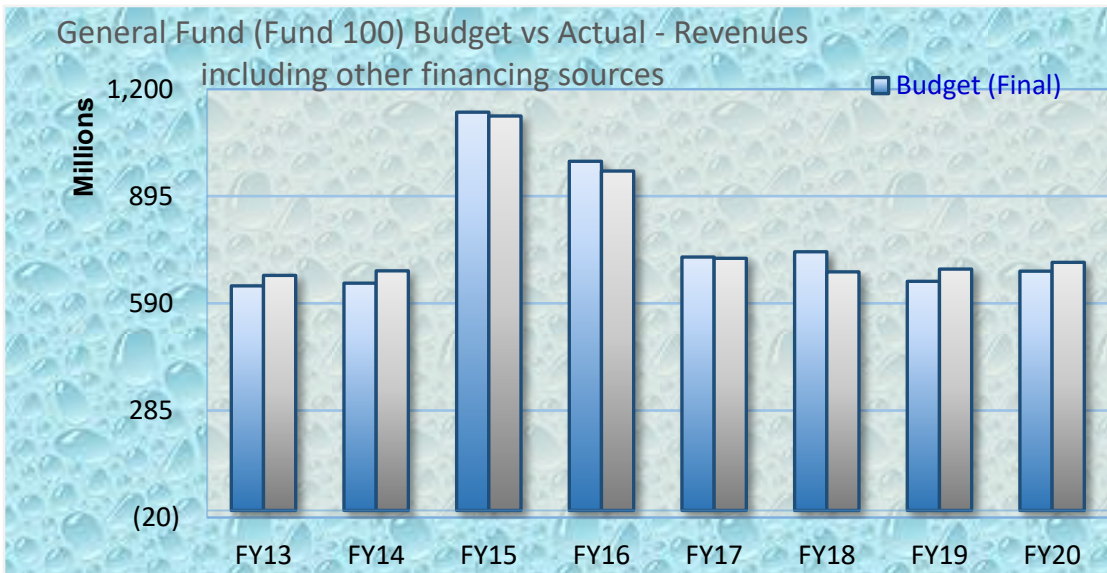
- For FY2020, the General Fund generated an excess of revenues over expenditures of \$46.3 million. For the last two years, the Administration has placed emphasis on maximizing federal revenues, including revenues with a local match. This effort is the biggest single contribution to the deficit reduction.

GOVERNMENT OF GUAM

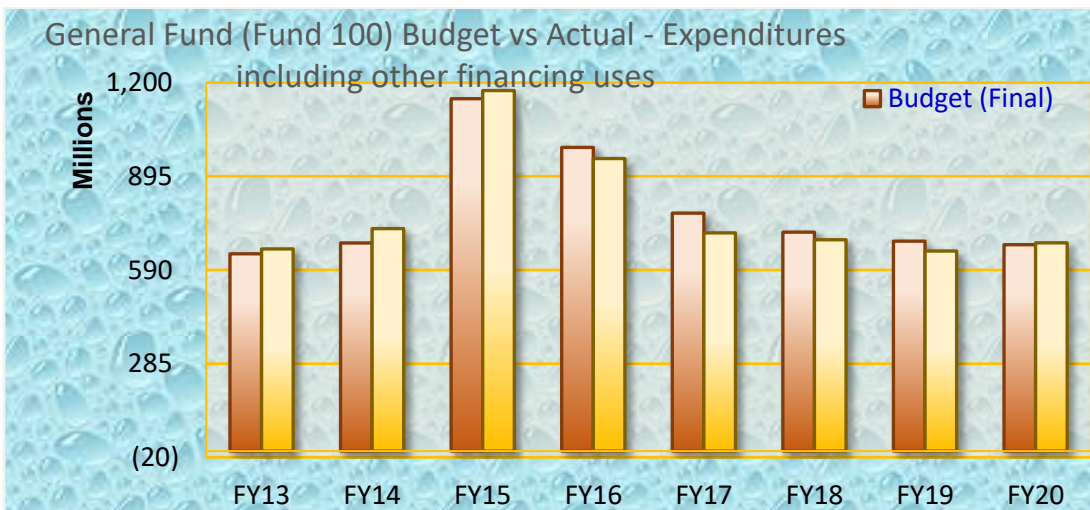
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

- 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. These excess costs exacerbated deficits also due to unanticipated expenditures and revenue shortfalls.

Graph 2



Graph 3



GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The liabilities and deferred inflows of GovGuam exceeded its assets and deferred outflows of resources at September 30, 2020 by \$2.428 billion (net position). Unrestricted net position, which may be used to meet GovGuam's ongoing obligations to citizens and creditors, was a negative \$3.561 billion, a decrease of \$5 million (or 0.1%) from the previous year.
- For the fiscal year ended September 30, 2020, GovGuam's total net position increased by \$9.8 million (or 0.4%) from a negative \$2.438 billion in the prior year to a negative \$2.428 billion. This was primarily attributable to revenues for governmental activities of \$1.821 billion exceeding expenses for governmental activities of \$1.814 billion.
- The total deferred outflows of resources increased to \$686 million, a \$333.5 million (or 94.6%) increase. This was due to the increase in deferred outflows for OPEB and net pension liabilities in the amounts of \$288.9 million and \$49.9 million, respectively, offset by the decrease in deferred loss on refunding in the amount of \$5.3 million. The total deferred inflows of resources decreased to \$444.9 million, a \$117 million (or 20.8%) decrease. This was due to the decrease in deferred inflows for OPEB and net pension liabilities in the amounts of \$114.6 million and \$2.4 million, respectively.
- GovGuam's assets increased during the current year to \$2.024 billion, an increase of \$173.3 million. This increase was primarily due to the increase in current assets of \$184.6 million (or 60.8%) offset by a decrease in restricted assets of \$10.2 million (or 7%).
- GovGuam's liabilities increased during the current year to \$4.694 billion, an increase of \$614 million. This increase was primarily due to the increase in liabilities associated with OPEB and pensions of \$462.8 million and \$41.3 million, respectively, together with an increase in current liabilities of \$143.3 million (or 34.9%) offset by a decrease in liabilities of \$34.1 million (or 2.9%) associated with long-term debt. 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 increased to \$1.738 billion, an increase of \$462.8 million for the fiscal year ended September 30, 2020. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting For Pensions*, GovGuam's liability for pensions increased to \$1.055 billion, an increase of \$41.3 million for the fiscal year ended September 30, 2020.
- For the fiscal year ended September 30, 2020, GovGuam's expenses for governmental activities were \$1.814 billion and were funded by \$990.3 million in program revenues, including federal supplements of \$911.4 million, and \$830.5 million in taxes and other general revenues.
- General revenues increased by \$8.9 million (or 1.1%) from the previous fiscal year. This was due to an increase, compared with prior year, in income tax collections of \$44.1 million (or 15.7%) and Section 30 federal income taxes of \$5.3 million (or 6.8%) offset by a decrease in gross receipt tax collections of \$18.4 million (or 5.9%), hotel occupancy taxes of \$18.3 million (or 41%) and limited gaming taxes of \$2.4 million (or 57.8%).

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL HIGHLIGHTS, CONTINUED

Fund Highlights

- General Fund revenues of \$747.2 million were higher than estimated collections of \$681.6 million. The net increase of \$65.6 million is primarily attributable to income and Section 30 federal tax collections of \$47.9 million and \$11 million, respectively, above budget together with intergovernmental grant receipts of \$17.4 million offset by gross receipts tax collections of \$18.4 million below budget.
- General Fund budgetary expenditures (including operating transfers out) of \$678.4 million were higher than authorized appropriations of \$672.3 million. The net increase of \$6.1 million is primarily attributable to Medically Indigent Program expenditures exceeding budgeted amounts by \$9.4 million together with the requirement for the General Fund to cover budgetary shortfalls of the Tourist Attraction Fund of \$7.7 million offset by continued net cost reduction measures by line agencies of \$10.9 million.
- For the fiscal year ended September 30, 2020, the General Fund reported revenues (including transfers in) of \$782.3 million, an increase of \$44.2 million (or 6%) from fiscal year 2019 revenues and transfers in of \$738.1 million. Correspondingly, the General Fund reported expenditures (including transfers out) of \$736 million, an increase of \$33.6 million (or 4.8%) from fiscal year 2019 expenditures and transfers out of \$702.4 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.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL HIGHLIGHTS, CONTINUED

Governmental 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).

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 the 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.

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. At September 30, 2020, GovGuam reported positive balances in two of the categories of net position. By far, the largest portion of GovGuam's net position (\$475.5 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 (\$657.2 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, 2020

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Net Position

The summary of Net Position (condensed) presented below, with comparable balances for fiscal year 2019, discloses this relationship:

GovGuam's Net Position As of September 30				
	Governmental Activities 2020	Governmental Activities 2019	\$ Change 2020-2019	% Change 2020-2019
Current assets	\$ 488,427,081	\$ 303,725,791	\$ 184,701,290	60.8%
Current liabilities	553,546,077	410,138,620	143,407,457	35.0%
Net current liabilities	(65,118,996)	(106,412,829)	41,293,833	-38.8%
Restricted assets	135,664,273	145,866,260	(10,201,987)	-7.0%
Long-term assets	1,400,640,065	1,401,452,927	(812,862)	-0.1%
Long-term debt	1,130,207,528	1,164,297,750	(34,090,222)	-2.9%
Other long-term liabilities	3,010,276,163	2,505,237,767	505,038,396	20.2%
Total long-term liabilities	4,140,483,691	3,669,535,517	470,948,174	12.8%
Net long-term liabilities	(2,739,843,626)	(2,268,082,590)	(471,761,036)	20.8%
Deferred outflows of resources	685,981,812	352,513,405	333,468,407	94.6%
Deferred inflows of resources	(444,939,615)	(561,947,886)	117,008,271	-20.8%
Net position:				
Net investment in capital assets	475,475,509	461,069,658	14,405,851	3.1%
Restricted	657,190,456	666,747,265	(9,556,809)	-1.4%
Unrestricted	(3,560,922,117)	(3,565,880,563)	4,958,446	-0.1%
Total net position	\$ (2,428,256,152)	\$ (2,438,063,640)	\$ 9,807,488	-0.4%

The negative balance of unrestricted net position is primarily attributable to GovGuam's OPEB and pension liabilities of \$1.738 billion and \$1.055 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 Ordod 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, 2020

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position

For the fiscal year ended September 30, 2020, GovGuam's total negative net position decreased by \$9.8 million (or 0.4%) from a negative net position of \$2.438 billion in the prior year, to a negative net position of \$2.428 billion. For the year ended September 30, 2020, the net position of the primary government changed as follows, with comparable amounts for fiscal year 2019:

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

	Governmental Activities 2020	Governmental Activities 2019	\$ Change 2020-2019	% Change 2020-2019
Revenues:				
Program revenues:				
Charges for services	\$ 78,899,974	\$ 92,521,246	\$ (13,621,272)	-14.7%
Operating grants and contributions	911,437,900	444,174,150	467,263,750	105.2%
	<u>990,337,874</u>	<u>536,695,396</u>	<u>453,642,478</u>	84.5%
General revenues:				
Income taxes	324,932,867	280,787,279	44,145,588	15.7%
Gross receipts taxes	296,518,767	314,946,414	(18,427,647)	-5.9%
Section 30 federal tax collections	82,309,451	77,046,768	5,262,683	6.8%
Other taxes	118,075,662	139,391,803	(21,316,141)	-15.3%
Other general revenues	8,628,866	9,465,266	(836,400)	-8.8%
	<u>830,465,613</u>	<u>821,637,530</u>	<u>8,828,083</u>	1.1%
Total revenues	<u>1,820,803,487</u>	<u>1,358,332,926</u>	<u>462,470,561</u>	34.0%
Expenses:				
General government	186,962,708	118,949,721	68,012,987	57.2%
Protection of life and property	139,725,000	129,907,414	9,817,586	7.6%
Public health	392,047,878	361,563,089	30,484,789	8.4%
Community services	44,049,418	37,320,343	6,729,075	18.0%
Culture and recreation	20,250,022	28,144,226	(7,894,204)	-28.0%
Individual and collective rights	62,496,103	74,297,891	(11,801,788)	-15.9%
Public welfare	392,509,688	-	392,509,688	
Transportation	45,016,266	43,912,279	1,103,987	2.5%
Public education	399,983,547	382,743,265	17,240,282	4.5%
Environmental protection	27,214,251	38,164,675	(10,950,424)	-28.7%
Economic development	25,452,120	14,949,333	10,502,787	70.3%
Interest	78,214,118	79,705,950	(1,491,832)	-1.9%
Total expenses	<u>1,813,921,119</u>	<u>1,309,658,186</u>	<u>504,262,933</u>	38.5%
	6,882,368	48,674,740	(41,792,372)	-85.9%
Contributions from (to) permanent funds	2,925,120	(8,569,202)	11,494,322	-134.1%
Change in net position	9,807,488	40,105,538	(30,298,050)	-75.5%
Net position, beginning of year	<u>(2,438,063,640)</u>	<u>(2,478,169,178)</u>	<u>40,105,538</u>	-1.6%
Net position, end of year	<u>\$ (2,428,256,152)</u>	<u>\$ (2,438,063,640)</u>	<u>\$ 9,807,488</u>	-0.4%

GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

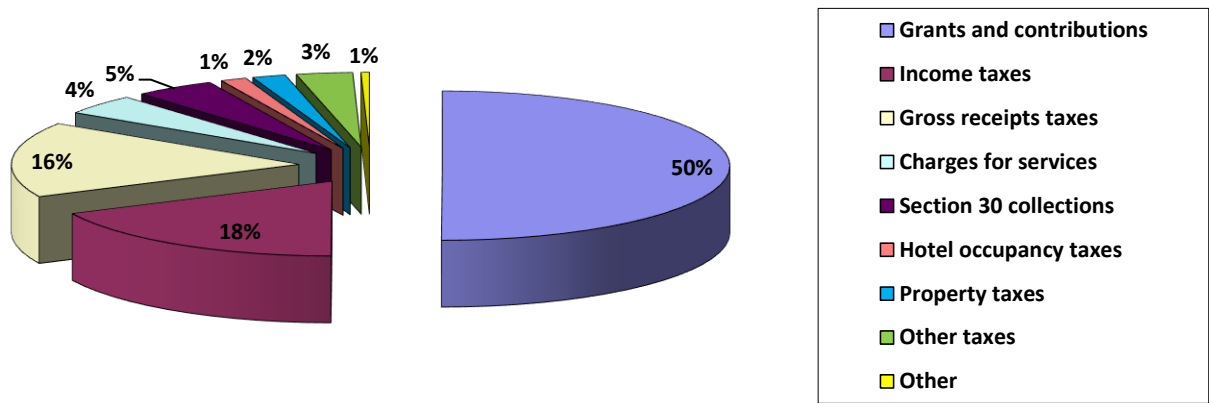
FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position, Continued

General revenues increased by \$8.8 million (or 1.1%) from the previous fiscal year. The change was due to an increase, compared with prior year, in income tax collections of \$44.1 million (or 15.7%) and Section 30 federal tax collection of \$5.3 million (or 6.8%) offset by a decrease in gross receipts tax collections of \$18.4 million (or 5.9%), hotel occupancy taxes of \$18.3 million (or 41%), liquid fuel taxes of \$2.4 million (or 16.5%) and limited gaming taxes of \$2.4 million (or 57.8%). GovGuam’s total revenues from governmental activities, including local revenues, totaled \$1.821 billion in fiscal year 2020. The cost of governmental activities totaled \$1.814 billion, resulting in a decrease in the negative net position before contributions to permanent funds of \$6.9 million.

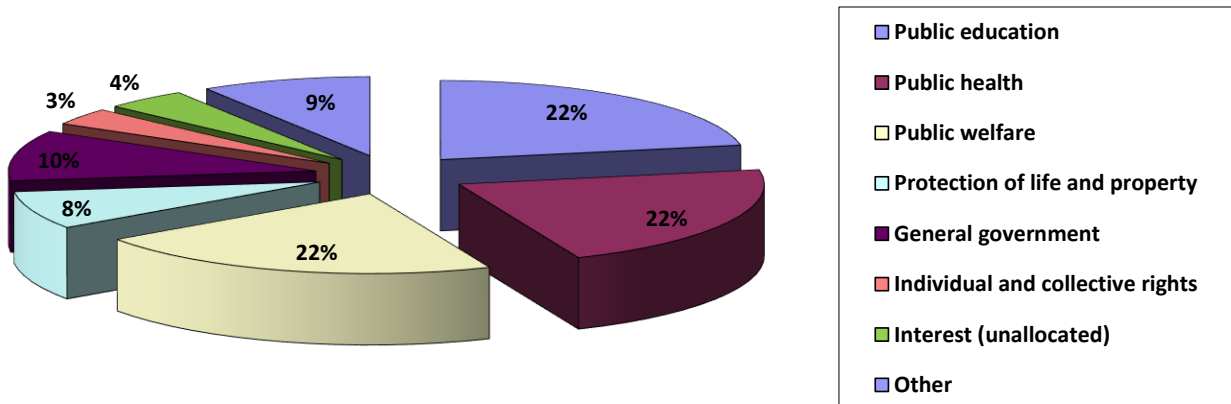
Graphs 4 and 5 below show the major components of revenues and cost of governmental activities.

Graph 4
GovGuam’s Revenue Sources
For the Year Ended September 30, 2020



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam, which comprises 45.6% and 50.1%, respectively, of the total revenues for fiscal year 2020. Charges for services and other revenues provided 4.3% of the total revenues.

Graph 5
GovGuam’s Cost of Governmental Activities
For the Year Ended September 30, 2020



GOVERNMENT OF GUAM

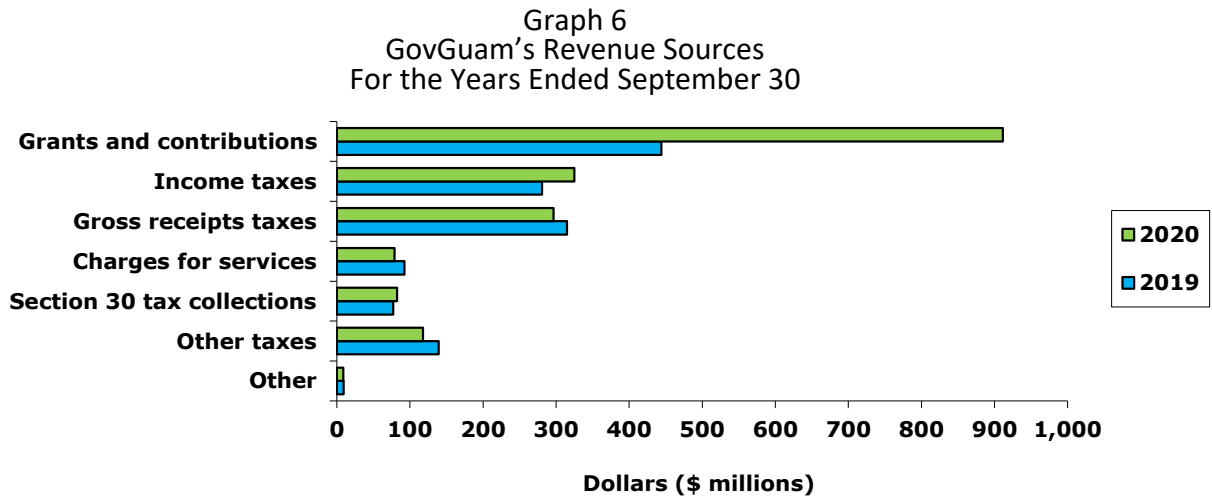
Management’s Discussion and Analysis (Unaudited)
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FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

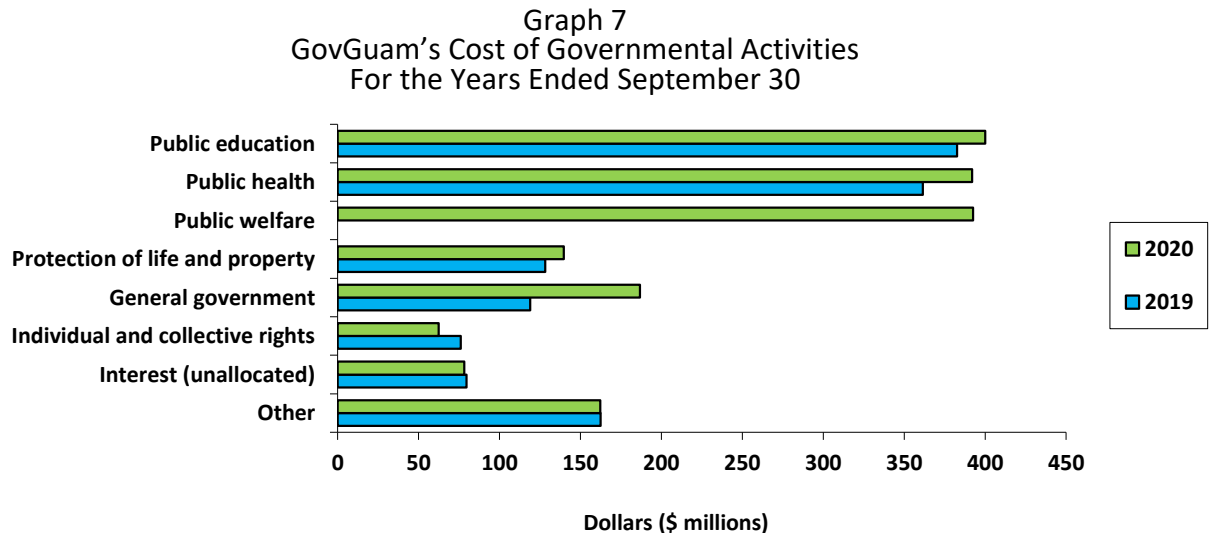
Changes in Net Position, Continued

GovGuam’s expenses cover a range of services. The largest expenses were for public education, public health and public welfare, which comprise 22.1%, 21.6% and 21.6%, respectively, of the total expenses for fiscal year 2020. Other expenses that make up a portion of the costs of governmental activities include transportation (\$45 million), community services (\$44 million), environmental protection (\$27.2 million), economic development (\$25.5 million), and culture and recreation (\$20.2 million).

Graphs 6 and 7 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2020 and 2019.



Other taxes in fiscal year 2020 included hotel occupancy taxes of \$26.4 million, down from \$44.7 million (or 41%) in fiscal year 2019; liquid fuel taxes of \$12 million, down from \$14.4 million (or 16.5%) in fiscal year 2019; and limited gaming taxes of \$1.8 million, down from \$4.2 million (or 57.8%) in fiscal year 2019. Real property taxes, excise taxes, tobacco taxes and alcoholic beverage taxes collectively remained consistent with prior year at \$77.9 million, up slightly from \$76.1 million (or 2.4%) in fiscal year 2019.



GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Changes in Net Position, Continued

Other expenses in fiscal year 2020 included community services expenses of \$44 million, up from \$37.3 million (or 18%) in fiscal year 2019; culture and recreation expenses of \$20.2 million, down from \$28.1 million (or 28%) in fiscal year 2019; transportation expenses of \$45 million, up from \$43.9 million (or 2.5%) in fiscal year 2019; environmental protection expenses of \$27.2 million, down from \$38.2 million (or 28.7%) in fiscal year 2019; and economic development expenses of \$25.5 million, up from \$14.9 million (or 70.3%) in fiscal year 2019.

Analysis of Changes in Net Position

During the current fiscal year, GovGuam's total net position increased by \$9.8 million compared with the prior fiscal year increase of \$40.1 million. The key element of this change compared with prior fiscal year is an increase in expenses, net of program revenues, of \$50.6 million (or 6.5%), and an increase in general revenues and contributions to permanent fund of \$8.8 million (or 1.1%) and \$11.5 million (or 134%), respectively. The elements of these changes are reflected below:

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

	Governmental Activities 2020	Governmental Activities 2019	\$ Change 2020-2019	% Change 2020-2019
General revenues:				
Taxes	\$ 821,836,747	\$ 812,172,264	\$ 9,664,483	1.2%
Other general revenues	8,628,866	9,465,266	(836,400)	-8.8%
Total general revenues	830,465,613	821,637,530	8,828,083	1.1%
Expenses, net of program revenues:				
General government	136,544,475	81,235,946	55,308,529	68.1%
Protection of life and property	105,793,385	99,444,673	6,348,712	6.4%
Public health	78,292,556	84,685,834	(6,393,278)	-7.5%
Community services	31,298,537	25,071,897	6,226,640	24.8%
Culture and recreation	18,411,879	25,712,857	(7,300,978)	-28.4%
Individual and collective rights	44,821,769	58,457,733	(13,635,964)	-23.3%
Transportation	9,961,312	(4,781,796)	14,743,108	-308.3%
Public education	319,545,652	313,524,084	6,021,568	1.9%
Environmental protection	1,693,277	10,752,109	(9,058,832)	-84.3%
Economic development	(993,715)	1,982,091	(2,975,806)	-150.1%
Interest (unallocated)	78,214,118	76,877,362	1,336,756	1.7%
Total expenses, net	823,583,245	772,962,790	50,620,455	6.5%
	6,882,368	48,674,740	(41,792,372)	-85.9%
Contributions from (to) permanent fund	2,925,120	(8,569,202)	11,494,322	-134.1%
Change in net position	\$ 9,807,488	\$ 40,105,538	\$ (30,298,050)	-75.5%

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Analysis of Changes in Net Position, Continued

General revenues increased marginally by \$8.8 million (or 1.1%) from the previous fiscal year. The increase was primarily due to an increase 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: income tax collections increased by \$44.1 million (or 15.7%) while Section 30 federal tax collections increased by \$5.3 million (or 6.8%). These increases were offset by a decrease in gross receipts tax collections of \$18.4 million (or 5.9%), hotel occupancy taxes of \$18.3 million (or 41%), liquid fuel taxes of \$2.4 million (or 16.5%) and limited gaming taxes of \$2.4 million (or 57.8%) in fiscal year 2019.

**GovGuam's Tax Revenues
For the Years Ended September 30**

	Governmental Activities 2020	Governmental Activities 2019	\$ Change 2020-2019	% Change 2020-2019
Income	\$ 324,932,867	\$ 280,787,279	\$ 44,145,588	15.7%
Gross receipts	296,518,767	314,946,414	(18,427,647)	-5.9%
Section 30 Federal income tax	82,309,451	77,046,768	5,262,683	6.8%
Hotel occupancy	26,366,511	44,701,481	(18,334,970)	-41.0%
Property	34,159,248	33,333,472	825,776	2.5%
Tobacco	35,817,232	35,448,719	368,513	1.0%
Liquid fuel	12,042,192	14,428,017	(2,385,825)	-16.5%
Alcoholic beverages	3,955,987	3,785,570	170,417	4.5%
Excise	3,979,588	3,535,038	444,550	12.6%
Limited gaming	1,754,904	4,159,506	(2,404,602)	-57.8%
Total tax revenues	\$ 821,836,747	\$ 812,172,264	\$ 9,664,483	1.2%

Tax revenues increased by \$9.7 million (or 1.2%) from \$812.2 million in the prior year to \$821.8 million. This increase was primarily due to an increase in: (1) income tax collections of \$44.1 million (or 15.7%), up from \$280.8 million in the prior year to \$324.9 million; and (2) Section 30 federal tax collections of \$5.3 million (or 6.8%), up from \$77 million in the prior year to \$82.3 million. These increases were offset by a decrease in: (1) gross receipts tax collections of \$18.4 million (or 5.9%), down from \$314.9 million in the prior year to \$296.5 million; (2) hotel occupancy taxes of \$18.3 million (or 41%), down from \$44.7 million in the prior year to \$26.4 million; (3) liquid fuel taxes of \$2.4 million (or 16.5%), down from \$14.4 million in the prior year to \$12 million; and (4) limited gaming taxes of \$2.4 million (or 57.8%), down from \$4.2 million in the prior year to \$1.8 million.

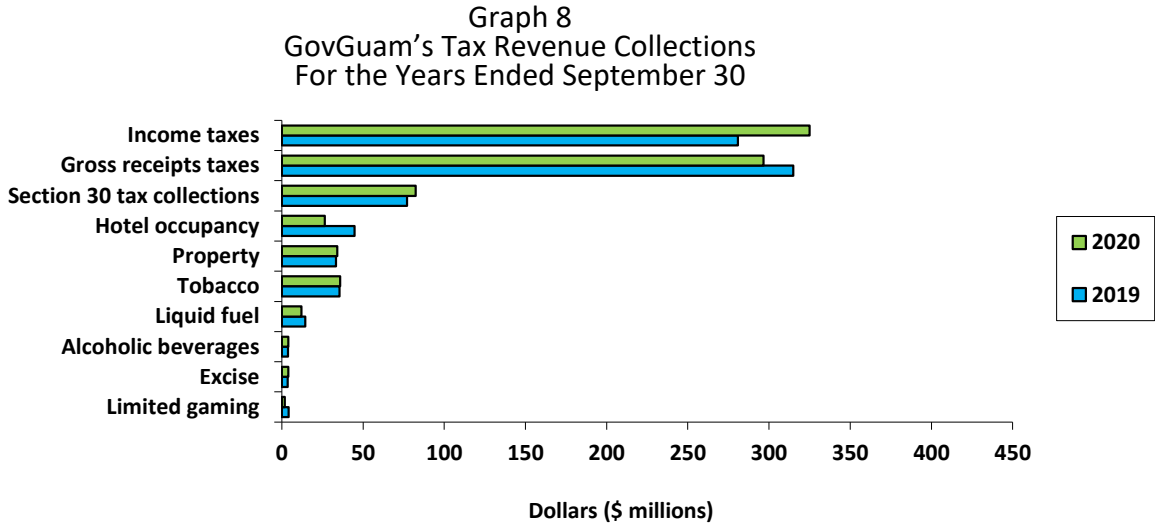
GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

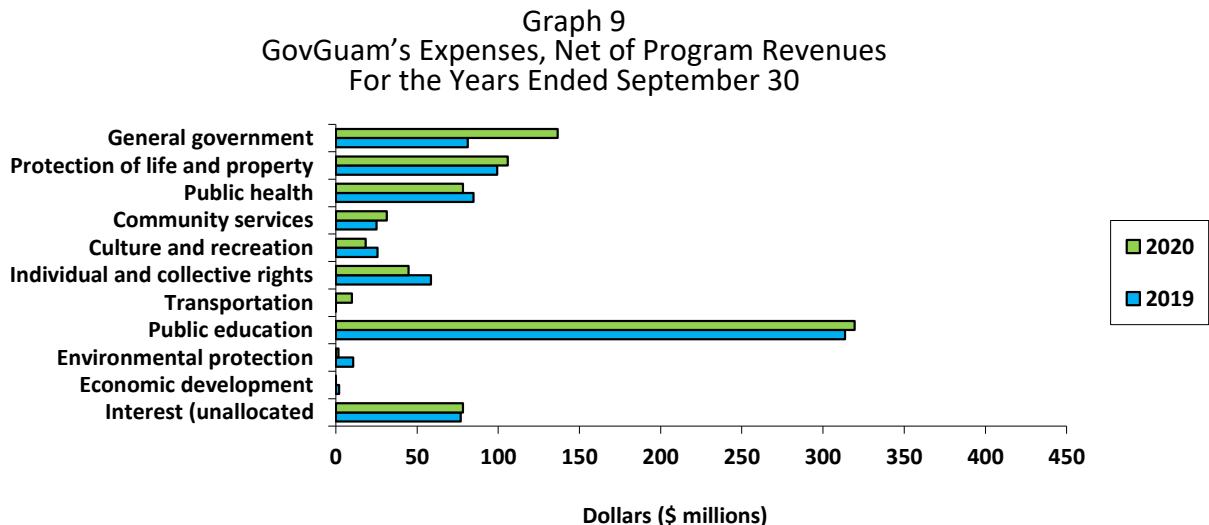
Analysis of Changes in Net Position, Continued

Graph 8 below shows a comparison of the tax revenue collections for fiscal years 2020 and 2019.



Cost of governmental activity expenses, net of program revenues, increased compared with prior year by \$50.6 million (or 6.5%) primarily due to an increase in net general government expense of \$55.3 million (or 68.1%), net transportation expense of \$14.7 million (or 308%), net protection of life and property expense of \$6.3 million (or 6.4%), net community services expense of \$6.2 million (or 24.8%), and net public education expense of \$6 million (or 1.9%), offset by a decrease in individual and collective rights expense of \$13.6 million (or 23.3%), net environmental protection expense of \$9.1 million (or 84.3%), net culture and recreation expense of \$7.3 million (or 28.4%), net public health expense of \$6.4 million (or 7.5%), and net economic development expense of \$3 million (or 150%).

Graph 9 below shows a comparison of cost of governmental activity expenses, net of program revenues, for fiscal years 2020 and 2019.



GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

Financial Ratios

The ratios for Governmental Funds and Government-wide.

	2020	2019
Governmental Funds:		
Current Ratio	1.97:1	2.24:1
Expenditures as a Percentage of Total Expenditures:		
General government	5.95%	6.04%
Protection of life and property	7.70%	9.85%
Public education (including payments to UOG and GCC)	19.2%	26.2%
Public health (including payments to GMHA)	21.9%	28.1%
Public welfare	21.8%	-
Debt service	6.47%	8.33%
Government-wide (includes Component Units):		
Public Debt as a percentage of GDP	45.18%	41.50%
Public Debt as a percentage of Revenues	129.2%	113.1%
Public Debt per Capita - Primary Government	\$6,236	\$6,441
Public Debt per Capita - Component Units	\$8,922	\$8,309

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 2020, GovGuam's governmental funds reported a combined fund balance surplus of \$573.7 million, an increase of \$29.8 million compared with a combined fund surplus of \$543.9 million at the end of fiscal year 2019. This is primarily attributable to the operating surplus in the General Fund of \$46.3 million, reducing the deficit to \$1.5 million, offset by operating deficits in other governmental funds of \$19 million.

General Fund - this fund is the chief operating fund of GovGuam. At the end of the fiscal year, the total cumulative fund deficit of the General Fund was \$1.5 million, a decrease in cumulative deficit of \$46.3 million from \$47.8 million in the prior year.

Federal Grants Assistance Fund - this fund has a total fund deficit of \$0.2 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. These include: Medicaid federal matching, Economic Impact Payments (Stimulus), Federal Emergency Management Agency ("FEMA") reimbursements, Public Health subsidies, and Compact Impact receipts.

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, 2020, GovGuam was the recipient under FPUC and PUA benefits of \$209.2 million and \$167.5 million, respectively, 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.

GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

FINANCIAL ANALYSIS OF GOVGUAM’S FUNDS, CONTINUED

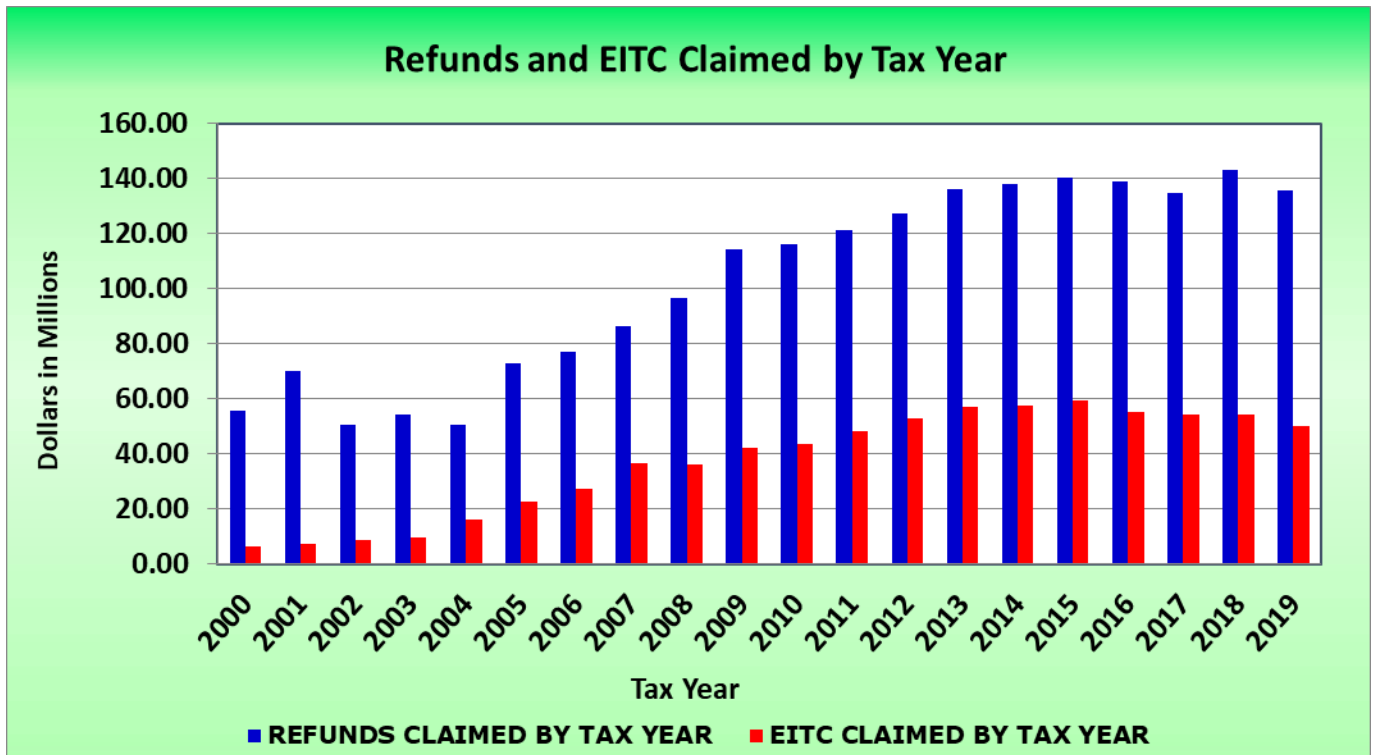
COVID-19 Fund - this fund accounts for funding made available to Guam under the provisions under the Coronavirus Aid, Relief, and Economic Security Act. This Act, as well as including funding for many COVID-related initiatives, provided direct funding to states, territories and tribal governments for 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 \$65.1 million was expended at year-end, with the remaining amount of \$52.8 million to be expended by December 31, 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 \$75.1 million, which funded various education-related programs and which was higher than fiscal year 2019 revenues and transfers in of \$57.2 million by \$9.2 million (or 13.2%).

Chamorro Lands Fund - this fund has a total fund balance of \$453.1 million, which increased by \$2.9 million compared with prior year. This increase represented the value of new leases executed during fiscal year 2020.

The relationship of Earned Income Tax Credit (EITC) paid compared to the tax refunds paid continues to increase from Tax Year 2000 of 11% to Tax Year 2019 of 37%, which is summarized as follows (Graph 10) measured on an Income Tax year basis (2019 Income Taxes are received in FY2020):

Graph 10



The American Recovery Plan Act 2021 (ARPA) mandated that EITC paid by GovGuam will be reimbursed by the Federal government. 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, 2020

FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS, CONTINUED

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2020, there was no change in appropriations between the original and final budget for Executive Branch operations. Actual revenues collected (including operating transfers in) of \$747.2 million were higher than budgeted amounts of \$681.6 million by \$65.6 million (or 9.6%). The net increase is due primarily to the increase in income and Section 30 federal tax collections of \$47.9 million and \$11 million, respectively, above budget together with intergovernmental grant receipts of \$17.4 million offset by gross receipts tax collections of \$18.4 million below budget.

Budgetary expenditures (including operating transfers out) of \$678.4 million were higher than authorized appropriations of \$672.3 million. The net increase of \$6.1 million is primarily attributable to Medically Indigent Program expenditures exceeding budgeted amounts by \$9.4 million together with the requirement for the General Fund to cover budgetary shortfalls of the Tourist Attraction Fund of \$7.7 million offset by continued net cost reduction measures by line agencies of \$10.9 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2020 amounted to \$1.872 billion, net of accumulated depreciation of \$924.2 million, leaving a net book value of \$947.5 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 2020	Governmental Activities 2019	\$ Change 2020-2019	% Change 2020-2019
Landfill cells	\$ 23,163,293	\$ 27,959,926	\$ (4,796,633)	-17.2%
Buildings	380,698,636	383,567,764	(2,869,128)	-0.8%
Machinery, equipment and furniture	14,286,577	17,787,218	(3,500,641)	-19.7%
Infrastructure	438,864,612	427,603,326	11,261,286	2.6%
Land	50,586,352	57,071,489	(6,485,137)	-11.4%
Construction in progress	39,933,669	37,281,398	2,652,271	7.1%
Total	<u>\$ 947,533,139</u>	<u>\$ 951,271,121</u>	<u>\$ (3,737,982)</u>	<u>-0.4%</u>

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED

Capital Assets, Continued

Capital asset additions for the fiscal year ended September 30, 2020 amounted to \$54.9 million. Major capital asset additions for fiscal year 2020 were as follows:

- \$0.2 million for acquisition of land associated with the Route 14B (Ypao Road) reconstruction and widening project.
- \$45.9 million for various FHA road infrastructure projects completed and ongoing throughout the island.
- \$3.2 million for various equipment, including \$1.2 million for the Guam Department of Education, \$0.8 million for Guam Fire Department ambulances, and \$0.4 million for Guam Department of Labor PUA assets.
- \$5.6 million for building acquisitions, including \$2.4 million for Guam Department of Education, \$1.65 million for Hesler building acquisition, and \$1.5 million for Judicial Building Center.

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 \$1.033 billion. Of this amount, \$27 million comprises debt backed by the full faith and credit of GovGuam and \$1.006 billion 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 \$10.5 million at year-end.

A breakdown of GovGuam's total long-term debt is shown below.

GovGuam's Outstanding Debt As of September 30				
	Governmental Activities 2020	Governmental Activities 2019	\$ Change 2020-2019	% Change 2020-2019
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>	<u>2020-2019</u>
General Obligation Bonds				
2009 Series A	\$ -	\$ 5,375,000	\$ (5,375,000)	-100.0%
2019 Series A	27,045,000	27,610,000	(565,000)	-2.0%
Limited Obligation Bonds (revenue backed):				
2011 Series A Hotel Occupancy Tax	73,020,000	75,365,000	(2,345,000)	-3.1%
2011 Series A Business Privilege Tax	215,575,000	220,790,000	(5,215,000)	-2.4%
2012 Series B Business Privilege Tax	99,040,000	101,575,000	(2,535,000)	-2.5%
2015 Series D Business Privilege Tax	400,825,000	406,615,000	(5,790,000)	-1.4%
2016 Series A Section 30	217,325,000	227,185,000	(9,860,000)	-4.3%
Loans payable:				
Guam Congress Building loan	3,686,349	3,788,755	(102,406)	-2.7%
Judicial Building Loan	6,767,668	5,081,553	1,686,115	33.2%
Total	<u>\$ 1,043,284,017</u>	<u>\$ 1,073,385,308</u>	<u>\$ (30,101,291)</u>	<u>-2.8%</u>

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED

Long-Term Debt, Continued

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 \$1.352 billion as of October 2019, the date that such certification was performed. Total debt outstanding as of September 30, 2020, subject to the debt ceiling limitation is \$1.047 billion. The legal debt margin at September 30, 2020 was \$304.5 million.

During the year ended September 30, 2020, GovGuam's overall total long-term debt decreased by \$30.1 million. The decrease in long-term debt was the result of debt service associated with GovGuam's general obligation and bonded debt of \$5.9 million and \$25.7 million, respectively, offset by an increase in loans payable of \$1.6 million.

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

- \$27 million General Obligation Bonds, 2019 Series A (BB-/Negative).
- \$73 million Hotel Occupancy Tax Bonds, 2011 Series A (BB/Negative).
- \$215.6 million Business Privilege Tax Bonds, 2011 Series A (BB/Negative).
- \$99 million Business Privilege Tax Bonds, 2012 Series B (BB/Negative).
- \$400.8 million Business Privilege Tax Bonds, 2015 Series D (BB/Negative).
- \$217.3 million Section 30 Bonds, 2016 Series A (BB/Negative).

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.

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

In January 2020, GovGuam refinanced the 2006 Judicial Building loan by entering into a \$15 million loan facility for the purpose of funding the acquisition of real property, additional renovations to existing facilities, and repayment of the existing 2006 loan.

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.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED

Primary Government Refinancings, Continued

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 November 11, 2019, \$37 million in 2019 Series A and B Revenue Bonds were issued at a TIC of 2.90% to refund a portion of the outstanding 2013 Series C bonds. This issue achieved Net Present Value savings of approximately \$1 million and debt service savings of \$1.5 over the life of the bonds.

Guam Waterworks Authority: On June 4, 2020, \$134 million in 2020 Series A Revenue Bonds were issued at a TIC 4.54% to fund water and wastewater improvements. On August 26, 2020, \$166.1 million in 2020 Series B Revenue Bonds were issued at a TIC of 3.66% to refund a portion of the outstanding 2013 Series A bonds. This issue achieved Net Present Value savings of approximately \$11.9 million and approximately \$13.5 million in debt service savings over the life of the bonds.

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, 2020 is available for review and may be accessed on their website www.ggrf.com. Based on this report:

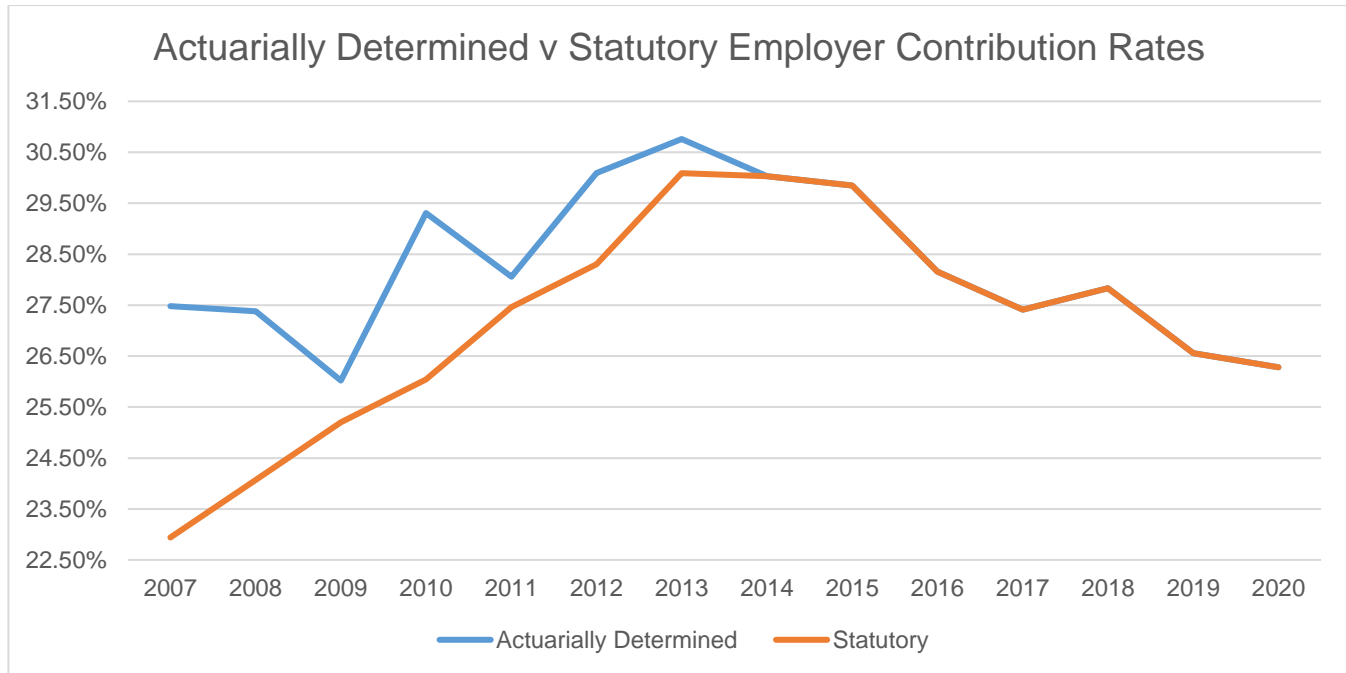
- The unfunded actuarial accrued liability decreased from \$1.267 billion as of September 30, 2019 to \$1.175 billion as of September 30, 2020.
- The annual payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has increased from \$108.2 million to \$112.1 million. As a result, the required contribution rate decreased from 26.56% of payroll to 26.28% (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.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

GOVGUAM'S PENSION, CONTINUED

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.
- 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. GGRF also designated the DC Plan as the GovGuam default plan.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

GOVGUAM'S PENSION, CONTINUED

- 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, 2018 reported an overall decrease of \$92 million in unfunded liability despite the addition of the DB 1.75 Plan members and retirees.

ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS

Guam's economy continues to grow driven by strength in tourism and increased construction related to the military buildup. For FY2019, the most up to date data available, Gross Domestic Product is estimated at \$6.13 billion (U.S. Department of Commerce, Bureau of Economic Analysis February 16, 2021).

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 as Longhorn Restaurant and 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%. This was primarily due to several factors directly related to the COVID-19 pandemic, with the primary employment industry being service-related in tourism.

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. 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. GSWA issued a contract and began construction of the new cell at the Layon landfill site.

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. In FY2020, GovGuam was faced with a severe reduction in revenues as a result of the COVID-19 pandemic. The budget was balanced by a combination of raising revenues by the increased Business Privilege Tax of 1% to 5% during FY2019, and by constraining spending. The FY2021 Budget submitted by the Governor to the Legislature is 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.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2020

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, including 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 Prugrãmmam Sãlappé' 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. Further payments were made to needy households under the Ayuda I Mangafa law.

Although the number of Guamanians infected with the virus is 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 severe. The public health emergency is continuing and its duration is unknown. 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 884, Hagåtña, Guam 96932. 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, 2020

	Primary Government	Component Units
<u>ASSETS</u>		
Cash and cash equivalents	\$ 327,596,451	\$ 238,164,720
Investments	8,800,929	35,470,573
Receivables, net	138,076,197	157,525,945
Due from primary government	-	3,936,808
Due from component units	546,665	-
Due from private purpose trusts	3,412,754	-
Inventories	2,589,382	57,989,583
Prepayments	5,634,547	4,731,050
Deposits and other assets	1,931,962	15,192,589
Restricted assets:		
Cash and cash equivalents	134,462,169	605,655,540
Investments	1,202,104	187,501,980
Unamortized bond issuance costs	-	1,952,816
Capital assets:		
Nondepreciable capital assets	90,520,021	492,205,686
Capital assets, net of accumulated depreciation	857,013,118	1,447,487,394
Land and other real estate	453,106,926	-
Land held for development	-	2,636,152
Total assets	2,024,893,225	3,250,450,836
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred loss on refunding	89,770,259	56,383,125
Deferred outflows from pensions	164,188,260	101,106,221
Deferred outflows from OPEB	432,023,293	212,117,857
Deferred unrecovered fuel costs	-	5,137,018
Deferred forward delivery contract costs	-	159,277
Total deferred outflows of resources	685,981,812	374,903,498
<u>LIABILITIES</u>		
Accounts payable and other current liabilities	121,544,763	63,665,802
Contracts payable	-	40,522,809
Accrued interest payable	15,683,865	26,130,554
Accrued payroll and other	10,418,303	13,429,799
Payable to federal agencies	101,078,081	-
Provision for tax refunds	164,280,937	-
Economic stimulus payments payable	6,506,681	-
COLA liability	4,408,747	-
Due to primary government	-	546,665
Due to component units	3,936,808	-
Unearned revenues	65,109,936	18,357,387
Deposits and other liabilities	23,220,517	48,137,451
Long-term liabilities:		
Due within one year	72,414,760	50,301,405
Due in more than one year	4,105,588,176	2,896,213,148
Total liabilities	4,694,191,574	3,157,305,020
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred forward delivery contract revenues	-	584,018
Deferred inflows from pensions	31,737,128	12,941,716
Deferred inflows from OPEB	413,202,487	199,753,732
Deferred gain on refunding	-	71,502
Total deferred inflows of resources	444,939,615	213,350,968
Commitments and contingencies		
<u>NET POSITION</u>		
Net investment in capital assets	475,475,509	754,413,063
Restricted for:		
Capital projects	20,340,522	36,103,154
Retirement of indebtedness	80,133,351	68,895,338
Endowment - nonexpendable	453,106,926	47,235,150
Public health	29,384,438	-
Environmental protection	16,237,190	-
Other purposes	57,988,029	88,051,520
Unrestricted	(3,560,922,117)	(739,999,879)
Total net position	\$ (2,428,256,152)	\$ 254,698,346

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM
Statement of Activities
Year Ended September 30, 2020

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	\$ 186,962,708	\$ 20,635,674	\$ 29,782,559	\$ -	\$ (136,544,475)	\$ -
Protection of life and property	139,725,000	14,234,930	19,696,685	-	(105,793,385)	-
Public health	392,047,878	5,561,547	308,193,775	-	(78,292,556)	-
Community services	44,049,418	2,265	12,748,616	-	(31,298,537)	-
Culture and recreation	20,250,022	761,693	1,076,450	-	(18,411,879)	-
Individual and collective rights	62,496,103	3,058,971	14,615,363	-	(44,821,769)	-
Public welfare	392,509,688	-	392,509,688	-	-	-
Transportation	45,016,266	8,339,184	26,715,770	-	(9,961,312)	-
Public education	399,983,547	3,719,743	76,718,152	-	(319,545,652)	-
Environmental protection	27,214,251	21,779,413	3,741,561	-	(1,693,277)	-
Economic development	25,452,120	806,554	25,639,281	-	993,715	-
Interest (unallocated)	78,214,118	-	-	-	(78,214,118)	-
Total primary government	\$ 1,813,921,119	\$ 78,899,974	\$ 911,437,900	\$ -	(823,583,245)	-
Component Units:						
Antonio B. Won Pat International Airport Authority	\$ 79,504,603	\$ 46,080,748	\$ 15,094,077	\$ 12,054,605	-	(6,275,173)
Guam Community College	37,437,668	4,189,609	10,393,219	-	-	(22,854,840)
Guam Housing and Urban Renewal Authority	49,177,716	1,108,971	44,722,486	677,540	-	(2,668,719)
Guam Memorial Hospital Authority	145,909,690	94,362,706	7,740,708	2,087,517	-	(41,718,759)
Guam Power Authority	334,456,993	335,543,082	80,066	-	-	1,166,155
Guam Waterworks Authority	115,388,104	103,261,275	223,909	72,249,371	-	60,346,451
Port Authority of Guam	58,473,063	54,627,454	445,151	2,480,989	-	(919,469)
University of Guam	103,605,428	26,063,853	37,678,974	-	-	(39,862,601)
Nonmajor component units	27,245,073	7,756,966	899,665	-	-	(18,588,442)
	\$ 951,198,338	\$ 672,994,664	\$ 117,278,255	\$ 89,550,022	-	(71,375,397)
General revenues:						
Taxes:						
Income					324,932,867	-
Gross receipts					296,518,767	-
Section 30 Federal income tax collections					82,309,451	-
Hotel occupancy					26,366,511	-
Property					34,159,248	-
Tobacco					35,817,232	-
Liquid fuel					12,042,192	-
Alcoholic beverages					3,955,987	-
Excise					3,979,588	-
Limited gaming					1,754,904	-
Investment earnings					1,965,521	10,466,089
Contributions from primary government					-	105,976,125
Other					6,663,345	2,335,826
Total general revenues					830,465,613	118,778,040
Contributions to permanent fund					2,925,120	-
Total general revenues and contributions to permanent fund					833,390,733	118,778,040
Change in net position					9,807,488	47,402,643
Net position at beginning of year					(2,438,063,640)	207,295,703
Net position at end of year					\$ (2,428,256,152)	\$ 254,698,346

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Balance Sheet
Governmental Funds
September 30, 2020

	General	Special Revenue			GDOE Federal Grants	Permanent Chamorro Lands	Other Governmental Funds	Total
		Federal Grants Assistance	CARES Act Unemployment Assistance	COVID-19				
ASSETS								
Cash and cash equivalents	\$ 166,369,006	\$ 5,984,029	\$ 3,584,646	\$ 75,471,965	\$ 276,127	\$ -	\$ 75,910,678	\$ 327,596,451
Investments	210,316	-	-	-	-	-	8,590,613	8,800,929
Land and other real estate	-	-	-	-	-	453,106,926	-	453,106,926
Receivables, net:								
Taxes	54,115,885	-	-	-	-	-	5,109,857	59,225,742
Federal agencies	13,508,579	48,588,509	-	-	10,302,446	-	-	72,399,534
Other	1,008,120	-	-	-	-	-	5,442,801	6,450,921
Due from component units	-	-	-	-	-	-	546,665	546,665
Due from other funds	57,805,758	-	18,918,085	-	-	-	19,902,645	96,626,488
Due from private purpose trust funds	3,412,754	-	-	-	-	-	-	3,412,754
Inventories	2,589,382	-	-	-	-	-	-	2,589,382
Prepayments	5,434,488	-	-	-	21,505	-	178,554	5,634,547
Deposits and other assets	1,177,602	-	-	-	-	-	4,360	1,181,962
Restricted assets:								
Cash and cash equivalents	89,642,030	-	-	-	-	-	44,820,139	134,462,169
Investments	-	-	-	-	-	-	1,202,104	1,202,104
Total assets	\$ 395,273,920	\$ 54,572,538	\$ 22,502,731	\$ 75,471,965	\$ 10,600,078	\$ 453,106,926	\$ 161,708,416	\$ 1,173,236,574
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ 89,133,300	\$ 746,611	\$ 22,502,731	\$ -	\$ 826,878	\$ -	\$ 8,335,243	\$ 121,544,763
Accrued payroll and other	6,173,474	622,331	-	2,258,202	368,690	-	995,606	10,418,303
Due to component units	3,936,808	-	-	-	-	-	-	3,936,808
Due to other funds	38,820,730	5,875,030	-	20,082,188	5,830,632	-	26,017,908	96,626,488
Payable to federal agencies	-	47,563,244	-	53,131,575	383,262	-	-	101,078,081
Unearned revenues	65,109,936	-	-	-	-	-	-	65,109,936
Provision for tax refunds	164,280,937	-	-	-	-	-	-	164,280,937
Provision for economic stimulus payments	6,506,681	-	-	-	-	-	-	6,506,681
COLA liability	4,408,747	-	-	-	-	-	-	4,408,747
Deposits and other liabilities	18,416,989	-	-	-	3,190,616	-	1,612,912	23,220,517
Total liabilities	396,787,602	54,807,216	22,502,731	75,471,965	10,600,078	-	36,961,669	597,131,261
Deferred inflows of resources:								
Deferred revenues	-	-	-	-	-	-	2,409,546	2,409,546
Total liabilities and deferred inflows of resources	396,787,602	54,807,216	22,502,731	75,471,965	10,600,078	-	39,371,215	599,540,807
Fund balances (deficit):								
Non-spendable	2,285,847	-	-	-	-	453,106,926	-	455,392,773
Restricted	81,988,455	-	-	-	-	-	39,036,792	121,025,247
Committed	22,308,552	-	-	-	-	-	83,399,639	105,708,191
Unassigned:								
General fund	(108,096,536)	-	-	-	-	-	-	(108,096,536)
Special revenue funds	-	(234,678)	-	-	-	-	(99,230)	(333,908)
Total fund balances (deficit)	(1,513,682)	(234,678)	-	-	-	453,106,926	122,337,201	573,695,767
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 395,273,920	\$ 54,572,538	\$ 22,502,731	\$ 75,471,965	\$ 10,600,078	\$ 453,106,926	\$ 161,708,416	\$ 1,173,236,574

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, 2020**

Total fund balance - governmental funds	\$	573,695,767
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		750,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	50,586,352
Construction in progress		39,933,669
Depreciable capital assets and infrastructure		1,781,198,125
Accumulated depreciation		<u>(924,185,007)</u>
Capital assets, net of accumulated depreciation		947,533,139
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		2,409,546
Accrued interest payable is not recognized in governmental funds		(15,683,865)
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		(1,119,753,511)
Notes payable		(10,454,017)
Capital lease obligations		(161,541,272)
Due to IRS		(19,937,926)
Tax credits payable		(2,383,629)
Net pension liability		(1,054,836,233)
OPEB liability		(1,737,832,562)
Compensated absences payable		(25,864,697)
DCRS sick leave liability		(20,129,599)
Landfill closure and postclosure costs		<u>(25,269,490)</u>
Long-term liabilities		(4,178,002,936)
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		89,770,259
Deferred outflows from pensions		164,188,260
Deferred outflows from OPEB		<u>432,023,293</u>
		685,981,812
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of:		
Deferred inflows from pensions		(31,737,128)
Deferred inflows from OPEB		<u>(413,202,487)</u>
		(444,939,615)
Net position of governmental activities	\$	<u><u>(2,428,256,152)</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, 2020**

	General	Special Revenue			GDOE Federal Grants	Permanent Chamorro Lands	Other Governmental Funds	Total
		Federal Grants Assistance	CARES Act Unemployment Assistance	COVID-19				
Revenues:								
Taxes	\$ 707,740,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,096,074	\$ 821,836,747
Intergovernmental	17,383,171	378,238,584	376,729,318	64,836,683	67,655,049	-	2,317,409	907,160,214
Licenses and permits	485,607	-	-	-	-	-	47,184,806	47,670,413
Charges for services	8,993,983	-	-	-	108,962	-	19,314,759	28,417,704
Fines and forfeits	1,812,602	-	-	-	-	-	472,699	2,285,301
Interest and investment earnings	1,198,023	-	-	913	-	2,925,120	766,585	4,890,641
Contributions from component units	4,219,420	-	-	-	-	-	58,266	4,277,686
Other	5,353,317	-	-	-	-	-	1,310,028	6,663,345
Total revenues	747,186,796	378,238,584	376,729,318	64,837,596	67,764,011	2,925,120	185,520,626	1,823,202,051
Expenditures:								
Current:								
General government	61,414,006	11,546,683	-	14,330,231	-	-	20,233,787	107,524,707
Protection of life and property	96,988,986	11,871,367	-	7,825,318	-	-	22,052,462	138,738,133
Public health	4,313,770	297,277,957	-	20,153,190	-	-	32,206,950	353,951,867
Community services	29,354,123	12,724,796	-	23,820	-	-	1,655,674	43,758,413
Recreation	-	1,039,689	-	36,761	-	-	3,220,719	4,297,169
Individual and collective rights	42,486,931	11,547,752	-	674,480	-	-	14,560,604	69,269,767
Public welfare	-	-	376,729,318	15,780,370	-	-	-	392,509,688
Transportation	-	26,617,111	-	98,659	-	-	9,543,026	36,258,796
Public education	197,603,590	-	-	117	75,101,470	-	17,233,511	289,938,688
Environmental protection	56,151	3,690,880	-	16,837	-	-	19,581,522	23,345,390
Economic development	15,785,014	6,256,281	-	77,268	-	-	881,085	22,999,648
Payments to:								
GovGuam Retirement Fund	4,163,000	-	-	-	-	-	-	4,163,000
Guam Community College	18,096,099	-	-	169	-	-	1,525,500	19,621,768
Guam Memorial Hospital Authority	25,238,425	2,151,974	-	3,479,792	-	-	1,854,706	32,724,897
Guam Waterworks Authority	-	-	-	186,849	-	-	-	186,849
Guam Preservation Trust	-	-	-	-	-	-	735,000	735,000
Guam Visitors Bureau	-	-	-	111,699	-	-	15,430,306	15,542,005
Port Authority of Guam	-	1,024	-	-	-	-	-	1,024
University of Guam	31,656,845	1,650,000	-	75,358	-	-	2,574,053	35,956,256
Miscellaneous appropriations	64,354,703	-	-	-	-	-	164,099	64,518,802
Capital projects	-	3,392,990	-	-	-	-	19,152,206	22,545,196
Debt service:								
Principal retirement	36,693,892	-	-	-	-	-	2,566,956	39,260,848
Interest and fiscal charges	72,270,308	-	-	-	-	-	5,067,297	77,337,605
Total expenditures	700,475,843	389,768,504	376,729,318	62,870,918	75,101,470	-	190,239,463	1,795,185,516
Excess (deficiency) of revenues over (under) expenditures	46,710,953	(11,529,920)	-	1,966,678	(7,337,459)	2,925,120	(4,718,837)	28,016,535
Other financing sources (uses):								
Proceeds from note issued	-	-	-	-	-	-	1,805,665	1,805,665
Transfers in from other funds	35,093,037	17,485,095	-	-	7,337,459	-	31,254,434	91,170,025
Transfers out to other funds	(35,516,729)	(6,337,459)	-	(1,966,678)	-	-	(47,349,159)	(91,170,025)
Total other financing sources (uses), net	(423,692)	11,147,636	-	(1,966,678)	7,337,459	-	(14,289,060)	1,805,665
Net change in fund balances (deficit)	46,287,261	(382,284)	-	-	-	2,925,120	(19,007,897)	29,822,200
Fund balances (deficit) at beginning of year	(47,800,943)	147,606	-	-	-	450,181,806	141,345,098	543,873,567
Fund balances (deficit) at end of year	\$(1,513,682)	\$(234,678)	\$ -	\$ -	\$ -	\$ 453,106,926	\$ 122,337,201	\$ 573,695,767

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, 2020

Total net change in fund balances - governmental funds	\$	29,822,200
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:		
Capital outlays, net of disposals	\$ 54,867,001	
Depreciation expense	(58,604,983)	
		(3,737,982)
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		
		526,556
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 loans issued	(1,805,665)	
Repayment of General Obligation bonds	5,940,000	
Repayment of Limited Obligation bonds	12,205,000	
Repayment of Business Privilege Tax bonds	13,540,000	
Repayment of loans	221,956	
Repayment of capital leases	7,353,892	
Reduction in tax credits payable	537,569	
Amortization of loss on defeasance	(5,349,024)	
Amortization of bond premiums	4,187,712	
Amortization of bond discounts	(198,781)	
		36,632,659
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	483,580	
Change in compensated absences payable	(4,525,723)	
Change in landfill closure and postclosure care costs	1,872,600	
Change in DCRS sick leave liability	(2,923,511)	
Net pension activity	11,076,779	
Net OPEB activity	(59,294,670)	
		(53,310,945)
Change in net position of governmental activities	\$	9,807,488

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Pension Trust	Private Purpose Trust	Agency Fund
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,681,012	\$ 17,036,750	\$ -
Time certificates of deposit	-	1,000,000	-
Investments at fair value:			
Common stocks	1,267,204,906	-	-
U.S. Government securities	238,056,397	-	-
Corporate bonds and notes	379,706,900	-	-
Money market funds	59,103,305	-	-
Mutual funds	429,672,057	-	-
Total investments	<u>2,373,743,565</u>	<u>-</u>	<u>-</u>
Accounts receivable:			
Employer contributions	7,331,450	-	-
Member contributions	2,099,065	-	-
Interest and penalties on contributions	357,601	-	-
Accrued investment income	5,915,703	-	-
Due from brokers for unsettled trades	1,878,165	-	-
Service credits	1,968,422	-	-
Supplemental/Insurance benefits advanced	1,996,097	-	-
Other	1,485,134	350	-
Total receivables	<u>23,031,637</u>	<u>350</u>	<u>-</u>
Deposits and other assets	-	-	13,317,866
Capital assets	577,512	-	-
Total assets	<u>2,405,033,726</u>	<u>18,037,100</u>	<u>\$ 13,317,866</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred supplemental COLA payments	8,097,077	-	
Deferred outflows of resources from pensions	1,131,192	-	
Deferred outflows of resources from OPEB	2,740,781	-	
Total deferred outflows from resources	<u>11,969,050</u>	<u>-</u>	
<u>LIABILITIES</u>			
Unearned revenue	2,081,289	-	\$ -
Accounts payable and accrued expenses	4,613,747	-	-
Accrued payroll and other	691,494	-	-
Due to other funds	-	3,412,754	-
Deposits and other liabilities	-	12,645,541	13,317,866
Due to brokers for unsettled trades	10,888,858	-	-
Net pension liability	6,276,250	-	-
OPEB liability	11,398,171	-	-
Total liabilities	<u>35,949,809</u>	<u>16,058,295</u>	<u>\$ 13,317,866</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources from pensions	219,489	-	
Deferred inflows of resources from OPEB	3,036,097	-	
Total deferred inflows from resources	<u>3,255,586</u>	<u>-</u>	
<u>NET POSITION</u>			
Restricted for:			
Employees' pension benefits	2,377,797,381	-	
Individuals, organizations and other governments	-	1,978,805	
Total net position	<u>\$ 2,377,797,381</u>	<u>\$ 1,978,805</u>	

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2020

	<u>Pension Trust</u>	<u>Private Purpose Trust</u>
Additions:		
Contributions:		
Employer contributions	\$ 131,768,100	\$ -
Member contributions	42,320,700	-
Use of money and property	-	1,574,605
Total contributions and revenues	<u>174,088,800</u>	<u>1,574,605</u>
Net investment income:		
Net increase in fair value of investments	56,690,249	-
Interest	41,894,224	-
Dividends	17,815,630	-
Other	1,485,192	-
Total investment income	<u>117,885,295</u>	<u>-</u>
Less: investment expenses	<u>4,738,193</u>	<u>-</u>
Net investment income	<u>113,147,102</u>	<u>-</u>
Total additions	<u>287,235,902</u>	<u>1,574,605</u>
Deductions:		
Benefits	233,929,231	-
Refunds	23,670,684	-
Interest on refunded contributions	320,196	-
Administrative and general expense	5,374,325	-
Individual and collective rights	-	1,911,806
Total deductions	<u>263,294,436</u>	<u>1,911,806</u>
Change in net position held in trust for:		
Employees' pension benefits	23,941,466	-
Individuals, organizations, and other governments	-	(337,201)
	<u>23,941,466</u>	<u>(337,201)</u>
Net position at beginning of year	<u>2,353,855,915</u>	<u>2,316,006</u>
Net position at end of year	<u>\$ 2,377,797,381</u>	<u>\$ 1,978,805</u>

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

**Statement of Net Position
Component Units
September 30, 2020**

	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	\$ 2,445,292	\$ 16,179,820	\$ 17,164,799	\$ 12,103,083	\$ 79,521,588	\$ 42,479,412	\$ 28,861,534	\$ 17,023,740	\$ 22,385,452	\$ 238,164,720
Investments	-	4,150,865	-	-	-	-	-	15,889,687	15,430,021	35,470,573
Receivables, net	8,290,249	4,646,458	6,517,464	34,503,321	35,411,896	21,701,453	5,591,727	13,678,802	27,184,575	157,525,945
Due from primary government	-	-	-	2,260,077	-	-	-	-	1,676,731	3,936,808
Inventories	189,944	470,536	305,839	3,828,409	46,848,171	4,804,466	648,238	886,274	7,706	57,989,583
Prepayments	-	-	96,655	-	1,876,268	2,615,781	64,631	-	77,715	4,731,050
Deposits and other assets	-	6,825,940	-	-	-	430,962	-	6,907,039	1,028,648	15,192,589
Restricted assets:										
Cash and cash equivalents	15,376,714	389,366	-	-	175,809,937	315,892,538	85,911,125	1,954,983	10,320,877	605,655,540
Investments	84,337,025	17,687,923	-	-	48,891,938	-	-	35,097,860	1,487,234	187,501,980
Unamortized bond issuance costs	-	-	-	-	1,952,816	-	-	-	-	1,952,816
Capital assets:										
Nondepreciable capital assets	227,316,604	5,824,691	3,801,010	1,295,007	61,295,689	155,563,534	10,149,866	7,509,335	19,449,950	492,205,686
Capital assets, net of accumulated depreciation	245,938,444	32,334,181	13,843,855	26,644,961	416,847,597	542,672,530	106,588,701	57,518,406	5,098,719	1,447,487,394
Land held for development	-	-	2,636,152	-	-	-	-	-	-	2,636,152
Total assets	583,894,272	88,509,780	44,365,774	80,634,858	868,455,900	1,086,160,676	237,815,822	156,466,126	104,147,628	3,250,450,836
DEFERRED OUTFLOWS OF RESOURCES										
Deferred amount on refunding	563,580	-	-	-	22,452,744	33,366,801	-	-	-	56,383,125
Deferred outflows from pensions	6,144,079	7,455,404	3,442,200	20,270,393	17,005,307	12,393,137	13,903,067	17,679,798	2,812,836	101,106,221
Deferred outflows from OPEB	22,989,995	16,718,347	3,948,293	44,087,196	44,664,204	20,526,945	23,668,119	29,246,518	6,268,240	212,117,857
Unrecovered fuel costs	-	-	-	-	5,137,018	-	-	-	-	5,137,018
Deferred forward delivery contract costs	-	-	-	-	159,277	-	-	-	-	159,277
Total deferred outflows of resources	29,697,654	24,173,751	7,390,493	64,357,589	89,418,550	66,286,883	37,571,186	46,926,316	9,081,076	374,903,498
LIABILITIES										
Accounts payable	3,617,570	2,183,804	2,047,708	11,491,612	30,248,752	2,913,901	2,613,416	5,333,760	3,215,279	63,665,802
Contracts payable	17,150,314	61,200	-	-	-	23,311,295	-	-	-	40,522,809
Accrued interest payable	4,952,831	-	-	-	14,417,948	6,304,598	-	-	455,177	26,130,554
Accrued payroll and other	5,172,180	276,951	262,321	3,366,679	2,464,369	354,780	1,272,831	-	259,688	13,429,799
Due to primary government	546,665	-	-	-	-	-	-	-	-	546,665
Unearned revenue	-	1,301,567	1,557,815	6,069,645	-	-	277,633	8,533,936	616,791	18,357,387
Deposits and other liabilities	2,282,887	7,703,107	581,561	644,622	28,500,293	3,362,746	2,573,881	1,666,744	821,610	48,137,451
Long-term liabilities:										
Due within one year	5,625,924	281,873	175,901	1,777,757	25,300,100	9,842,761	4,263,867	1,140,144	1,893,078	50,301,405
Due in more than one year	278,825,779	101,080,198	32,296,679	320,789,090	814,461,588	817,070,780	227,579,863	235,236,376	68,872,795	2,896,213,148
Total liabilities	318,174,150	112,888,700	36,921,985	344,139,405	915,393,050	863,160,861	238,581,491	251,910,960	76,134,418	3,157,305,020
DEFERRED INFLOWS OF RESOURCES										
Deferred forward delivery contract revenues	-	-	-	-	584,018	-	-	-	-	584,018
Deferred inflows from pensions	727,875	573,311	301,674	4,463,405	1,663,500	1,010,540	1,637,235	1,632,570	931,606	12,941,716
Deferred inflows from OPEB	14,306,299	13,346,808	3,561,228	43,579,984	39,067,668	25,015,789	20,643,550	32,074,384	8,158,022	199,753,732
Deferred amount on refunding	71,502	-	-	-	-	-	-	-	-	71,502
Total deferred inflows of resources	15,105,676	13,920,119	3,862,902	48,043,389	41,315,186	26,026,329	22,280,785	33,706,954	9,089,628	213,350,968
NET POSITION										
Net investment in capital assets	289,707,320	38,158,872	19,459,445	27,939,968	(12,046,780)	229,805,072	92,272,544	54,486,654	14,629,968	754,413,063
Restricted:										
Capital projects	26,325,753	-	-	-	-	9,777,401	-	-	-	36,103,154
Retirement of indebtedness	-	-	-	-	24,448,777	8,449,826	32,532,335	-	3,464,400	68,895,338
Endowment - nonexpendable	-	17,200,122	-	-	-	-	-	30,035,028	-	47,235,150
Other purposes	-	1,398,122	18,279,634	-	5,409,740	494,733	8,843,030	23,638,686	29,987,575	88,051,520
Unrestricted (deficit)	(35,720,973)	(70,882,404)	(26,767,699)	(275,130,315)	(16,645,523)	14,733,337	(119,123,177)	(190,385,840)	(20,077,285)	(739,999,879)
Total net position	\$ 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

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, 2020

	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	\$ 79,504,603	\$ 37,437,668	\$ 49,177,716	\$ 145,909,690	\$ 334,456,993	\$ 115,388,104	\$ 58,473,063	\$ 103,605,428	\$ 27,245,073	\$ 951,198,338
Program revenues:										
Charges for services	46,080,748	4,189,609	1,108,971	94,362,706	335,543,082	103,261,275	54,627,454	26,063,853	7,756,966	672,994,664
Operating grants and contributions	15,094,077	10,393,219	44,722,486	7,740,708	80,066	223,909	445,151	37,678,974	899,665	117,278,255
Capital grants and contributions	12,054,605	-	677,540	2,087,517	-	72,249,371	2,480,989	-	-	89,550,022
Total program revenues	73,229,430	14,582,828	46,508,997	104,190,931	335,623,148	175,734,555	57,553,594	63,742,827	8,656,631	879,822,941
Net program revenues (expenses)	(6,275,173)	(22,854,840)	(2,668,719)	(41,718,759)	1,166,155	60,346,451	(919,469)	(39,862,601)	(18,588,442)	(71,375,397)
General revenues:										
Payments from GovGuam	8,069	21,204,448	390,944	31,499,878	-	-	-	36,498,418	16,374,368	105,976,125
Investment earnings	1,818,696	-	13,782	-	3,141,654	1,380,414	-	2,985,780	1,125,763	10,466,089
Other	-	1,469,049	90,418	999	-	-	-	747,260	28,100	2,335,826
Total general revenues	1,826,765	22,673,497	495,144	31,500,877	3,141,654	1,380,414	-	40,231,458	17,528,231	118,778,040
Change in net position	(4,448,408)	(181,343)	(2,173,575)	(10,217,882)	4,307,809	61,726,865	(919,469)	368,857	(1,060,211)	47,402,643
Net position at beginning of year	284,760,508	(13,943,945)	13,144,955	(236,972,465)	(3,141,595)	201,533,504	15,444,201	(82,594,329)	29,064,869	207,295,703
Net position at the end of the year	\$ 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

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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. Under the Organic Act, GovGuam is required to submit to the U.S. Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within 120 days after the close of the fiscal year; however, GovGuam has not complied with this requirement.

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. Each component unit of GovGuam has a September 30 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, 2020

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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) has been blended into GovGuam's financial statements. 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 Trust Fund.

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

Guam Power Authority
P.O. Box 2977
Hagatna, GU 96932

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Port Authority of Guam
1026 Cabras Hwy, Ste. 201
Piti, GU 96925

University of Guam
University Drive
Mangilao, GU 96923

Guam Community College
P.O. Box 23069, GMF
Barrigada, GU 96921

Guam Housing and Urban Renewal
Authority
117 Bien Venida Avenue
Sinajana, GU 96926

Guam Housing Corporation
P.O. Box 3457
Hagatna, GU 96932

Guam Preservation Trust
Suite 211, 194 Hernan Cortes Avenue
Hagatna, GU 96932

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

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.

The Public Utilities Commission (PUC) is a related organization under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement Nos. 39 and 61. 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

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, 2020. 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 \$657,190,456 of restricted net position, of which \$103,609,657 is restricted by enabling legislation.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

Governmental Funds Financial Statements, Continued:

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, claims and judgments, termination benefits 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 an additional major fund that is of specific public interest, namely 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:

- 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.
- 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

Fund Accounting, Continued:

- 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 Trust Funds - these funds account for resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension plans.
- Private Purpose Funds - these funds account for resources held in trust under which principal and income benefit certain individuals.
- Agency Funds - these funds account for assets held on behalf of others, are custodial in nature and do not involve measurement of operations.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

F. Investments, Continued

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, 2020, 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: \$645,303 externally restricted under a Chamorro Lands loan guarantee program; \$6,259,697 externally restricted for Child Support; \$121,815,043 externally restricted under various bond issues (including \$96,117,064 for future debt service requirements and \$25,697,979 in unspent bond proceeds); \$660,442 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 \$5,381,684 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 \$453,106,926, which comprise of \$444,444,334 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 whereas other undeveloped land not supported by lease agreements is reported at historical cost.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

I. Receivables and Tax Abatements

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.

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

M. Provision for Tax Refunds

During the calendar year, GovGuam collects individual and corporate income taxes through withholdings and payments from taxpayers. At 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, 2020, GovGuam recorded a provision for unpaid tax refunds in the amount of \$164,280,937, which includes amounts relating to the U.S. Federal Earned Income Tax Credit (EITC).

N. Unearned Revenue

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 \$65,109,936, which pertains to revenues of the following fiscal year.

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 \$1,351,507,821 as of October 31, 2019, the date that such certification was performed. Total debt outstanding as of September 30, 2020, subject to the debt ceiling limitation is \$1,043,284,017.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

P. Bond Premiums and Discounts, Continued

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 represent 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

R. Fund Equity/Net Position, 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.
- 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

S. Compensated Absences, Continued

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 \$20,129,599 at September 30, 2020 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.

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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

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.

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 roll is 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-eighteenths (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 eighteenths 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. At September 30, 2020, GovGuam has significant encumbrances summarized as follows:

<u>General</u>	<u>Federal Grants Assistance</u>	<u>GDOE Federal Grants</u>	<u>Chamorro Lands</u>	<u>Other Governmental</u>	<u>Total</u>
<u>\$ 11,836,237</u>	<u>\$ 37,291,666</u>	<u>\$ 9,406,161</u>	<u>\$ -</u>	<u>\$ 42,122,539</u>	<u>\$100,656,603</u>

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards

During the year ended September 30, 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postpones the effective dates of GASB Statement Nos. 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.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. 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. 84 will be effective for fiscal year ending September 30, 2021.

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.

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 March 2018, GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve 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. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. 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. 90 will be effective for fiscal year ending September 30, 2021.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards, Continued

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. 93, *Replacement of Interbank Offered Rates (IBOR)*. The primary objective of this Statement is to address those and other accounting and financial reporting implications of the replacement of an IBOR. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. Except for paragraphs 11b, 13, and 14, GASB Statement No. 93 will be effective for fiscal year ending September 30, 2021. The requirement in paragraphs 11b, 13, and 14 are effective for fiscal year 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards, Continued

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. 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, 2019 from which summarized information was derived.

(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.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

(2) Deposits and Investments, Continued

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, 2020, the carrying amount of the primary government's total cash and cash equivalents and time certificates of deposit was \$472,061,653 and the corresponding bank balances were \$502,545,406. Of the bank balances, \$253,198,390 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 \$249,347,016 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 at September 30, 2020.

As of September 30, 2020, bank deposits in the amount of \$1,250,000 were FDIC insured and bank deposits in the amount of \$332,622 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 amount 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, 2020, 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 amount of investments in any one issuer that represents five percent (5%) or more of total investments for GovGuam.

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 at September 30, 2020.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(2) Deposits and Investments, Continued

B. Investments, Continued

As of September 30, 2020, the primary government's short-term investments of \$10,003,033 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.
- b. Investment managers may invest in U.S. and non-U.S. common stocks, American Depositary 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;

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

- 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
- 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

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 evidences 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.
- 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, 2020 are classified as follows:

Common stocks	\$ 1,267,204,906
Fixed income securities	617,763,297
Money market funds	59,103,305
Mutual funds	<u>429,672,057</u>
	\$ <u>2,373,743,565</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

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 shorter term and longer 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.

As of September 30, 2020, 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	\$ -	\$ 3,029,999	\$ 25,877,795	\$ 76,693,314	\$ 105,601,108
U.S. government agencies	37,793,799	43,909,981	4,089,607	46,661,902	132,455,289
Corporate notes and bonds	<u>2,942,957</u>	<u>131,118,567</u>	<u>171,677,135</u>	<u>73,968,241</u>	<u>379,706,900</u>
	<u>\$ 40,736,756</u>	<u>\$ 178,058,547</u>	<u>\$ 201,644,537</u>	<u>\$ 197,323,457</u>	<u>\$ 617,763,297</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. At September 30, 2020, GGRF held mortgage-backed securities valued at approximately \$55,600,000.

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.

GGRF's credit quality distribution for debt securities at September 30, 2020 is as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Amount</u>
Government Bonds	Aaa/Aa/A	\$ 190,054,403
Corporate Bonds	Baa/Ba/B	154,041,208
Corporate Bonds	Caa/Ca/C	151,487,619
U.S. Government Guaranteed	Not Rated	56,140,814
Not Rated	Not Rated	<u>66,039,253</u>
		<u>\$ 617,763,297</u>

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. At September 30, 2020, 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. At September 30, 2020, GGRF held approximately \$35,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$11,000,000 was issued by Canadian companies, \$4,000,000 by Dutch companies, \$4,000,000 by British companies, \$2,000,000 by Australian companies, \$2,000,000 by German companies, \$2,000,000 by Japanese companies, and \$10,000,000 by 12 other country companies.

At September 30, 2020, 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 at September 30, 2020 was approximately \$139,000,000. Of this total, approximately \$43,000,000 relates to companies whose functional currency is Japanese Yen, \$31,000,000 relates to companies whose functional currency is the Euro, \$17,000,000 relates to companies whose functional currency is the Swiss Franc, \$14,000,000 relates to companies whose functional currency is the Australian Dollar, \$11,000,000 relates to companies whose functional currency is the British Pound, and the remaining \$23,000,000 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

GGRF has the following recurring fair value measurements as of September 30, 2020:

	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:				
Equity securities	\$1,267,204,906	\$1,267,204,906	\$ -	\$ -
U.S. Treasury notes	105,601,108	-	105,601,108	-
Corporate notes and bonds	379,706,900	-	379,706,900	-
Mortgage-backed securities	<u>132,455,289</u>	-	<u>132,455,289</u>	-
	1,884,968,203	<u>\$1,267,204,906</u>	<u>\$ 617,763,297</u>	<u>\$ -</u>
Investments measured at NAV:				
Mutual funds	429,672,057			
Money market funds	<u>59,103,305</u>			
	<u>\$2,373,743,565</u>			

(3) Receivables and Tax Abatements

A. Receivables

Receivables as of September 30, 2020, for the primary government's individual major governmental funds, nonmajor governmental funds in the aggregate, and fiduciary funds, including allowances for uncollectible accounts, are as follows:

	General	Federal Grants Assistance	CARES Act Unemployment Assistance	COVID-19	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Fiduciary Funds	Total
Receivables:									
Taxes	\$ 222,352,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,109,857	\$ -	\$ 227,462,382
Federal	13,508,579	48,588,509	-	-	10,302,446	-	-	-	72,399,534
Court	-	-	-	-	-	-	5,508,161	-	5,508,161
Contributions	-	-	-	-	-	-	9,430,515	-	9,430,515
Interest	-	-	-	-	-	-	357,601	-	357,601
Other	<u>10,048,339</u>	-	-	-	-	-	<u>8,023,516</u>	<u>13,243,521</u>	<u>31,315,376</u>
	245,909,443	48,588,509	-	-	10,302,446	-	13,133,373	28,539,798	346,473,569
Allowance for Uncollectible Accounts	<u>(177,276,859)</u>	-	-	-	-	-	<u>(2,580,715)</u>	<u>(5,507,811)</u>	<u>(185,365,385)</u>
	<u>\$ 68,632,584</u>	<u>\$ 48,588,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,302,446</u>	<u>\$ -</u>	<u>\$ 10,552,658</u>	<u>\$ 23,031,987</u>	<u>\$ 161,108,184</u>

Contributions receivable recorded by the fiduciary funds represent amounts owed to the GovGuam Retirement Fund (GGRF) for employer and member contributions from various GovGuam agencies. As of September 30, 2020, employer contributions receivable totaled \$7,331,450; member contributions receivable totaled \$2,099,065; and interest and penalties receivable totaled \$357,601.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements

As of September 30, 2020, 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements, Continued

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.

During the year ended September 30, 2020, information relevant to the disclosure of these programs is as follows:

Guam Registered Apprenticeship Program:		
Gross receipts tax	\$	4,579,264
Harmon Industrial Park Association:		
Gross receipts tax		574,215
Excise tax		755,856
Qualifying Certificate Program:		
Gross receipts tax		12,601,935
Special Hotel Qualifying Certificate Program:		
Excise tax		260,884
Real property tax		<u>6,691</u>
		<u>\$ 18,778,845</u>

(4) Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds in the combined balance sheet at September 30, 2020, are summarized as follows:

Receivable Fund	Payable Fund	Amount
General	Federal Grants Assistance	\$ 5,875,030
General	GDOE Federal Grants	5,830,632
General	COVID-19	20,082,188
General	Nonmajor governmental funds	26,017,908
CARES Act Unemployment Assistance	General	18,918,085
Nonmajor governmental funds	General	<u>19,902,645</u>
		<u>\$ 96,626,488</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(4) Interfund Receivables/Payables, Continued

Receivables and payables between funds reflected as due to/from component units in the combined balance sheet at September 30, 2020, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Guam Memorial Hospital Authority	\$ -	\$ 2,260,077
Guam Visitors Bureau	-	1,676,731
Other governmental funds:		
Antonio B. Won Pat International Airport Authority	<u>546,665</u>	<u>-</u>
	<u>\$ 546,665</u>	<u>\$ 3,936,808</u>

(5) Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2020, are as follows:

	Estimated Useful Lives	Balance October 1, 2019	Additions	Transfers	Retirements	Balance September 30, 2020
Governmental activities:						
Nondepreciable capital assets:						
Land		\$ 57,071,489	\$ 245,105	\$ (6,730,242)	\$ -	\$ 50,586,352
Construction in progress		<u>37,281,398</u>	<u>42,862,482</u>	<u>(40,210,211)</u>	-	<u>39,933,669</u>
		<u>94,352,887</u>	<u>43,107,587</u>	<u>(46,940,453)</u>	-	<u>90,520,021</u>
Depreciable capital assets:						
Landfill cells	Capacity	71,093,441	-	-	-	71,093,441
Buildings	40 - 60 yrs	616,354,863	5,570,642	6,090,107	-	628,015,612
Machinery, equipment and furniture	5 - 20 yrs	130,373,183	3,203,419	640,135	-	134,216,737
Infrastructure	25 yrs	<u>904,676,771</u>	<u>2,985,353</u>	<u>40,210,211</u>	-	<u>947,872,335</u>
		<u>1,722,498,258</u>	<u>11,759,414</u>	<u>46,940,453</u>	-	<u>1,781,198,125</u>
Less accumulated depreciation:						
Landfill cells		(43,133,515)	(4,796,633)	-	-	(47,930,148)
Buildings		(232,787,099)	(14,593,891)	64,014	-	(247,316,976)
Machinery, equipment and furniture		(112,585,965)	(7,280,181)	(64,014)	-	(119,930,160)
Infrastructure		<u>(477,073,445)</u>	<u>(31,934,278)</u>	-	-	<u>(509,007,723)</u>
		<u>(865,580,024)</u>	<u>(58,604,983)</u>	-	-	<u>(924,185,007)</u>
Depreciable capital assets, net		<u>856,918,234</u>	<u>(46,845,569)</u>	<u>46,940,453</u>	-	<u>857,013,118</u>
		<u>\$ 951,271,121</u>	<u>\$ (3,737,982)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947,533,139</u>

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

General government	\$ 7,851,500
Protection of life and property	1,826,414
Public health	297,072
Community services	29,905
Recreation	335,519
Individual and collective rights	1,029,009
Transportation	24,622,100
Public education	14,024,416
Environmental protection	5,741,461
Economic development	<u>2,847,587</u>
	<u>\$ 58,604,983</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations

General Obligation Bonds (GOB):

As of September 30, 2020, the primary government had the following general obligation bonds outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
General Obligation Bonds: Series A, 2019	July 25, 2019	\$ 27,610,000	5%	November 15, 2031	\$ 27,045,000
Add: unamortized bond premium					<u>3,692,107</u>
					<u>\$ 30,737,107</u>

A summary of the general obligation bond premium and discount activity for the year ended September 30, 2020 is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Net</u>
Balance - October 1, 2019	\$ 4,027,747	\$ (125,775)	\$ 3,901,972
Current-year amortization	<u>(335,640)</u>	<u>125,775</u>	<u>(209,865)</u>
Balance - September 30, 2020	<u>\$ 3,692,107</u>	<u>\$ -</u>	<u>\$ 3,692,107</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>
2021	\$ 1,685,000	\$ 1,310,125	\$ 2,995,125
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 - 2030	11,995,000	2,985,625	14,980,625
2031 - 2032	<u>5,705,000</u>	<u>288,875</u>	<u>5,993,875</u>
	<u>\$ 27,045,000</u>	<u>\$ 8,914,375</u>	<u>\$ 35,959,375</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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations, Continued

General Obligation Bonds (GOB), Continued:

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.

Limited Obligation Bonds (LOB):

As of September 30, 2020, 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 (HOT), 2011	April 28, 2011	\$ 90,665,000	5.5% - 6.5%	November 1, 2040	\$ 73,020,000
Series A (BPT), 2011	December 1, 2011	\$ 235,000,000	3.5% - 5.3%	January 1, 2042	215,575,000
Series B (BPT), 2012 Taxable	June 6, 2012	\$ 27,375,000	4.4% - 4.9%	January 1, 2046	17,715,000
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	400,825,000
Series A (Section 30), 2016	August 17, 2016	\$ 236,605,000	5%	December 1, 2046	<u>217,325,000</u>
					1,005,785,000
Add: unamortized bond premium					84,697,604
Less: unamortized bond discount					<u>(1,466,200)</u>
					<u>\$ 1,089,016,404</u>

A summary of the limited obligation bond premium and discount activity for the year ended September 30, 2020 is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Net</u>
Balance - October 1, 2019	\$ 88,549,676	\$ (1,539,206)	\$ 87,010,470
Current-year amortization	<u>(3,852,072)</u>	<u>73,006</u>	<u>(3,779,066)</u>
Balance - September 30, 2020	\$ <u>84,697,604</u>	\$ <u>(1,466,200)</u>	\$ <u>83,231,404</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>
2021	\$ 33,030,000	\$ 50,330,461	\$ 83,360,461
2022	35,720,000	48,616,754	84,336,754
2023	37,535,000	46,771,784	84,306,784
2024	37,540,000	44,869,617	82,409,617
2025	38,070,000	42,952,469	81,022,469
2026 - 2030	215,930,000	183,788,750	399,718,750
2031 - 2035	276,140,000	121,451,219	397,591,219
2036 - 2040	254,240,000	51,624,641	305,864,641
2041 - 2045	68,930,000	7,031,541	75,961,541
2046 - 2047	<u>8,650,000</u>	<u>438,000</u>	<u>9,088,000</u>
	\$ <u>1,005,785,000</u>	\$ <u>597,875,236</u>	\$ <u>1,603,660,236</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

HOT Series A, 2011 Bonds

The HOT Series A, 2011 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 1997 Infrastructure Improvement Bonds and to provide additional proceeds to fund the construction of a new Guam Museum and other projects for the benefit of Guam's tourism industry (collectively, the Infrastructure Improvement Project Costs). Total principal and interest remaining on the HOT Series A, 2011 bonds is \$129,530,700 payable through November 2040. For the year ended September 30, 2020, principal and interest paid and total hotel occupancy tax revenues were \$6,996,988 and \$26,366,511, respectively. (see Note 16)

The General Indenture, as supplemented by a supplemental indenture, each dated April 1, 2011, 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, 2011:

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.

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, 2020, GovGuam is not a party to any Parity Payment Agreements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

HOT Series A, 2011 Bonds, Continued

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, 2011 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, 2020, GovGuam maintains \$12,766,212 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.

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

The BPT Series A, 2011, Series B, 2012, and Series D, 2015 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, and Series D, 2015 bonds is \$1,141,581,910 payable through January 2046. For the year ended September 30, 2020, principal and interest paid and total gross receipts tax revenues were \$49,566,765 and \$296,518,767, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

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

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.

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, 2020, 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 \$68,503,173 as of September 30, 2020.

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 \$332,547,625 payable through December 2046. For the year ended September 30, 2020, principal and interest paid and total Section 30 revenues were \$20,972,750 and \$82,309,451, respectively.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

(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, 2020, GovGuam maintains \$21,282,406 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, 2020

(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 \$26,616,110 as of September 30, 2020.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations, Continued

Limited Obligation Bonds (LOB), Continued:

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, 2020.

Direct Borrowings:

As of September 30, 2020, 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>3,686,349</u>
					<u>\$ 10,454,017</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>
2021	\$ 180,515	\$ 876,685	\$ 1,057,200
2022	278,712	515,868	794,580
2023	323,024	384,016	707,040
2024	336,237	370,803	707,040
2025	3,072,138	345,791	3,417,929
2026 - 2030	786,969	1,062,233	1,849,202
2031 - 2035	941,414	907,788	1,849,202
2036 - 2040	1,126,170	723,032	1,849,202
2041 - 2045	1,347,186	502,016	1,849,202
2046 - 2050	1,611,576	237,626	1,849,202
2051 - 2052	<u>450,076</u>	<u>12,226</u>	<u>465,302</u>
	<u>\$ 10,454,017</u>	<u>\$ 5,938,084</u>	<u>\$ 16,392,101</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(6) Long-Term Obligations, Continued

Direct Borrowings, Continued:

Judicial Building Loan

On January 16, 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 \$11,995,213 payable through December 2051. For the year ended September 30, 2020, principal and interest paid and total judicial fees, fines and building rental revenues were \$344,665 and \$999,438, respectively.

Congress Building Loan

GovGuam entered into a loan with a bank 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 \$4,396,888 payable through September 2035. For the year ended September 30, 2020, principal and interest paid and total building rental revenues were \$292,600 and \$228,079, 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, 2020.

Changes in Long-Term Obligations:

Changes in long-term obligations for the year ended September 30, 2020, are as follows:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 32,985,000	\$ -	\$ (5,940,000)	\$ 27,045,000	\$ 1,685,000
Limited obligation bonds	1,031,530,000	-	(25,745,000)	1,005,785,000	33,030,000
Direct borrowings:					
Bank loans	<u>8,870,308</u>	<u>1,805,665</u>	<u>(221,956)</u>	<u>10,454,017</u>	<u>180,515</u>
	<u>\$ 1,073,385,308</u>	<u>\$ 1,805,665</u>	<u>\$ (31,906,956)</u>	<u>\$ 1,043,284,017</u>	<u>\$ 34,895,515</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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, 2020, 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 <u>1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance September <u>30, 2020</u>	Due Within <u>One Year</u>
Other long-term liabilities:					
Compensated absences	\$ 21,338,974	\$ 11,820,667	\$ (7,294,944)	\$ 25,864,697	\$ 7,392,253
Capital lease obligations	168,895,164	-	(7,353,892)	161,541,272	7,805,437
DCRS sick leave liability	17,206,088	5,742,260	(2,818,749)	20,129,599	-
Net pension liability	1,013,574,175	130,758,539	(89,496,481)	1,054,836,233	-
OPEB liability	1,275,051,027	493,350,979	(30,569,444)	1,737,832,562	-
Tax credits payable	2,921,198	74,407	(611,976)	2,383,629	2,383,629
Due to IRS	19,937,926	-	-	19,937,926	19,937,926
Landfill closure	<u>27,142,090</u>	<u>781,320</u>	<u>(2,653,920)</u>	<u>25,269,490</u>	<u>-</u>
	<u>\$ 2,546,066,642</u>	<u>\$ 642,528,172</u>	<u>\$ (140,799,406)</u>	<u>\$ 3,047,795,408</u>	<u>\$ 37,519,245</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.

In addition, other long-term liabilities include an amount due to landowners in the original amount of \$29,112,970, inclusive of interest. On October 31, 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, 2020, tax credits in the amount of \$537,569 were redeemed in lieu of payments with a remaining amount of \$2,383,629 associated with this Court Order payable to landowners.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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:

	<u>General</u>	Federal Grants <u>Assistance</u>	CARES Act Unemployment <u>Assistance</u>	<u>COVID-19</u>	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	<u>Total</u>
Nonspendable:								
Pacific Islands Development Bank	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Land trust	-	-	-	-	-	453,106,926	-	453,106,926
Inventories	<u>1,285,847</u>	-	-	-	-	-	-	<u>1,285,847</u>
	<u>2,285,847</u>	-	-	-	-	<u>453,106,926</u>	-	<u>455,392,773</u>
Restricted:								
Debt service reserve	81,988,455	-	-	-	-	-	13,828,761	95,817,216
Landfill closure and post closure	-	-	-	-	-	-	4,398,105	4,398,105
Tourism-related capital projects	-	-	-	-	-	-	8,033,069	8,033,069
Chamorro Loan Guarantee	-	-	-	-	-	-	645,303	645,303
Landfill-related capital projects	-	-	-	-	-	-	<u>12,131,554</u>	<u>12,131,554</u>
	<u>81,988,455</u>	-	-	-	-	-	<u>39,036,792</u>	<u>121,025,247</u>
Committed:								
First Generation Trust Initiative	1,692,998	-	-	-	-	-	-	1,692,998
General government	4,536,465	-	-	-	-	-	23,388,580	27,925,045
Protection of life and property	425	-	-	-	-	-	10,443,360	10,443,785
Public health	582,952	-	-	-	-	-	28,801,486	29,384,438
Community services	896,373	-	-	-	-	-	56,976	953,349
Recreation	-	-	-	-	-	-	184,426	184,426
Individual and collective rights	11,934,789	-	-	-	-	-	4,058,461	15,993,250
Transportation	-	-	-	-	-	-	1,648,248	1,648,248
Public education	5,028	-	-	-	-	-	781,474	786,502
Environmental protection	-	-	-	-	-	-	11,839,085	11,839,085
Economic development	2,568,162	-	-	-	-	-	1,594,603	4,162,765
Other purposes	<u>91,360</u>	-	-	-	-	-	<u>602,940</u>	<u>694,300</u>
	<u>22,308,552</u>	-	-	-	-	-	<u>83,399,639</u>	<u>105,708,191</u>
Unassigned	<u>(108,096,536)</u>	<u>(234,678)</u>	-	-	-	-	<u>(99,230)</u>	<u>(108,433,444)</u>
	<u>\$ (1,513,682)</u>	<u>\$ (234,678)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,106,926</u>	<u>\$ 122,337,201</u>	<u>\$ 573,695,767</u>

(9) Deficit Net Position

The following individual component units reflect a deficit net position at September 30, 2020:

Guam Community College	\$ <u>14,125,288</u>
Guam Memorial Hospital Authority	\$ <u>247,190,347</u>
University of Guam	\$ <u>82,225,472</u>
Guam Economic Development Authority	\$ <u>18,452,635</u>
Guam Educational Telecommunications Corporation	\$ <u>2,104,944</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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, 2020, are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Federal Grants Assistance Fund	\$ 12,785,944	\$ -
COVID-19 Fund	-	932,834
Nonmajor governmental funds	<u>22,730,785</u>	<u>34,160,203</u>
	<u>35,516,729</u>	<u>35,093,037</u>
Federal Grants Assistance Fund:		
General Fund	-	12,785,944
GDOE Federal Grants Fund	6,337,459	-
Nonmajor governmental funds	<u>-</u>	<u>4,699,151</u>
	<u>6,337,459</u>	<u>17,485,095</u>
COVID-19 Fund:		
General Fund	932,834	-
GDOE Federal Grants Fund	1,000,000	-
Nonmajor governmental funds	<u>33,844</u>	<u>-</u>
	<u>1,966,678</u>	<u>-</u>
GDOE Federal Grants Fund:		
Federal Grants Assistance Fund	-	6,337,459
COVID-19 Fund	<u>-</u>	<u>1,000,000</u>
	<u>-</u>	<u>7,337,459</u>
Nonmajor governmental funds:		
General Fund	34,160,203	22,730,785
Federal Grants Assistance Fund	4,699,151	-
COVID-19 Fund	-	33,844
Nonmajor governmental funds	<u>8,489,805</u>	<u>8,489,805</u>
	<u>47,349,159</u>	<u>31,254,434</u>
	<u>\$ 91,170,025</u>	<u>\$ 91,170,025</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 \$17,485,095 from the General Fund and the nonmajor governmental funds to the Federal Grants Assistance Fund representing local match requirements under various federal grant awards; \$7,666,613 from the General Fund to the nonmajor governmental funds to fund tourist attraction activities; and \$34,160,203 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, 2020

(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, 2019 are eligible to receive an annual ad hoc cost of living allowance (COLA).

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, 2019 (the measurement date), plan membership consisted of the following:

DB members:	
Inactive employees or beneficiaries currently receiving benefits	7,360
Inactive employees entitled to but not yet receiving benefits	3,162
Active employees	<u>4,850</u>
	15,372
DCRS members:	
Active employees	<u>6,286</u>
	<u>21,658</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, 2020

(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. Both 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 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, 2020

(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, 2018 actuarial valuation was used for determining the year ended September 30, 2020 statutory contributions. Member contributions are required at 9.52% of base pay.

As a result of actuarial valuations performed as of September 30, 2018, 2017 and 2016, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2020, 2019 and 2018, respectively, have been determined as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Normal costs (% of DB Plan payroll)	13.86%	13.54%	15.97%
Employee contributions (DB Plan employees)	<u>9.52%</u>	<u>9.52%</u>	<u>9.55%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>4.34%</u>	<u>4.02%</u>	<u>6.42%</u>
Employer portion of normal costs (% of total payroll)	2.39%	2.29%	1.60%
Unfunded liability cost (% of total payroll)	<u>20.70%</u>	<u>21.29%</u>	<u>22.12%</u>
Government contribution as a % of total payroll	<u>23.09%</u>	<u>23.58%</u>	<u>23.72%</u>
Statutory contribution rates as a % of DB Plan payroll:			
Employer	<u>26.28%</u>	<u>26.56%</u>	<u>27.83%</u>
Employee	<u>9.52%</u>	<u>9.52%</u>	<u>9.55%</u>

GovGuam's contributions to the DB Plan for the years ended September 30, 2020, 2019 and 2018 were \$43,829,335, \$46,268,549 and \$44,467,536, 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, 2020, 2019 and 2018 were \$17,786,783, \$17,918,474 and \$18,094,182, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(11) Pensions, Continued

A. General Information About the Pension Plans, Continued:

Statutory employer contributions for the DCRS plan for the year ended September 30, 2020 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.

GovGuam's contributions to the DCRS Plan for the years ended September 30, 2020, 2019 and 2018 were \$44,252,369, \$40,867,891 and \$48,699,660, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts, \$33,812,659, \$31,309,325 and \$38,672,664 were contributed toward the unfunded liability of the DB Plan for the years ended September 30, 2020, 2019 and 2018, respectively.

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

Pension Liability: At September 30, 2020, the GovGuam reporting entity reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2019, which is comprised of the following:

	Primary <u>Government</u>	Fiduciary <u>Funds</u>	Component <u>Units</u>	<u>Total</u>
Defined Benefit Plan	\$ 785,926,191	\$ 4,868,544	\$ 423,667,940	\$ 1,214,462,675
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	228,640,699	1,082,943	94,469,083	324,192,725
Ad Hoc COLA Plan for DCRS Retirees	<u>40,269,343</u>	<u>324,763</u>	<u>19,290,315</u>	<u>59,884,421</u>
	<u>\$ 1,054,836,233</u>	<u>\$ 6,276,250</u>	<u>\$ 537,427,338</u>	<u>\$ 1,598,539,821</u>

Changes in Net Pension Liability: At September 30, 2020, the GovGuam reporting entity reported changes in net pension liability measured as of September 30, 2019, which is summarized as follows:

Defined Benefit Plan:

	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
Balance as of October 1, 2019	\$ <u>3,211,537,542</u>	\$ <u>2,032,344,992</u>	\$ <u>1,179,192,550</u>
Changes for the year:			
Service cost	33,115,425		33,115,425
Interest	219,172,539		219,172,539
Differences between actual and expected experience	(15,446,562)		(15,446,562)
Contributions from employer		121,556,556	(121,556,556)
Contributions from employees		27,012,032	(27,012,032)
Net investment income		56,758,490	(56,758,490)
Benefit payments	(231,142,736)	(231,142,736)	
Administrative expense	<u>-</u>	<u>(3,755,801)</u>	<u>3,755,801</u>
Net changes	<u>5,698,666</u>	<u>(29,571,459)</u>	<u>35,270,115</u>
Balance as of September 30, 2020	<u>\$ 3,217,236,208</u>	<u>\$ 2,002,773,533</u>	<u>\$ 1,214,462,675</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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, 2019	\$ <u>289,875,668</u>	\$ _____ -	\$ <u>289,875,668</u>
Changes for the year:			
Service cost	4,684,670		4,684,670
Interest	11,846,251		11,846,251
Differences between actual and expected experience	(1,430,304)		(1,430,304)
Changes of assumptions	41,761,635		41,761,635
Contributions from employer		22,545,195	(22,545,195)
Benefit payments	<u>(22,545,195)</u>	<u>(22,545,195)</u>	-
Net changes	<u>34,317,057</u>	-	<u>34,317,057</u>
Balance as of September 30, 2020	\$ <u>324,192,725</u>	\$ _____ -	\$ <u>324,192,725</u>

Ad Hoc COLA Plan for DCRS Retirees:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of October 1, 2019	\$ <u>49,342,424</u>	\$ _____ -	\$ <u>49,342,424</u>
Changes for the year:			
Service cost	1,779,688		1,779,688
Interest	2,098,773		2,098,773
Differences between actual and expected experience	(1,471,219)		(1,471,219)
Changes of assumptions	9,978,755		9,978,755
Contributions from employer		1,844,000	(1,844,000)
Benefit payments	<u>(1,844,000)</u>	<u>(1,844,000)</u>	-
Net changes	<u>10,541,997</u>	-	<u>10,541,997</u>
Balance as of September 30, 2020	\$ <u>59,884,421</u>	\$ _____ -	\$ <u>59,884,421</u>

The following presents GovGuam and its component units change in proportion since the prior measurement date of September 30, 2018 to the current measurement date of September 30, 2019:

	Defined Benefit Plan		Ad Hoc COLA/ Supplemental Annuity Plan For DB Retirees		Ad Hoc COLA Plan For DCRS Retirees	
	Primary Government	Component Units	Primary Government	Component Units	Primary Government	Component Units
Proportion at September 30, 2019	<u>65.68%</u>	<u>34.32%</u>	<u>71.01%</u>	<u>28.99%</u>	<u>67.34%</u>	<u>32.66%</u>
Proportion at September 30, 2020	<u>64.71%</u>	<u>35.29%</u>	<u>70.54%</u>	<u>29.46%</u>	<u>67.27%</u>	<u>32.73%</u>
Increase/(decrease)	<u>-0.97%</u>	<u>0.97%</u>	<u>-0.47%</u>	<u>0.47%</u>	<u>-0.07%</u>	<u>0.07%</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(11) Pensions, Continued

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

Pension Expense (Benefit): For the year ended September 30, 2020, 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	\$ 61,957,490	\$ 491,065	\$ 42,885,019	\$ 105,333,574
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	17,859,814	101,055	8,252,405	26,213,274
Ad Hoc COLA Plan for DCRS Retirees	<u>3,533,925</u>	<u>20,714</u>	<u>1,585,509</u>	<u>5,140,148</u>
	<u>\$ 83,351,229</u>	<u>\$ 612,834</u>	<u>\$ 52,722,933</u>	<u>\$ 136,686,996</u>

Deferred Outflows and Inflows of Resources: At September 30, 2020, 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>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	\$ 1,128,077	\$ 6,966,958	\$ 1,584,357	\$ 703,060	\$ 4,241,021	\$ 1,169,633
Net difference between projected and actual earnings on pension plan investments	27,635,677	-	-	-	-	-
Changes of assumptions	-	-	20,527,763	3,554,284	9,694,946	3,906,701
Contributions subsequent to the measurement date	77,641,994	-	16,228,784	-	1,558,000	-
Changes in proportion and difference between GovGuam contributions and proportionate share of contributions	<u>706,909</u>	<u>11,754,530</u>	<u>776,891</u>	<u>1,977,240</u>	<u>2,463,841</u>	<u>1,704,722</u>
	<u>\$ 107,112,657</u>	<u>\$ 18,721,488</u>	<u>\$ 39,117,795</u>	<u>\$ 6,234,584</u>	<u>\$ 17,957,808</u>	<u>\$ 6,781,056</u>

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 at September 30, 2020 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>
2021	\$ (9,342,876)	\$ 6,294,886	\$ 925,893
2022	(2,861,886)	7,927,029	925,893
2023	12,271,587	2,432,512	925,893
2024	10,682,350	-	925,893
2025	-	-	925,893
Thereafter	-	-	<u>4,989,287</u>
	<u>\$ 10,749,175</u>	<u>\$ 16,654,427</u>	<u>\$ 9,618,752</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(11) Pensions, Continued

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

At September 30, 2020, 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	\$ 608,111	\$ 2,657,233	\$ 654,620	\$ 216,072	\$ 2,031,585	\$ 560,297
Net difference between projected and actual earnings on pension plan investments	14,897,520	1,098,437	-	330,133	-	-
Changes of assumptions	-	-	8,481,600	1,212,831	4,644,193	1,871,434
Contributions subsequent to the measurement date	45,879,010	-	6,823,322	-	718,000	-
Changes in proportion and difference between contributions and proportionate share of contributions	<u>13,685,139</u>	<u>2,810,009</u>	<u>1,481,194</u>	<u>305,728</u>	<u>1,201,927</u>	<u>1,879,542</u>
	<u>\$ 75,069,780</u>	<u>\$ 6,565,679</u>	<u>\$ 17,440,736</u>	<u>\$ 2,064,764</u>	<u>\$ 8,595,705</u>	<u>\$ 4,311,273</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, 2018
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	May 1, 2033 (14.58 years remaining as of September 30, 2018)
Asset Valuation Method:	3-year smoothed market value (effective September 30, 2009)
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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(11) Pensions, Continued

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

The actuarial assumptions used in the September 30, 2018 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, 2018 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%	6.81%
U.S. Equities (small cap)	4.0%	8.12%
Non-U.S. Equities	17.0%	8.33%
Non-U.S. Equities (emerging markets)	3.0%	10.28%
U.S. Fixed Income (aggregate)	24.0%	3.87%
Risk Parity	8.0%	5.56%
High Yield Bonds	8.0%	5.45%
Global Real Estate (REITs)	5.0%	8.01%
Master Limited Partnerships	5.0%	7.44%

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2019 was 7% (7% as of September 30, 2018), 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, 2019 was 2.66% (4.18% as of September 30, 2018), which is equal to the rate of return of a high quality bond index.

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:

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(11) Pensions, Continued

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

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	\$ 992,193,081	\$ 785,926,191	\$ 608,428,799
Fiduciary funds	6,146,259	4,868,544	3,768,985
Component units	<u>534,859,932</u>	<u>423,667,940</u>	<u>327,984,736</u>
	<u>\$ 1,533,199,272</u>	<u>\$ 1,214,462,675</u>	<u>\$ 940,182,520</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

	1% Decrease in Discount Rate <u>1.66%</u>	Current Discount Rate <u>2.66%</u>	1% Increase in Discount Rate <u>3.66%</u>
Primary government	\$ 252,250,015	\$ 228,640,699	\$ 208,512,016
Fiduciary funds	1,194,767	1,082,943	987,605
Component units	<u>104,223,910</u>	<u>94,469,083</u>	<u>86,152,374</u>
	<u>\$ 357,668,692</u>	<u>\$ 324,192,725</u>	<u>\$ 295,651,995</u>

Ad Hoc COLA Plan for DCRS Retirees:

	1% Decrease in Discount Rate <u>1.66%</u>	Current Discount Rate <u>2.66%</u>	1% Increase in Discount Rate <u>3.66%</u>
Primary government	\$ 45,632,917	\$ 40,269,343	\$ 35,678,115
Fiduciary funds	368,008	324,753	287,727
Component units	<u>21,859,641</u>	<u>19,290,315</u>	<u>17,090,968</u>
	<u>\$ 67,860,576</u>	<u>\$ 59,884,421</u>	<u>\$ 53,056,820</u>

(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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

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

A. General Information About the OPEB Plan, Continued:

Plan Membership: As of September 30, 2019 (the measurement date), plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	7,462
Active plan members	<u>10,832</u>
	<u>18,294</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.

B. Total OPEB Liability:

As of September 30, 2020, the GovGuam reporting entity reported a total OPEB liability of \$2,553,523,376 of which GovGuam (the primary government) and its component units reported \$1,737,832,562 and \$815,690,814, respectively, for their proportionate share of the total OPEB liability measured as of September 30, 2019. 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, 2018	<u>68.01%</u>	<u>31.99%</u>
Proportion at measurement date, September 30, 2019	<u>68.06%</u>	<u>31.94%</u>
Increase/(decrease) in proportion	<u>0.05%</u>	<u>-0.05%</u>

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

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

B. Total OPEB Liability, Continued:

The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2019 (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:	For 2019, Non-Medicare 13.5%; Medicare -25%; and Part B 5.33%. For the second year, 6.75% then reducing 0.25% annually to an ultimate rate of 4.25% for 2029 and later years. 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 are expected to decline year by year. Medical trend rates are applied to retiree contributions, Medicare Part B and Medicare Part D premium reimbursements.
Dental trend rates:	3.8% in year one, 3.75% per year thereafter, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.
Medicare enrollment:	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.
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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

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

B. Total OPEB Liability, Continued:

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, 2020, 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 2.66% as of September 30, 2019 (4.18% as of September 30, 2018). 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 2.66% municipal bond rate as of September 30, 2019 was applied to all periods of projected benefit payments to determine the total OPEB liability.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

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

C. Changes in the Total OPEB Liability:

Changes in the total OPEB liability are as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
At October 1, 2019	\$ <u>1,275,051,027</u>	\$ <u>8,466,261</u>	\$ <u>591,453,047</u>	\$ <u>1,874,970,335</u>
Changes for the year:				
Service cost	51,686,447	324,923	22,229,138	74,240,508
Interest	54,818,726	364,100	25,375,526	80,558,352
Change in proportionate share	484,095	(129,864)	(354,231)	-
Change of assumptions	386,361,711	2,534,086	178,813,477	567,709,274
Benefit payments	<u>(30,569,444)</u>	<u>(161,335)</u>	<u>(13,224,313)</u>	<u>(43,955,092)</u>
Net change	<u>462,781,535</u>	<u>2,931,910</u>	<u>212,839,597</u>	<u>678,553,042</u>
At September 30, 2020	\$ <u>1,737,832,562</u>	\$ <u>11,398,171</u>	\$ <u>804,292,644</u>	\$ <u>2,553,523,377</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:

	<u>1% Decrease in Discount Rate 1.66%</u>	<u>Current Discount Rate 2.66%</u>	<u>1% Increase in Discount Rate 3.66%</u>
Primary government	\$ 2,075,816,942	\$ 1,737,832,562	\$ 1,469,202,768
Fiduciary funds	13,614,958	11,398,171	9,636,270
Component units	<u>960,716,431</u>	<u>804,292,644</u>	<u>679,967,105</u>
Total	\$ <u>3,050,148,331</u>	\$ <u>2,553,523,377</u>	\$ <u>2,158,806,143</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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Primary government	\$ 1,412,179,881	\$ 1,737,832,562	\$ 2,169,321,912
Fiduciary funds	9,262,266	11,398,171	14,228,242
Component units	<u>653,576,135</u>	<u>804,292,644</u>	<u>1,003,991,807</u>
Total	\$ <u>2,075,018,282</u>	\$ <u>2,553,523,377</u>	\$ <u>3,187,541,961</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

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

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

For the year ended September 30, 2020, the GovGuam reporting entity reported total OPEB expense of \$134,820,942 of which GovGuam (the primary government), its fiduciary funds and its component units reported \$91,034,317, \$462,060 and \$43,324,565, respectively, for its proportionate share the total OPEB expense measured for the year ended September 30, 2019.

At September 30, 2020, 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	\$ -	\$ 227,850,126	\$ -	\$ 1,494,433	\$ 27,456,395	\$ 100,681,984
Changes of assumptions	378,813,067	162,036,629	2,484,475	1,062,773	147,863,468	71,183,489
Contributions subsequent to the measurement date	32,601,474	-	-	-	12,836,244	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	<u>20,608,752</u>	<u>23,315,732</u>	<u>256,306</u>	<u>478,891</u>	<u>23,961,750</u>	<u>27,888,259</u>
	<u>\$ 432,023,293</u>	<u>\$ 413,202,487</u>	<u>\$ 2,740,781</u>	<u>\$ 3,036,097</u>	<u>\$ 212,117,857</u>	<u>\$ 199,753,732</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 at September 30, 2020 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>
2021	\$ (13,852,197)	\$ (84,016)	\$ (95,291)
2022	(13,852,197)	(52,825)	(95,291)
2023	(44,100,820)	(52,825)	(95,291)
2024	18,822,911	(52,825)	(129,738)
2025	<u>39,201,635</u>	<u>(52,825)</u>	<u>(56,508)</u>
	<u>\$ (13,780,668)</u>	<u>\$ (295,316)</u>	<u>\$ (472,119)</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, 2020

(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. On June 4, 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. On August 31, 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 \$2,653,920 reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during the year ended September 30, 2020. The estimated landfill closure and post closure care liability at September 30, 2020 is not included in the accompanying governmental fund financial statements. Instead, GovGuam has reported \$17,687,778 as a landfill closure and post closure care liability at September 30, 2020 within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump. This amount represents an EPA estimate of \$20,341,698, inclusive of 35% industry standard cost contingency, less current year closure and post closure costs. In addition, GovGuam has reported an amount of \$7,581,712 for Layon landfill based on the use of 7.86% 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 based on what it would cost to perform all closure and post closure care in 2020. Actual cost 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. During the year ended September 30, 2020, claims in the amount of \$12,408,000 were paid to eligible individuals.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(13) Commitments and Contingencies, Continued

D. Litigation

GovGuam is party to several legal proceedings arising from governmental operations; however, the Attorney General of Guam is unable to assess the likelihood of potential liabilities related to claims outstanding as of September 30, 2020. Hence, it is not possible to predict a reasonable estimation of these claims to be paid through the claims process, as set forth in footnote 13J below and, therefore, no provision for any liability that may result has been made in the accompanying financial statements.

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, 2020, 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 2006 Series A, Certificates of Participation (COPS) and \$14,015,000 in 2006 Series B, COPS 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 2008 Series A, COPS 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, 2020

(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 2016 Series A, COPS and \$12,905,000 in 2016 Series B, COPS. 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. Total payments remaining on the lease agreement are \$34,430,250 payable through December 1, 2026. For the year ended September 30, 2020, lease payments made and total Compact Impact grant revenues received were \$5,741,000. 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 2010 Series A, COPS 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. On August 1, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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 2013 Series A, COPS and \$1,000,000 in 2013 Series B, COPS 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. On March 1, 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 2013 Series B, COPS 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 Guam 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, 2020

(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>
2021	\$ 7,805,437	\$ 12,570,227	\$ 20,375,664
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 - 2030	36,187,044	42,061,380	78,248,424
2031 - 2035	35,775,077	28,473,056	64,248,133
2036 - 2040	42,885,110	10,919,960	53,805,070
2041	<u>1,921,907</u>	<u>192,191</u>	<u>2,114,098</u>
	<u>\$ 161,541,272</u>	<u>\$ 139,016,017</u>	<u>\$ 300,557,289</u>

Assets acquired through the aforementioned capital leases are as follows:

Assets:	
Buildings and leasehold improvements	\$ 239,159,248
Less accumulated depreciation	<u>(46,116,686)</u>
	193,042,562
Land	<u>435,280</u>
	<u>\$ 193,477,842</u>

H. 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. As of September 30, 2020, no drawdowns have been made against this loan.

I. 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, 2020, the outstanding COLA liability amounted to \$4,408,747. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased commencing October 1, 2011.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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. Deposits with Treasurer

In accordance with 22 GCA § 15103, insurance companies doing business on Guam are required to make a deposit with the Commissioner of Insurance in the amount of \$50,000. In addition, 22 GCA § 15503 an alien insurer is required to deposit with the Commissioner of Insurance an amount equal to the minimum amount of paid-in-capital of \$100,000. The deposit requirement is met with any good and sufficient bond as set by the Commissioner. Bonds currently take various forms and range from a surety bond to bank certificates of deposit. Deposits are likewise required of foreign banks and foreign exchanges. At September 30, 2020, \$13,317,866 was held by GovGuam in bonds as security against possible claims.

L. 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.

M. 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 at September 30, 2020. The estimated accumulated amount of unused sick leave at September 30, 2020, is \$133,220,008, of which an estimated \$20,129,599 has been accrued and may be convertible to pay members of the DCRS upon retirement.

N. 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, 2020

(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. At September 30, 2020, 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	\$ 8,213,598
Operations and Maintenance Reserve Fund	12,381,319
Operations and Maintenance Fund	14,497,243
General Revenue Fund	5,863,381
Self-Insurance Fund	6,988,978
Capital Improvement Fund	25,443,467
Construction Fund	171
Bond Reserve Funds	16,438,458
Debt Service Funds	8,886,875
Renewal and Replacement Fund	<u>1,000,249</u>
	<u>\$ 99,713,739</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. At September 30, 2020, restricted cash and cash equivalents held for this purpose amounted to \$389,366.

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. At September 30, 2020, restricted investments held for this purpose amounted to \$17,687,923.

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. At September 30, 2020, 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	\$ 22,590,786
Interest and Principal Funds	38,059,526
Working Capital Funds	30,543,724
Bond Reserve Funds	48,532,630
Revenue Funds	5,148,569
Energy Sense Fund	261,171
Surplus Funds	<u>60,095,670</u>
	<u>\$ 205,232,076</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

Guam Power Authority (GPA), Continued:

Furthermore, GPA maintained restricted cash and cash equivalents based on a PUC rate order. At September 30, 2020, these consisted of \$19,469,799 held for a self-insurance fund.

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 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. At September 30, 2020, restricted cash and cash equivalents held by the trustees, in trust for GWA, in these funds and accounts are as follows:

Construction Funds	\$ 206,919,405
Bond Reserve Fund	41,585,242
Debt Service Fund	19,892,176
Operations, Maintenance, Renewal and Replacement Fund	17,423,213
Operations and Maintenance Fund	3,083,482
Revenue Fund	8,449,831
Capital Improvement Fund	<u>5,361,363</u>
	<u>\$ 302,714,712</u>

Furthermore, GWA maintained restricted cash and cash equivalents for specific capital projects related accounts. At September 30, 2020, these consisted of the following:

Customer Deposit Fund	\$ 2,063,361
Legislative Surcharge Fund	426,924
Meter Reserve Fund	842,331
Sewer Hook-up Revolving Fund	67,809
Island Water and Sewer Infrastructure Development Fund	<u>9,777,401</u>
	<u>\$ 13,177,826</u>

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. At September 30, 2020, restricted cash and cash equivalents held by the trustees, in trust for PAG, in these funds and accounts are as follows:

Construction Fund	\$ 48,041,056
Bond Reserve Fund	5,337,736
Debt Service Fund	1,438,102
Working Capital Reserve Fund	3,090,744
Operations and Maintenance Fund	3,123,079
Operations and Maintenance Reserve Fund	10,552,976
Renewal and Replacement Reserve Fund	1,853,098
Revenue Fund	2,262,880
General Reserve Fund	10,000
Capital Improvement Fund	<u>10,201,454</u>
	<u>\$ 85,911,125</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

University of Guam (UOG):

At September 30, 2020, UOG maintained restricted cash and cash equivalents and investments for the following purposes:

Enhancement of Learning Resources and Technology	\$ 2,279,831
Guam Cancer Trust Fund	3,178,651
Debt Service and Operations and Maintenance Reserve Funds	1,400,816
Endowment Funds	<u>15,458,866</u>
	\$ <u>22,318,164</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. At September 30, 2020, restricted investments held for this purpose amounted to \$14,734,679.

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. At September 30, 2020, restricted cash and cash equivalents and investments held for this purpose amounted to \$5,249,690.

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. At September 30, 2020, restricted short-term money market fund investments held for this purpose amounted to \$3,464,400. In addition, restricted short-term money market fund investments of \$1,678,531 are held under Lender Participation Agreements associated the State Small Business Credit Initiative program.

Guam Visitors Bureau (GVB):

Cash and cash equivalent balances are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2020, cash and cash equivalents held by GVB include \$1,247,432 in the Rainy Day Fund and \$168,058 in the Cultural and Sports Ambassadors Fund.

B. Deposits and Investments

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

As of September 30, 2020, the carrying amount of AWPIAA's total cash and cash equivalents was \$17,822,006, of which \$2,445,292 is maintained in banks and, at times, may exceed federal depository insurance limits. The remaining amount of \$15,376,714 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. At September 30, 2020, \$250,000 of bank deposits was covered by federal depository insurance.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

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

At September 30, 2020, 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 at September 30, 2020.

AWPIAA has the following recurring fair value measurements as of September 30, 2020:

	<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	\$ 3,485,697	\$ 3,485,697	\$ -	\$ -
U.S. Government agencies	613,407	-	613,407	-
Corporate notes	1,701,787	-	1,701,787	-
Exchange Traded Products	<u>6,953,609</u>	<u>6,953,609</u>	-	-
Total investments by fair value level	12,754,500	<u>\$ 10,439,306</u>	<u>\$ 2,315,194</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Money market funds	53,159,012			
Investments measured at amortized cost:				
Time certificates of deposit	8,874,319			
Interest-earning contracts	<u>9,549,194</u>			
	<u>\$ 84,337,025</u>			

As of September 30, 2020, AWPIAA'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>	
U.S. treasury obligations	\$ 1,260,475	\$ 2,225,222	\$ -	\$ -	\$ 3,485,697
U.S. government agencies:					
Federal Home Loan Mortgage Corporation	50,395	338,196	-	-	388,591
Federal Farm Credit Bank	-	224,816	-	-	224,816
Corporate notes	<u>325,561</u>	<u>1,327,655</u>	<u>48,571</u>	-	<u>1,701,787</u>
	<u>\$ 1,636,431</u>	<u>\$ 4,115,889</u>	<u>\$ 48,571</u>	<u>\$ -</u>	<u>\$ 5,800,891</u>

AWPIAA's exposure to credit risk at September 30, 2020, was as follows:

Moody's/ Standard & Poor's Credit Rating

Aaa/AAA	\$ 4,131,113
Aa/AA	265,241
A	1,054,157
Baa/BBB	<u>350,380</u>
	<u>\$ 5,800,891</u>

Guam Community College (GCC):

As of September 30, 2020, the carrying amount of GCC's cash and cash equivalents and time certificates of deposit was \$16,569,186 and the corresponding bank balance was \$17,323,428, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2020, bank deposits in the amount of \$2,874,513 were FDIC insured.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Community College (GCC), Continued:

GCC has the following recurring fair value measurements as of September 30, 2020:

		<u>Fair Value Measurements Using</u>		
	<u>Total</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:				
Mutual fund	\$ 2,041,940	\$ <u>2,041,940</u>	\$ _____	\$ _____
Investments measured at amortized cost:				
Time certificates of deposit	<u>2,108,925</u>			
	<u>\$ 4,150,865</u>			

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	\$ 719,318
Certificates of deposit	4,793,649
U.S. Government notes and bonds	553,518
Fixed income	3,282,898
Common stocks	<u>8,338,540</u>
	<u>\$ 17,687,923</u>

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2020, the carrying amount of GHURA's total cash and cash equivalents was \$17,164,799 and the corresponding bank balances were \$17,304,660, 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, 2020, bank deposits in the amount of \$250,000 were FDIC insured or collateralized by U.S. securities.

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2020, the carrying amount of GMHA's total cash and cash equivalents was \$12,103,083 and the corresponding bank balances were \$12,504,539, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2020, bank deposits in the amount of \$250,000 were FDIC insured.

Guam Power Authority (GPA):

As of September 30, 2020, the carrying amount of GPA's total cash and cash equivalents and time certificates of deposit was \$255,331,525 and the corresponding bank balances were \$255,395,539. Of the bank balance amount, \$99,257,412 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$156,138,127 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, 2020, bank deposits in the amount of \$1,056,659 were FDIC insured.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Power Authority (GPA), Continued:

At September 30, 2020, 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 at September 30, 2020.

GPA has the following recurring fair value measurements as of September 30, 2020:

	Total	<u>Fair Value Measurements Using</u>		
		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:				
Fixed income:				
Mutual funds	\$ 4,880,060	\$ 4,880,060	\$ -	\$ -
Investments measured at amortized cost:				
Commercial paper	13,742,000			
Guaranteed investment certificate	<u>30,269,878</u>			
	<u>\$ 48,891,938</u>			

As of September 30, 2020, GPA's investments in debt securities were as follows:

	<u>Investment Maturities (In Years)</u>				
	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
Guaranteed investment certificate	\$ -	\$ -	\$ -	\$30,269,878	\$ 30,269,878
Mutual funds	4,880,060	-	-	-	4,880,060
Commercial paper	<u>13,742,000</u>	-	-	-	<u>13,742,000</u>
	<u>\$18,622,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$30,269,878</u>	<u>\$ 48,891,938</u>

GPA's exposure to credit risk at September 30, 2020, was as follows:

Moody's or Standard & Poor's Credit Rating

P-1	\$ 13,742,000
Aa3	30,269,878
Not rated	<u>4,845,762</u>
	<u>\$ 48,891,938</u>

Guam Waterworks Authority (GWA):

As of September 30, 2020, the carrying amount of GWA's total cash and cash equivalents was \$358,371,950 and the corresponding bank balances were \$361,182,903. Of the bank balance amount, \$15,169,905 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$346,012,998 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, 2020, bank deposits in the amount of \$651,354 were FDIC insured.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Port Authority of Guam (PAG):

As of September 30, 2020, the carrying amount of PAG's total cash and cash equivalents was \$114,772,659 and the corresponding bank balance was \$114,861,925. Of the bank balance amount, \$28,960,799 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$85,901,126 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, 2020, bank deposits in the amount of \$500,000 were FDIC insured.

University of Guam (UOG):

As of September 30, 2020, the carrying amount of UOG's total cash and cash equivalents and time certificates of deposit was \$23,578,996 and the corresponding bank balance was \$28,378,124. Of the bank balance amount, \$6,496,764 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.

UOG has the following recurring fair value measurements as of September 30, 2020:

	<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. Treasury obligations	\$ 447,942	\$ -	\$ 447,942	\$ -
U.S. Government agencies	1,939,024	59,258	1,879,766	-
Corporate bonds	4,656,560	-	4,656,560	-
Equity securities	11,244,960	11,244,960	-	-
Mutual funds	3,064,818	3,064,818	-	-
Exchange-traded funds	<u>8,344,308</u>	<u>8,344,308</u>	-	-
Total investments by fair value level	29,697,612	<u>\$ 22,654,044</u>	<u>\$ 6,984,268</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Time certificates of deposit	6,094,676			
Money market funds	<u>460,580</u>			
	<u>\$ 36,252,868</u>			

As of September 30, 2020, UOG'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>	
U.S. treasury notes	\$ -	\$ -	\$ 447,942	\$ -	\$ 447,942
U.S. government agencies	-	1,939,024	-	-	1,939,024
Corporate notes and bonds	-	<u>1,108,406</u>	<u>3,528,404</u>	<u>19,750</u>	<u>4,656,560</u>
	<u>\$ -</u>	<u>\$ 3,047,430</u>	<u>\$ 3,976,346</u>	<u>\$ 19,750</u>	<u>\$ 7,043,526</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

UOG's exposure to credit risk at September 30, 2020, was as follows:

<u>Moody's Rating</u>	<u>Domestic</u>
Aaa	\$ 2,182,749
A1 - A3	3,309,655
Baa3	22,598
Ba1 - Ba3	678,952
B1 - B3	628,354
Caa1	17,000
Not rated	<u>204,218</u>
	<u>\$ 7,043,526</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	\$ 409,760
Mutual funds	1,825,308
U.S. Government notes and bonds	313,415
Domestic equities	2,802,680
Exchange traded funds	<u>9,383,516</u>
	<u>\$ 14,734,679</u>

Guam Housing Corporation (GHC):

As of September 30, 2020, the carrying amount of GHC's cash and cash equivalents was \$9,988,090, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2020, bank deposits in the amount of \$2,961,989 were FDIC insured.

GHC has the following recurring fair value measurements as of September 30, 2020:

	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. government agencies:	\$ 597,488	<u>\$ -</u>	<u>\$ 597,488</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Money market investments	<u>889,746</u>			
	<u>\$ 1,487,234</u>			

As of September 30, 2020, GHC's investments in debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years)				Total
		Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597,488</u>	<u>\$ 597,488</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Economic Development Authority (GEDA):

At September 30, 2020, the carrying amount of GEDA's cash and cash equivalents was \$8,846,608 and the corresponding bank balance was \$8,770,402, of which \$5,142,587 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$3,627,815 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 at September 30, 2020. As of September 30, 2020, bank deposits in the amount of \$500,000 were FDIC insured.

GEDA has the following recurring fair value measurements as of September 30, 2020:

	<u>Fair Value Measurements Using</u>			
	<u>Total</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	<u>\$ 13,217,617</u>	<u>\$ 13,217,617</u>	<u>\$ -</u>	<u>\$ -</u>

Guam Preservation Trust (GPT):

At September 30, 2020, the carrying amount of GPT's cash and cash equivalents and time certificates of deposit was \$1,019,778 and the corresponding bank balance was \$1,353,082, which is maintained in financial institutions subject to FDIC insurance.

GPT has the following recurring fair value measurements as of September 30, 2020:

	<u>Fair Value Measurements Using</u>			
	<u>Total</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:				
Equities	\$ 367,901	<u>\$ 367,901</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Exchange-traded funds	216,116			
Money market investments	<u>231,247</u>			
	<u>\$ 815,264</u>			

Guam Visitors Bureau (GVB):

At September 30, 2020, the carrying amount of GVB's cash and cash equivalents and time certificates of deposit was \$13,977,660 and the corresponding bank balance was \$14,048,728, of which \$13,859,126 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$189,602 represents bank deposits in financial institutions not subject to depository insurance. As of September 30, 2020, bank deposits in the amount of \$1,737,941 were FDIC insured.

At September 30, 2020, investments include time certificates of deposit in the amount of \$1,397,140 with original maturities of more than three months, which are fully FDIC insured.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Educational Telecommunications Corporation (GETC):

At September 30, 2020, the carrying amount of GETC's cash and cash equivalents was \$271,333, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2020, bank deposits were fully FDIC insured.

C. Receivables

Receivables as of September 30, 2020, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat	Guam Housing and Urban	Guam Memorial	Guam Power	Guam Waterworks	Port Authority	University of Guam	Nonmajor Component Units	Total	
Trade	\$ 7,674,804	\$ 3,903,947	\$ 201,622	\$209,682,004	\$32,295,701	\$20,675,728	\$ 5,540,260	\$ 56,419	\$ 293,312,048	
Federal agencies	1,264,148	459,702	1,451,115	3,651,082	7,311,914	8,168,373	351,325	4,590,671	53,562	27,301,892
Loans	-	-	4,734,239	-	-	-	-	16,461,862	26,617,079	47,813,180
Interest	-	-	12,037	-	-	-	-	-	34,798	46,835
Other	-	<u>2,769,805</u>	<u>375,223</u>	<u>137,952</u>	<u>688,025</u>	<u>885,210</u>	-	<u>2,058,115</u>	<u>3,002,430</u>	<u>9,916,760</u>
	8,938,952	7,133,454	6,774,236	213,471,038	40,295,640	29,729,311	5,891,585	36,392,211	29,764,288	378,390,715
Allowance	<u>(648,703)</u>	<u>(2,486,996)</u>	<u>(256,772)</u>	<u>(178,967,717)</u>	<u>(4,883,744)</u>	<u>(8,027,858)</u>	<u>(299,858)</u>	<u>(22,713,409)</u>	<u>(2,579,713)</u>	<u>(220,864,770)</u>
	<u>\$ 8,290,249</u>	<u>\$ 4,646,458</u>	<u>\$ 6,517,464</u>	<u>\$ 34,503,321</u>	<u>\$35,411,896</u>	<u>\$21,701,453</u>	<u>\$ 5,591,727</u>	<u>\$13,678,802</u>	<u>\$27,184,575</u>	<u>\$ 157,525,945</u>

Guam Housing and Urban Renewal Authority (GHURA):

Loans receivable 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, 2020, loans under GHURA's Down Payment and Closing Cost Assistance Program of \$394,627 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, 2020, loans under GHURA's Renewal Homes Program of \$4,339,612 carry a 3% interest rate with a 30-year term.

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, 2020, loan receivables are reserved in the amount of \$16,461,862.

Guam Housing Corporation (GHC):

Loans receivable 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, due in varying monthly installments, interest free, with varying maturities, collateralized by first mortgages on real estate.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government at September 30, 2020, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
Antonio B. Won Pat International Airport Authority:		
Other nonmajor governmental funds	\$ -	\$ 546,665
Guam Memorial Hospital Authority:		
General Fund	2,260,077	-
Guam Visitors Bureau:		
General Fund	<u>1,676,731</u>	<u>-</u>
	<u>\$ 3,936,808</u>	<u>\$ 546,665</u>

E. Capital Assets

Capital asset activities of the discretely presented component units for the year ended September 30, 2020, are as follows:

	Estimated Useful Lives	Balance October 1, 2019	Transfers and Additions	Transfers and Deletions	Balance September 30, 2020
Nondepreciable capital assets:					
Land		\$ 109,360,123	\$ 1,440,372	\$ -	\$ 110,800,495
Construction in progress		<u>270,780,207</u>	<u>187,911,359</u>	<u>(77,286,375)</u>	<u>381,405,191</u>
		<u>380,140,330</u>	<u>189,351,731</u>	<u>(77,286,375)</u>	<u>492,205,686</u>
Depreciable capital assets:					
Capital lease assets	20 - 40 yrs	32,466,516	-	-	32,466,516
Buildings and improvements	5 - 60 yrs	1,754,116,733	17,115,958	(1,563,692)	1,769,668,999
Machinery, equipment and furniture	2 - 40 yrs	252,166,304	14,156,922	(10,965,531)	255,357,695
Infrastructure	10 - 50 yrs	<u>1,244,850,064</u>	<u>59,206,487</u>	<u>(1,733,187)</u>	<u>1,302,323,364</u>
		3,283,599,617	90,479,367	(14,262,410)	3,359,816,574
Less accumulated depreciation		<u>(1,811,315,741)</u>	<u>(109,598,434)</u>	<u>8,584,995</u>	<u>(1,912,329,180)</u>
Depreciable capital assets, net		<u>1,472,283,876</u>	<u>(19,119,067)</u>	<u>(5,677,415)</u>	<u>1,447,487,394</u>
		<u>\$ 1,852,424,206</u>	<u>\$ 170,232,664</u>	<u>\$ (82,963,790)</u>	<u>\$ 1,939,693,080</u>

F. Bonds Payable

As of September 30, 2020, the discretely presented component units had the following bonds payable 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):					
Revenue Bonds Series A, 2013	September 1, 2013	\$ 14,620,000	5%	October 1, 2023	\$ 6,700,000
Revenue Bonds Series B, 2013	September 1, 2013	\$ 33,675,000	5.00% - 5.75%	October 1, 2043	24,290,000
Revenue Bonds Series C, 2013	September 1, 2013	\$ 199,040,000	5.00% - 6.37%	October 1, 2043	108,365,000
Revenue Bonds Series A, 2019	November 14, 2019	\$ 18,645,000	3.00% - 5.00%	October 1, 2023	18,645,000
Revenue Bonds Series B, 2019	November 14, 2019	\$ 18,400,000	3.13% - 3.32%	October 1, 2025	<u>18,400,000</u>
					176,400,000
Add: unamortized bond premium					2,838,190
					<u>\$ 179,238,190</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(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>
Guam Power Authority (GPA):					
Revenue Bonds Series A, 2012	October 1, 2012	\$ 340,620,000	5%	October 1, 2034	\$ 324,735,000
Revenue Bonds Series A, 2014	September 17, 2014	\$ 76,470,000	4% - 5%	October 1, 2044	72,340,000
Revenue Bonds Series A, 2017	December 21, 2017	\$ 148,670,000	5%	October 1, 2040	<u>148,355,000</u>
					545,430,000
Add: unamortized bond premium					<u>35,684,190</u>
					<u>\$ 581,114,190</u>
Guam Waterworks Authority (GWA):					
Revenue Bonds Series A, 2013	December 12, 2013	\$ 172,630,000	5.00% - 5.25%	July 1, 2043	\$ 27,340,000
Revenue Bonds Series A, 2014	August 7, 2014	\$ 70,000,000	5%	July 1, 2035	65,140,000
Revenue Bonds Series A, 2016	February 24, 2016	\$ 143,310,000	5%	January 1, 2046	142,890,000
Revenue Bonds Series A, 2017	December 13, 2017	\$ 107,660,000	5%	July 1, 2040	107,365,000
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>
					642,810,000
Add: unamortized bond premium					<u>42,530,523</u>
					<u>\$ 685,340,523</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>15,940,000</u>
					67,745,000
Add: unamortized bond premium					<u>4,762,079</u>
					<u>\$ 72,507,079</u>
Guam Housing Corporation (GHC):					
Housing Bonds Series A, 1998	April 15, 1998	\$ 50,000,000	4.70% - 5.75%	September 1, 2031	<u>\$ 3,265,000</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	23,755,000
Tobacco Settlement Asset-Backed Bonds Series B, 2007	December 1, 2007	\$ 3,407,077	Accreted	June 1, 2057	<u>16,773,618</u>
					40,528,618
Less: unamortized bond discount					(481,744)
Less: unaccreted capital appreciation bonds					<u>(8,344,249)</u>
					<u>\$ 31,702,625</u>

A summary of bond premium, bond discount and unaccreted interest activity for the year ended September 30, 2020 is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Unaccreted Interest</u>	<u>Net</u>
Balance - October 1, 2019	\$ 79,383,239	\$ (1,771,732)	\$ (8,923,833)	\$ 68,687,674
Current-year additions	11,017,480	-	-	11,017,480
Current-year amortization	<u>(4,585,737)</u>	<u>1,289,988</u>	<u>579,584</u>	<u>(2,716,165)</u>
Balance - September 30, 2020	<u>\$ 85,814,982</u>	<u>\$ (481,744)</u>	<u>\$ (8,344,249)</u>	<u>\$ 76,988,989</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

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 the government-wide 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 \$71,502 as of September 30, 2020. The bond premium has been deferred and amortized over the term of the 2013 bonds using the effective interest rate method.

On November 1, 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 the government-wide 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 \$563,580 as of September 30, 2020. The bond premium has been deferred and amortized over the term of the 2019 bonds using the effective interest rate method.

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 and 2019 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, 2020

(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>
2021	\$ 3,850,000	\$ 9,809,912	\$ 13,659,912
2022	4,040,000	9,613,712	13,653,712
2023	13,725,000	9,170,137	22,895,137
2024	13,405,000	8,491,887	21,896,887
2025	15,210,000	7,870,137	23,080,137
2026 - 2030	26,305,000	34,089,012	60,394,012
2031 - 2035	26,580,000	27,003,950	53,583,950
2036 - 2040	35,785,000	17,487,294	53,272,294
2041 - 2044	<u>37,500,000</u>	<u>4,839,119</u>	<u>42,339,119</u>
	<u>\$ 176,400,000</u>	<u>\$ 128,375,160</u>	<u>\$ 304,775,160</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 \$7,421,196 as of September 30, 2020. The bond premium has been deferred and amortized over the term of the 2012 bonds using the effective interest rate method.

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, 2020

(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 \$15,031,648 as of September 30, 2020. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

In 2000, GPA entered into Bond Reserve Fund Forward Delivery Agreements (the agreements) with Lehman Brothers and Bank of America. In connection with the agreements, GPA received cash totaling \$13,500,000 representing the present value amount of interest income on certain bond proceeds invested by GPA. Based on the terms of the agreements, gross proceeds totaled \$17,521,029 while GPA incurred termination fees and closing costs totaling \$3,530,000 and \$1,250,529, respectively. The \$13,500,000 in net proceeds received included \$759,500 of interest income earned as of the closing date of the agreements. The gross proceeds, termination fees and closing costs have been deferred and are amortized on a straight line basis over the average remaining life of the 1993 and 1999 bonds.

The following summarizes unamortized costs and unearned revenues at September 30, 2020 associated with these agreements:

Unearned forward delivery contract revenues	\$ 8,760,514
Accumulated amortization	<u>(8,176,496)</u>
	\$ <u>584,018</u>
Unamortized forward delivery contract costs	\$ 2,390,265
Accumulated amortization	<u>(2,230,988)</u>
	\$ <u>159,277</u>

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), 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>
2021	\$ 20,515,000	\$ 26,708,625	\$ 47,223,625
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 - 2030	139,330,000	90,035,500	236,345,500
2031 - 2035	159,690,000	51,007,500	212,917,500
2036 - 2040	98,845,000	21,050,750	105,320,750
2041 - 2045	<u>4,855,000</u>	<u>3,163,250</u>	<u>42,113,250</u>
	<u>\$ 545,430,000</u>	<u>\$ 287,709,250</u>	<u>\$ 833,139,250</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.

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 \$1,287,433 as of September 30, 2020. 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

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 \$9,861,241 as of September 30, 2020. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

On June 4, 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.

On August 26, 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 \$22,203,128 as of September 30, 2020.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), 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>
2021	\$ 9,270,000	\$ 28,867,017	\$ 38,137,017
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 - 2030	70,695,000	129,539,963	200,234,963
2031 - 2035	92,655,000	111,990,425	204,645,425
2036 - 2040	115,235,000	89,418,880	204,653,880
2041 - 2045	145,685,000	62,234,075	207,919,075
2046 - 2050	<u>167,225,000</u>	<u>23,838,125</u>	<u>191,063,125</u>
	<u>\$ 642,810,000</u>	<u>\$ 560,004,407</u>	<u>\$ 1,202,814,407</u>

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Port Authority of Guam (PAG), 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>
2021	\$ 2,465,000	\$ 3,280,862	\$ 5,745,862
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 - 2030	12,445,000	11,975,214	24,420,214
2031 - 2035	8,210,000	9,672,750	17,882,750
2036 - 2040	10,485,000	7,403,250	17,888,250
2041 - 2045	13,380,000	4,507,750	17,887,750
2046 - 2048	<u>9,740,000</u>	<u>989,750</u>	<u>10,729,750</u>
	<u>\$ 67,745,000</u>	<u>\$ 49,813,565</u>	<u>\$ 117,558,565</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.

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>
2021	\$ 235,000	\$ 182,450	\$ 417,450
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 - 2031	<u>2,015,000</u>	<u>394,881</u>	<u>2,409,881</u>
	<u>\$ 3,265,000</u>	<u>\$ 1,176,195</u>	<u>\$ 4,441,195</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

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.

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>
2021	\$ 1,380,000	\$ 665,226	\$ 2,045,226
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 - 2030	12,980,268	242,578	13,222,846
2031 - 2034	<u>19,573,350</u>	<u>-</u>	<u>19,573,350</u>
	<u>\$ 40,528,618</u>	<u>\$ 2,732,554</u>	<u>\$ 43,261,172</u>

Changes in Bonds Payable:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Bonds payable:					
AWPIAA	\$ 192,695,000	\$ 37,045,000	\$ (53,340,000)	\$ 176,400,000	\$ 3,850,000
GPA	561,560,000	-	(16,130,000)	545,430,000	20,515,000
GWA	494,100,000	300,075,000	(151,365,000)	642,810,000	9,270,000
PAG	70,125,000	-	(2,380,000)	67,745,000	2,465,000
GHC	3,495,000	-	(230,000)	3,265,000	235,000
GEDA	<u>40,638,618</u>	<u>-</u>	<u>(110,000)</u>	<u>40,528,618</u>	<u>1,380,000</u>
	<u>\$ 1,362,613,618</u>	<u>\$ 337,120,000</u>	<u>\$ (223,555,000)</u>	<u>\$ 1,476,178,618</u>	<u>\$ 37,715,000</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

G. Direct Borrowings

As of September 30, 2020, 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	\$ 4,801,616
Guam Housing and Urban Renewal Authority (GHURA):					
FmHA loan	March 26, 1980	\$ 2,000,000	6%	March 26, 2030	821,572
University of Guam (UOG):					
USDA rural development loan	June 12, 2003	\$ 13,500,000	4.50%	June 12, 2044	<u>10,541,087</u>
					<u>\$ 16,164,275</u>

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>
2021	\$ 1,329,368	\$ 238,132	\$ 1,567,500
2022	1,408,000	159,500	1,567,500
2023	1,491,000	76,500	1,567,500
2024	<u>573,248</u>	<u>4,871</u>	<u>578,119</u>
	<u>\$ 4,801,616</u>	<u>\$ 479,003</u>	<u>\$ 5,279,619</u>

Guam Community College (GCC):

In 2013, GCC entered into a rural development loan with the U.S. Department of Agriculture (USDA) for facility construction purposes. The loan is secured by a Security Agreement and assignment of income and assessments. In the event that GCC defaults in the payment of the loan or in the performance of any of its obligations under the promissory note, or GCC 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. This loan was fully paid as of September 30, 2020.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

G. Direct Borrowings, Continued

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</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 79,000	\$ 47,480	\$ 126,480
2022	84,175	42,305	126,480
2023	89,374	37,106	126,480
2024	94,894	31,586	126,480
2025	101,000	25,480	126,480
2026 - 2029	<u>373,129</u>	<u>38,371</u>	<u>411,500</u>
	<u>\$ 821,572</u>	<u>\$ 222,328</u>	<u>\$ 1,043,900</u>

Guam Waterworks Authority (GWA):

In 2010, GWA entered into a loan and a related promissory note with a bank for the purpose of financing a portion of the cost of the moratorium project. The loan is secured with a pledge and assignment of GWA system revenues but subject first, to a consent decree, and subordinate to the prior pledge and lien of the General Indenture. In addition, the note contains a provision that in an event of default, the entire outstanding amount may immediately become due and payable at the option of the bank. This loan was fully paid as of September 30, 2020.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

G. Direct Borrowings, Continued

University of Guam (UOG), 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>
2021	\$ 288,646	\$ 461,414	750,060
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 - 2030	1,971,822	1,778,478	3,750,300
2031 - 2035	2,460,753	1,289,547	3,750,300
2036 - 2040	3,070,918	679,382	3,750,300
2041 - 2043	<u>1,457,557</u>	<u>68,230</u>	<u>1,525,787</u>
	<u>\$ 10,541,087</u>	<u>\$ 5,985,900</u>	<u>\$ 16,526,987</u>

Changes in Direct Borrowings:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Due Within One Year
Direct borrowings:					
AWPIAA	\$ 6,048,641	\$ -	\$ (1,247,025)	\$ 4,801,616	\$ 1,329,368
GCC	2,125,530	-	(2,125,530)	-	-
GHURA	896,243	-	(74,625)	821,618	79,000
GWA	2,319,108	-	(2,319,108)	-	-
UOG	<u>10,803,390</u>	<u>-</u>	<u>(262,303)</u>	<u>10,541,087</u>	<u>288,646</u>
	<u>\$ 22,192,912</u>	<u>\$ -</u>	<u>\$ (6,028,591)</u>	<u>\$ 16,164,321</u>	<u>\$ 1,697,014</u>

H. Capital Lease Financing

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 assets acquired through this capital lease are as follows:

Asset:	
Buildings	\$ 32,466,516
Less accumulated depreciation	<u>(7,607,897)</u>
	<u>\$ 24,858,619</u>

Future minimum lease obligations to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ <u>2,226,222</u>	\$ <u>18,578</u>	\$ <u>2,244,800</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

H. Capital Lease Financing, Continued

Guam Community College (GCC):

On October 1, 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	\$ 4,988,932	
Less accumulated depreciation	<u>(127,921)</u>	
		<u>\$ 4,861,011</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>
2021	\$ 40,290	\$ 160,110	\$ 200,400
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 - 2030	271,195	730,805	1,002,000
2031 - 2035	334,929	667,071	1,002,000
2036 - 2040	413,641	588,359	1,002,000
2041 - 2045	510,851	491,149	1,002,000
2046 - 2050	630,907	371,093	1,002,000
2051 - 2055	779,177	222,823	1,002,000
2041 - 2043	<u>552,852</u>	<u>48,348</u>	<u>601,200</u>
	<u>\$ 3,713,141</u>	<u>\$ 3,902,059</u>	<u>\$ 7,615,200</u>

I. Changes in Other Long-Term Liabilities

During the year ended September 30, 2020, the following changes occurred in other long-term liabilities:

	Balance October 1, 2019	<u>Additions</u>	<u>Reductions</u>	Balance September 30, 2020	Due Within One Year
Other long-term liabilities:					
Compensated absences	\$ 15,391,752	\$ 10,220,350	\$ (7,348,594)	\$ 18,263,508	\$ 8,622,879
Capital lease obligations	10,808,951	4,988,932	(9,858,520)	5,939,363	2,266,512
DCRS sick leave	9,297,201	3,115,386	(1,152,799)	11,259,788	-
Net pension liability	499,166,122	63,657,802	(25,396,556)	537,427,368	-
OPEB liability	<u>591,453,047</u>	<u>220,426,256</u>	<u>(7,586,659)</u>	<u>804,292,644</u>	-
	<u>\$ 1,126,117,073</u>	<u>\$ 302,408,726</u>	<u>\$ (51,343,128)</u>	<u>\$ 1,377,182,671</u>	<u>\$ 10,889,391</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

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 extension was exercised and the PMC expires on September 30, 2020. 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. At September 30, 2020, the minimum future fixed management fees are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2021	\$ <u>293,203</u>

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. At September 30, 2020, the minimum future renewable energy purchases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2021	\$ 9,171,682
2022	9,200,983
2023	9,196,204
2024	9,163,847
2025	9,209,954
2026 - 2030	46,144,678
2031 - 2035	46,327,914
2036 - 2040	46,882,941
2041	<u>783,348</u>
	\$ <u>186,081,550</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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

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</u> <u>September 30,</u>	
2021	\$ 3,663,180
2022	3,663,180
2023	3,663,180
2024	<u>1,221,060</u>
	\$ <u>12,210,600</u>

Lease Obligations as Lessor:

In response to the impact of the global pandemic and the 95% decline in passenger traffic, the Antonio B. Won Pat International Airport Authority (AWPIAA) approved several financial relief programs throughout 2020. 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, 2020 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>	
2021	\$ 15,160,000
2022	15,160,000
2023	<u>12,633,333</u>
	\$ <u>42,953,333</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor, Continued:

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>	
2021	\$ 4,828,000
2022	4,183,000
2023	3,041,000
2024	3,047,000
2025	284,000
Thereafter	<u>2,794,000</u>
	<u>\$ 18,177,000</u>

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</u> <u>September 30,</u>	
2021	\$ 703,556
2022	622,446
2023	622,446
2024	622,446
2025	621,481
Thereafter	<u>4,698,034</u>
	<u>\$ 7,890,409</u>

Lease Obligations as Lessee:

In 2002, the 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessee, Continued:

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</u> <u>September 30,</u>	
2021	\$ 1,926,902
2022	1,833,929
2023	<u>5,105</u>
	<u>\$ 3,765,936</u>

Fuel Purchase and Bulk Storage Facility Contracts:

In November 2019, the 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 September 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. At September 30, 2020, the minimum future management fees for the years ending September 30, 2021 and 2022 are \$885,109 and \$911,662, respectively.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

U.S. Environmental Protection Agency (EPA), Continued:

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.

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, 2020, AWPIAA estimated that its pollution remediation obligations amounted to \$359,638.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(14) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Primary Treatment Permits, Continued:

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 December 2021.

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.

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 2020, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 2020

(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. Following the national emergency declared by the U.S. President, on March 14, 2020, Governor Lourdes A. Leon Guerrero issued Executive Order 2020-03 declaring a public health emergency in response to the COVID-19 outbreak. 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. As a result, schools and non-essential government agencies and private sector businesses temporarily closed. GovGuam closed its offices to the public and required all non-essential employees to work from home.

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 have been made available to Guam under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and related legislation.

The federal government has continued to implement further economic assistance programs. The date for the use of CARES Act funds 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, funding for vaccines and testing, and other direct payments to individuals and businesses.

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, currently estimated to total \$620 million, and permanent funding to repay Guam for Earned Income Tax Credit and Child Tax Credit payments paid or allowed to taxpayers under mirror provisions of Guam Territorial Tax legislation, beginning with calendar year 2021 tax returns.

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 local tax collections and general economic conditions globally, nationally and locally, for which the related financial impact cannot be reasonably estimated at this time. GovGuam has resumed normal operations; however, many private sector businesses have either suspended their operations or are conducting business at reduced levels.

In common with other States, tribal governments and territories, Guam is continuously evaluating the economic impact of the unusual conditions associated with the pandemic. Guam has an aggressive vaccination program designed to achieve the highest level of immunity possible. However, conditions and circumstances throughout the world and, in particular, in the markets which provide tourism demand for Guam, can quickly influence the local economy.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2020

(16) Subsequent Events

John F. Kennedy High School Project

On October 6, 2020, in order to obtain lower debt service costs, \$65,420,000 in 2020 Series A COPS were issued to refinance and prepay the rental payments of the outstanding 2010A Certificates, to finance the acquisition, construction and installation of energy improvements to the Guam John F. Kennedy High School, to fund capitalized interest for a portion of the Certificates and pay certain delivery costs of the Certificates.

Hotel Occupancy Tax Revenue Refunding Bonds Series 2021A

On March 31, 2021, \$58,865,000 in 2021 Series A refunding bonds were issued 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 in the current year of over \$3 million.

Business Privilege Tax Refunding Bonds Series 2021E and 2021F

On May 18, 2021, GovGuam entered into a forward delivery bond purchase agreement for \$258,550,000 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, \$19,070,000 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.

GOVERNMENT OF GUAM

**REQUIRED SUPPLEMENTARY
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual (Unaudited)
General Fund (Fund 100 Only)
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Income tax:				
Corporate	\$ 85,058,410	\$ 85,058,410	\$ 105,930,356	\$ 20,871,946
Individual	70,604,360	70,604,360	67,616,121	(2,988,239)
Withholding taxes, interest and penalties	246,295,424	246,295,424	268,055,775	21,760,351
	<u>401,958,194</u>	<u>401,958,194</u>	<u>441,602,252</u>	<u>39,644,058</u>
Interest on tax refund payments	-	-	(1,669,385)	(1,669,385)
Provision for tax refund payments	(125,000,000)	(125,000,000)	(115,000,000)	10,000,000
	<u>276,958,194</u>	<u>276,958,194</u>	<u>324,932,867</u>	<u>47,974,673</u>
Gross receipts	314,890,009	314,890,009	296,518,767	(18,371,242)
Excise	4,923,960	4,923,960	3,979,588	(944,372)
Section 30 Federal income tax collections	71,330,400	71,330,400	69,928,937	(1,401,463)
Immigration fees	1,566,012	1,566,012	1,200,955	(365,057)
Contributions from component units	-	2,911,530	3,769,420	857,890
Other	8,972,958	8,972,958	6,367,805	(2,605,153)
	<u>678,641,533</u>	<u>681,553,063</u>	<u>706,698,339</u>	<u>25,145,276</u>
Expenditures by Department:				
Executive Branch:				
Office of I Maga'lahaen Guahan	8,007,804	8,267,974	7,769,556	498,418
Office of I Segundu Na Maga'lahaen Guahan	16,686	538,985	533,455	5,530
Bureau of Budget and Management Research	1,159,512	1,154,301	978,141	176,160
Civil Service Commission	951,761	932,577	912,082	20,495
Department of Administration	11,515,656	10,928,586	10,099,280	829,306
Guam Election Commission	1,466,097	1,529,039	1,479,751	49,288
Department of Revenue and Taxation	9,596,136	10,673,098	11,041,742	(368,644)
Bureau of Statistics and Plans	1,164,468	1,104,635	908,791	195,844
Department of Public Works	-	-	412,317	(412,317)
Office of the Attorney General	15,427,972	17,707,856	12,268,385	5,439,471
Guam Police Department	27,477,737	27,338,812	27,060,247	278,565
Department of Corrections	23,701,636	23,217,045	22,009,128	1,207,917
Department of Agriculture	2,900,939	2,894,531	2,738,354	156,177
Department of Public Health and Social Services	41,026,186	27,913,031	20,088,556	7,824,475
Department of Education	211,213,857	213,444,360	211,826,002	1,618,358
Department of Youth Affairs	5,816,402	5,656,389	5,169,486	486,903
Guam Behavioral Health and Wellness Center	402,362	231,565	195,419	36,146
Department of Labor	1,598,747	1,599,013	1,465,041	133,972
Department of Integrated Services for Individuals with Disabilities	444,255	444,256	73,269	370,987
Mayors' Council of Guam	3,784,059	3,823,786	1,678,025	2,145,761
Department of Land Management	160,015	353,806	66,763	287,043
Chief Medical Examiner	450,413	368,400	280,900	87,500
Customs and Quarantine Agency	1,764,763	1,688,179	1,696,388	(8,209)
Department of Military Affairs	974,549	670,532	140,173	530,359
Guam Fire Department	28,346,604	29,159,248	29,083,619	75,629
Bureau of Women's Affairs	77,855	89,333	89,332	1
Payments to Component Units	56,556,609	56,556,609	56,556,609	-
GovGuam Retirement Fund appropriations	4,163,000	4,163,000	4,163,000	-
Retiree Healthcare Premiums	36,435,000	37,026,854	37,891,208	(864,354)
Retiree COLA	14,434,000	16,796,000	16,796,000	-
Retiree Supplemental Annuities	-	549,530	549,530	-
Miscellaneous appropriations	250,000	301,704	12,000	289,704
Other charges	-	-	1,425,995	(1,425,995)
Debt service	55,103,016	55,103,016	55,236,797	(133,781)
	<u>566,388,096</u>	<u>562,226,050</u>	<u>542,695,341</u>	<u>19,530,709</u>
Excess of revenues over expenditures	112,253,437	119,327,013	164,002,998	44,675,985
Other financing uses:				
Transfers out to other funds	(102,740,040)	(119,560,654)	(136,547,919)	(16,987,265)
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	3,650,657	3,650,657	6,369,931	2,719,274
Net change in deficit	<u>\$ 13,164,054</u>	<u>\$ 3,417,016</u>	<u>\$ 33,825,010</u>	<u>\$ 30,407,994</u>

See accompanying notes to required supplementary information - budgetary reporting.

GOVERNMENT OF GUAM

Notes to Required Supplementary Information – Budgetary Reporting September 30, 2020

(1) Budgetary Process

As required under law (5 GCA §4103 and §4106), the Governor directs the preparation and administration of the Executive Budget for GovGuam on an annual basis. The Executive Budget represents the Governor's financial proposal with recommended priorities for allocating resources. The budget process is important and necessary for the enactment of a budget and review of government operations. The Budget Process occurs in four (4) phases: formulation, adoption, execution, and audit.

During the *formulation phase*, the economic forecast and the program and financial plans are prepared for the various departments. Economic data and statistics are utilized in developing projected revenues for the upcoming fiscal year. Once revenues have been projected, a budget call is distributed to all the line agencies. This process starts when the Bureau of Budget and Management Research (BBMR) issues guidelines to each line agency in the preparation and development of their respective budgets. The formulation phase culminates in the transmittal of the Program and Financial Plan (Executive Budget) with the Governor's Budget Message to the Legislature for its consideration.

The *adoption phase* is the process in which the Legislature considers the Governor's proposal and passes the overall revenue and spending plan under a General Appropriations Bill. The Bill usually receives more detailed hearings within the auspices of the applicable legislative committees. Usually, a series of hearings will be called during which department heads and staff members give an overview of the Governor's proposed budget and are expected to provide explanations when their department's/agency's appropriations are considered. Finally, the Legislature may pass a General Appropriations Bill. The Bill is then transmitted to the Governor for approval. Other bills to include amendments during the fiscal year may be introduced for enactment into law.

The *execution phase* involves the release of funds appropriated per the General Appropriations Act. Each department prepares allotment of appropriations and may request revisions, legislative or administrative transfers, or supplemental appropriations. BBMR must approve such revisions to allotments. The Bureau also monitors and assists agencies in carrying out the approved budget in line with the established policies of the Governor.

The *audit phase* involves the evaluation of departments/agencies to identify areas in need of improving compliance procedures with applicable laws and regulations. During the audit phase, financial transactions, accounts and reports are assessed and analyzed to improve accountability, effectiveness, and efficiency in the achievement of goals and objectives. This phase is also to assure economic use of resources to enhance achievement of public services.

Budgetary control is maintained within the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effective with certain executive and legislative branch approval. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the Legislature as representing continuing appropriations.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Notes to Required Supplementary Information – Budgetary Reporting September 30, 2020

(1) Budgetary Process, Continued

The Budget Act for fiscal year 2020, Public Law No. 35-36, was approved for the Executive branch and the Legislative branch. Budgets for Special Revenue Funds and Capital Projects Funds are generally not submitted. Accordingly, a budget to actual presentation for Special Revenue Funds and Capital Projects Funds is not required or presented. The accompanying Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund presents solely the financial activities of the General Fund administered by the Department of Administration, and does not include the financial activities of the General Fund administered by the Guam Department of Education or the impact of implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

GovGuam's annual budget has been prepared on a basis that differs from governmental GAAP. Actual amounts in the accompanying budgetary comparison statements are presented on a budgetary basis, which includes outstanding encumbrances as a budgetary expenditure.

Encumbrance accounting is employed in governmental funds. For budgetary purposes, the encumbrances (i.e., purchase orders, contracts) are considered expenditures when incurred. For GAAP reporting purposes, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year.

(2) Reconciliation of Budgetary Schedule

Net change in deficit - budgetary basis	\$ 33,825,010
Net change in deficit of GASB 54 Funds included within the General Fund	<u>12,462,251</u>
Net change in deficit - General Fund	\$ <u>46,287,261</u>

See Accompanying Independent Auditors' Report.

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,	2019	2018	2017	2016	2015	2014	2013
GovGuam's proportion of the Net Pension Liability	64.71%	65.68%	66.37%	66.76%	67.12%	67.89%	65.67%
GovGuam's proportionate share of the Net Pension Liability	\$ 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	\$ 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	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%	283.11%
Plan fiduciary net position as a percentage of total Net Pension Lia	62.25%	63.28%	60.63%	54.62%	52.32%	56.60%	53.94%

* Information for 2010 - 2012 is unavailable

See Accompanying Independent Auditors' 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,	2019	2018	2017	2016	2015	2014
GovGuam's proportion of the Net Pension Liability	70.54%	71.01%	71.23%	71.03%	71.28%	71.81%
GovGuam's proportionate share of the Net Pension Liability	\$ 228,640,699	\$ 205,815,914	\$ 205,215,544	\$ 163,009,076	\$ 168,069,808	\$ 172,874,691
GovGuam's covered-employee payroll	\$ 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	63.63%	56.41%	56.69%	45.32%	46.11%	47.68%

* Information for 2010 - 2013 is unavailable

See Accompanying Independent Auditors' 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,	2019	2018	2017	2016	2015	2014
GovGuam's proportion of the Net Pension Liability	67.27%	67.34%	66.82%	66.58%	66.29%	62.23%
GovGuam's proportionate share of the Net Pension Liability	\$ 40,269,343	\$ 33,228,464	\$ 41,731,494	\$ 41,070,407	\$ 34,546,678	\$ 30,578,387
GovGuam's covered-employee payroll	\$ 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	25.43%	18.66%	16.57%	16.90%	14.64%	13.99%

* Information for 2010 - 2013 is unavailable

See Accompanying Independent Auditors' 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 95,512,645	\$ 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 contribution	<u>95,560,468</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>\$ (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	\$ 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	28.98%	28.29%	29.70%	28.94%	29.92%	31.95%	30.22%

* Information for 2010 - 2012 is unavailable

See Accompanying Independent Auditors' 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,	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 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	33,115,425	33,365,987	17,991,505	20,612,126	21,664,561	22,323,496	21,089,199
Interest	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	(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	(231,142,736)	(221,353,747)	(215,690,622)	(210,817,583)	(205,081,649)	(199,534,108)	(193,608,035)
Total changes	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	\$ 3,217,236,208	\$ 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	\$ 2,032,344,992	\$ 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	121,556,556	135,850,714	125,274,726	124,419,463	134,506,369	134,106,867	121,940,930
Member contributions	27,012,032	28,895,275	13,476,517	13,812,825	15,245,935	16,626,009	16,290,014
Net investment income	56,758,490	93,616,115	192,765,573	146,235,031	9,560,987	150,599,955	192,776,061
Benefit payments	(231,142,736)	(221,353,747)	(215,690,622)	(210,817,583)	(205,081,649)	(199,534,108)	(193,608,035)
Administrative expense	(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	(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	\$ 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	\$ 1,214,462,675	\$ 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	62.25%	63.28%	60.63%	54.62%	52.32%	56.60%	53.94%
Covered employee payroll	\$ 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	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%	283.11%

* Information for 2010 - 2012 is not available

See Accompanying Independent Auditors' 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,	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 289,875,668	\$ 288,147,121	\$ 229,486,687	\$ 235,799,709	\$ 240,733,290	Not Available	Not Available
Service cost	4,684,670	5,409,487	1,317,502	1,429,929	1,502,600	Not Available	Not Available
Interest	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	(1,430,304)	6,330,993	6,313,164	77,796	(1,804,353)	Not Available	Not Available
Change of assumptions	41,761,635	(14,202,705)	60,098,605	1,025,799	4,194,224	Not Available	Not Available
Benefit payments	(22,545,195)	(23,303,577)	(23,706,570)	(23,976,018)	(24,546,644)	Not Available	Not Available
Total changes	34,317,057	1,728,547	58,660,434	(6,313,022)	(4,933,581)		
Total Pension Liability - End of Year	\$ 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	22,545,195	23,303,577	23,706,570	23,976,018	24,546,644	Not Available	Not Available
Benefit payments	(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	\$ 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%	
Covered employee payroll	\$ 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	63.63%	56.41%	56.69%	45.32%	46.11%	47.68%	

* Information for 2010 - 2014 is not available

See Accompanying Independent Auditors' 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,	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability - Beginning of Year	\$ 49,342,424	\$ 62,445,490	\$ 61,688,067	\$ 52,115,736	\$ 46,880,986	Not Available	Not Available
Service cost	1,779,688	1,963,058	3,136,456	3,074,446	2,623,748	Not Available	Not Available
Interest	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	(1,471,219)	5,034,446	1,904,493	1,265,643	(587,552)	Not Available	Not Available
Change of assumptions	9,978,755	(3,208,683)	(4,594,882)	4,802,047	2,510,997	Not Available	Not Available
Benefit payments	(1,844,000)	(1,874,000)	(1,646,000)	(1,421,500)	(1,198,400)	Not Available	Not Available
Total changes	10,541,997	(13,103,066)	757,423	9,572,331	5,234,750		
Total Pension Liability - End of Year	\$ 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	1,844,000	1,874,000	1,646,000	1,421,500	1,198,400	Not Available	Not Available
Benefit payments	(1,844,000)	(1,874,000)	(1,646,000)	(1,421,500)	(1,198,400)	Not Available	Not Available
Total changes	-	-	-	-	-		
Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Not Available
Net Pension Liability - End of Year	\$ 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%	
Covered employee payroll	\$ 235,505,301	\$ 264,475,579	\$ 376,785,976	\$ 365,069,550	\$ 355,895,521		
Net Pension Liability as a % of Covered Employee Payroll	25.43%	18.66%	16.57%	16.90%	14.64%		

* Information for 2009 - 2014 is not available

See Accompanying Independent Auditors' 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,	2019	2018	2017	2016	2015
Service cost	\$ 51,686,447	\$ 67,161,371	\$ 75,604,392	\$ 60,755,660	Not Available
Interest	54,818,726	62,201,095	54,820,281	55,807,121	Not Available
Change in proportionate share	-	-	-	-	Not Available
Differences between expected and actual experience	-	(355,223,202)	-	-	Not Available
Change of assumptions	386,845,806	(137,613,595)	(163,423,981)	185,450,394	Not Available
Benefit payments	<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	462,781,535	(394,822,997)	(61,412,135)	273,600,348	
Total OPEB liability - beginning	<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>\$ 1,737,832,562</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	\$ 325,277,582	\$ 315,220,947	\$ 309,713,634	\$ 309,713,634	Not Available
Total OPEB liability as a percentage of covered payroll	534.26%	404.49%	539.17%	559.00%	Not Available
Notes to schedule:					
<i>Discount rate</i>	2.66%	4.18%	3.63%	3.058%	3.71%
<i>Changes of benefit terms:</i>					
None.					
<i>Changes of assumptions:</i>					
Discount rate has changed from respective measurement dates.					

* Information for 2010 - 2015 is not available

See Accompanying Independent Auditors' 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,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
GovGuam's proportion of the total OPEB Liability	68.06%	68.01%	68.47%	68.35%	68.31%
GovGuam's proportionate share of the total OPEB Liability	\$ 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	\$ 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	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%

* Information for 2010 - 2015 is not available

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

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

Measurement Date: September 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 129,192,837	\$ 159,772,803	\$ 166,905,346	\$ 144,374,924
Contributions in relation to the actuarially determined contribution	<u>30,569,444</u>	<u>31,348,666</u>	<u>28,412,827</u>	<u>28,412,827</u>
Contribution deficiency	\$ <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	\$ 325,277,582	\$ 315,220,947	\$ 309,713,634	\$ 309,713,634
Contributions as a percentage of covered payroll	9.40%	9.94%	9.17%	9.17%

* Information for 2010 - 2015 is not available

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

**OTHER SUPPLEMENTARY
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2020

GOVERNMENT OF GUAM

General Fund
September 30, 2020

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, 2020, 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 Auditors' Report.

GOVERNMENT OF GUAM

General Fund, Continued
September 30, 2020

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 receipts taxes collected in Guam for appropriation by *I 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 Auditors' Report.

GOVERNMENT OF GUAM

General Fund, Continued
September 30, 2020

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 Auditors' Report.

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2020

AS/400 Fund Number	100	618	309	628	633	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	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
ASSETS											
Cash and cash equivalents	\$ 90,108,794	\$ 12,945,070	\$ -	\$ -	\$ -	\$ 5,119,406	\$ 1,631,162	\$ 79,813	\$ -	\$ 1,893	\$ 613,737
Investments	210,316	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	54,115,885	-	-	-	-	-	-	-	-	-	-
Federal agencies	12,456,920	-	-	-	-	-	-	-	-	-	-
Other	137,417	129,403	-	90,169	-	-	113	-	-	-	-
Due from other funds	105,490,694	5,830,632	5,028	-	72,345	-	-	-	-	46	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Prepayments	4,572,367	747,470	-	-	-	-	-	-	-	-	-
Deposits and other assets	1,000,000	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	66,246,236	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 334,338,629	\$ 19,652,575	\$ 5,028	\$ 90,169	\$ 72,345	\$ 5,119,406	\$ 1,631,275	\$ 79,813	\$ -	\$ 1,939	\$ 613,737
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ 69,694,886	\$ 14,182,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 493,476	\$ -	\$ -	\$ -
Accrued payroll and other	1,970,870	2,150,328	-	-	-	88,807	-	-	-	-	668
Due to component units	3,936,808	-	-	-	-	-	-	-	-	-	-
Due to other funds	49,456,952	-	-	-	-	2,462,437	1,393,586	-	850,461	-	30,117
Unearned revenue	65,109,936	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	159,088,673	-	-	-	-	-	-	-	-	-	-
Provision for economic stimulus payments	6,506,681	-	-	-	-	-	-	-	-	-	-
COLA liability	4,408,747	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	14,308,152	3,920,669	-	-	-	-	-	31,803	-	748	-
Total liabilities	374,481,705	20,253,770	-	-	-	2,551,244	1,393,586	525,279	850,461	748	30,785
Fund balance (deficit):											
Non-spendable	1,000,000	-	-	-	-	-	-	-	-	-	-
Restricted	58,595,879	-	-	-	-	-	-	-	-	-	-
Committed	-	1,692,998	5,028	90,169	72,345	2,568,162	237,689	-	-	1,191	582,952
Unassigned	(99,738,955)	(2,294,193)	-	-	-	-	-	(445,466)	(850,461)	-	-
Total fund balance (deficit)	(40,143,076)	(601,195)	5,028	90,169	72,345	2,568,162	237,689	(445,466)	(850,461)	1,191	582,952
Total liabilities and fund balance (deficit)	\$ 334,338,629	\$ 19,652,575	\$ 5,028	\$ 90,169	\$ 72,345	\$ 5,119,406	\$ 1,631,275	\$ 79,813	\$ -	\$ 1,939	\$ 613,737

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2020

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	\$ 97,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-	-	-
Other	28,738	19,661	-	-	-	-	-	-	-	595,887	-
Due from other funds	-	255,501	425	53,335	-	-	-	-	-	180,032	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	2,423,970	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 125,790	\$ 275,162	\$ 425	\$ 53,335	\$ 2,423,970	\$ -	\$ -	\$ -	\$ -	\$ 775,919	\$ -
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ 187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	958	-	-	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	193,860	10,188	-	-	1,248,905	3,725	-	215,851	391,735	-	27,486
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-
Provision for economic stimulus payments	-	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	195,005	10,188	-	-	1,248,905	3,725	-	215,851	391,735	-	27,486
Fund balance (deficit):											
Non-spendable	-	-	-	-	1,175,065	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	-	264,974	425	53,335	-	-	-	-	-	775,919	-
Unassigned	(69,215)	-	-	-	-	(3,725)	-	(215,851)	(391,735)	-	(27,486)
Total fund balance (deficit)	(69,215)	264,974	425	53,335	1,175,065	(3,725)	-	(215,851)	(391,735)	775,919	(27,486)
Total liabilities and fund balance (deficit)	\$ 125,790	\$ 275,162	\$ 425	\$ 53,335	\$ 2,423,970	\$ -	\$ -	\$ -	\$ -	\$ 775,919	\$ -

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2020

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	\$ 2,587,428	\$ -	\$ -	\$ 500,871	\$ 668,286	\$ 1,478,914	\$ 4,535,758
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	2,006	-	-	-
Other	301,979	-	-	-	-	-	-	-	1,307	31,550	-
Due from other funds	1,870	96,376	5,711,247	280,424	-	3,968,996	-	-	-	-	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	21,825	92,826	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 303,849	\$ 96,376	\$ 5,711,247	\$ 281,111	\$ 2,587,428	\$ 3,968,996	\$ -	\$ 502,877	\$ 691,418	\$ 1,603,290	\$ 4,535,758
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 48,186	\$ 3,367,578	\$ -	\$ 19,220	\$ 11,983	\$ 117,171	\$ -
Accrued payroll and other	-	-	-	-	77,844	-	-	-	-	1,087	-
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	5,297	-	-	-	4,532,896
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	5,192,264	-	-	-	-	-	-	-	-
Provision for economic stimulus payments	-	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	8,894	-	-	-	726,084	-	13,213	-	-	8,413	-
Total liabilities	8,894	-	5,192,264	-	852,114	3,367,578	18,510	19,220	11,983	126,671	4,532,896
Fund balance (deficit):											
Non-spendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	294,955	96,376	518,983	281,111	1,735,314	601,418	-	483,657	679,435	1,476,619	2,862
Unassigned	-	-	-	-	-	-	(18,510)	-	-	-	-
Total fund balance (deficit)	294,955	96,376	518,983	281,111	1,735,314	601,418	(18,510)	483,657	679,435	1,476,619	2,862
Total liabilities and fund balance (deficit)	\$ 303,849	\$ 96,376	\$ 5,711,247	\$ 281,111	\$ 2,587,428	\$ 3,968,996	\$ -	\$ 502,877	\$ 691,418	\$ 1,603,290	\$ 4,535,758

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2020

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	\$ 22,163	\$ 14,088	\$ -	\$ 246	\$ -	\$ 4,013,529	\$ 41,950,109	\$ -	\$ -	\$ 166,369,006	\$ -	\$ 166,369,006
Investments	-	-	-	-	-	-	-	-	-	210,316	-	210,316
Receivables, net:												
Taxes	-	-	-	-	-	-	-	-	-	54,115,885	-	54,115,885
Federal agencies	-	-	-	-	-	1,049,653	-	-	-	13,508,579	-	13,508,579
Other	19,514	-	-	-	-	378,466	-	-	-	1,734,204	(726,084)	1,008,120
Due from other funds	-	-	-	-	-	3,137,277	-	-	10,597	125,094,825	(67,289,067)	57,805,758
Due from private purpose trust funds	-	-	-	-	-	3,412,754	-	-	-	3,412,754	-	3,412,754
Inventories	165,412	-	-	-	-	-	-	-	-	2,589,382	-	2,589,382
Prepayments	-	-	-	-	-	-	-	-	-	5,434,488	-	5,434,488
Deposits and other assets	-	-	-	-	-	177,602	-	-	-	1,177,602	-	1,177,602
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	21,282,406	2,113,388	89,642,030	-	89,642,030
Total assets	\$ 207,089	\$ 14,088	\$ -	\$ 246	\$ -	\$ 12,169,281	\$ 41,950,109	\$ 21,282,406	\$ 2,123,985	\$ 463,289,071	\$ (68,015,151)	\$ 395,273,920
LIABILITIES AND FUND BALANCE (DEFICIT)												
Accounts payable	\$ -	\$ 188	\$ -	\$ -	\$ 535,578	\$ 660,074	\$ 2,000	\$ -	\$ -	\$ 89,133,300	\$ -	\$ 89,133,300
Accrued payroll and other	-	-	-	-	263,525	1,619,387	-	-	-	6,173,474	-	6,173,474
Due to component units	-	-	-	-	-	-	-	-	-	3,936,808	-	3,936,808
Due to other funds	96,307	-	-	-	478,187	-	44,697,992	13,815	-	106,109,797	(67,289,067)	38,820,730
Unearned revenue	-	-	-	-	-	-	-	-	-	65,109,936	-	65,109,936
Provision for tax refunds	-	-	-	-	-	-	-	-	-	164,280,937	-	164,280,937
Provision for economic stimulus payments	-	-	-	-	-	-	-	-	-	6,506,681	-	6,506,681
COLA liability	-	-	-	-	-	-	-	-	-	4,408,747	-	4,408,747
Deposits and other liabilities	-	-	-	14,012	-	111,085	-	-	-	19,143,073	(726,084)	18,416,989
Total liabilities	96,307	188	-	14,012	1,277,290	2,390,546	44,699,992	13,815	-	464,802,753	(68,015,151)	396,787,602
Fund balance (deficit):												
Non-spendable	110,782	-	-	-	-	-	-	-	-	2,285,847	-	2,285,847
Restricted	-	-	-	-	-	-	-	21,268,591	2,123,985	81,988,455	-	81,988,455
Committed	-	13,900	-	-	-	9,778,735	-	-	-	22,308,552	-	22,308,552
Unassigned	-	-	-	(13,766)	(1,277,290)	-	(2,749,883)	-	-	(108,096,536)	-	(108,096,536)
Total fund balance (deficit)	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)
Total liabilities and fund balance (deficit)	\$ 207,089	\$ 14,088	\$ -	\$ 246	\$ -	\$ 12,169,281	\$ 41,950,109	\$ 21,282,406	\$ 2,123,985	\$ 463,289,071	\$ (68,015,151)	\$ 395,273,920

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2020

AS/400 Fund Number	100	618	309	628	633	503	255	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Census 2020	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:											
Taxes:											
Income	\$ 324,932,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	296,518,767	-	-	-	-	-	-	-	-	-	-
Excise	3,979,588	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	69,928,937	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	1,844,052	-	-	-	14,067,666	-	-	-	-	-
Licenses and permits	-	-	-	-	15,619	-	-	-	-	-	134,331
Charges for services	1,200,955	473,100	-	-	-	-	5,807,720	-	1,512,208	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1,021,904	-	-	-	-	5,823	575	25,757	-	2	659
Contributions from component units	3,769,420	450,000	-	-	-	-	-	-	-	-	-
Other	5,345,901	-	-	-	-	-	-	-	-	-	-
Total revenues	706,698,339	2,767,152	-	-	15,619	14,073,489	5,808,295	25,757	1,512,208	2	134,990
Expenditures by Function:											
Current:											
General government	30,205,617	-	-	-	1,192,415	-	5,570,606	-	-	-	-
Protection of life and property	95,489,630	-	-	-	-	-	-	-	1,338,725	-	-
Public health	3,615,649	-	-	-	-	-	-	42,206	-	-	72,727
Community services	14,255,965	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	4,770,756	-	-	-	-	-	-	-	-	-	-
Public education	1,190	197,602,400	-	-	-	-	-	-	-	-	-
Environmental protection	12,000	-	-	-	-	-	-	-	-	-	-
Economic development	3,540,821	-	-	-	-	12,244,193	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	4,163,000	-	-	-	-	-	-	-	-	-	-
Guam Community College	18,096,099	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	6,803,665	-	-	-	-	-	-	-	-	-	-
University of Guam	31,656,845	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	56,662,733	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	18,915,000	7,353,892	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	36,321,797	23,732,817	-	-	-	-	-	-	-	-	-
Total expenditures	324,510,767	228,689,109	-	-	1,192,415	12,244,193	5,570,606	42,206	1,338,725	-	72,727
Excess (deficiency) of revenues over (under) expenditures	382,187,572	(225,921,957)	-	-	(1,176,796)	1,829,296	237,689	(16,449)	173,483	2	62,263
Other financing sources (uses):											
Transfers in from other funds	-	231,772,858	204,465,701	-	1,357,070	-	-	-	-	-	-
Transfers out to other funds	(348,362,562)	-	(204,465,701)	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	(348,362,562)	231,772,858	-	-	1,357,070	-	-	-	-	-	-
Net change in fund balances (deficit)	33,825,010	5,850,901	-	-	180,274	1,829,296	237,689	(16,449)	173,483	2	62,263
Fund balances (deficit) at beginning of year	(73,968,086)	(6,452,096)	5,028	90,169	(107,929)	738,866	-	(429,017)	(1,023,944)	1,189	520,689
Fund balances (deficit) at end 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

(continued)

GOVERNMENT OF GUAM
 Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
 General Fund
 Year Ended September 30, 2020

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	-	-	-	-	-	-	-	-	-	-	12,380,514
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	88,728	-	215	180,769	3,400	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	425	-	-	-	-	-	-	-	-
Interest and investment earnings	712	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	(23,867)	-
Total revenues	712	88,728	425	215	180,769	3,400	-	-	-	(23,867)	12,380,514
Expenditures by Function:											
Current:											
General government	750	70,636	-	-	-	-	57,747	-	-	-	12,408,000
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	44,151	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	18,434,760	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	44,901	70,636	-	-	-	-	57,747	-	18,434,760	-	12,408,000
Excess (deficiency) of revenues over (under) expenditures	(44,189)	18,092	425	215	180,769	3,400	(57,747)	-	(18,434,760)	(23,867)	(27,486)
Other financing sources (uses):											
Transfers in from other funds	-	-	-	-	-	-	57,747	-	18,434,760	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	57,747	-	18,434,760	-	-
Net change in fund balances (deficit)	(44,189)	18,092	425	215	180,769	3,400	-	-	-	(23,867)	(27,486)
Fund balances (deficit) at beginning of year	(25,026)	246,882	-	53,120	994,296	(7,125)	-	(215,851)	(391,735)	799,786	-
Fund balances (deficit) at end of year	\$(69,215)	\$264,974	\$425	\$53,335	\$1,175,065	\$(3,725)	\$-	\$(215,851)	\$(391,735)	\$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, 2020

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	-	-	-	-	-	-	-	19,002	-	50,420	-
Licenses and permits	-	62,545	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	70	2,655	-	-	3,380	-	-	2,862
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	62,545	-	70	2,655	-	-	22,382	-	50,420	2,862
Expenditures by Function:											
Current:											
General government	-	61,569	-	-	7,806,847	-	2,281,563	1,127,726	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	15,098,158	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	1,036,921	4,487,843	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	61,569	-	-	7,806,847	15,098,158	2,281,563	1,127,726	1,036,921	4,487,843	-
Excess (deficiency) of revenues over (under) expenditures	-	976	-	70	(7,804,192)	(15,098,158)	(2,281,563)	(1,105,344)	(1,036,921)	(4,437,423)	2,862
Other financing sources (uses):											
Transfers in from other funds	-	-	-	-	8,491,253	15,098,158	2,276,266	1,253,666	1,231,766	4,724,408	-
Transfers out to other funds	-	-	-	-	(252,000)	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	8,239,253	15,098,158	2,276,266	1,253,666	1,231,766	4,724,408	-
Net change in fund balances (deficit)	-	976	-	70	435,061	-	(5,297)	148,322	194,845	286,985	2,862
Fund balances (deficit) at beginning of year	294,955	95,400	518,983	281,041	1,300,253	601,418	(13,213)	335,335	484,590	1,189,634	-
Fund balances (deficit) at end 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

(continued)

GOVERNMENT OF GUAM
 Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
 General Fund
 Year Ended September 30, 2020

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	-	-	-	-	-	-	-	-	-	324,932,867	-	324,932,867
Gross receipts	-	-	-	-	-	-	-	-	-	296,518,767	-	296,518,767
Excise	-	-	-	-	-	-	-	-	-	3,979,588	-	3,979,588
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	82,309,451	-	82,309,451
Intergovernmental	-	-	-	-	-	1,402,031	-	-	-	17,383,171	-	17,383,171
Licenses and permits	-	-	-	-	-	-	-	-	-	485,607	-	485,607
Charges for services	-	-	-	-	-	-	-	-	-	8,993,983	-	8,993,983
Fines and forfeits	-	-	-	-	-	1,812,177	-	-	-	1,812,602	-	1,812,602
Interest and investment earnings	48	107	-	1	-	-	40,978	87,062	5,428	1,198,023	-	1,198,023
Contributions from component units	-	-	-	-	-	-	-	-	-	4,219,420	-	4,219,420
Other	31,283	-	-	-	-	-	-	-	-	5,353,317	-	5,353,317
Total revenues	31,331	107	-	1	-	3,214,208	40,978	87,062	5,428	747,186,796	-	747,186,796
Expenditures by Function:												
Current:												
General government	96,309	750	-	-	533,471	-	-	-	-	61,414,006	-	61,414,006
Protection of life and property	-	-	-	-	160,631	-	-	-	-	96,988,986	-	96,988,986
Public health	-	-	-	-	583,188	-	-	-	-	4,313,770	-	4,313,770
Community services	-	-	-	-	-	-	-	-	-	29,354,123	-	29,354,123
Individual and collective rights	-	-	-	-	-	32,191,411	-	-	-	42,486,931	-	42,486,931
Public education	-	-	-	-	-	-	-	-	-	197,603,590	-	197,603,590
Environmental protection	-	-	-	-	-	-	-	-	-	56,151	-	56,151
Economic development	-	-	-	-	-	-	-	-	-	15,785,014	-	15,785,014
Payments to:												
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	4,163,000	-	4,163,000
Guam Community College	-	-	-	-	-	-	-	-	-	18,096,099	-	18,096,099
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	25,238,425	-	25,238,425
University of Guam	-	-	-	-	-	-	-	-	-	31,656,845	-	31,656,845
Miscellaneous appropriations	-	-	7,691,970	-	-	-	-	-	-	64,354,703	-	64,354,703
Debt service:												
Principal retirement	-	-	-	-	-	-	-	9,860,000	565,000	36,693,892	-	36,693,892
Interest and fiscal charges	-	-	-	-	-	-	-	11,112,750	1,102,944	72,270,308	-	72,270,308
Total expenditures	96,309	750	7,691,970	-	1,277,290	32,191,411	-	20,972,750	1,667,944	700,475,843	-	700,475,843
Excess (deficiency) of revenues over (under) expenditures	(64,978)	(643)	(7,691,970)	1	(1,277,290)	(28,977,203)	40,978	(20,885,688)	(1,662,516)	46,710,953	-	46,710,953
Other financing sources (uses):												
Transfers in from other funds	-	-	7,691,970	-	-	33,000,632	-	20,972,750	3,059,332	553,888,337	(518,795,300)	35,093,037
Transfers out to other funds	-	-	-	-	-	(1,231,766)	-	-	-	(554,312,029)	518,795,300	(35,516,729)
Total other financing sources (uses), net	-	-	7,691,970	-	-	31,768,866	-	20,972,750	3,059,332	(423,692)	-	(423,692)
Net change in fund balances (deficit)	(64,978)	(643)	-	1	(1,277,290)	2,791,663	40,978	87,062	1,396,816	46,287,261	-	46,287,261
Fund balances (deficit) at beginning of year	175,760	14,543	-	(13,767)	-	6,987,072	(2,790,861)	21,181,529	727,169	(47,800,943)	-	(47,800,943)
Fund balances (deficit) at end 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)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2020

AS/400 Fund Number	100	618	309	628	633	503	255	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Census 2020	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:											
Taxes:											
Income	\$ 324,932,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	296,518,767	-	-	-	-	-	-	-	-	-	-
Excise	3,979,588	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	69,928,937	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	1,844,052	-	-	-	14,067,666	-	-	-	-	-
Licenses and permits	-	-	-	-	15,619	-	-	-	-	-	134,331
Charges for services	1,200,955	473,100	-	-	-	-	5,807,720	-	1,512,208	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1,021,904	-	-	-	-	5,823	575	25,757	-	2	659
Contributions from component units	3,769,420	450,000	-	-	-	-	-	-	-	-	-
Other	5,345,901	-	-	-	-	-	-	-	-	-	-
Total revenues	706,698,339	2,767,152	-	-	15,619	14,073,489	5,808,295	25,757	1,512,208	2	134,990
Expenditures by Object:											
Salaries and wages - regular	81,550,787	131,216,818	-	-	-	7,692,737	-	-	-	-	42,340
Salaries and wages - overtime	11,255,072	-	-	-	-	692,747	-	-	-	-	-
Salaries and wages - fringe benefits	26,241,499	45,031,140	-	-	-	842,598	-	-	-	-	14,185
Travel	174,066	207,560	-	-	-	76,353	-	-	-	-	-
Contractual services	16,983,167	14,001,172	-	-	1,192,415	1,267,087	-	42,206	1,119,219	-	12,978
Building rent	4,084,079	-	-	-	-	1,019,387	-	-	-	-	-
Supplies	970,056	2,118,902	-	-	-	401,924	-	-	179,286	-	3,224
Equipment	597,312	993,260	-	-	-	209,284	-	-	40,220	-	-
Utilities - power and water	3,727,531	13,808,364	-	-	-	-	-	-	-	-	-
Communications	841,483	344,986	-	-	-	-	-	-	-	-	-
Capital outlays	104,086	95,465	-	-	-	13,676	-	-	-	-	-
Grants and subsidies	60,042,897	-	-	-	-	-	-	-	-	-	-
COLA/Supplemental annuity benefits	18,052,530	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	37,891,208	-	-	-	-	-	5,570,606	-	-	-	-
Principal retirement	18,915,000	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	36,026,765	20,365,549	-	-	-	-	-	-	-	-	-
Miscellaneous	7,053,229	505,893	-	-	-	28,400	-	-	-	-	-
Total expenditures	324,510,767	228,689,109	-	-	1,192,415	12,244,193	5,570,606	42,206	1,338,725	-	72,727
Excess (deficiency) of revenues over (under) expenditures	382,187,572	(225,921,957)	-	-	(1,176,796)	1,829,296	237,689	(16,449)	173,483	2	62,263
Other financing sources (uses):											
Transfers in from other funds	-	231,772,858	204,465,701	-	1,357,070	-	-	-	-	-	-
Transfers out to other funds	(348,362,562)	-	(204,465,701)	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	(348,362,562)	231,772,858	-	-	1,357,070	-	-	-	-	-	-
Net change in fund balances (deficit)	33,825,010	5,850,901	-	-	180,274	1,829,296	237,689	(16,449)	173,483	2	62,263
Fund balances (deficit) at beginning of year	(73,968,086)	(6,452,096)	5,028	90,169	(107,929)	738,866	-	(429,017)	(1,023,944)	1,189	520,689
Fund balances (deficit) at end 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

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2020

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	-	-	-	-	-	-	-	-	-	-	12,380,514
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	88,728	-	215	180,769	3,400	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	425	-	-	-	-	-	-	-	-
Interest and investment earnings	712	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	(23,867)	-
Total revenues	712	88,728	425	215	180,769	3,400	-	-	-	(23,867)	12,380,514
Expenditures by Object:											
Salaries and wages - regular	23,210	1,488	-	-	-	-	-	-	-	-	-
Salaries and wages - overtime	-	36,456	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	7,850	8,435	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-
Contractual services	2,925	13,740	-	-	-	-	-	-	-	-	-
Building rent	-	-	-	-	-	-	-	-	-	-	-
Supplies	1,437	5,235	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-
Utilities - power and water	8,729	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-	-	-	18,434,760	-	12,408,000
COLA/Supplemental annuity benefits	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	750	5,282	-	-	-	-	57,747	-	-	-	-
Total expenditures	44,901	70,636	-	-	-	-	57,747	-	18,434,760	-	12,408,000
Excess (deficiency) of revenues over (under) expenditures	(44,189)	18,092	425	215	180,769	3,400	(57,747)	-	(18,434,760)	(23,867)	(27,486)
Other financing sources (uses):											
Transfers in from other funds	-	-	-	-	-	-	57,747	-	18,434,760	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	57,747	-	18,434,760	-	-
Net change in fund balances (deficit)	(44,189)	18,092	425	215	180,769	3,400	-	-	-	(23,867)	(27,486)
Fund balances (deficit) at beginning of year	(25,026)	246,882	-	53,120	994,296	(7,125)	-	(215,851)	(391,735)	799,786	-
Fund balances (deficit) at end of year	<u>\$(69,215)</u>	<u>\$ 264,974</u>	<u>\$ 425</u>	<u>\$ 53,335</u>	<u>\$ 1,175,065</u>	<u>\$(3,725)</u>	<u>\$ -</u>	<u>\$(215,851)</u>	<u>\$(391,735)</u>	<u>\$ 775,919</u>	<u>\$(27,486)</u>

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2020

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	-	-	-	-	-	-	-	19,002	-	50,420	-
Licenses and permits	-	62,545	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	70	2,655	-	-	3,380	-	-	2,862
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	62,545	-	70	2,655	-	-	22,382	-	50,420	2,862
Expenditures by Object:											
Salaries and wages - regular	-	241	-	-	5,527,319	135,668	-	689,474	690,066	2,931,383	-
Salaries and wages - overtime	-	964	-	-	-	10,050	-	-	-	-	-
Salaries and wages - fringe benefits	-	112	-	-	1,165,932	55,591	-	222,010	218,250	946,989	-
Travel	-	-	-	-	5,077	11,828	140	-	-	-	-
Contractual services	-	-	-	-	329,430	-	-	48,842	47,542	216,131	-
Building rent	-	-	-	-	372,000	-	-	122,259	66,096	273,600	-
Supplies	-	70	-	-	143,787	-	-	6,927	8,835	19,997	-
Equipment	-	-	-	-	37,220	-	-	10,976	1,485	37,768	-
Utilities - power and water	-	-	-	-	107,758	-	-	-	-	-	-
Communications	-	-	-	-	77,545	-	-	3,790	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	25,410	-
Grants and subsidies	-	-	-	-	-	-	-	19,002	-	-	-
COLA/Supplemental annuity benefits	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	60,182	-	-	40,779	14,885,021	2,281,423	4,446	4,647	36,565	-
Total expenditures	-	61,569	-	-	7,806,847	15,098,158	2,281,563	1,127,726	1,036,921	4,487,843	-
Excess (deficiency) of revenues over (under) expenditures	-	976	-	70	(7,804,192)	(15,098,158)	(2,281,563)	(1,105,344)	(1,036,921)	(4,437,423)	2,862
Other financing sources (uses):											
Transfers in from other funds	-	-	-	-	8,491,253	15,098,158	2,276,266	1,253,666	1,231,766	4,724,408	-
Transfers out to other funds	-	-	-	-	(252,000)	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	8,239,253	15,098,158	2,276,266	1,253,666	1,231,766	4,724,408	-
Net change in fund balances (deficit)	-	976	-	70	435,061	-	(5,297)	148,322	194,845	286,985	2,862
Fund balances (deficit) at beginning of year	294,955	95,400	518,983	281,041	1,300,253	601,418	(13,213)	335,335	484,590	1,189,634	-
Fund balances (deficit) at end 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

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2020

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,932,867	\$ -	\$ 324,932,867
Gross receipts	-	-	-	-	-	-	-	-	-	296,518,767	-	296,518,767
Excise	-	-	-	-	-	-	-	-	-	3,979,588	-	3,979,588
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	82,309,451	-	82,309,451
Intergovernmental	-	-	-	-	-	1,402,031	-	-	-	17,383,171	-	17,383,171
Licenses and permits	-	-	-	-	-	-	-	-	-	485,607	-	485,607
Charges for services	-	-	-	-	-	-	-	-	-	8,993,983	-	8,993,983
Fines and forfeits	-	-	-	-	-	1,812,177	-	-	-	1,812,602	-	1,812,602
Interest and investment earnings	48	107	-	1	-	-	40,978	87,062	5,428	1,198,023	-	1,198,023
Contributions from component units	-	-	-	-	-	-	-	-	-	4,219,420	-	4,219,420
Other	31,283	-	-	-	-	-	-	-	-	5,353,317	-	5,353,317
Total revenues	31,331	107	-	1	-	3,214,208	40,978	87,062	5,428	747,186,796	-	747,186,796
Expenditures by Object:												
Salaries and wages - regular	54	-	-	-	-	20,629,305	-	-	-	251,130,890	-	251,130,890
Salaries and wages - overtime	619	-	-	-	-	375,236	-	-	-	12,371,144	-	12,371,144
Salaries and wages - fringe benefits	13	-	-	-	-	7,159,036	-	-	-	81,913,640	-	81,913,640
Travel	-	-	-	-	-	35,396	-	-	-	510,420	-	510,420
Contractual services	44,728	-	-	-	-	1,609,545	-	-	-	36,931,127	-	36,931,127
Building rent	-	-	-	-	-	322,950	-	-	-	6,260,371	-	6,260,371
Supplies	2,966	-	-	-	-	385,549	-	-	-	4,248,195	-	4,248,195
Equipment	29,052	-	-	-	-	520,461	-	-	-	2,477,038	-	2,477,038
Utilities - power and water	-	-	-	-	-	715,396	-	-	-	18,367,778	-	18,367,778
Communications	-	-	-	-	-	114,701	-	-	-	1,382,505	-	1,382,505
Capital outlays	18,877	-	-	-	-	174,374	-	-	-	431,888	-	431,888
Grants and subsidies	-	-	-	-	-	-	-	-	-	90,904,659	-	90,904,659
COLA/Supplemental annuity benefits	-	-	7,691,970	-	-	-	-	-	-	25,744,500	-	25,744,500
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	43,461,814	-	43,461,814
Principal retirement	-	-	-	-	-	-	-	9,860,000	565,000	29,340,000	-	29,340,000
Interest and fiscal charges	-	-	-	-	-	-	-	11,112,750	1,102,944	68,608,008	-	68,608,008
Miscellaneous	-	750	-	-	1,277,290	149,462	-	-	-	26,391,866	-	26,391,866
Total expenditures	96,309	750	7,691,970	-	1,277,290	32,191,411	-	20,972,750	1,667,944	700,475,843	-	700,475,843
Excess (deficiency) of revenues over (under) expenditures	(64,978)	(643)	(7,691,970)	1	(1,277,290)	(28,977,203)	40,978	(20,885,688)	(1,662,516)	46,710,953	-	46,710,953
Other financing sources (uses):												
Transfers in from other funds	-	-	7,691,970	-	-	33,000,632	-	20,972,750	3,059,332	553,888,337	(518,795,300)	35,093,037
Transfers out to other funds	-	-	-	-	-	(1,231,766)	-	-	-	(554,312,029)	518,795,300	(35,516,729)
Total other financing sources (uses), net	-	-	7,691,970	-	-	31,768,866	-	20,972,750	3,059,332	(423,692)	-	(423,692)
Net change in fund balances (deficit)	(64,978)	(643)	-	1	(1,277,290)	2,791,663	40,978	87,062	1,396,816	46,287,261	-	46,287,261
Fund balances (deficit) at beginning of year	175,760	14,543	-	(13,767)	-	6,987,072	(2,790,861)	21,181,529	727,169	(47,800,943)	-	(47,800,943)
Fund balances (deficit) at end 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)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
September 30, 2020

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 Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number

<u>ASSETS</u>	Other Special Revenue	Other Capital Project	354 Other Debt Service	Total
Cash and cash equivalents	\$ 73,258,828	\$ 2,651,850	\$ -	\$ 75,910,678
Investments	8,590,613	-	-	8,590,613
Receivables, net:				
Taxes	5,109,857	-	-	5,109,857
Other	5,442,801	-	-	5,442,801
Due from component units	546,665	-	-	546,665
Due from other funds	19,726,746	175,899	-	19,902,645
Prepayments	178,554	-	-	178,554
Deposits and other assets	-	4,360	-	4,360
Restricted assets:				
Cash and cash equivalents	6,387,429	25,666,498	12,766,212	44,820,139
Investments	300,000	902,104	-	1,202,104
Total assets	<u>\$ 119,541,493</u>	<u>\$ 29,400,711</u>	<u>\$ 12,766,212</u>	<u>\$ 161,708,416</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 2,898,001	\$ 5,437,242	\$ -	\$ 8,335,243
Accrued payroll and other	995,606	-	-	995,606
Due to other funds	22,788,515	3,229,393	-	26,017,908
Deposits and other liabilities	1,612,912	-	-	1,612,912
Total liabilities	<u>28,295,034</u>	<u>8,666,635</u>	<u>-</u>	<u>36,961,669</u>
Deferred inflows of resources:				
Deferred revenues	2,409,546	-	-	2,409,546
Total liabilities and deferred inflows of resources	<u>30,704,580</u>	<u>8,666,635</u>	<u>-</u>	<u>39,371,215</u>
Fund balances:				
Restricted	5,703,850	20,566,730	12,766,212	39,036,792
Committed	83,399,639	-	-	83,399,639
Unassigned	(266,576)	167,346	-	(99,230)
Total fund balances	<u>88,836,913</u>	<u>20,734,076</u>	<u>12,766,212</u>	<u>122,337,201</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,541,493</u>	<u>\$ 29,400,711</u>	<u>\$ 12,766,212</u>	<u>\$ 161,708,416</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Function, and
Changes in Fund Balances
Year Ended September 30, 2020

AS/400 Fund Number	Other Special Revenue	Other Capital Project	354 Other Debt Service	Total
Revenues:				
Taxes:				
Property	\$ 34,159,248	\$ -	\$ -	\$ 34,159,248
Hotel	26,366,511	-	-	26,366,511
Liquid fuel	12,042,192	-	-	12,042,192
Tobacco	35,817,232	-	-	35,817,232
Alcoholic beverages	3,955,987	-	-	3,955,987
Limited gaming	1,754,904	-	-	1,754,904
Intergovernmental	2,317,409	-	-	2,317,409
Licenses and permits	46,663,067	521,739	-	47,184,806
Charges for services	19,314,759	-	-	19,314,759
Fines and forfeits	-	472,699	-	472,699
Interest and investment earnings	240,148	445,626	80,811	766,585
Contributions from component units	58,266	-	-	58,266
Other	1,310,028	-	-	1,310,028
Total revenues	183,999,751	1,440,064	80,811	185,520,626
Expenditures by Function:				
Current:				
General government	20,233,787	-	-	20,233,787
Protection of life and property	22,052,462	-	-	22,052,462
Public health	32,206,950	-	-	32,206,950
Community services	1,655,674	-	-	1,655,674
Recreation	3,220,719	-	-	3,220,719
Individual and collective rights	12,454,658	2,105,946	-	14,560,604
Transportation	9,543,026	-	-	9,543,026
Public education	17,233,511	-	-	17,233,511
Environmental protection	19,581,522	-	-	19,581,522
Economic development	881,085	-	-	881,085
Payments to:				
Guam Community College	1,525,500	-	-	1,525,500
Guam Memorial Hospital Authority	1,854,706	-	-	1,854,706
Guam Preservation Trust	735,000	-	-	735,000
Guam Visitors Bureau	15,430,306	-	-	15,430,306
University of Guam	2,574,053	-	-	2,574,053
Miscellaneous appropriations	164,099	-	-	164,099
Capital projects	-	19,152,206	-	19,152,206
Debt service:				
Principal retirement	102,406	119,550	2,345,000	2,566,956
Interest and fiscal charges	190,194	225,115	4,651,988	5,067,297
Total expenditures	161,639,658	21,602,817	6,996,988	190,239,463
Excess (deficiency) of revenues over (under) expenditures	22,360,093	(20,162,753)	(6,916,177)	(4,718,837)
Other financing sources (uses):				
Proceeds from note issued	-	1,805,665	-	1,805,665
Transfers in from other funds	23,652,045	-	7,602,389	31,254,434
Transfers out to other funds	(47,349,159)	-	-	(47,349,159)
Total other financing sources (uses), net	(23,697,114)	1,805,665	7,602,389	(14,289,060)
Net change in fund balances	(1,337,021)	(18,357,088)	686,212	(19,007,897)
Fund balances at beginning of year	90,173,934	39,091,164	12,080,000	141,345,098
Fund balances at end of year	\$ 88,836,913	\$ 20,734,076	\$ 12,766,212	\$ 122,337,201

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Object, and
Changes in Fund Balances
Year Ended September 30, 2020

AS/400 Fund Number	Other Special Revenue	Other Capital Project	354 Other Debt Service	Total
Revenues:				
Taxes:				
Property	\$ 34,159,248	\$ -	\$ -	\$ 34,159,248
Hotel	26,366,511	-	-	26,366,511
Liquid fuel	12,042,192	-	-	12,042,192
Tobacco	35,817,232	-	-	35,817,232
Alcoholic beverages	3,955,987	-	-	3,955,987
Limited gaming	1,754,904	-	-	1,754,904
Intergovernmental	2,317,409	-	-	2,317,409
Licenses and permits	46,663,067	521,739	-	47,184,806
Charges for services	19,314,759	-	-	19,314,759
Fines and forfeits	-	472,699	-	472,699
Interest and investment earnings	240,148	445,626	80,811	766,585
Contributions from component units	58,266	-	-	58,266
Other	1,310,028	-	-	1,310,028
Total revenues	183,999,751	1,440,064	80,811	185,520,626
Expenditures by Object:				
Salaries and wages - regular	53,294,917	-	-	53,294,917
Salaries and wages - overtime	1,334,009	-	-	1,334,009
Salaries and wages - fringe benefits	18,443,382	-	-	18,443,382
Travel	200,711	-	-	200,711
Contractual services	34,264,990	19,251,046	-	53,516,036
Building rent	3,790,023	211,326	-	4,001,349
Supplies	4,347,405	-	-	4,347,405
Equipment	667,096	11,664	-	678,760
Utilities - power and water	8,481,895	-	-	8,481,895
Communications	957,957	-	-	957,957
Capital outlays	446,256	1,765,310	-	2,211,566
Grants and subsidies	22,219,568	-	-	22,219,568
Principal retirement	102,406	119,550	2,345,000	2,566,956
Interest and fiscal charges	216,869	225,115	4,651,988	5,093,972
Other	12,872,174	18,806	-	12,890,980
Total expenditures	161,639,658	21,602,817	6,996,988	190,239,463
Excess (deficiency) of revenues over (under) expenditures	22,360,093	(20,162,753)	(6,916,177)	(4,718,837)
Other financing sources (uses):				
Proceeds from note issued	-	1,805,665	-	1,805,665
Transfers in from other funds	23,652,045	-	7,602,389	31,254,434
Transfers out to other funds	(47,349,159)	-	-	(47,349,159)
Total other financing sources (uses), net	(23,697,114)	1,805,665	7,602,389	(14,289,060)
Net change in fund balances	(1,337,021)	(18,357,088)	686,212	(19,007,897)
Fund balances at beginning of year	90,173,934	39,091,164	12,080,000	141,345,098
Fund balances at end of year	<u>\$ 88,836,913</u>	<u>\$ 20,734,076</u>	<u>\$ 12,766,212</u>	<u>\$ 122,337,201</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds September 30, 2020

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, 2020, 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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2020

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2020

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2020

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2020

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.

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2020

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.

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 street lights.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2020

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 Auditors' Report.

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	674	236	265	667	661	611	266		282	624	669	415	646	105
	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	Community Health Centers
ASSETS														
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 941,689	\$ 1,408,419	\$ -	\$ -	\$ 2,422,689	\$ 667	\$ -	\$ -	\$ 9,443,983
Investments	-	-	-	-	-	-	756,442	-	-	-	-	-	-	-
Receivables, net:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	2,415	-	-
Other	-	-	-	-	-	-	8,760	-	-	643,373	4,598	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	78,050	5,839	156,249	53,380	200,192	-	-	-	55,134	-	366,687	290,804	51,137	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:														
Cash and cash equivalents	-	-	-	-	-	-	-	660,442	-	-	-	345,303	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	300,000	-	-
Total assets	\$ 78,050	\$ 5,839	\$ 156,249	\$ 53,380	\$ 200,192	\$ 941,689	\$ 2,173,621	\$ 660,442	\$ 55,134	\$ 3,066,062	\$ 371,952	\$ 938,522	\$ 51,137	\$ 9,443,983
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,329	\$ -	\$ -	\$ 286	\$ -	\$ -	\$ -	\$ 106,250
Accrued payroll and other	-	-	2,006	-	-	-	-	-	27,974	8,595	-	-	-	61,754
Due to other funds	-	-	-	-	-	275,996	-	-	-	426,133	-	-	-	874,288
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	2,006	-	-	275,996	42,329	-	27,974	435,014	-	-	-	1,042,292
Deferred inflows of resources:														
Deferred revenues	-	-	-	-	-	-	-	-	-	707,707	3,223	2,877	-	-
Total liabilities and deferred inflows of resources	-	-	2,006	-	-	275,996	42,329	-	27,974	1,142,721	3,223	2,877	-	1,042,292
Fund balances (deficit):														
Restricted	-	-	-	-	-	-	-	660,442	-	-	-	645,303	-	-
Committed	78,050	5,839	154,243	53,380	200,192	665,693	2,131,292	-	27,160	1,923,341	368,729	290,342	51,137	8,401,691
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	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	8,401,691
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 78,050	\$ 5,839	\$ 156,249	\$ 53,380	\$ 200,192	\$ 941,689	\$ 2,173,621	\$ 660,442	\$ 55,134	\$ 3,066,062	\$ 371,952	\$ 938,522	\$ 51,137	\$ 9,443,983

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	250	213	272	325	209	267	630	235	246	281	600	642	640
	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Enhanced 911 Emergency Reporting System	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services
ASSETS													
Cash and cash equivalents	\$ -	\$ 1,307,239	\$ -	\$ 1,310,997	\$ 3,647,460	\$ -	\$ 2,946	\$ -	\$ -	\$ 7,251,686	\$ 758,719	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	546,665	-	-	-	-	-	-	-	-
Due from other funds	53,523	-	572,058	47,103	-	328,560	-	2,974,915	35,820	-	813,958	30,873	1,246
Prepayments	-	-	-	-	85,350	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 53,523	\$ 1,307,239	\$ 572,058	\$ 1,358,100	\$ 4,279,475	\$ 328,560	\$ 2,946	\$ 2,974,915	\$ 35,820	\$ 7,251,686	\$ 1,572,677	\$ 30,873	\$ 1,246
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ 169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	5,249	-	-	170,058	-	-	6,170	-	16,747	8,463	-	-
Due to other funds	-	349,788	-	-	3,273,040	-	1	-	-	1,194,315	-	-	-
Deposits and other liabilities	-	-	-	210,162	-	-	-	-	-	-	-	-	-
Total liabilities	-	355,037	-	210,331	3,443,098	-	1	6,170	-	1,211,062	8,463	-	-
Deferred inflows of resources:													
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	355,037	-	210,331	3,443,098	-	1	6,170	-	1,211,062	8,463	-	-
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	53,523	952,202	572,058	1,147,769	836,377	328,560	2,945	2,968,745	35,820	6,040,624	1,564,214	30,873	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	1,246
Total fund balances (deficit)	53,523	952,202	572,058	1,147,769	836,377	328,560	2,945	2,968,745	35,820	6,040,624	1,564,214	30,873	1,246
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 53,523	\$ 1,307,239	\$ 572,058	\$ 1,358,100	\$ 4,279,475	\$ 328,560	\$ 2,946	\$ 2,974,915	\$ 35,820	\$ 7,251,686	\$ 1,572,677	\$ 30,873	\$ 1,246

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	614	231	656					641	639	657	245	608	662	244
	Government Ethics	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	Guam Community College Capital Improvements	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	Guam Museum
ASSETS														
Cash and cash equivalents	\$ 1,010	\$ -	\$ 1,085,437	\$ 1,455	\$ 1,147,807	\$ 5,023	\$ 4,987,510	\$ 30	\$ 1,806	\$ -	\$ 692,595	\$ 333,073	\$ 418,839	\$ -
Investments	-	-	-	-	7,834,171	-	-	-	-	-	-	-	-	-
Receivables, net:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,817,843	-	120,841	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	576,791	11,256	-	43,824	-	-	-	-	-	-	-	651,899	-
Prepayments	-	-	-	-	93,204	-	-	-	-	-	-	-	-	-
Restricted assets:														
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,010	\$ 576,791	\$ 1,096,693	\$ 1,455	\$ 10,936,849	\$ 5,023	\$ 5,108,351	\$ 30	\$ 1,806	\$ -	\$ 692,595	\$ 333,073	\$ 1,070,738	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 65,118	\$ -	\$ 17,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-	2,009	-	7,717	-
Due to other funds	-	-	-	-	-	-	365,126	45	11,645	23,244	76,219	100,097	-	-
Deposits and other liabilities	-	-	-	-	77,410	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	142,528	-	382,549	45	11,645	23,244	78,228	100,097	7,717	-
Deferred inflows of resources:														
Deferred revenues	-	-	-	-	1,651,081	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	-	-	1,793,609	-	382,549	45	11,645	23,244	78,228	100,097	7,717	-
Fund balances (deficit):														
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	1,010	576,791	1,096,693	1,455	9,143,240	5,023	4,725,802	-	-	-	614,367	232,976	1,063,021	-
Unassigned	-	-	-	-	-	-	-	(15)	(9,839)	(23,244)	-	-	-	-
Total fund balances (deficit)	1,010	576,791	1,096,693	1,455	9,143,240	5,023	4,725,802	(15)	(9,839)	(23,244)	614,367	232,976	1,063,021	-
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 1,010	\$ 576,791	\$ 1,096,693	\$ 1,455	\$ 10,936,849	\$ 5,023	\$ 5,108,351	\$ 30	\$ 1,806	\$ -	\$ 692,595	\$ 333,073	\$ 1,070,738	\$ -

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	326	651	270	602	241	311	634	652	658	632	351	222	655	232
	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Historic Preservation Archaeological Mitigation	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development
ASSETS														
Cash and cash equivalents	\$ 134,932	\$ -	\$ 350,057	\$ 11,257,283	\$ 152,715	\$ 21,907	\$ -	\$ -	\$ 35,714	\$ 43	\$ 181	\$ -	\$ 883,678	\$ 2,279,275
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:														
Taxes	-	-	-	2,528,537	-	-	-	-	-	-	-	-	6,730	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	1,931	33,341	851,299	311,061	-	100,000	53	889,961	11,596	70	27,385	2,707,350	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:														
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 134,932	\$ 1,931	\$ 383,398	\$ 14,637,119	\$ 463,776	\$ 21,907	\$ 100,000	\$ 53	\$ 925,675	\$ 11,639	\$ 251	\$ 27,385	\$ 3,597,758	\$ 2,279,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ 181,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	262,737	809	-	-	-	-	11,630	-	27,385	-	2,127
Due to other funds	50,506	-	-	-	-	10,907	-	-	-	-	-	-	-	855,485
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	595,531
Total liabilities	50,506	-	-	444,694	809	10,907	-	-	-	11,639	-	27,385	-	1,453,143
Deferred inflows of resources:														
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	44,658
Total liabilities and deferred inflows of resources	50,506	-	-	444,694	809	10,907	-	-	-	11,639	-	27,385	-	1,497,801
Fund balances (deficit):														
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	84,426	1,931	383,398	14,192,425	462,967	11,000	100,000	53	925,675	-	251	-	3,597,758	781,474
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	84,426	1,931	383,398	14,192,425	462,967	11,000	100,000	53	925,675	-	251	-	3,597,758	781,474
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 134,932	\$ 1,931	\$ 383,398	\$ 14,637,119	\$ 463,776	\$ 21,907	\$ 100,000	\$ 53	\$ 925,675	\$ 11,639	\$ 251	\$ 27,385	\$ 3,597,758	\$ 2,279,275

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	671	294	653	261	648	650	629	211	663	263	644	215	604
	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	Office of Attorney General	Office of Vital Statistics Revolving	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System
ASSETS													
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,728	\$ -	\$ -	\$ 25,512	\$ -	\$ -	\$ 128,214	\$ 305,552
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	11,008	-	762,431	221,202	7,187	229,657	-	25,161	444,133	197,616	1,569	58,114	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 11,008	\$ -	\$ 762,431	\$ 221,202	\$ 7,187	\$ 358,385	\$ -	\$ 25,161	\$ 469,645	\$ 197,616	\$ 1,569	\$ 186,328	\$ 305,552
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	1,351	-	1,217	4,623	-	-	964	-	2,279	-
Due to other funds	-	989	-	-	-	-	4,568	-	-	-	-	-	305,552
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	989	-	1,351	-	1,217	9,191	-	-	964	-	2,279	305,552
Deferred inflows of resources:													
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	989	-	1,351	-	1,217	9,191	-	-	964	-	2,279	305,552
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	11,008	-	762,431	219,851	7,187	357,168	-	25,161	469,645	196,652	1,569	184,049	-
Unassigned	-	(989)	-	-	-	-	(9,191)	-	-	-	-	-	-
Total fund balances (deficit)	11,008	(989)	762,431	219,851	7,187	357,168	(9,191)	25,161	469,645	196,652	1,569	184,049	-
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 11,008	\$ -	\$ 762,431	\$ 221,202	\$ 7,187	\$ 358,385	\$ -	\$ 25,161	\$ 469,645	\$ 197,616	\$ 1,569	\$ 186,328	\$ 305,552

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	666	620	317	285	619	289	601	217	647	284	416	605	625	202
	Public Market Revolving	Public Recreation Services	Public Transit	Rabies Prevention	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
ASSETS														
Cash and cash equivalents	\$ -	\$ 51,932	\$ -	\$ -	\$ 38,530	\$ -	\$ -	\$ 178,710	\$ -	\$ -	\$ 6,941,437	\$ 738,071	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	2,847,386	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	83,874	3,732,190	106,743	8,750	-	21,480	94,708	-	126,578	1,358	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:														
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	5,381,684	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 51,932	\$ -	\$ 83,874	\$ 3,770,720	\$ 106,743	\$ 8,750	\$ 178,710	\$ 21,480	\$ 94,708	\$ 15,170,507	\$ 864,649	\$ 1,358	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,256,915	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	689	-	-	-	-	-	37,704	-	-	-
Due to other funds	4,576	51,932	-	-	-	-	-	178,710	-	-	2,809,415	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	4,576	51,932	-	-	689	-	-	178,710	-	-	4,104,034	-	-	-
Deferred inflows of resources:														
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	4,576	51,932	-	-	689	-	-	178,710	-	-	4,104,034	-	-	-
Fund balances (deficit):														
Restricted	-	-	-	-	-	-	-	-	-	-	4,398,105	-	-	-
Committed	-	-	-	83,874	3,770,031	106,743	8,750	-	21,480	94,708	6,668,368	864,649	1,358	-
Unassigned	(4,576)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	(4,576)	-	-	83,874	3,770,031	106,743	8,750	-	21,480	94,708	11,066,473	864,649	1,358	-
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ -	\$ 51,932	\$ -	\$ 83,874	\$ 3,770,720	\$ 106,743	\$ 8,750	\$ 178,710	\$ 21,480	\$ 94,708	\$ 15,170,507	\$ 864,649	\$ 1,358	\$ -

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2020

AS/400 Fund Number	603	205	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
	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction										
ASSETS														
Cash and cash equivalents	\$ -	\$ 6,504,162	\$ 4,432,152	\$ 1,168,665	\$ -	\$ 324,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,328	\$ 73,258,828
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	8,590,613
Receivables, net:														
Taxes	-	510,896	926,952	1,134,327	-	-	-	-	-	-	-	-	-	5,109,857
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	5,442,801
Due from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	546,665
Due from other funds	4,501	-	-	-	411,720	-	-	19,345	196,067	101,773	82,828	441,358	2,050	19,726,746
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	178,554
Restricted assets:														
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	6,387,429
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000
Total assets	\$ 4,501	\$ 7,015,058	\$ 5,359,104	\$ 2,302,992	\$ 411,720	\$ 324,971	\$ -	\$ 19,345	\$ 196,067	\$ 101,773	\$ 82,828	\$ 441,358	\$ 7,378	\$ 119,541,493
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ 1,227,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,898,001
Accrued payroll and other	4,501	105,319	135,577	77,389	-	611	-	-	1,321	631	-	-	-	995,606
Due to other funds	-	7,123,692	2,029,645	2,231,618	-	160,983	-	-	-	-	-	-	-	22,788,515
Deposits and other liabilities	-	-	729,809	-	-	-	-	-	-	-	-	-	-	1,612,912
Total liabilities	4,501	7,229,011	4,122,576	2,309,007	-	161,594	-	-	1,321	631	-	-	-	28,295,034
Deferred inflows of resources:														
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	2,409,546
Total liabilities and deferred inflows of resources	4,501	7,229,011	4,122,576	2,309,007	-	161,594	-	-	1,321	631	-	-	-	30,704,580
Fund balances (deficit):														
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	5,703,850
Committed	-	-	1,236,528	-	411,720	163,377	-	19,345	194,746	101,142	82,828	441,358	7,378	83,399,639
Unassigned	-	(213,953)	-	(6,015)	-	-	-	-	-	-	-	-	-	(266,576)
Total fund balances (deficit)	-	(213,953)	1,236,528	(6,015)	411,720	163,377	-	19,345	194,746	101,142	82,828	441,358	7,378	88,836,913
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 4,501	\$ 7,015,058	\$ 5,359,104	\$ 2,302,992	\$ 411,720	\$ 324,971	\$ -	\$ 19,345	\$ 196,067	\$ 101,773	\$ 82,828	\$ 441,358	\$ 7,378	\$ 119,541,493

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, 2020

AS/400 Fund Number	674	236	265	667	661	611	266		282	624	669	415	646	105
	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	Community Health Centers
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,397	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317,409
Licenses and permits	49,250	2,165	88,295	45,610	200,000	305,301	690,350	-	515,269	957,761	13,176	-	6,060	2,731,822
Charges for services	-	-	-	-	-	-	-	228,079	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	915	74,368	528	-	2,605	1	139	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	1,100	74,330	584	-	-
Total revenues	49,250	2,165	88,295	45,610	200,000	306,216	764,718	228,607	515,269	961,466	87,507	140,120	6,060	5,049,231
Expenditures by Function:														
Current:														
General government	-	-	-	-	-	421,078	690,611	-	-	1,025,499	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	500,050	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	4,158,716
Community services	-	4,596	-	-	-	-	-	-	-	-	-	-	700	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	206,230	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	102,406	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	190,194	-	-	-	-	-	-
Total expenditures	-	4,596	206,230	-	-	421,078	690,611	292,600	500,050	1,025,499	-	-	700	4,158,716
Excess (deficiency) of revenues over (under) expenditures	49,250	(2,431)	(117,935)	45,610	200,000	(114,862)	74,107	(63,993)	15,219	(64,033)	87,507	140,120	5,360	890,515
Other financing sources (uses):														
Transfers in from other funds	-	-	-	-	-	-	-	252,000	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	252,000	-	-	-	-	-	-
Net change in fund balances (deficit)	49,250	(2,431)	(117,935)	45,610	200,000	(114,862)	74,107	188,007	15,219	(64,033)	87,507	140,120	5,360	890,515
Fund balances (deficit) at beginning of year	28,800	8,270	272,178	7,770	192	780,555	2,057,185	472,435	11,941	1,987,374	281,222	795,525	45,777	7,511,176
Fund balances (deficit) at end 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	\$ 8,401,691

(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, 2020

AS/400 Fund Number	250	213	272	325	209	267	630	235	246	281	600	642	640
	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Enhanced 911 Emergency Reporting System	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	50,000	573,951	217,650	34,271	7,618,899	23,040	-	1,055,375	6,100	2,203,975	1,238,551	-	12,185
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	1,208	-	1,462	4,068	-	3	-	-	6,835	658	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	50,000	575,159	217,650	35,733	7,622,967	23,040	3	1,055,375	6,100	2,210,810	1,239,209	-	12,185
Expenditures by Function:													
Current:													
General government	-	542,609	-	-	-	-	-	714,316	-	-	-	751	-
Protection of life and property	-	-	-	69,973	9,994,101	-	-	-	-	1,674,307	-	-	-
Public health	-	-	49,101	-	-	-	-	-	-	-	918,856	-	-
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	-	542,609	49,101	69,973	9,994,101	-	-	714,316	-	1,674,307	918,856	751	-
Excess (deficiency) of revenues over (under) expenditures	50,000	32,550	168,549	(34,240)	(2,371,134)	23,040	3	341,059	6,100	536,503	320,353	(751)	12,185
Other financing sources (uses):													
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances (deficit)	50,000	32,550	168,549	(34,240)	(2,371,134)	23,040	3	341,059	6,100	536,503	320,353	(751)	12,185
Fund balances (deficit) at beginning of year	3,523	919,652	403,509	1,182,009	3,207,511	305,520	2,942	2,627,686	29,720	5,504,121	1,243,861	31,624	(10,939)
Fund balances (deficit) at end of year	\$ 53,523	\$ 952,202	\$ 572,058	\$ 1,147,769	\$ 836,377	\$ 328,560	\$ 2,945	\$ 2,968,745	\$ 35,820	\$ 6,040,624	\$ 1,564,214	\$ 30,873	\$ 1,246

(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, 2020

AS/400 Fund Number	614	231	656					641	639	657	245	608	662	244
	Government	GFD	GMHA	Guam	Guam	Guam	Survey	Guam	Guam	Guam	Guam	Guam	Guam	
	Ethics	Capital	Healthcare	Ancestral	Ancestral	Ancestral	Infrastructure	Cancer	Charter	Community	Environmental	Plant	Invasive	
		Revolving	Trust and	Lands	Land	Landowners	and	Trust	Schools	College	Trust	Inspection	Species	Guam
			Development	Operations	Bank	Recovery	Development			Capital		and Permit	Inspection	Museum
										Improvements			Fee	
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	571,115	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	1,153,328	-	-	173,148	-	576,376	-	-	-	429,196	95,187	651,294	252,356
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1	-	916	4	63,619	15	12,117	-	2	-	763	309	421	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	230	-	-	-	500	-	-	-	-	-
Total revenues	1	1,153,328	572,031	4	236,997	15	588,493	-	502	-	429,959	95,496	651,715	252,356
Expenditures by Function:														
Current:														
General government	-	-	-	45	15,966	-	403,730	-	-	-	-	-	-	-
Protection of life and property	-	936,791	-	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-	415,551
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	10,264,350	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	391,612	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	54,597	473,463	-
Payments to:														
Guam Community College	-	-	-	-	-	-	-	-	-	200,400	-	-	-	-
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	-	936,791	-	45	15,966	-	403,730	-	10,264,350	200,400	391,612	54,597	473,463	415,551
Excess (deficiency) of revenues over (under) expenditures	1	216,537	572,031	(41)	221,031	15	184,763	-	(10,263,848)	(200,400)	38,347	40,899	178,252	(163,195)
Other financing sources (uses):														
Transfers in from other funds	-	-	-	-	-	5	-	-	10,264,350	200,400	-	-	-	538,060
Transfers out to other funds	-	-	-	-	-	-	(5)	-	-	-	(42,920)	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	5	(5)	-	10,264,350	200,400	(42,920)	-	-	538,060
Net change in fund balances (deficit)	1	216,537	572,031	(41)	221,031	20	184,758	-	502	-	(4,573)	40,899	178,252	374,865
Fund balances (deficit) at beginning of year	1,009	360,254	524,662	1,496	8,922,209	5,003	4,541,044	(15)	(10,341)	(23,244)	618,940	192,077	884,769	(374,865)
Fund balances (deficit) at end of year	\$ 1,010	\$ 576,791	\$ 1,096,693	\$ 1,455	\$ 9,143,240	\$ 5,023	\$ 4,725,802	\$ (15)	\$ (9,839)	\$ (23,244)	\$ 614,367	\$ 232,976	\$ 1,063,021	\$ -

(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, 2020

AS/400 Fund Number	326	651	270	602	241	311	634	652	658	632	351	222	655	232
	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Historic Preservation Archaeological Mitigation	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	35,817,232	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	3,955,987	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	1,183,789	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	504,718	-	17,300	-	216,215	-	-	-	-	-	-	2,631,797	-	2,642,326
Charges for services	-	-	-	-	-	-	-	-	-	913,966	-	-	-	-
Interest and investment earnings	286	-	2,621	2,974	188	164	-	-	22	-	-	-	778	2,337
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	505,004	-	19,921	39,776,193	216,403	164	-	-	22	913,966	-	2,631,797	1,184,567	2,644,663
Expenditures by Function:														
Current:														
General government	-	-	-	300,000	-	-	-	-	-	1,477,774	-	3,083,797	82,758	-
Protection of life and property	-	-	-	709,586	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	26,832,282	151,230	-	-	-	-	-	-	-	-	-
Community services	-	-	-	550,477	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	90,041	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	335,074	574,590
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	317,064	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to:														
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	-	-	1,325,100
Guam Memorial Hospital Authority	-	-	-	1,729,597	-	-	-	-	125,109	-	-	-	-	-
Guam Preservation Trust	735,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:														
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	735,000	-	-	31,121,942	151,230	-	-	317,064	125,109	1,477,774	-	3,083,797	507,873	1,899,690
Excess (deficiency) of revenues over (under) expenditures	(229,996)	-	19,921	8,654,251	65,173	164	-	(317,064)	(125,087)	(563,808)	-	(452,000)	676,694	744,973
Other financing sources (uses):														
Transfers in from other funds	-	-	-	-	-	-	-	317,064	-	1,370,500	-	348,943	-	-
Transfers out to other funds	-	-	(1,730)	(5,979,916)	-	-	-	-	-	-	-	-	(397,354)	-
Total other financing sources (uses), net	-	-	(1,730)	(5,979,916)	-	-	-	317,064	-	1,370,500	-	348,943	(397,354)	-
Net change in fund balances (deficit)	(229,996)	-	18,191	2,674,335	65,173	164	-	-	(125,087)	806,692	-	(103,057)	279,340	744,973
Fund balances (deficit) at beginning of year	314,422	1,931	365,207	11,518,090	397,794	10,836	100,000	53	1,050,762	(806,692)	251	103,057	3,318,418	36,501
Fund balances (deficit) at end of year	\$ 84,426	\$ 1,931	\$ 383,398	\$ 14,192,425	\$ 462,967	\$ 11,000	\$ 100,000	\$ 53	\$ 925,675	\$ -	\$ 251	\$ -	\$ 3,597,758	\$ 781,474

(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, 2020

AS/400 Fund Number	671	294	653	261	648	650	629	211	663	263	644	215	604
	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	Office of Attorney General	Office of Vital Statistics Revolving	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	11,000	-	634,156	31,950	2,408	176,553	106,386	5,232	294,416	798,531	-	256,780	450,697
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	141	-	-	83	-	-	164	199
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	11,000	-	634,156	31,950	2,408	176,694	106,386	5,232	294,499	798,531	-	256,944	450,896
Expenditures by Function:													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	250,818	-
Protection of life and property	-	-	-	4,886	-	-	-	-	253,135	615,265	-	-	-
Public health	-	-	-	-	-	96,765	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	74,880	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	519	-	-	-	-	-
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	-	-	-	4,886	-	96,765	74,880	519	253,135	615,265	-	250,818	-
Excess (deficiency) of revenues over (under) expenditures	11,000	-	634,156	27,064	2,408	79,929	31,506	4,713	41,364	183,266	-	6,126	450,896
Other financing sources (uses):													
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	483,339
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	(891,575)
Total other financing sources (uses), net	-	-	-	-	-	-	-	-	-	-	-	-	(408,236)
Net change in fund balances (deficit)	11,000	-	634,156	27,064	2,408	79,929	31,506	4,713	41,364	183,266	-	6,126	42,660
Fund balances (deficit) at beginning of year	8	(989)	128,275	192,787	4,779	277,239	(40,697)	20,448	428,281	13,386	1,569	177,923	(42,660)
Fund balances (deficit) at end of year	\$ 11,008	\$ (989)	\$ 762,431	\$ 219,851	\$ 7,187	\$ 357,168	\$ (9,191)	\$ 25,161	\$ 469,645	\$ 196,652	\$ 1,569	\$ 184,049	\$ -

(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, 2020

AS/400 Fund Number	666	620	317	285	619	289	601	217	647	284	416	605	625	202
	Public Market Revolving	Public Recreation Services	Public Transit	Rabies Prevention	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
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	56,975	-	36,120	2,595,904	93,299	-	60,900	-	22,825	-	-	100	3,882,360
Charges for services	-	-	2,624	-	-	-	-	-	-	-	18,170,090	-	-	-
Interest and investment earnings	-	74	-	-	315	-	-	84	-	-	13,455	806	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	57,049	2,624	36,120	2,596,219	93,299	-	60,984	-	22,825	18,183,545	806	100	3,882,360
Expenditures by Function:														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	4,127,102
Protection of life and property	-	-	-	-	-	-	-	64,498	-	-	-	84,228	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	112,623	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	406,318	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	1,415,254	-	-	-	4,946	16,813,009	-	-	-	-
Economic development	-	-	-	7,328	-	-	-	-	-	-	-	-	-	-
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	-	112,623	406,318	7,328	1,415,254	-	-	64,498	-	4,946	16,813,009	84,228	-	4,127,102
Excess (deficiency) of revenues over (under) expenditures	-	(55,574)	(403,694)	28,792	1,180,965	93,299	-	(3,514)	-	17,879	1,370,536	(83,422)	100	(244,742)
Other financing sources (uses):														
Transfers in from other funds	-	199,541	745,276	-	-	-	-	145,991	-	-	33,844	-	-	240,534
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	(3,376,396)	-	-	-
Total other financing sources (uses), net	-	199,541	745,276	-	-	-	-	145,991	-	-	(3,342,552)	-	-	240,534
Net change in fund balances (deficit)	-	143,967	341,582	28,792	1,180,965	93,299	-	142,477	-	17,879	(1,972,016)	(83,422)	100	(4,208)
Fund balances (deficit) at beginning of year	(4,576)	(143,967)	(341,582)	55,082	2,589,066	13,444	8,750	(142,477)	21,480	76,829	13,038,489	948,071	1,258	4,208
Fund balances (deficit) at end of year	\$(4,576)	\$-	\$-	\$83,874	\$3,770,031	\$106,743	\$8,750	\$-	\$21,480	\$94,708	\$11,066,473	\$864,649	\$1,358	\$-

(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, 2020

AS/400 Fund Number	603	205	208	206	257	636	297	637	283	300	203	310	276	Total
	Tax	Territorial	Territorial	Tourist	Truck	Under-	University	Victim/	Water	Water	Wildlife	Workman's	Youth	
	Collection	Educational	Highway	Attraction	Enforcement	ground	of Guam	Witness	Protection	Research	Conservation	Compensation	Tobacco	
		Facilities			Screening	Storage	Capital	Travel-		and			Education	
					Station	Tank	Improve-	Housing		Development			and	
					Facility	Management	ments						Prevention	
Revenues:														
Taxes:														
Property	\$ -	\$ 34,019,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,159,248
Hotel	-	-	-	26,366,511	-	-	-	-	-	-	-	-	-	26,366,511
Liquid fuel	-	-	12,042,192	-	-	-	-	-	-	-	-	-	-	12,042,192
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	35,817,232
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	3,955,987
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	1,754,904
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317,409
Licenses and permits	450,705	-	8,336,560	-	35,325	77,092	-	5,400	178,630	61,745	18,721	-	-	46,663,067
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	19,314,759
Interest and investment earnings	-	2,715	3,477	37,937	-	331	-	-	-	-	-	-	40	240,148
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	58,266	-	58,266
Other	-	-	-	-	-	-	1,233,284	-	-	-	-	-	-	1,310,028
Total revenues	450,705	34,022,566	20,382,229	26,404,448	35,325	77,423	1,233,284	5,400	178,630	61,745	18,721	58,266	40	183,999,751
Expenditures by Function:														
Current:														
General government	859,258	-	5,790,298	447,377	-	-	-	-	-	-	-	-	-	20,233,787
Protection of life and property	-	-	1,166,154	5,975,653	-	-	-	3,835	-	-	-	-	-	22,052,462
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	32,206,950
Community services	-	1,005,097	-	94,804	-	-	-	-	-	-	-	-	-	1,655,674
Recreation	-	-	-	3,018,055	-	-	-	-	-	-	-	-	-	3,220,719
Individual and collective rights	-	212,726	7,866,111	2,390,957	-	-	-	-	-	-	-	659,649	-	12,454,658
Transportation	-	-	9,136,708	-	-	-	-	-	-	-	-	-	-	9,543,026
Public education	-	6,929,075	40,086	-	-	-	-	-	-	-	-	-	-	17,233,511
Environmental protection	-	-	143,261	94,613	-	65,376	-	-	29,803	25,474	-	-	-	19,581,522
Economic development	-	-	-	322,454	-	-	-	-	-	-	22,724	-	-	881,085
Payments to:														
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	-	-	1,525,500
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	1,854,706
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	735,000
Guam Visitors Bureau	-	-	-	15,430,306	-	-	-	-	-	-	-	-	-	15,430,306
University of Guam	-	-	-	199,997	-	-	1,374,056	-	-	-	-	-	-	2,574,053
Miscellaneous appropriations	-	-	-	164,099	-	-	-	-	-	-	-	-	-	164,099
Debt service:														
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	102,406
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	190,194
Total expenditures	859,258	8,146,898	24,142,618	28,138,315	-	65,376	1,374,056	3,835	29,803	25,474	22,724	659,649	-	161,639,658
Excess (deficiency) of revenues over (under) expenditures	(408,553)	25,875,668	(3,760,389)	(1,733,867)	35,325	12,047	(140,772)	1,565	148,827	36,271	(4,003)	(601,383)	40	22,360,093
Other financing sources (uses):														
Transfers in from other funds	136,247	-	-	7,666,613	-	-	77,919	-	-	-	-	631,419	-	23,652,045
Transfers out to other funds	-	(27,508,744)	(1,125,684)	(8,024,835)	-	-	-	-	-	-	-	-	-	(47,349,159)
Total other financing sources (uses), net	136,247	(27,508,744)	(1,125,684)	(358,222)	-	-	77,919	-	-	-	-	631,419	-	(23,697,114)
Net change in fund balances (deficit)	(272,306)	(1,633,076)	(4,886,073)	(2,092,089)	35,325	12,047	(62,853)	1,565	148,827	36,271	(4,003)	30,036	40	(1,337,021)
Fund balances (deficit) at beginning of year	272,306	1,419,123	6,122,601	2,086,074	376,395	151,330	62,853	17,780	45,919	64,871	86,831	411,322	7,338	90,173,934
Fund balances (deficit) at end of year	\$ -	\$ (213,953)	\$ 1,236,528	\$ (6,015)	\$ 411,720	\$ 163,377	\$ -	\$ 19,345	\$ 194,746	\$ 101,142	\$ 82,828	\$ 441,358	\$ 7,378	\$ 88,836,913

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	674	236	265	667	661	611	266		282	624	669	415	646	105
	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	Community Health Centers
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317,409
Licenses and permits	49,250	2,165	88,295	45,610	200,000	305,301	690,350	-	515,269	957,761	13,176	-	6,060	2,731,822
Charges for services	-	-	-	-	-	-	-	228,079	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	915	74,368	528	-	2,605	1	139	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	1,100	74,330	584	-	-
Total revenues	49,250	2,165	88,295	45,610	200,000	306,216	764,718	228,607	515,269	961,466	87,507	140,120	6,060	5,049,231
Expenditures by Object:														
Salaries and wages - regular	-	-	149,427	-	-	-	-	-	327,902	574,887	-	-	-	2,149,971
Salaries and wages - overtime	-	-	-	-	-	-	-	-	162,316	-	-	-	-	20,016
Salaries and wages - fringe benefits	-	-	55,139	-	-	-	-	-	9,832	221,233	-	-	-	667,222
Travel	-	-	1,664	-	-	-	-	-	-	-	-	-	-	72,522
Contractual services	-	4,596	-	-	-	421,078	291,962	-	-	67,069	-	-	700	410,456
Building rent	-	-	-	-	-	-	23,868	-	-	124,390	-	-	-	-
Supplies	-	-	-	-	-	-	19,557	-	-	4,645	-	-	-	510,704
Equipment	-	-	-	-	-	-	3,378	-	-	-	-	-	-	105,334
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	4,640	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-	-	-	-	37,470
Payments to component units	-	-	-	-	-	-	300,000	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	102,406	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	190,194	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	51,846	-	-	28,635	-	-	-	185,021
Total expenditures	-	4,596	206,230	-	-	421,078	690,611	292,600	500,050	1,025,499	-	-	700	4,158,716
Excess (deficiency) of revenues over (under) expenditures	49,250	(2,431)	(117,935)	45,610	200,000	(114,862)	74,107	(63,993)	15,219	(64,033)	87,507	140,120	5,360	890,515
Other financing sources (uses):														
Transfers in from other funds	-	-	-	-	-	-	-	252,000	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	252,000	-	-	-	-	-	-
Net change in fund balances (deficit)	49,250	(2,431)	(117,935)	45,610	200,000	(114,862)	74,107	188,007	15,219	(64,033)	87,507	140,120	5,360	890,515
Fund balances (deficit) at beginning of year	28,800	8,270	272,178	7,770	192	780,555	2,057,185	472,435	11,941	1,987,374	281,222	795,525	45,777	7,511,176
Fund balances (deficit) at end 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	\$ 8,401,691

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	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	281 Enhanced 911 Emergency Reporting System	600 Environmental Health	642 Equitable Sharing Program	640 Examiner Off-Duty Services
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	50,000	573,951	217,650	34,271	7,618,899	23,040	-	1,055,375	6,100	2,203,975	1,238,551	-	12,185
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	1,208	-	1,462	4,068	-	3	-	-	6,835	658	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	50,000	575,159	217,650	35,733	7,622,967	23,040	3	1,055,375	6,100	2,210,810	1,239,209	-	12,185
Expenditures by Object:													
Salaries and wages - regular	-	337,397	-	-	5,932,394	-	-	421,892	-	981,607	525,366	-	-
Salaries and wages - overtime	-	-	-	-	9,327	-	-	-	-	115,406	1,285	-	-
Salaries and wages - fringe benefits	-	113,295	-	-	2,421,940	-	-	142,297	-	361,962	183,550	-	-
Travel	-	-	-	-	-	-	-	-	-	-	1,820	-	-
Contractual services	-	63,604	49,101	-	100,873	-	-	58,060	-	38,018	100,998	751	-
Building rent	-	-	-	-	1,378,518	-	-	-	-	-	-	-	-
Supplies	-	4,413	-	-	24,484	-	-	13,340	-	25,335	15,737	-	-
Equipment	-	-	-	-	-	-	-	18,222	-	35,734	-	-	-
Utilities - power and water	-	18,778	-	-	29,556	-	-	18,915	-	5,582	72,568	-	-
Communications	-	4,171	-	-	46,219	-	-	2,520	-	55,102	17,532	-	-
Capital outlays	-	-	-	-	-	-	-	38,990	-	50,925	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	951	-	69,973	50,790	-	-	80	-	4,636	-	-	-
Total expenditures	-	542,609	49,101	69,973	9,994,101	-	-	714,316	-	1,674,307	918,856	751	-
Excess (deficiency) of revenues over (under) expenditures	50,000	32,550	168,549	(34,240)	(2,371,134)	23,040	3	341,059	6,100	536,503	320,353	(751)	12,185
Other financing sources (uses):													
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances (deficit)	50,000	32,550	168,549	(34,240)	(2,371,134)	23,040	3	341,059	6,100	536,503	320,353	(751)	12,185
Fund balances (deficit) at beginning of year	3,523	919,652	403,509	1,182,009	3,207,511	305,520	2,942	2,627,686	29,720	5,504,121	1,243,861	31,624	(10,939)
Fund balances (deficit) at end of year	\$ 53,523	\$ 952,202	\$ 572,058	\$ 1,147,769	\$ 836,377	\$ 328,560	\$ 2,945	\$ 2,968,745	\$ 35,820	\$ 6,040,624	\$ 1,564,214	\$ 30,873	\$ 1,246

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	614	231	656					641	639	657	245	608	662	244
	Government Ethics	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	Guam Community College Capital Improvements	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	Guam Museum
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	571,115	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	1,153,328	-	-	173,148	-	576,376	-	-	-	429,196	95,187	651,294	252,356
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1	-	916	4	63,619	15	12,117	-	2	-	763	309	421	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	230	-	-	-	500	-	-	-	-	-
Total revenues	1	1,153,328	572,031	4	236,997	15	588,493	-	502	-	429,959	95,496	651,715	252,356
Expenditures by Object:														
Salaries and wages - regular	-	429,890	-	-	-	-	171,170	-	-	-	180,214	-	333,037	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	-	4,822	-	-	-
Salaries and wages - fringe benefits	-	-	-	-	-	-	59,112	-	-	-	58,967	-	111,558	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual services	-	267,082	-	-	15,942	-	95,419	-	-	-	43,025	1,020	4,024	179,213
Building rent	-	-	-	-	-	-	6,174	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	2,180	-	-	-	1,336	5,714	1,373	-
Equipment	-	84,786	-	-	-	-	27,676	-	-	-	-	5,574	23,271	-
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	77,275	38,403	-	236,338
Communications	-	-	-	-	-	-	-	-	-	-	25,973	1,761	-	-
Capital outlays	-	18,500	-	-	-	-	37,470	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	200,400	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	136,533	-	45	24	-	4,529	-	10,264,350	-	-	2,125	200	-
Total expenditures	-	936,791	-	45	15,966	-	403,730	-	10,264,350	200,400	391,612	54,597	473,463	415,551
Excess (deficiency) of revenues over (under) expenditures	1	216,537	572,031	(41)	221,031	15	184,763	-	(10,263,848)	(200,400)	38,347	40,899	178,252	(163,195)
Other financing sources (uses):														
Transfers in from other funds	-	-	-	-	-	5	-	-	10,264,350	200,400	-	-	-	538,060
Transfers out to other funds	-	-	-	-	-	-	(5)	-	-	-	(42,920)	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	5	(5)	-	10,264,350	200,400	(42,920)	-	-	538,060
Net change in fund balances (deficit)	1	216,537	572,031	(41)	221,031	20	184,758	-	502	-	(4,573)	40,899	178,252	374,865
Fund balances (deficit) at beginning of year	1,009	360,254	524,662	1,496	8,922,209	5,003	4,541,044	(15)	(10,341)	(23,244)	618,940	192,077	884,769	(374,865)
Fund balances (deficit) at end of year	\$ 1,010	\$ 576,791	\$ 1,096,693	\$ 1,455	\$ 9,143,240	\$ 5,023	\$ 4,725,802	\$ (15)	\$ (9,839)	\$ (23,244)	\$ 614,367	\$ 232,976	\$ 1,063,021	\$ -

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	326	651	270	602	241	311	634	652	658	632	351	222	655	232
	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Historic Preservation Archaeological Mitigation	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	35,817,232	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	3,955,987	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	1,183,789	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	504,718	-	17,300	-	216,215	-	-	-	-	-	-	2,631,797	-	2,642,326
Charges for services	-	-	-	-	-	-	-	-	-	913,966	-	-	-	-
Interest and investment earnings	286	-	2,621	2,974	188	164	-	-	22	-	-	-	778	2,337
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	505,004	-	19,921	39,776,193	216,403	164	-	-	22	913,966	-	2,631,797	1,184,567	2,644,663
Expenditures by Object:														
Salaries and wages - regular	-	-	-	14,127,393	46,251	-	-	-	-	1,058,425	-	1,722,872	-	127,812
Salaries and wages - overtime	-	-	-	298,534	-	-	-	-	-	4,471	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	4,700,224	15,817	-	-	-	-	347,188	-	577,214	-	39,108
Travel	-	-	-	3,492	1,395	-	-	-	-	5,778	-	-	-	-
Contractual services	-	-	-	7,102,429	63,808	-	-	-	-	20,113	-	58,649	286,554	57,562
Building rent	-	-	-	252,336	-	-	-	-	-	-	-	678,308	48,216	308,483
Supplies	-	-	-	274,433	9,564	-	-	-	-	1,812	-	8,634	84,346	9,067
Equipment	-	-	-	80,389	14,395	-	-	-	-	29,851	-	30,307	36,427	2,558
Utilities - power and water	-	-	-	544,340	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	118,604	-	-	-	-	-	10,016	-	7,113	-	30,000
Capital outlays	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to component units	735,000	-	-	2,729,597	-	-	-	-	125,109	-	-	-	-	1,325,100
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	890,171	-	-	-	317,064	-	120	-	700	52,330	-
Total expenditures	735,000	-	-	31,121,942	151,230	-	-	317,064	125,109	1,477,774	-	3,083,797	507,873	1,899,690
Excess (deficiency) of revenues over (under) expenditures	(229,996)	-	19,921	8,654,251	65,173	164	-	(317,064)	(125,087)	(563,808)	-	(452,000)	676,694	744,973
Other financing sources (uses):														
Transfers in from other funds	-	-	-	-	-	-	-	317,064	-	1,370,500	-	348,943	-	-
Transfers out to other funds	-	-	(1,730)	(5,979,916)	-	-	-	-	-	-	-	-	(397,354)	-
Total other financing sources (uses), net	-	-	(1,730)	(5,979,916)	-	-	-	317,064	-	1,370,500	-	348,943	(397,354)	-
Net change in fund balances (deficit)	(229,996)	-	18,191	2,674,335	65,173	164	-	-	(125,087)	806,692	-	(103,057)	279,340	744,973
Fund balances (deficit) at beginning of year	314,422	1,931	365,207	11,518,090	397,794	10,836	100,000	53	1,050,762	(806,692)	251	103,057	3,318,418	36,501
Fund balances (deficit) at end of year	\$ 84,426	\$ 1,931	\$ 383,398	\$ 14,192,425	\$ 462,967	\$ 11,000	\$ 100,000	\$ 53	\$ 925,675	\$ -	\$ 251	\$ -	\$ 3,597,758	\$ 781,474

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	671	294	653	261	648	650	629	211	663	263	644	215	604
	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	Office of Attorney General	Office of Vital Statistics Revolving	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	11,000	-	634,156	31,950	2,408	176,553	106,386	5,232	294,416	798,531	-	256,780	450,697
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	141	-	-	83	-	-	164	199
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	11,000	-	634,156	31,950	2,408	176,694	106,386	5,232	294,499	798,531	-	256,944	450,896
Expenditures by Object:													
Salaries and wages - regular	-	-	-	3,702	-	54,897	55,906	-	-	50,484	-	145,832	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	1,184	-	19,968	16,575	-	-	17,757	-	50,178	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual services	-	-	-	-	-	21,494	95	-	91,355	66,137	-	30,934	-
Building rent	-	-	-	-	-	-	-	-	-	386,640	-	18,060	-
Supplies	-	-	-	-	-	406	2,304	519	34,101	94,247	-	997	-
Equipment	-	-	-	-	-	-	-	-	15,269	-	-	1,813	-
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-	-	2,154	-
Capital outlays	-	-	-	-	-	-	-	-	112,410	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	850	-
Total expenditures	-	-	-	4,886	-	96,765	74,880	519	253,135	615,265	-	250,818	-
Excess (deficiency) of revenues over (under) expenditures	11,000	-	634,156	27,064	2,408	79,929	31,506	4,713	41,364	183,266	-	6,126	450,896
Other financing sources (uses):													
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	483,339
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	(891,575)
Total other financing sources (uses), net	-	-	-	-	-	-	-	-	-	-	-	-	(408,236)
Net change in fund balances (deficit)	11,000	-	634,156	27,064	2,408	79,929	31,506	4,713	41,364	183,266	-	6,126	42,660
Fund balances (deficit) at beginning of year	8	(989)	128,275	192,787	4,779	277,239	(40,697)	20,448	428,281	13,386	1,569	177,923	(42,660)
Fund balances (deficit) at end of year	\$ 11,008	\$ (989)	\$ 762,431	\$ 219,851	\$ 7,187	\$ 357,168	\$ (9,191)	\$ 25,161	\$ 469,645	\$ 196,652	\$ 1,569	\$ 184,049	\$ -

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	666	620	317	285	619	289	601	217	647	284	416	605	625	202
	Public Market Revolving	Public Recreation Services	Public Transit	Rabies Prevention	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
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	56,975	-	36,120	2,595,904	93,299	-	60,900	-	22,825	-	-	100	3,882,360
Charges for services	-	-	2,624	-	-	-	-	-	-	-	18,170,090	-	-	-
Interest and investment earnings	-	74	-	-	315	-	-	84	-	-	13,455	806	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	57,049	2,624	36,120	2,596,219	93,299	-	60,984	-	22,825	18,183,545	806	100	3,882,360
Expenditures by Object:														
Salaries and wages - regular	-	-	-	-	45,271	-	-	-	-	-	1,769,018	-	-	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	-	105,085	-	-	-
Salaries and wages - fringe benefits	-	-	-	-	14,408	-	-	-	-	-	624,407	-	-	-
Travel	-	-	-	-	-	-	-	-	-	3,009	16,405	41,267	-	-
Contractual services	-	28,670	236,001	5,599	1,355,575	-	-	-	-	-	13,510,881	18,657	-	-
Building rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	18,963	170,317	1,729	-	-	-	64,498	-	1,937	303,712	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	53,761	6,705	-	-
Utilities - power and water	-	64,990	-	-	-	-	-	-	-	-	88,798	-	-	4,127,102
Communications	-	-	-	-	-	-	-	-	-	-	60,405	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-	8,350	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	26,675	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	245,512	17,599	-	-
Total expenditures	-	112,623	406,318	7,328	1,415,254	-	-	64,498	-	4,946	16,813,009	84,228	-	4,127,102
Excess (deficiency) of revenues over (under) expenditures	-	(55,574)	(403,694)	28,792	1,180,965	93,299	-	(3,514)	-	17,879	1,370,536	(83,422)	100	(244,742)
Other financing sources (uses):														
Transfers in from other funds	-	199,541	745,276	-	-	-	-	145,991	-	-	33,844	-	-	240,534
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	(3,376,396)	-	-	-
Total other financing sources (uses), net	-	199,541	745,276	-	-	-	-	145,991	-	-	(3,342,552)	-	-	240,534
Net change in fund balances (deficit)	-	143,967	341,582	28,792	1,180,965	93,299	-	142,477	-	17,879	(1,972,016)	(83,422)	100	(4,208)
Fund balances (deficit) at beginning of year	(4,576)	(143,967)	(341,582)	55,082	2,589,066	13,444	8,750	(142,477)	21,480	76,829	13,038,489	948,071	1,258	4,208
Fund balances (deficit) at end of year	\$ (4,576)	\$ -	\$ -	\$ 83,874	\$ 3,770,031	\$ 106,743	\$ 8,750	\$ -	\$ 21,480	\$ 94,708	\$ 11,066,473	\$ 864,649	\$ 1,358	\$ -

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

AS/400 Fund Number	603	205	208	206	257	636	297	637	283	300	203	310	276	Total
	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Truck Enforcement Screening Station Facility	Under- ground Storage Tank Management	University of Guam Capital Improve- ments	Victim/ Witness Travel- Housing	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	
Revenues:														
Taxes:														
Property	\$ -	\$ 34,019,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,159,248
Hotel	-	-	-	26,366,511	-	-	-	-	-	-	-	-	-	26,366,511
Liquid fuel	-	-	12,042,192	-	-	-	-	-	-	-	-	-	-	12,042,192
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	35,817,232
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	3,955,987
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	1,754,904
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317,409
Licenses and permits	450,705	-	8,336,560	-	35,325	77,092	-	5,400	178,630	61,745	18,721	-	-	46,663,067
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	19,314,759
Interest and investment earnings	-	2,715	3,477	37,937	-	331	-	-	-	-	-	-	40	240,148
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-	58,266	-	58,266
Other	-	-	-	-	-	-	1,233,284	-	-	-	-	-	-	1,310,028
Total revenues	450,705	34,022,566	20,382,229	26,404,448	35,325	77,423	1,233,284	5,400	178,630	61,745	18,721	58,266	40	183,999,751
Expenditures by Object:														
Salaries and wages - regular	295,243	5,285,306	11,520,916	4,386,909	-	41,668	-	-	22,196	19,662	-	-	-	53,294,917
Salaries and wages - overtime	90	-	593,097	19,560	-	-	-	-	-	-	-	-	-	1,334,009
Salaries and wages - fringe benefits	115,084	1,984,217	4,062,424	1,426,357	-	11,746	-	-	7,607	5,812	-	-	-	18,443,382
Travel	1,739	-	14,817	25,935	-	3,941	-	3,835	-	-	-	3,092	-	200,711
Contractual services	386,109	113,537	5,407,409	2,506,092	-	6,150	-	-	-	-	22,724	655,465	-	34,264,990
Building rent	-	4,250	-	560,780	-	-	-	-	-	-	-	-	-	3,790,023
Supplies	-	456,077	915,677	1,264,136	-	1,111	-	-	-	-	-	-	-	4,347,405
Equipment	-	4,552	46,359	39,975	-	760	-	-	-	-	-	-	-	667,096
Utilities - power and water	-	202,978	1,462,196	1,494,076	-	-	-	-	-	-	-	-	-	8,481,895
Communications	60,993	19,028	42,316	449,410	-	-	-	-	-	-	-	-	-	957,957
Capital outlays	-	-	71,497	70,644	-	-	-	-	-	-	-	-	-	446,256
Payments to component units	-	-	-	15,430,306	-	-	1,374,056	-	-	-	-	-	-	22,219,568
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	102,406
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	216,869
Miscellaneous	-	76,953	5,910	464,135	-	-	-	-	-	-	-	1,092	-	12,872,174
Total expenditures	859,258	8,146,898	24,142,618	28,138,315	-	65,376	1,374,056	3,835	29,803	25,474	22,724	659,649	-	161,639,658
Excess (deficiency) of revenues over (under) expenditures	(408,553)	25,875,668	(3,760,389)	(1,733,867)	35,325	12,047	(140,772)	1,565	148,827	36,271	(4,003)	(601,383)	40	22,360,093
Other financing sources (uses):														
Transfers in from other funds	136,247	-	-	7,666,613	-	-	77,919	-	-	-	-	631,419	-	23,652,045
Transfers out to other funds	-	(27,508,744)	(1,125,684)	(8,024,835)	-	-	-	-	-	-	-	-	-	(47,349,159)
Total other financing sources (uses), net	136,247	(27,508,744)	(1,125,684)	(358,222)	-	-	77,919	-	-	-	-	631,419	-	(23,697,114)
Net change in fund balances (deficit)	(272,306)	(1,633,076)	(4,886,073)	(2,092,089)	35,325	12,047	(62,853)	1,565	148,827	36,271	(4,003)	30,036	40	(1,337,021)
Fund balances (deficit) at beginning of year	272,306	1,419,123	6,122,601	2,086,074	376,395	151,330	62,853	17,780	45,919	64,871	86,831	411,322	7,338	90,173,934
Fund balances (deficit) at end of year	\$ -	\$ (213,953)	\$ 1,236,528	\$ (6,015)	\$ 411,720	\$ 163,377	\$ -	\$ 19,345	\$ 194,746	\$ 101,142	\$ 82,828	\$ 441,358	\$ 7,378	\$ 88,836,913

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Project Funds September 30, 2020

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, 2020, 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 Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2020

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	\$ -	\$ -	\$ -	\$ -	\$ 2,651,850	\$ 2,651,850
Due from other funds	175,899	-	-	-	-	175,899
Deposits and other assets	-	-	-	-	4,360	4,360
Restricted assets:						
Cash and cash equivalents	-	8,639,398	(22)	17,027,122	-	25,666,498
Investments	-	-	-	-	902,104	902,104
Total assets	<u>\$ 175,899</u>	<u>\$ 8,639,398</u>	<u>\$ (22)</u>	<u>\$ 17,027,122</u>	<u>\$ 3,558,314</u>	<u>\$ 29,400,711</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 529,341	\$ -	\$ 4,888,971	\$ 18,930	\$ 5,437,242
Due to other funds	-	76,988	8,531	6,597	3,137,277	3,229,393
Total liabilities	<u>-</u>	<u>606,329</u>	<u>8,531</u>	<u>4,895,568</u>	<u>3,156,207</u>	<u>8,666,635</u>
Fund balances:						
Restricted	-	8,033,069	-	12,131,554	402,107	20,566,730
Unassigned	175,899	-	(8,553)	-	-	167,346
Total liabilities and fund balances	<u>\$ 175,899</u>	<u>\$ 8,639,398</u>	<u>\$ (22)</u>	<u>\$ 17,027,122</u>	<u>\$ 3,558,314</u>	<u>\$ 29,400,711</u>

See Accompanying Independent Auditors' 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, 2020

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	\$ -	\$ -	\$ -	\$ -	\$ 521,739	\$ 521,739
Fines and forfeits	-	-	-	-	472,699	472,699
Interest and investment earnings	-	217,395	-	228,231	-	445,626
Total revenues	<u>-</u>	<u>217,395</u>	<u>-</u>	<u>228,231</u>	<u>994,438</u>	<u>1,440,064</u>
Expenditures by function:						
Current:						
Individual and collective rights	-	-	-	-	2,105,946	2,105,946
Capital projects	-	120,758	-	19,031,448	-	19,152,206
Debt service:						
Principal retirement	-	-	-	-	119,550	119,550
Interest and fiscal charges	-	-	-	-	225,115	225,115
Total expenditures	<u>-</u>	<u>120,758</u>	<u>-</u>	<u>19,031,448</u>	<u>2,450,611</u>	<u>21,602,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>96,637</u>	<u>-</u>	<u>(18,803,217)</u>	<u>(1,456,173)</u>	<u>(20,162,753)</u>
Other financing sources:						
Proceeds from note issued	-	-	-	-	1,805,665	1,805,665
Net change in fund balances	-	96,637	-	(18,803,217)	349,492	(18,357,088)
Fund balances at beginning of year	<u>175,899</u>	<u>7,936,432</u>	<u>(8,553)</u>	<u>30,934,771</u>	<u>52,615</u>	<u>39,091,164</u>
Fund balances at end 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>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures by Object,
and Changes in Fund Balances
Year Ended September 30, 2020

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	\$ -	\$ -	\$ -	\$ -	\$ 521,739	\$ 521,739
Fines and forfeits	-	-	-	-	472,699	472,699
Interest and investment earnings	-	217,395	-	228,231	-	445,626
Total revenues	-	217,395	-	228,231	994,438	1,440,064
Expenditures by object:						
Contractual services	-	120,758	-	19,031,448	98,840	19,251,046
Building rent	-	-	-	-	211,326	211,326
Equipment	-	-	-	-	11,664	11,664
Capital outlays	-	-	-	-	1,765,310	1,765,310
Principal retirement	-	-	-	-	119,550	119,550
Interest and fiscal charges	-	-	-	-	225,115	225,115
Miscellaneous	-	-	-	-	18,806	18,806
Total expenditures	-	120,758	-	19,031,448	2,450,611	21,602,817
Excess (deficiency) of revenues over (under) expenditures	-	96,637	-	(18,803,217)	(1,456,173)	(20,162,753)
Other financing sources (uses):						
Proceeds from note issued	-	-	-	-	1,805,665	1,805,665
Net change in fund balances	-	96,637	-	(18,803,217)	349,492	(18,357,088)
Fund balances at beginning of year	175,899	7,936,432	(8,553)	30,934,771	52,615	39,091,164
Fund balances at end of year	\$ 175,899	\$ 8,033,069	\$ (8,553)	\$ 12,131,554	\$ 402,107	\$ 20,734,076

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Debt Service Funds September 30, 2020

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, 2020, 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 Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Pension Trusts September 30, 2020

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, 2020, 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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Pension Trusts
September 30, 2020

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,898,149	\$ 4,782,863	\$ 7,681,012
Investments at fair value:			
Common stocks	1,267,204,906	-	1,267,204,906
U.S. Government securities	238,056,397	-	238,056,397
Corporate bonds and notes	379,706,900	-	379,706,900
Money market funds	59,103,305	-	59,103,305
Mutual funds	34,726,986	394,945,071	429,672,057
Total investments	<u>1,978,798,494</u>	<u>394,945,071</u>	<u>2,373,743,565</u>
Accounts receivable:			
Employer contributions, net	6,672,524	658,926	7,331,450
Member contributions	1,441,620	657,445	2,099,065
Interest and penalties on contributions	357,601	-	357,601
Accrued investment income	5,915,703	-	5,915,703
Due from brokers for unsettled trades	1,878,165	-	1,878,165
Service credits	1,968,422	-	1,968,422
Supplemental/Insurance benefits advanced	1,996,097	-	1,996,097
Other	646,472	147,168	793,640
Due from DC plan	691,494	-	691,494
Total receivables	<u>21,568,098</u>	<u>1,463,539</u>	<u>23,031,637</u>
Capital assets	<u>563,726</u>	<u>13,786</u>	<u>577,512</u>
Total assets	<u>2,003,828,467</u>	<u>401,205,259</u>	<u>2,405,033,726</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred supplemental COLA payments	8,097,077	-	8,097,077
Deferred outflows of resources from pensions	885,080	246,112	1,131,192
Deferred outflows of resources from OPEB	2,740,781	-	2,740,781
Total deferred outflows of resources	<u>11,722,938</u>	<u>246,112</u>	<u>11,969,050</u>
<u>LIABILITIES</u>			
Unearned revenue	2,081,289	-	2,081,289
Accounts payable and accrued expenses	3,955,799	657,948	4,613,747
Due to DB plan	-	691,494	691,494
Due to brokers for unsettled trades	10,888,858	-	10,888,858
Net pension liability	5,951,497	324,753	6,276,250
OPEB liability	11,398,171	-	11,398,171
Total liabilities	<u>34,275,614</u>	<u>1,674,195</u>	<u>35,949,809</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources from pensions	76,376	143,113	219,489
Deferred inflows of resources from OPEB	3,036,097	-	3,036,097
Total deferred inflows of resources	<u>3,112,473</u>	<u>143,113</u>	<u>3,255,586</u>
<u>NET POSITION</u>			
Restricted for:			
Employees' pension benefits	\$ <u>1,978,163,318</u>	\$ <u>399,634,063</u>	\$ <u>2,377,797,381</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Trusts
Year Ended September 30, 2020

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 115,264,178	\$ 16,503,922	\$ 131,768,100
Member	25,864,221	16,456,479	42,320,700
Total contributions	<u>141,128,399</u>	<u>32,960,401</u>	<u>174,088,800</u>
Net investment income:			
Net increase in fair value of investments	43,652,957	13,037,292	56,690,249
Interest	23,805,299	18,088,925	41,894,224
Dividends	17,815,630	-	17,815,630
Other	209,278	1,275,914	1,485,192
Total investment income	<u>85,483,164</u>	<u>32,402,131</u>	<u>117,885,295</u>
Less: investment expenses	<u>4,604,148</u>	<u>134,045</u>	<u>4,738,193</u>
Net investment income	<u>80,879,016</u>	<u>32,268,086</u>	<u>113,147,102</u>
Total additions	<u>222,007,415</u>	<u>65,228,487</u>	<u>287,235,902</u>
Deductions:			
Benefits	233,929,231	-	233,929,231
Refunds	1,981,775	21,688,909	23,670,684
Interest on refunded contributions	320,196	-	320,196
Administrative and general expenses	3,609,024	1,765,301	5,374,325
Total deductions	<u>239,840,226</u>	<u>23,454,210</u>	<u>263,294,436</u>
Change in net position held in trust for employees' pension benefits	(17,832,811)	41,774,277	23,941,466
Net position at beginning of year	<u>1,995,996,129</u>	<u>357,859,786</u>	<u>2,353,855,915</u>
Net position at end of year	<u>\$ 1,978,163,318</u>	<u>\$ 399,634,063</u>	<u>\$ 2,377,797,381</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts September 30, 2020

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, 2020, 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 Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Fiduciary Net Position
September 30, 2020

	20	21	22	23	24	25	26				
	PDSC Land Claims 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	\$ 10,164,835	\$ 41,316	\$ 1,980,552	\$ 1,802,655	\$ 445,911	\$ 2,588,054	\$ -	\$ 17,036,750	\$ -	\$ 17,036,750
Time certificates of deposit	-	1,000,000	-	-	-	-	-	1,000,000	-	1,000,000	
Receivables	-	-	-	350	-	-	-	350	-	350	
Due from other funds	-	-	-	-	66	-	-	148,448	148,514	(148,514)	-
Total assets	13,427	11,164,835	41,316	1,980,902	1,802,721	445,911	2,588,054	148,448	18,185,614	(148,514)	18,037,100
LIABILITIES											
Due to other funds	-	2,719,587	31,705	48,461	-	296,335	465,180	-	3,561,268	(148,514)	3,412,754
Deposits and other liabilities	12,586	8,445,248	9,611	1,932,441	1,802,721	105,055	189,431	148,448	12,645,541	-	12,645,541
Total liabilities	12,586	11,164,835	41,316	1,980,902	1,802,721	401,390	654,611	148,448	16,206,809	(148,514)	16,058,295
NET POSITION											
Restricted for:											
Individuals, organizations, and other governments	\$ 841	\$ -	\$ -	\$ -	\$ -	\$ 44,521	\$ 1,933,443	\$ -	\$ 1,978,805	\$ -	\$ 1,978,805

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
 Combining Statement of Changes in Fiduciary Net Position
 Year Ended September 30, 2020

	20	21	22	23	24	25	26			
	PDSC Land Claims 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	\$ -	\$ -	\$ -	\$ -	\$ 20,341	\$ 1,326,596	\$ 227,668	\$ 1,574,605	\$ -	\$ 1,574,605
Transfers in from other funds	-	-	-	-	659,107	-	-	659,107	(659,107)	-
Total additions	-	-	-	-	679,448	1,326,596	227,668	2,233,712	(659,107)	1,574,605
Deductions:										
Individual and collective rights	-	-	-	-	283,056	1,462,259	166,491	1,911,806	-	1,911,806
Transfers out to other funds	-	-	-	-	-	659,107	-	659,107	(659,107)	-
Total deductions	-	-	-	-	283,056	2,121,366	166,491	2,570,913	(659,107)	1,911,806
Change in net position held in trust for individuals, organizations, and other governments	-	-	-	-	396,392	(794,770)	61,177	(337,201)	-	(337,201)
Net position at beginning of year	841	-	-	-	(351,871)	2,728,213	(61,177)	2,316,006	-	2,316,006
Net position at end of year	\$ 841	\$ -	\$ -	\$ -	\$ 44,521	\$ 1,933,443	\$ -	\$ 1,978,805	\$ -	\$ 1,978,805

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Agency
September 30, 2020

Agency funds are used to report resources held by GovGuam in a purely custodial capacity (assets equal liabilities).

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency
September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
<u>ASSETS</u>				
Deposits and other assets	\$ 13,317,866	\$ -	\$ -	\$ 13,317,866
Total assets	<u>\$ 13,317,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,317,866</u>
<u>LIABILITIES</u>				
Deposits and other liabilities	\$ 13,317,866	\$ -	\$ -	\$ 13,317,866
Total liabilities	<u>\$ 13,317,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,317,866</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units September 30, 2020

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, 2020, 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 Auditors' Report.

GOVERNMENT OF GUAM
Nonmajor Component Units
Combining Statement of Net Position
September 30, 2020

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
ASSETS						
Cash and cash equivalents	\$ 6,225,634	\$ 3,703,677	\$ 1,019,778	\$ 11,165,030	\$ 271,333	\$ 22,385,452
Investments	-	13,217,617	815,264	1,397,140	-	15,430,021
Receivables, net	26,132,716	617,896	4,286	386,439	43,238	27,184,575
Due from primary government	-	-	-	1,676,731	-	1,676,731
Inventories	-	7,706	-	-	-	7,706
Prepayments	66,010	-	-	11,705	-	77,715
Deposits and other assets	374,940	520,478	-	133,230	-	1,028,648
Restricted assets:						
Cash and cash equivalents	3,762,456	5,142,931	-	1,415,490	-	10,320,877
Investments	1,487,234	-	-	-	-	1,487,234
Capital assets:						
Nondepreciable capital assets	2,934,227	-	10,505,308	5,992,415	18,000	19,449,950
Capital assets, net of accumulated depreciation	2,940,521	379,868	52,336	347,470	1,378,524	5,098,719
Total assets	<u>43,923,738</u>	<u>23,590,173</u>	<u>12,396,972</u>	<u>22,525,650</u>	<u>1,711,095</u>	<u>104,147,628</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	764,194	800,146	-	1,031,159	217,337	2,812,836
Deferred outflows from OPEB	1,737,357	950,140	-	2,630,159	950,584	6,268,240
Total deferred outflows of resources	<u>2,501,551</u>	<u>1,750,286</u>	<u>-</u>	<u>3,661,318</u>	<u>1,167,921</u>	<u>9,081,076</u>
LIABILITIES						
Accounts payable	436,535	1,553,287	26,095	1,191,650	7,712	3,215,279
Accrued interest payable	15,439	439,738	-	-	-	455,177
Accrued payroll and other	-	222,092	-	-	37,596	259,688
Unearned revenue	55,222	100,523	173,285	10,200	277,561	616,791
Deposits and other liabilities	717,878	95,732	8,000	-	-	821,610
Long-term liabilities:						
Due within one year	338,183	1,380,000	6,698	152,890	15,307	1,893,078
Due in more than one year	14,462,184	38,329,943	41,778	12,175,098	3,863,792	68,872,795
Total liabilities	<u>16,025,441</u>	<u>42,121,315</u>	<u>255,856</u>	<u>13,529,838</u>	<u>4,201,968</u>	<u>76,134,418</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	125,459	341,079	-	418,557	46,511	931,606
Deferred inflows from OPEB	4,433,277	1,330,700	-	1,658,564	735,481	8,158,022
Total deferred inflows of resources	<u>4,558,736</u>	<u>1,671,779</u>	<u>-</u>	<u>2,077,121</u>	<u>781,992</u>	<u>9,089,628</u>
NET POSITION						
Net investment in capital assets	5,874,748	379,868	638,943	6,339,885	1,396,524	14,629,968
Restricted:						
Retirement of indebtedness	-	3,464,400	-	-	-	3,464,400
Other purposes	4,841,152	13,559,652	9,918,701	1,668,070	-	29,987,575
Unrestricted (deficit)	15,125,212	(35,856,555)	1,583,472	2,572,054	(3,501,468)	(20,077,285)
Total net position	<u>\$ 25,841,112</u>	<u>\$ (18,452,635)</u>	<u>\$ 12,141,116</u>	<u>\$ 10,580,009</u>	<u>\$ (2,104,944)</u>	<u>\$ 28,004,658</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units Combining Statement of Revenues, Expenses, and Changes in Net Position Year Ended September 30, 2020

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
Expenses	\$ 2,157,633	\$ 4,954,657	\$ 744,455	\$ 17,473,540	\$ 1,914,788	\$ 27,245,073
Program revenues:						
Charges for services	2,260,821	4,419,788	-	786,935	289,422	7,756,966
Operating grants and contributions	-	-	59,409	199,390	640,866	899,665
Total program revenues	2,260,821	4,419,788	59,409	986,325	930,288	8,656,631
Net program revenues (expenses)	103,188	(534,869)	(685,046)	(16,487,215)	(984,500)	(18,588,442)
General revenues:						
Payments from GovGuam	-	-	505,005	15,430,306	439,057	16,374,368
Investment earnings	85,295	843,831	141,585	44,779	10,273	1,125,763
Other	28,100	-	-	-	-	28,100
Total general revenues	113,395	843,831	646,590	15,475,085	449,330	17,528,231
Change in net position	216,583	308,962	(38,456)	(1,012,130)	(535,170)	(1,060,211)
Net position at beginning of year	25,624,529	(18,761,597)	12,179,572	11,592,139	(1,569,774)	29,064,869
Net position at the end of the year	\$ 25,841,112	\$ (18,452,635)	\$ 12,141,116	\$ 10,580,009	\$ (2,104,944)	\$ 28,004,658

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Other Information
September 30, 2020

A brief discussion of other information presented for additional analysis as of September 30, 2020, follows:

Combining Schedule of Expenditures By Object:
All Governmental Funds

Schedule of Outstanding Debt:
Primary Government
Component Units

Charter Schools:
Combining Balance Sheet

Schedule of Personnel Count:
Primary Government

Schedule of Continuing Appropriations:
Primary Government

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

All Governmental Funds
Combining Schedule of Expenditures By Object
Year Ended September 30, 2020

	Special Revenue				Permanent		Total	
	General	Federal Grants Assistance	CARES Act Unemployment Assistance	COVID-19	GDOE Federal Grants	Chamorro Lands		Other Governmental Funds
Expenditures by Object:								
Salaries and wages:								
Regular	\$ 251,130,890	\$ 30,263,344	\$ -	\$ 10,402,216	\$ 22,928,644	\$ -	\$ 53,294,917	\$ 368,020,011
Overtime	12,371,144	1,067,898	-	2,290,563	-	-	1,334,009	17,063,614
Fringe benefits	81,913,640	10,135,991	-	646,177	7,697,521	-	18,443,382	118,836,711
Travel	510,420	977,700	-	-	520,349	-	200,711	2,209,180
Contractual services	36,931,127	52,352,707	-	10,471,117	21,512,140	-	53,516,036	174,783,127
Building rent	6,260,371	2,460,555	-	-	-	-	4,001,349	12,722,275
Supplies	4,248,195	2,488,249	-	293,320	14,126,132	-	4,347,405	25,503,301
Equipment	2,477,038	1,003,942	-	187,574	1,749,362	-	678,760	6,096,676
Utilities - power and water	18,367,778	1,484,843	-	2,800	-	-	8,481,895	28,337,316
Communications	1,382,505	318,728	-	-	-	-	957,957	2,659,190
Capital outlays	431,888	1,716,221	-	350,929	-	-	2,211,566	4,710,604
Grants and subsidies	90,904,659	-	376,729,318	19,634,237	-	-	22,219,568	509,487,782
Supplemental annuity benefits	25,744,500	-	-	-	-	-	-	25,744,500
Retiree healthcare benefits	43,461,814	-	-	-	-	-	-	43,461,814
Principal retirement	29,340,000	-	-	-	5,741,000	-	2,566,956	37,647,956
Interest and fiscal charges	68,608,008	-	-	-	-	-	5,093,972	73,701,980
Miscellaneous	26,391,866	285,498,326	-	18,591,985	826,322	-	12,890,980	344,199,479
	<u>\$ 700,475,843</u>	<u>\$ 389,768,504</u>	<u>\$ 376,729,318</u>	<u>\$ 62,870,918</u>	<u>\$ 75,101,470</u>	<u>\$ -</u>	<u>\$ 190,239,463</u>	<u>\$ 1,795,185,516</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Outstanding Debt September 30, 2020

	Outstanding Principal Amount	Fiscal Year 2021 Debt Service			Final Maturity (Year Ending September 30)
		Principal	Interest	Total	
Primary Government:					
General Obligation Bonds:					
2019 Series A	\$ 27,045,000	\$ 1,685,000	\$ 1,310,125	\$ 2,995,125	2032
Limited Obligation Bonds:					
2011 Series A Hotel Tax Revenue Bonds	73,020,000	2,480,000	4,516,200	6,996,200	2041
2011 Series A Business Privilege Tax Revenue Bonds	215,575,000	5,475,000	10,872,137	16,347,137	2042
2012 Series B Business Privilege Tax Revenue Bonds	99,040,000	2,650,000	4,845,249	7,495,249	2042
2015 Series D Business Privilege Tax Revenue Bonds	400,825,000	12,050,000	19,490,000	31,540,000	2040
2016 Series A Section 30 Bonds	217,325,000	10,375,000	10,606,875	20,981,875	2047
Other Loans Payable:					
2020 Bank loan	6,767,668	-	720,000	720,000	2052
2014 Bank loan	3,686,349	180,515	156,685	337,200	2035
	<u>1,043,284,017</u>	<u>34,895,515</u>	<u>52,517,271</u>	<u>87,412,786</u>	
Component Units:					
Antonio B. Won Pat International Airport Authority:					
2012 Bank loan	4,801,616	1,329,368	238,132	1,567,500	2024
2013 Series A Revenue Bonds	6,700,000	1,555,000	296,125	1,851,125	2023
2013 Series B Revenue Bonds	24,290,000	2,245,000	1,254,587	3,499,587	2044
2013 Series C Revenue Bonds	108,365,000	9,430,000	2,015,050	11,445,050	2044
2019 Series A Revenue Bonds	18,645,000	50,000	929,400	979,400	2024
2019 Series B Revenue Bonds	18,400,000	-	588,562	588,562	2026
Guam Housing and Urban Renewal Authority:					
Rural development loan	821,618	79,000	47,480	126,480	2030
Guam Power Authority:					
2012 Series A Revenue Bonds	324,735,000	18,995,000	15,761,875	34,756,875	2035
2014 Series A Revenue Bonds	72,340,000	1,520,000	3,529,000	5,049,000	2045
2017 Series A Revenue Bonds	148,535,000	-	7,417,750	7,417,750	2041
Guam Waterworks Authority:					
2013 Series A Revenue Bonds	27,340,000	2,840,000	1,406,438	4,246,438	2043
2014 Series A Revenue Bonds	65,140,000	530,000	3,257,000	3,787,000	2035
2016 Series A Revenue Bonds	142,890,000	3,860,000	7,144,500	11,004,500	2046
2017 Series A Revenue Bonds	107,365,000	2,040,000	5,368,250	7,408,250	2040
2020 Series A Revenue Bonds	134,000,000	-	6,700,000	6,700,000	2050
2020 Series B Revenue Bonds	166,075,000	-	4,990,830	4,990,830	2043
Port Authority of Guam:					
2018 Series A, B and C Revenue Bonds	67,745,000	2,465,000	3,280,862	5,745,862	2028-2048
University of Guam:					
Rural development loan	10,541,086	288,646	461,414	750,060	2044
Guam Housing Corporation:					
1998 Series A Mortgage-Backed Revenue Bonds	3,265,000	235,000	182,450	417,450	2031
Guam Economic Development Authority:					
2007 Series A Tobacco Settlement Revenue Bonds	23,755,000	1,380,000	665,226	2,045,226	2047
2007 Series B Tobacco Settlement Revenue Bonds	16,773,618	-	-	-	2057
	<u>1,492,522,938</u>	<u>48,842,014</u>	<u>65,534,931</u>	<u>114,376,945</u>	
	<u>\$ 2,535,806,955</u>	<u>\$ 83,737,529</u>	<u>\$ 118,052,202</u>	<u>\$ 201,789,731</u>	

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Charter Schools
Combining Balance Sheet
September 30, 2020

	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 Auditors' Report

GOVERNMENT OF GUAM

Charter Schools
Combining Statement of Revenues, Expenditures By Object,
and Changes in Fund Balances (Deficit)
Year Ended September 30, 2020

	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	3,654,580	2,991,625	3,568,480	10,214,685
Deficiency of revenues under expenditures	(3,538,552)	(2,973,939)	(3,498,501)	(10,010,992)
Other financing sources:				
Transfers in from other funds	3,813,000	1,900,350	4,551,000	10,264,350
Net change in fund balances (deficit)	274,448	(1,073,589)	1,052,499	253,358
Fund balances (deficit) at beginning of year	235,428	(1,200,935)	(2,818,233)	(3,783,740)
Fund balances (deficit) at end of year	\$ 509,876	\$ (2,274,524)	\$ (1,765,734)	\$ (3,530,382)

See Accompanying Independent Auditors' Report

GOVERNMENT OF GUAM

Schedule of Personnel Count - Primary Government
Year Ended September 30, 2020

<u>Department</u>	<u>Number of Employees</u>	<u>Amount</u>
Ancestral Lands Commission	3	\$ 171,071
Bureau of Budget and Management Research	16	864,628
Bureau of Statistics and Plans	32	1,329,779
Bureau of Women's Affairs	1	68,108
Census Office	256	8,385,484
Chamorro Land Trust Commission	12	587,723
Civil Service Commission	8	538,998
Commission on Decolonization	2	141,982
Customs and Quarantine	143	8,975,851
Department of Administration	105	5,263,962
Department of Agriculture	77	3,685,675
Department of Chamorro Affairs	12	478,346
Department of Corrections	224	14,898,954
Department of Education	3,524	154,145,462
Department of Integrated Services for Individuals with Disabilities	19	728,066
Department of Labor	260	4,856,014
Department of Land Management	36	1,565,753
Department of Military Affairs	47	1,847,466
Department of Parks and Recreation	42	1,796,880
Department of Public Health and Social Services	476	23,475,167
Department of Public Works	276	11,441,654
Department of Revenue and Taxation	167	7,471,500
Department of Youth Affairs	77	3,909,753
Guam Behavioral Health and Wellness Center	226	10,530,462
Guam Commission for Educator Certification	3	117,881
Guam Contractors License Board	6	337,397
Guam Council on the Arts and Humanities Agency	6	236,093
Guam Educational and Telecommunications Corporation - KGTF	6	270,920
Guam Election Commission	26	797,869
Guam Energy Office	7	306,952
Guam Environmental Protection Agency	50	2,691,041
Guam Fire Department	245	27,815,257
Guam Homeland Security	32	2,786,827
Guam Legislature	104	5,527,319
Guam PEALS Board	2	145,832
Guam Police Department	362	24,540,047
Guam Public Library System	18	559,714
Guam Regional Transit Authority	60	1,443,053
Guam Solid Waste Authority	42	1,874,103
Hagatna Restoration and Redevelopment	3	146,221
Mayors' Council of Guam	257	6,729,879
Medical Examiner	2	81,863
Office of I Maga'Hagan Guahan	81	4,384,959
Office of I Segundu Na Maga'Lahen Guahan	10	646,352
Office of Public Accountability	13	689,474
Office of Technology	14	871,848
Office of the Attorney General	197	10,420,752
Public Defender	66	3,621,449
Unified Courts of Guam	482	21,004,541
Veteran's Affairs Office	11	351,385
	<u>8,146</u>	<u>\$ 385,557,766</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 263,502,034
Federal Grants Assistance Fund	31,331,242
COVID-19 Fund	12,692,779
GDOE Federal Grants Fund	22,928,644
Other Governmental Funds	54,628,926
Miscellaneous	474,141
	<u>\$ 385,557,766</u>

See Accompanying Independent Auditors' Report

GOVERNMENT OF GUAM

Schedule of Continuing Appropriations - Primary Government
Year Ended September 30, 2020

<u>Department</u>	<u>Amount</u>
Ancestral Lands Commission	\$ 40,560
Bureau of Budget and Management Research	8,615
Bureau of Statistics and Plans	6,856
Census Office	585,967
Chamorro Land Trust Commission	141,725
Civil Service Commission	1,326
Commission on Decolonization	382,923
Customs and Quarantine	368,344
Department of Administration	1,070,225
Department of Agriculture	731,286
Department of Chamorro Affairs	642,821
Department of Corrections	527,525
Department of Education	5,119,404
Department of Integrated Services for Individuals with Disabilities	92,677
Department of Labor	47,820
Department of Land Management	858,622
Department of Military Affairs	978
Department of Parks and Recreation	631,014
Department of Public Health and Social Services	14,917,192
Department of Public Works	7,083,881
Department of Revenue and Taxation	1,332,173
Department of Youth Affairs	28,273
Guam Behavioral Health and Wellness Center	1,093,973
Guam Commission for Educator Certification	37,458
Guam Contractors License Board	261,607
Guam Council on the Arts and Humanities Agency	28,586
Guam Educational and Telecommunications Corporation - KGTF	9,357
Guam Election Commission	62,942
Guam Energy Office	35,781
Guam Environmental Protection Agency	4,435,851
Guam Fire Department	930,102
Guam Homeland Security	616,845
Guam PEALS Board	74,001
Guam Police Department	2,257,106
Guam Public Library System	161,084
Guam Regional Transit Authority	231,236
Guam Solid Waste Authority	3,475,394
Hagatna Restoration and Redevelopment	300,000
Mayors' Council of Guam	5,298,622
Medical Examiner	3
Office of I Maga'Hagan Guahan	213,323
Office of I Segundu Na Maga'Lahen Guahan	36,733
Office of Technology	2
Office of the Attorney General	4,128,577
Unified Courts of Guam	4,973,690
Veteran's Affairs Office	271,288
	<u>\$ 63,553,768</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 20,356,207
Other Governmental Funds	43,197,561
	<u>\$ 63,553,768</u>

See Accompanying Independent Auditors' Report