

GOVERNMENT OF GUAM

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

YEAR ENDED SEPTEMBER 30, 2017

GOVERNMENT OF GUAM

Table of Contents Year Ended September 30, 2017

	<u>Page</u>
I. Independent Auditors' Report	1
II. Management's Discussion and Analysis (Unaudited)	4
III. Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	23
Governmental Fund Financial Statements:	
Balance Sheet	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	27
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Discretely Presented Component Unit Financial Statements:	
Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position	31
Notes to the Basic Financial Statements	33
IV. Required Supplementary Information - Other than Management's Discussion and Analysis:	
Schedule of Revenues, Expenditures, and Changes in Deficit - Budget and Actual - General Fund (Unaudited)	130
Notes to the Required Supplementary Information - Budgetary Reporting	131
Schedule of Funding Progress and Unfunded Actuarial Accrued Liability (Unaudited)	133
Schedule of Proportionate Share of the Net Pension Liability (Unaudited)	134
Schedule of Pension Contributions (Unaudited)	135

GOVERNMENT OF GUAM

Table of Contents, Continued Year Ended September 30, 2017

	<u>Page</u>
V. Other Supplementary Information:	
General Fund:	
Narrative	137
Combining Schedule of Balance Sheet Accounts	140
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit) Accounts	144
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit) Accounts	148
Statement of Revenues, Expenditures by Department, and Changes in Fund Balances (Deficit) - General Fund (Fund 100)	152
Schedule of Revenue, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund (Fund 100)	160
Nonmajor Governmental Funds:	
Narrative	167
Combining Balance Sheet - Nonmajor Governmental Funds	168
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances - Nonmajor Governmental Funds	169
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances - Nonmajor Governmental Funds	170
Nonmajor Governmental Funds - Special Revenue Funds:	
Narrative	171
Combining Balance Sheet	177
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)	184
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)	191
Nonmajor Governmental Funds - Capital Projects Funds:	
Narrative	198
Combining Balance Sheet	199
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances	200
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances	201
Nonmajor Governmental Funds - Debt Service Funds:	
Narrative	202

GOVERNMENT OF GUAM

Table of Contents, Continued
Year Ended September 30, 2017

	<u>Page</u>
V. Other Supplementary Information, Continued:	
Fiduciary Funds - Pension Trusts:	
Narrative	203
Combining Statement of Fiduciary Net Position	204
Combining Statement of Changes in Fiduciary Net Position	205
Fiduciary Funds - Private Purpose Trusts:	
Narrative	206
Combining Statement of Fiduciary Net Position	207
Combining Statement of Changes in Fiduciary Net Position	208
Fiduciary Funds - Agency:	
Narrative	209
Statement of Changes in Assets and Liabilities	210
Nonmajor Component Units:	
Narrative	211
Combining Statement of Net Position	212
Combining Statement of Changes in Net Position	214
Other Information:	
Narrative	215
Combining Schedule of Expenditures By Object - All Governmental Funds	216
Schedule of Outstanding Debt - Primary Government and Component Units	217
Schedule of Personnel Count - Primary Government	218
Schedule of Continuing Appropriations	221

INDEPENDENT AUDITORS' REPORT

Honorable Eddie Baza Calvo
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, 2017, 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 94%, 96% and 69%, respectively, of the assets and deferred outflows of resources, net position/fund balances and revenues of the aggregate remaining fund information, and the Antonio B. Won Pat International Airport Authority, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, which represent 23%, 49% and 14%, respectively, of the assets and deferred outflows of resources, net position and operating 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 and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, 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, 2017, 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

Implementation of New Accounting Standards

As discussed in Note 1 to the financial statements, GovGuam adopted Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*, and GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to these matters.

Retirement Fund

As discussed in Note 3A to the financial statements, the GovGuam Retirement Fund has recorded a receivable due from GovGuam in the amount of \$26,450,176. No corresponding liability has been recorded within GovGuam's General Fund as it is management's determination that the liability is embodied within the governmental activities net pension obligation. Our opinion is 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 on pages 4 through 20, the Schedule of Revenues, Expenditures, and changes in Deficit - Budget and Actual - General Fund and notes thereto, on pages 130 through 132, the Schedule of Funding Progress, on page 133, the Schedule of Proportionate Share of the Net Pension Liability, on page 134, and the Schedule of Pension Contributions, on page 135, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 and comparing the information for consistency with management's responses to our inquiries, 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

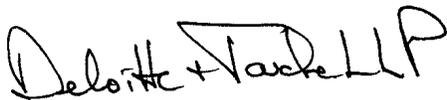
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GovGuam's basic financial statements. The Other Supplementary Information, as set forth in Section V of the foregoing table of contents, is presented for purposes of additional analysis 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 137 through 151 and 160 through 217 as well as the 2017 information on pages 152 through 159 were 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 137 through 151 and 160 through 217 as well as the 2017 information on pages 152 through 159 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 2016 information on pages 152 through 159 as well as the information on pages 218 through 225 have 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 June 25, 2018, 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.



June 25, 2018

GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
 Year Ended September 30, 2017

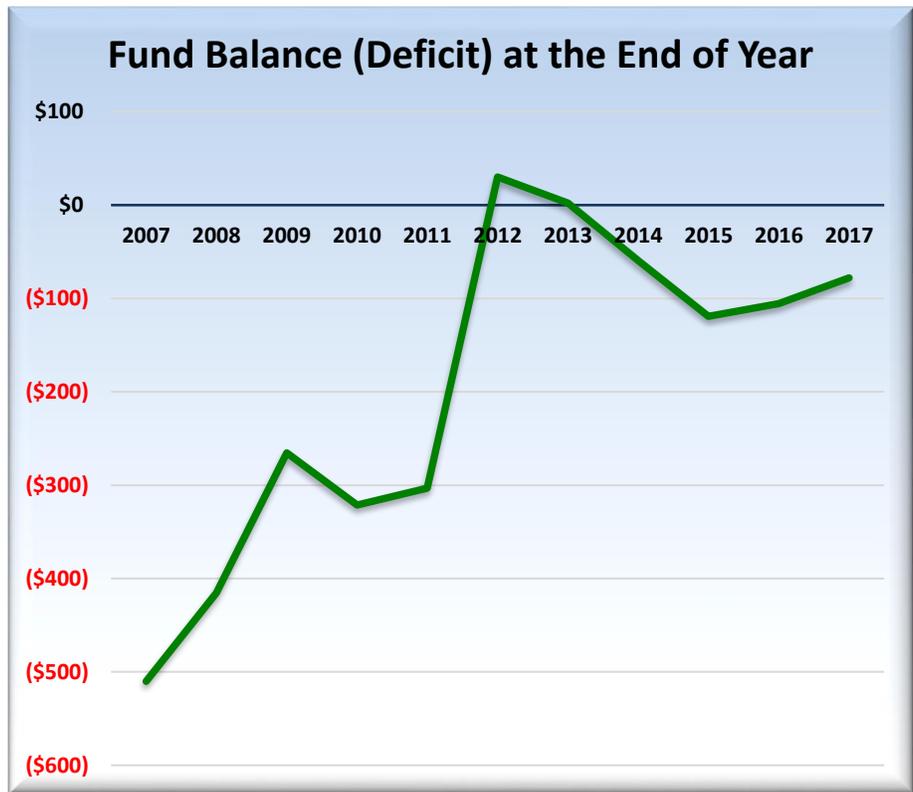
Our discussion and analysis of the Government of Guam (“GovGuam”) financial performance provides an overview on the background and history of GovGuam’s financial activities; and details for the fiscal year ended September 30, 2017. Please read it in conjunction with GovGuam’s financial statements, which follow this section. Fiscal year 2016 comparative information has been included, where appropriate.

GOVGUAM GENERAL FUND FINANCIAL HISTORY

The General Fund is the chief operating fund of GovGuam.

Ten years ago, in FY2007, General Fund began its upward trend after reaching its trough of its financial difficulty in FY2006, which was the year of the largest deficit in government’s history at \$524 million. The following is the annual tracking of the Statement of Revenues, Expenditures, and Changes to Fund Balances (Deficit) of General Fund’s funds over the last 10 years (Graph 1):

FY2007	\$(510.1)
FY2008	\$(415.5)
FY2009	\$(265.4)
FY2010	\$(321.3)
FY2011	\$(303.1)
FY2012	\$ 30.1
FY2013	\$ 2.3
FY2014	\$(59.6)
FY2015	\$(119.1)
FY2016	\$(105.7)
FY2017	\$ (73.0)

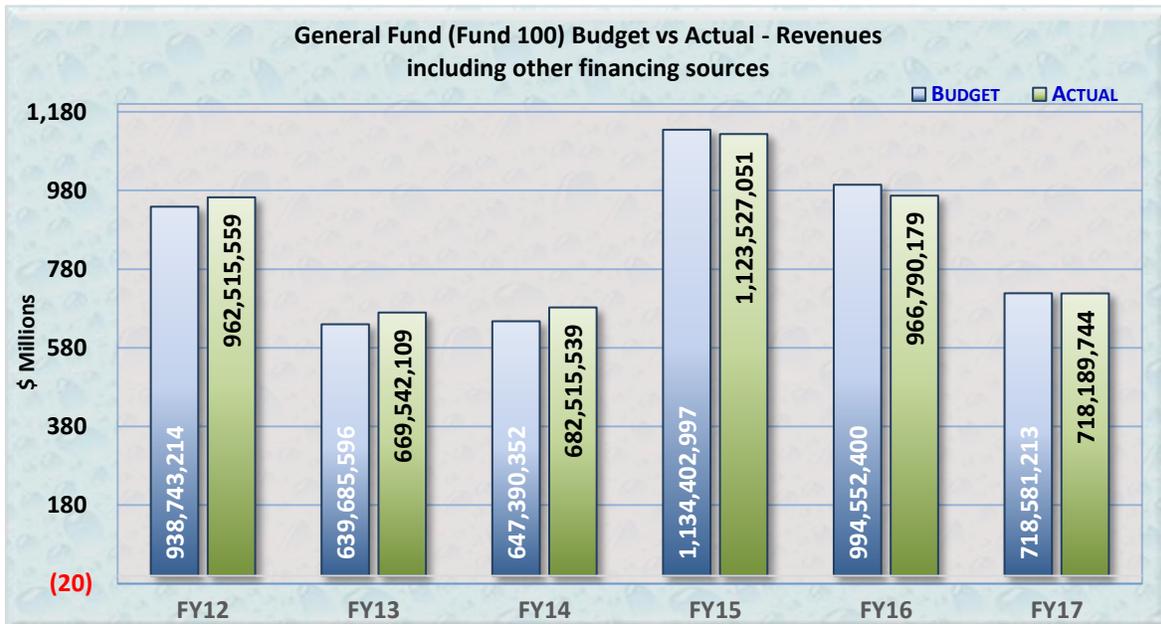


- For FY2017, the General Fund achieved an operating surplus of \$32.7 million, which reduced the cumulative deficit to \$73 million. The surplus is attributed to operating revenues exceeding operating expenditures. In the past 5 years, budget projections were more realistic which, combined with fiscal responsiveness, contributed to improved result.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

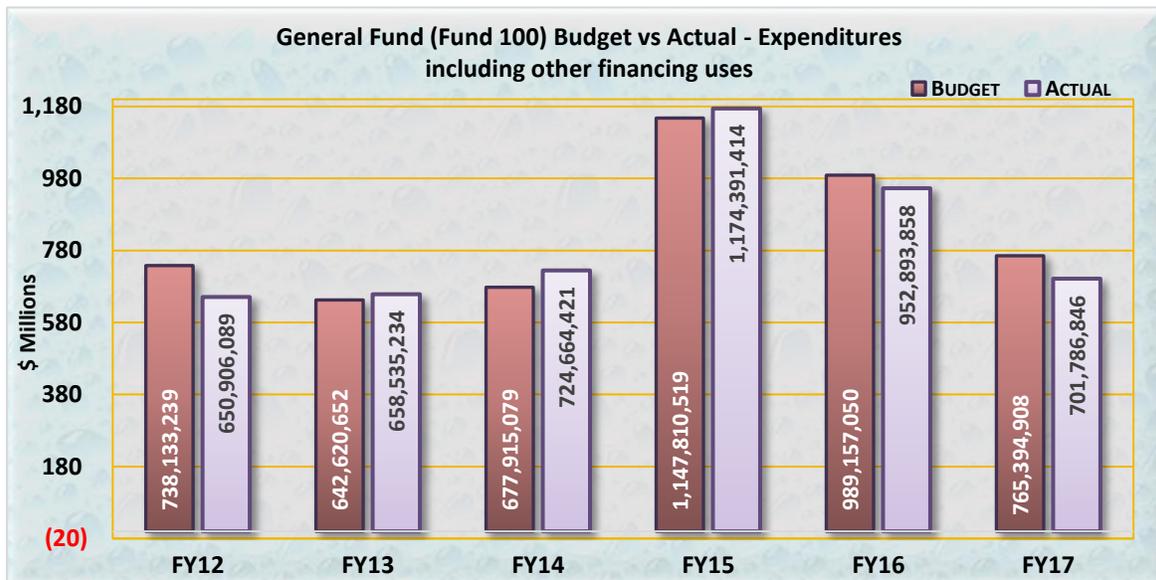
- As noted in the above schedule, the General Fund began reducing its deficit and achieved years of surplus in FY2012 and FY2013. In FY2014 and FY2015, the deficit was attributed to many factors including millions that were not reimbursed from the Guam Solid Waste Authority for debt service related to the closure of the island's existing dump. The entity is under federal receivership and was allowed through court order to use income garnered from tipping fees that was supposed to reimburse the General Fund for other purposes. This expense was not budgeted and thus caused over-expenditures during both fiscal years. Likewise, the Guam Department of Education had not budgeted for debt service, which was borne by the General Fund. The other obligations that contributed to the deficit included unanticipated capitalized interest; law enforcement retroactive pay owed; and revenue shortfalls (Graph 2).



- FY2017 demonstrated the prudent fiscal management of the government's resources to achieve a balanced budget and address the deficit. As part of measures implemented during the fiscal year, 5 GCA Div. 2 Ch22 Art 4 §22436, the deficit reduction program, placed a 2% reserve on projected revenues to be used towards reducing the prior year fund deficit. In the Executive Branch, the Bureau of Budget and Management Research (BBMR) placed reserves on appropriated amounts that required departments/agencies to manage spending. The Department of Administration (DOA) likewise implemented policies to control spending such as requiring all executive line agencies holding authorized carry-over appropriations to exhaust the current appropriations before carry-over funds can be expended. These measures are indicative of the combined efforts of both the Legislative and Executive Branch to recover from the deficit and continue strengthening the fiscal stability of the government. These measures have been likewise implemented in FY2018 (Graph 3).

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017



FY2017 FINANCIAL HIGHLIGHTS

- General revenues increased by \$28.9 million (or 3.8%) from the previous fiscal year. The increase was due to an increase, compared with prior year, in income tax collections of \$10.9 million (3.2%), Section 30 federal income taxes of \$8.7 million (11.1%), other revenues of \$3.9 million (83%), hotel occupancy taxes of \$3.1 million (7.7%), tobacco tax of \$1.8 million (9.1%), real property taxes of \$0.67 million (2.5%) but were offset by a decrease of gross receipts taxes of \$1.2 million (0.5%).
- During fiscal year 2017, GovGuam's expenses for governmental activities were \$1.22 billion and were funded by \$454.2 million in program revenues and \$798.9 million in taxes and other general revenues.
- For the fiscal year ended September 30, 2017, GovGuam's total net deficit position decreased by \$51.7 million (5.9%) from net deficit position of \$941.2 million in the prior year, as restated, to a net deficit position of \$889.5 million. This was attributed to increases in total revenues and contributions from permanent funds of \$25 million and \$12.9 million, respectively, compared with prior year and a decrease in total expenses of \$74.6 million.
- General Fund budgetary expenditures (including operating transfers out) of \$710.8 million were lower than authorized appropriations of \$775.1 million. The net decrease is due to cost reduction measures by line agencies of \$19.7 million, unexpended transfers out of \$5.8 million, decreased subsidies to autonomous agencies of \$20.2 million, unbudgeted FY16 Retirees health premiums authorized in FY17 of \$13.5 million, which were offset by Landfill Tax Credits of \$2.9 million and non-appropriated expenditures of \$2.4 million.
- Although revenues were below the adopted budget, incomes taxes of \$354.7 million represent a 3.16% increase from the previous year, up from \$343.8 million in FY 2016. Section 30 federal income taxes of \$87.2 million reflect an 11% increase compared to the FY 2016 amount of \$78.5 million.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2017

- For the fiscal year ended September 30, 2017, the General Fund reported expenditures (including transfers out) of \$757.3 million, a decrease of \$25.8 million (or 3.3%) from fiscal year 2016 expenditures and transfers out of \$783.1 million. Correspondingly, the General Fund reported revenues (including transfers in) of \$790.1 million, a decrease of \$6.5 million (or 0.8%) from fiscal year 2016 revenues and transfers in of \$796.5 million.
- At September 30, 2017, the General Fund reported a decrease in the cumulative fund deficit by \$32.7 million. The cumulative fund deficit of \$73 million was down from the prior year cumulative fund deficit of \$105.7 million due to operating revenues exceeding operating expenditures.

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 is 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 includes combining statements for governmental funds and component units.

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 - 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, respectively.
- 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 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 numerous other entities in its 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, 2017

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 has two kinds of 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 basic 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 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.

A 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, 2017, GovGuam reported positive balances in two of the categories of net position. By far, the largest portion of GovGuam's net position (\$568.7 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 (\$595.5 million) represents resources that are subject to external restrictions or enabling legislation as to the purpose they can be used for.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

Net Position

The summary of Net Position (condensed) presented below, with comparable balances for fiscal year 2016, discloses this relationship:

GovGuam's Net Position
As of September 30

	Governmental Activities 2017	(As Restated) Governmental Activities 2016	Total Percentage Change 2017-2016
Current and other assets	\$ 800,157,335	\$ 779,830,677	2.6%
Capital assets	<u>1,062,225,726</u>	<u>1,064,619,396</u>	-0.2%
Total assets	<u>1,862,383,061</u>	<u>1,844,450,073</u>	1.0%
Deferred outflows of resources	<u>213,307,038</u>	<u>255,134,752</u>	-16.4%
Long-term debt outstanding	1,191,545,574	1,214,046,261	-1.9%
Other liabilities	<u>1,762,056,628</u>	<u>1,817,605,079</u>	-3.1%
Total liabilities	<u>2,953,602,202</u>	<u>3,031,651,340</u>	-2.6%
Deferred inflows of resources	<u>11,581,430</u>	<u>9,128,029</u>	26.9%
Net position:			
Net investment in capital assets	568,704,057	590,001,912	-3.6%
Restricted	595,460,689	567,329,612	5.0%
Unrestricted	<u>(2,053,658,279)</u>	<u>(2,098,526,068)</u>	-2.1%
Total net position	<u>\$ (889,493,533)</u>	<u>\$ (941,194,544)</u>	-5.5%

At the end of fiscal year 2017, GovGuam is able to report positive balances in two of the categories of net position. The negative balance of unrestricted net position is primarily attributed to GovGuam's net pension liability of \$1.12 billion and having long-term liabilities that are greater than currently available assets. Specifically, GovGuam did not include 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 Ordot Dump, and unused employee leave balances. GovGuam includes these amounts in future years' budgets as they become due.

Changes in Net Position

For the fiscal year ended September 30, 2017, GovGuam's total net deficit position decreased by \$51.7 million (5.9%) from a net deficit position of \$941.2 million in the prior year, as restated, to a net deficit position of \$889.5 million. The restatement resulted in an increase in total net deficit position of \$213.4 million and was attributable to a GASB Statement No. 73 related to an increase in net pension liability.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

Changes in Net Position, Continued

For the year ended September 30, 2017, the net position of the primary government changed as follows, with comparable amounts for fiscal year 2016:

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

	Governmental Activities 2017	(As Restated) Governmental Activities 2016	Total Percentage Change 2017-2016
Revenues:			
Program revenues:			
Charges for services	\$ 92,157,246	\$ 90,724,699	1.6%
Operating grants and contributions	<u>362,029,334</u>	<u>367,394,893</u>	-1.5%
	<u>454,186,580</u>	<u>458,119,592</u>	-0.9%
General revenues:			
Income taxes	354,709,313	343,836,465	3.2%
Gross receipts taxes	237,133,647	238,304,786	-0.5%
Section 30 federal tax collections	87,154,735	78,467,450	11.1%
Other taxes	111,305,006	104,678,935	6.3%
Other general revenues	<u>8,561,417</u>	<u>4,679,348</u>	83.0%
	<u>798,864,118</u>	<u>769,966,984</u>	3.8%
Total revenues	<u>1,253,050,698</u>	<u>1,228,086,576</u>	2.0%
Expenses:			
General government	123,197,019	154,974,085	-20.5%
Protection of life and property	139,065,325	143,465,495	-3.1%
Public health	306,636,198	342,319,577	-10.4%
Community services	36,929,409	38,845,041	-4.9%
Culture and recreation	30,556,676	34,701,360	-11.9%
Individual and collective rights	82,999,952	78,793,227	5.3%
Transportation	31,356,464	33,328,475	-5.9%
Public education	361,150,673	351,227,456	2.8%
Environmental protection	21,196,401	21,648,396	-2.1%
Economic development	16,100,602	18,094,536	-11.0%
Interest	<u>77,365,469</u>	<u>79,884,982</u>	-3.2%
Total expenses	<u>1,226,554,188</u>	<u>1,297,282,630</u>	-5.5%
	26,496,510	(69,196,054)	-138.3%
Contributions to permanent funds	<u>25,204,501</u>	<u>12,345,264</u>	104.2%
Change in net position	51,701,011	(56,850,790)	-190.9%
Net position, beginning of year	<u>(941,194,544)</u>	<u>(884,343,754)</u>	6.4%
Net position, end of year	<u><u>\$ (889,493,533)</u></u>	<u><u>\$ (941,194,544)</u></u>	-5.5%

GOVERNMENT OF GUAM

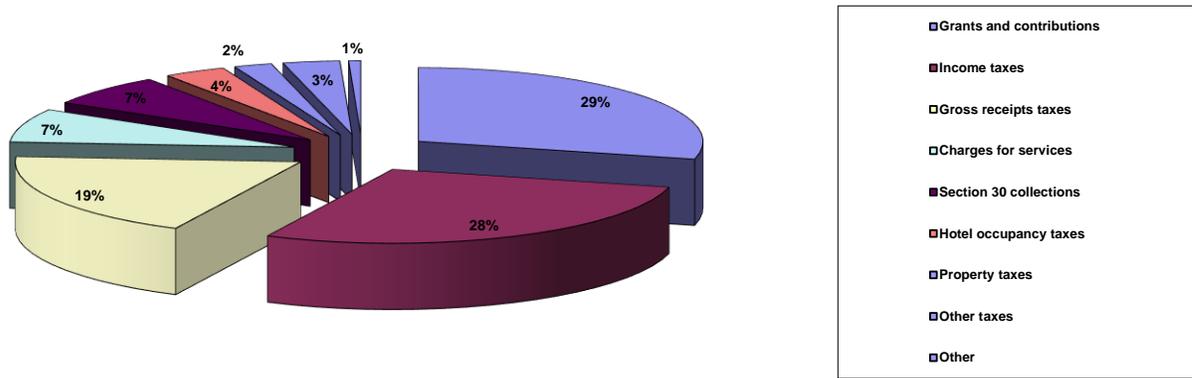
Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

Changes in Net Position, Continued

General revenues increased by \$28.9 million (or 3.8%) from the previous fiscal year. The increase was due to an increase, compared with prior year, in income tax collections of \$10.9 million (3.2%), Section 30 federal income taxes of \$8.7 million (11.1%), hotel occupancy taxes of \$3.1 million (7.7%), tobacco taxes of \$1.8 million (9.1%), and real property taxes of \$0.7 million (2.5%) offset by a decrease of gross receipts taxes of \$1.2 million (0.5%). GovGuam’s total revenues from governmental activities, including local revenues, totaled \$1.25 billion in fiscal year 2017. The cost of governmental activities totaled \$1.22 billion, resulting in an overall positive change in net position before contributions to permanent funds of \$26.5 million.

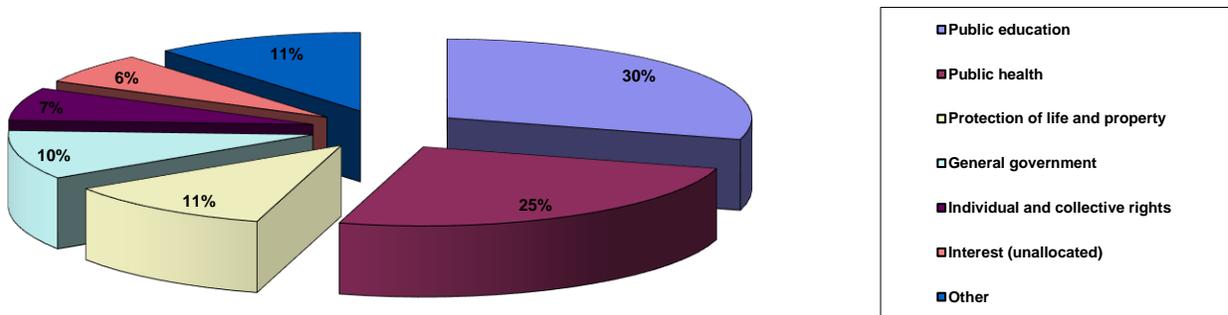
Graphs 4 and 5 below show the major components of revenues and cost of governmental activities.

Graph 4
GovGuam’s Revenue Sources
For the Year Ended September 30, 2017



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam, which comprises of 63% and 29%, respectively, of the total revenues for fiscal year 2017. Charges for services and other revenues provided 8% of the total revenues.

Graph 5
GovGuam’s Cost of Governmental Activities
For the Year Ended September 30, 2017



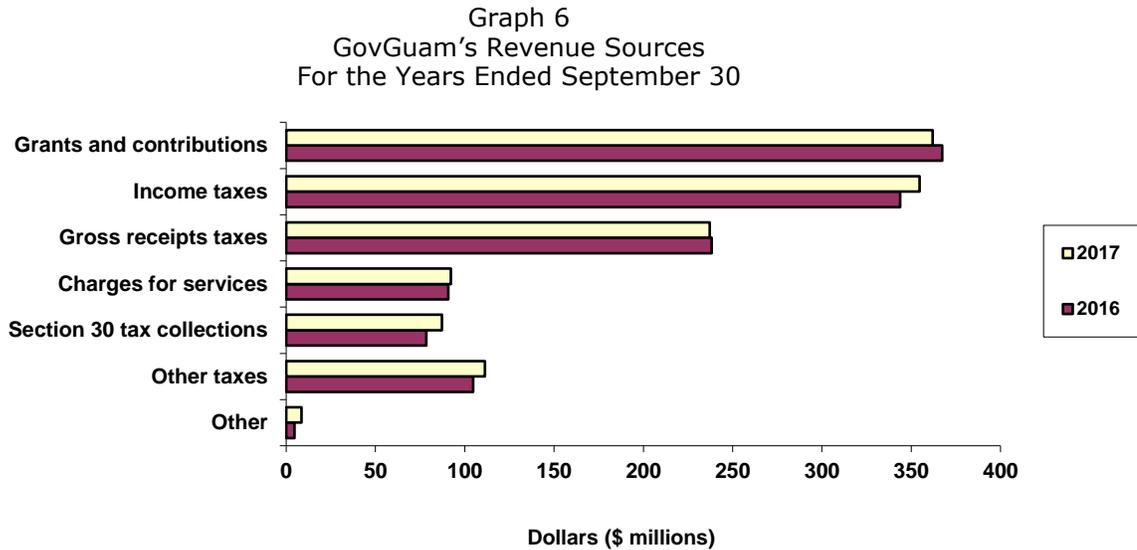
GovGuam’s expenses cover a range of services. The largest expenses were for public education and public health, which comprises of 30% and 25%, respectively, of the total expenses for fiscal year 2017. Other expenses that make up a portion of the costs of governmental activities include community services (\$36.9 million), transportation (\$31.4 million), culture and recreation (\$30.6 million), environmental protection (\$21.2 million), and economic development (\$16.1 million).

GOVERNMENT OF GUAM

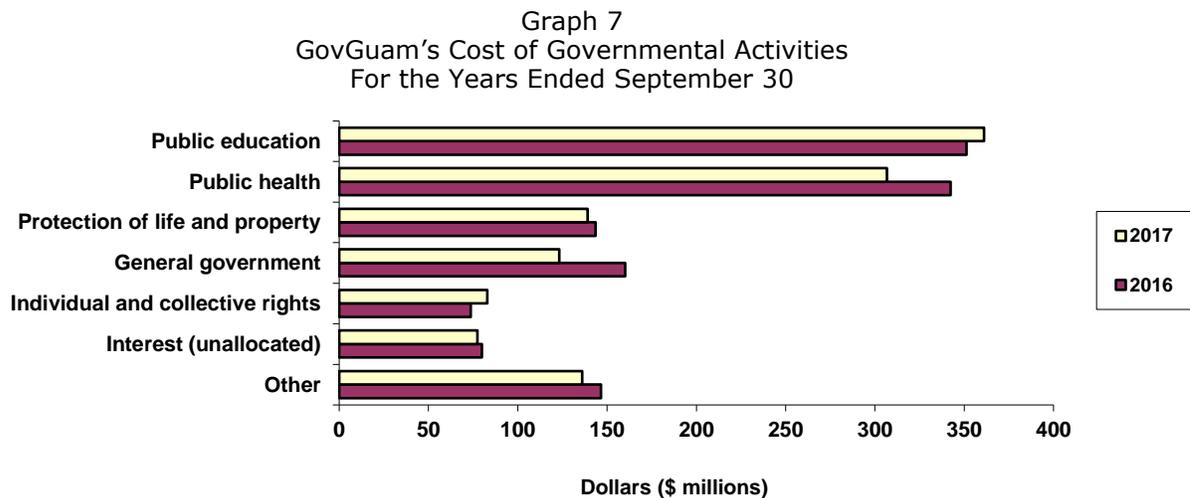
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

Changes in Net Position, Continued

Graphs 6 and 7 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2017 and 2016.



Other taxes in fiscal year 2017 included hotel occupancy taxes of \$44 million, up from \$40.9 million (7.7%) in fiscal year 2016; property taxes of \$27 million, up from \$26.3 million (2.5%) in fiscal year 2016; tobacco taxes of \$21.9 million, up from \$20.1 million (9.1%) in fiscal year 2016; and liquid fuel taxes of \$10.5 million, up from \$10.1 million (3.6%) in fiscal year 2016.



Other expenses in fiscal year 2017 included community services of \$36.9 million, down from \$38.8 million (4.9%) in fiscal year 2016; culture and recreation expense of \$30.6 million, down from \$34.7 million (11.9%) in fiscal year 2016; transportation expenses of \$31.4 million, down from \$33.3 million (5.9%) in fiscal year 2016; and environmental protection expense of \$21.2 million, down from \$21.6 million (2.1%) in fiscal year 2016.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

Analysis of Changes in Net Position

During the current fiscal year, GovGuam's total net position increased by \$51.7 million compared with prior fiscal year decrease of \$56.9 million. The key elements of this increase are an increase in general revenues of \$28.9 million (or 3.8%), a decrease in expenses, net of program revenues, of \$70.6 million (or 8.4%), and an increase in contributions to permanent fund of \$12.9 million (or 104%), respectively. The elements of these changes are reflected below:

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

	Governmental Activities 2017	Governmental Activities 2016	Total Percentage Change 2017-2016
General revenues:			
Taxes	\$ 790,302,701	\$ 765,287,636	3.3%
Other general revenues	8,561,417	4,679,348	83.0%
Total general revenues	<u>798,864,118</u>	<u>769,966,984</u>	3.8%
Expenses, net of program revenues:			
General government	98,105,017	132,088,131	-25.7%
Protection of life and property	105,227,986	108,374,800	-2.9%
Public health	83,965,899	122,786,619	-31.6%
Community services	21,346,650	22,957,135	-7.0%
Culture and recreation	29,053,618	31,756,434	-8.5%
Individual and collective rights	67,543,609	55,573,142	21.5%
Transportation	6,772,343	8,695,947	-22.1%
Public education	292,586,733	283,646,045	3.2%
Environmental protection	(5,558,245)	(5,492,993)	1.2%
Economic development	(2,014,188)	1,370,842	-246.9%
Interest (unallocated)	75,338,186	77,406,936	-2.7%
Total expenses, net	<u>772,367,608</u>	<u>839,163,038</u>	-8.0%
	<u>26,496,510</u>	<u>(69,196,054)</u>	138.3%
Contributions to permanent fund	25,204,501	12,345,264	104.2%
Change in net position	<u>\$ 51,701,011</u>	<u>\$ (56,850,790)</u>	190.9%

General revenues increased by \$28.9 million (or 3.8%) from the previous fiscal year. The increase was due to an increase in tax revenues compared with prior year, including income tax collections of \$10.9 million (or 3.2%), Section 30 federal income taxes of \$8.7 million (or 11.1%), and other miscellaneous taxes of \$6.6 million (or 6.3%). Other taxes in fiscal year 2017 included hotel occupancy taxes of \$44 million, up from \$40.9 million (7.7%) in fiscal year 2016; property taxes of \$27 million, up from \$26.3 million (2.5%) in fiscal year 2016; tobacco taxes of \$21.9 million, up from \$20.1 million (9.1%) in fiscal year 2016; and liquid fuel taxes of \$10.5 million, up from \$10.1 million (3.6%) in fiscal year 2016. Collections from gross receipts taxes remained constant with only a marginal reduction of \$1.2 million (or 0.5%) in 2017 compared with prior year. Cost of governmental activity expenses, net of program revenues, decreased by \$70.6 million (or 8.4%) primarily due to a decrease in net public health and general government expenses compared with prior year of \$38.8 million (or 31.6%) and \$39 million (or 29.5%), respectively, offset by an increase in net public education expenses of \$7.3 million (or 2.6%).

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2017

Financial Ratios

The ratios for Governmental Funds and Government-wide.

	<u>2017</u>	<u>2016</u>
Governmental Funds:		
Current Ratio	2:28:1	2:05:1
Expenditures as a Percentage of Total Expenditures		
General government	6.2%	6.1%
Protection of Life and property	11.0%	11.1%
Public education (including payments to UOG and GCC)	28.4%	26.0%
Public Health (including payments to GMHA)	24.2%	26.3%
Debt Service	8.0%	7.2%
Government-wide (includes Component Units):		
Public Debt above of GDP	42.9%	44.0%
Public Debt above of Revenues	119.0%	126.0%
Public Debt per Capita – Primary Government	\$6,733	\$6,769
Public Debt per Capita - Component Units	\$8,518	\$8,554

FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS

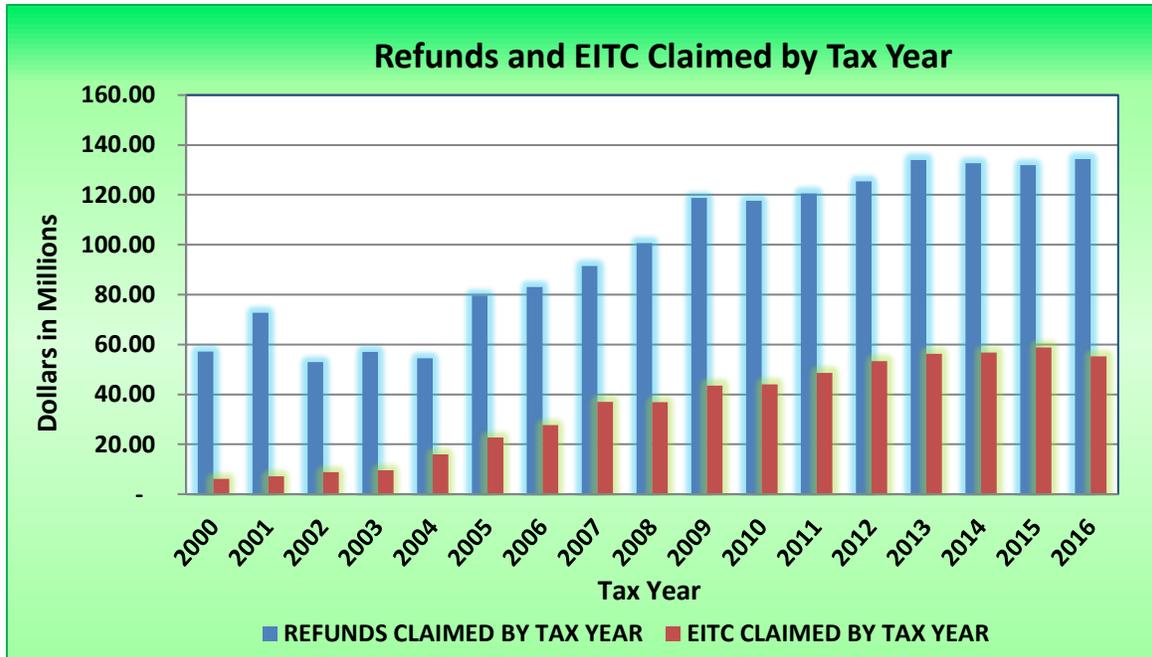
As noted earlier, GovGuam uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of fiscal year 2017, GovGuam's governmental funds reported a combined fund balance surplus of \$474.2 million, an increase of \$47.9 million compared with a combined fund surplus of \$426.3 million at the end of fiscal year 2016. This is primarily attributable to the decrease of fund deficit in the General Fund of \$32.7 million, increase in Chamorro Lands of \$25.2 million offset by capital project expenditures primarily incurred in the Limited Obligation Infrastructure Improvement Bonds CIP Fund of \$3.6 million and other miscellaneous special funds of \$6.5 million.

At the end of the current fiscal year, the General Fund has a fund balance deficit of \$73 million as compared with the prior year fund balance deficit of \$105.7 million, an increase in performance of \$32.7 million. This current year positive change in fund balance was attributed to operating revenues exceeding operating expenditures. The tax refund liability continues to increase due to the Earned Income Tax Credit (EITC). The Guam Legislature appropriated \$125 million for tax refund payments for the year ended September 30, 2017, which includes payments for EITC. EITC is an unfunded federal mandate that GovGuam is required to pay without any contribution from the taxpayer. EITC payments have grown from \$6.2 million for Tax Year 2000 to \$55.2 million for Tax Year 2016.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

The relationship of EITC paid compared to the tax refunds paid continues to increase from Tax Year 2000 of 11% to Tax Year 2016 of 43%, which is summarized as follows (Graph 8):



The Federal Grants Assistance Fund has a total fund balance of \$0.1 million, which primarily represents accumulated interest income received not yet expended at year-end.

The GDOE Federal Grants 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 \$66.8 million, which funded various education-related federal grant programs and which was higher than fiscal year 2016 revenues and transfers in of \$63.9 million by \$2.9 million (1.4%).

The Chamorro Lands Fund has a total fund balance of \$461.3 million, which increased by \$25.2 million compared with prior year. This increase represented an increase in fair value of land holding investments during the year.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2017, there were no significant increases in appropriations between the original and final budget for Executive Branch operations. Actual revenues collected (including operating transfers in) of \$718.2 million were lower than budgeted amounts of \$721.8 million by \$3.6 million. The net decrease is due primarily to the decrease in income tax collections of \$28.4 million and gross receipts tax of \$13.1 million, offset by an increase in Section 30 federal income tax of \$12.3 million, other miscellaneous revenues of \$5 million, excise collections of \$0.65 million and transfers in from special funds of \$19.5 million.

Budgetary expenditures (including operating transfers out) of \$710.8 million were lower than authorized appropriations of \$775.1 million. Actual expenditures are 8% less than the authorized budget. The net decrease is due primarily to cost costing measures by line agencies of \$27 million, unreleased subsidies to autonomous agencies of \$20.2 million, authorized FY16 retirees' health premiums accrual of \$13.5 million and unexpended transfers out of \$5.8 million offset by Landfill Tax Credits of \$2.9 million and non-appropriated expenditures of \$2.4 million.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2017 amounted to \$1.77 billion, net of accumulated depreciation of \$0.71 billion, leaving a net book value of \$1.06 billion. 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, 2017

	Governmental Activities 2017	Governmental Activities 2016	Total Percentage Change 2017-2016
Landfill cells	\$ 67,233,067	\$ 67,837,361	-0.9%
Buildings	440,395,149	418,487,394	-0.8%
Machinery, equipment and furniture	25,698,690	30,691,855	-16.3%
Infrastructure	413,852,859	337,511,024	22.6%
Land	48,719,357	47,926,963	1.7%
Construction in progress	66,326,604	162,164,799	-59.1%
Total	<u>\$ 1,062,225,726</u>	<u>\$ 1,064,619,396</u>	-0.2%

Major capital asset additions for fiscal year 2017 were as follows:

- \$14.1 million were additional CIP for FHWA
- \$2.39 million for School buses
- \$26.99 million for the GDOE Buildings
- \$6.8 million for Solid Waste Residential Transfer stations
- \$1.8 million for the Guam Museum
- \$0.67 million for acquisition of land for FHWA
- \$0.89 million for Tumon Area Upgrade
- \$0.45 million for the Fisherman's Co-op

Additional information on GovGuam's capital assets can be found in note 5 to the basic financial statements.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

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 \$1.1 billion. Of this amount, \$15.2 million comprises debt backed by the full faith and credit of GovGuam and \$1.07 billion is revenue-bonded debt that is payable from and secured solely by the specific revenue sources. In addition to this bonded debt, GovGuam had loans payable and outstanding of \$10.4 million at year-end.

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

GovGuam's Outstanding Debt As of September 30, 2017

	Governmental Activities 2017	Governmental Activities 2016	Total Percentage Change 2017-2016
General Obligation Bonds			
2009 Series A	\$ 15,230,000	\$ 19,740,000	-22.8%
Limited Obligation Bonds (revenue backed):			
2011 Series A Hotel Occupancy Tax	79,695,000	81,705,000	-2.5%
2011 Series A Business Privilege Tax	230,485,000	235,000,000	-1.9%
2012 Series B Business Privilege Tax	106,395,000	108,700,000	-2.1%
2013 Series C Business Privilege Tax	9,130,000	13,370,000	-31.7%
2015 Series D Business Privilege Tax	410,485,000	410,485,000	0.0%
2016 Series A Section 30	234,975,000	236,605,000	-0.7%
Loans payable:			
Guam Congress Building loan	3,946,408	2,388,871	65.2%
Judicial Building Loan	6,410,910	7,058,360	-9.2%
Total	\$ 1,096,752,318	\$ 1,115,052,231	-1.6%

GovGuam's total long-term debt decreased by \$18.3 million (1.6%) during the current fiscal year. GovGuam's underlying Standard and Poor's Corporation bond ratings were as follows:

- \$24 million General Obligation Bonds, 2009 Series A (BB-/Stable).
- \$83.6 million Hotel Occupancy Tax Bonds, 2011 Series A (A-/Stable).
- \$235 million Business Privilege Tax Bonds, 2011 Series A (A/Stable).
- \$108.7 million Business Privilege Tax Bonds, 2012 Series B (A/Stable).
- \$17.4 million Business Privilege Tax Bonds, 2013 Series C (A/Stable).
- \$410.5 million Business Privilege Tax Bonds, 2015 Series D (A/Stable).
- \$236.6 million Section 30 Bonds, 2016 Series A (BBB+/Stable).

GOVERNMENT OF GUAM

Management’s Discussion and Analysis (Unaudited)
Year Ended September 30, 2017

Long-Term Debt, Continued

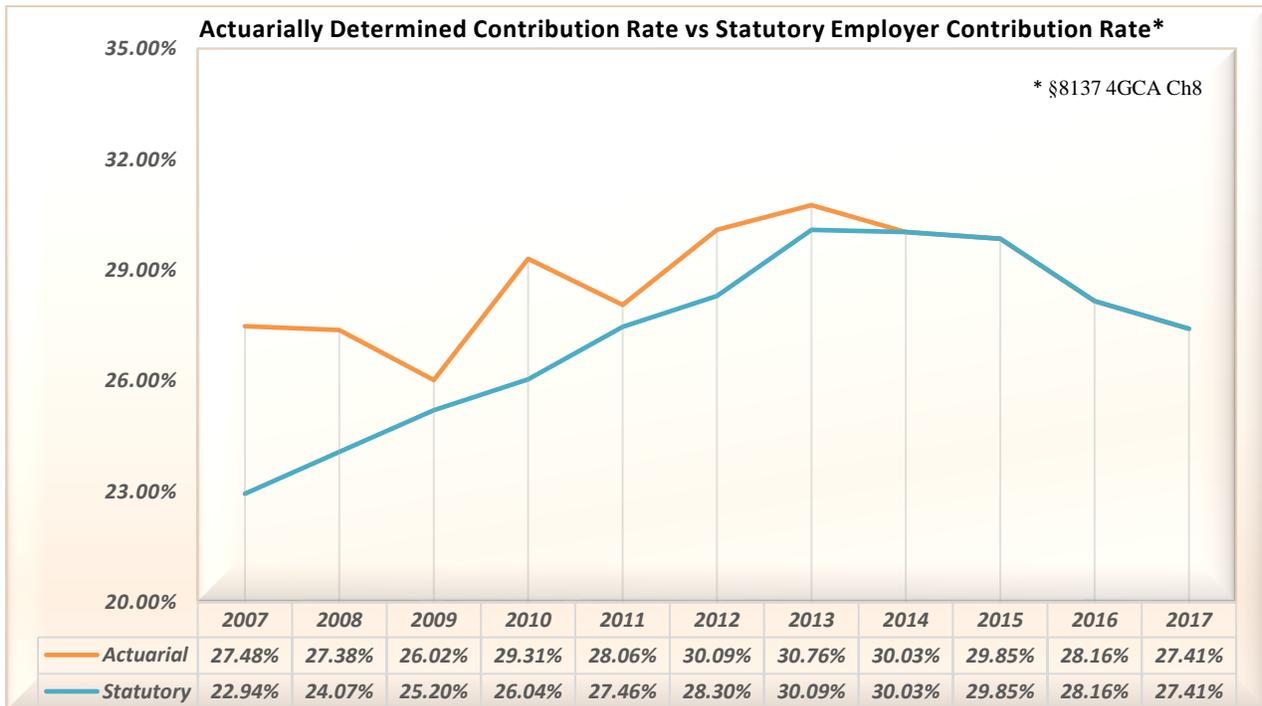
In accordance with the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is \$1.33 billion as of October 2017, the date that such certification was performed. Total debt outstanding as of September 30, 2017, subject to the debt ceiling limitation is \$1.1 billion. The legal debt margin at September 30, 2017 was \$238 million.

Additional information on GovGuam’s long-term debt can be found in notes 6 and 7 to the basic financial statements.

GOVGUAM’S PENSION

The Government of Guam 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 2031. The Government of Guam Retirement Fund (GGRF) Actuarial Valuation was as of September 30, 2016 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 \$1.369 billion as of September 30, 2015 to \$1.298 billion as of September 30, 2016.
- The annual payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has decreased from \$113.1 million to \$112.1 million. As a result, the required contribution rate decreased to 27.41% of payroll as compared to prior year of 28.16% (Graph 9).
- The Government of Guam funds its unfunded actuarial accrued liability and amortized it over the remaining 15.58 years with sufficient annual contribution to fully pay the liability by 2031.



GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2017

Since 2015, there was growing concern that insufficient savings by certain members in the defined contribution plan compromised their financial well-being during retirement as well as posed a threat for potential social cost to the government. Government of Guam employees do not participate in the U.S. Social Security program. Thus, all that is available to members upon retirement is the savings that have been contributed during their career.

- 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 starting in April 2017 and closing in December 2017 in which they can 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 will be 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.
- The cost of implementing this new program will not be known until the election period is completed in December 2017. However, it is estimated that the new retirement program will add an additional \$173 million to the unfunded liability **assuming 100% of DC members transfer**. Costs are expected to continue at 27% of the Government's payroll for the next 17 years. It also extends cost to government by an additional \$112 million (in current dollars) a year for 2 years. After this time, the unfunded liability will be fully paid and the Government's contribution will be at 5% of total payroll. Therefore, even with the addition of full membership in the DB1.75 program, the unfunded liability will be fully paid with the additional 2 years of contributions.

ECONOMIC FACTORS, NEXT YEAR BUDGET AND RATES, AND CHALLENGES

Guam's overall economic performance in Fiscal Year 2017 remained strong. The economy continues to show steady growth. For 2016, the latest date available, Gross Domestic Product is estimated at \$5.8 billion (US Department of Commerce, Bureau of Economic Analysis). Tourism, a key component of the island's economy, has continued to expand and diversify. In FY2017, month over month growth was achieved with the year ending in 1.56 million visitors, the highest total in Guam's tourism record.

During the year, the Guam Visitors Bureau (GVB) hosted signature events such as the United Guam Marathon, Guam Live, Guam BBQ Block Party, Ko'Ko Kids Fun Run and the Shop Guam e-Festival. GVB introduced the new "Year of Love Light Park" in Tumon in February; and, began installation of the Guam-branded bus shelters in Tumon. In 2017, GVB was featured in the Korean TV drama "Man Who sets the Table"; welcomed Air Seoul in September; introduced the use of technology with #InstaGuam, which will be launched in January 2018; and, teamed up with TripAdvisor®. With GVB receiving distinguishing awards such as the prestigious President's "E" Award that make it the first tourism agency in the United States to receive the honor, and, the PATA Gold Award for Shop Guam e-festival, and as well as other accomplishments in 2017, Guam's reflection as a destination for conferences, seminars, and meetings is sure to be positive for 2018.

GOVERNMENT OF GUAM

Management's Discussion and Analysis (Unaudited) Year Ended September 30, 2017

Civilian economic development projects such as hotel expansions, private sector investments, and investments in the island's infrastructure, including construction of a new 340-room hotel in Tumon at an estimated cost of \$164 million and two residential projects estimated at \$70 million each, demonstrate the confidence in the Guam's economy. In FY2017, construction permits reached a six year high of more than \$436 million. Additionally, large government infrastructure projects continue at the Guam International Airport Authority, Guam Waterworks Authority and Guam Power Authority.

On the Military side, the National Defense Authorization Act signed into law in December 2017, authorized \$355 million in new construction projects. With the resolution of the H-2B visa denial issue, contracts worth \$36.7 million have already been awarded. Nine projects valued at \$510 million have already been completed.

Increased economic activity is expected to add to Guam's population. In 2017, Guam's population was just over 164,000, with an expected increase of 8,000 to 10,000 between 2020 and 2023 as manpower is required to complete these civilian and military projects. Unemployment rate fell to 4.9% in 2017 (Government of Guam, Bureau of Labor Statistics) and is expected to remain low over the next ten years. It is also expected to increase hourly earnings and add to the tax base and tax receipts.

The Government of Guam is committed to fiscal responsibility. It has instituted cost and budgeting controls to manage resources and achieve a balanced budget. A reduction of the deficit remains one of its financial goals and significant progress has been made towards achieving this goal in 2017. It is also committed to insuring that Guam's credit rating enables the Government and its Component Units can raise funding at the most economic interest rate. These policies have been continued in 2018. In response to the reduction in income tax receipts as a result of the Tax Cuts and Jobs Act of 2017, legislation was introduced by the Governor to raise the lost revenues from indirect taxes. The Legislature enacted legislation to increase Gross Receipts Tax by 1% until September 30, 2018 and thereafter apply a Sales Tax of 2% on goods and services.

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, and investors and creditors. This financial report seeks to demonstrate the Island's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to: Division of Accounts, Attention: Kathrine B. Kakigi, Financial Manager, P.O. Box 884, Hagatña, Guam 96932. Telephone No: (671) 475-1169/1260 Facsimile: (671) 472-8483 Website Address: www.da.doa.guam.gov.

GOVERNMENT OF GUAM

Statement of Net Position
September 30, 2017

	Primary Government	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 86,390,781	\$ 142,310,528
Investments	4,708,966	36,383,973
Receivables, net	111,417,124	179,420,115
Due from primary government	-	3,277,617
Due from private purpose trusts	2,090,433	-
Inventories	5,387,152	72,411,739
Other current assets	10,975,223	12,512,992
Restricted assets:		
Cash and cash equivalents	93,285,931	198,815,385
Investments	22,474,522	65,192,488
Total current assets	336,730,132	710,324,837
Noncurrent assets:		
Investments	-	12,224,215
Land and other real estate	461,302,203	-
Receivables, net	-	30,740,054
Capital assets:		
Nondepreciable capital assets	115,045,961	282,713,079
Capital assets, net of accumulated depreciation	947,179,765	1,396,927,325
Land held for development	-	2,705,458
Unamortized bond issuance costs	-	4,267,305
Other noncurrent assets	2,125,000	10,568,973
Restricted assets:		
Cash and cash equivalents	-	344,971,133
Investments	-	190,181,538
Total noncurrent assets	1,525,652,929	2,275,299,080
Total assets	1,862,383,061	2,985,623,917
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	105,817,331	12,772,044
Deferred outflows from pensions	107,489,707	56,266,773
Deferred unrecovered fuel costs	-	16,751,048
Deferred forward delivery contract costs	-	637,357
Total deferred outflows of resources	213,307,038	86,427,222
	\$ 2,075,690,099	\$ 3,072,051,139

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Position, Continued
September 30, 2017

	Primary Government	Component Units
LIABILITIES		
Current liabilities:		
Current portion of bonds payable	\$ 22,910,000	\$ 19,715,000
Current portion of notes payable	6,515,695	6,866,998
Current portion of capital lease obligations	7,996,554	23,330,193
Accounts payable and other current liabilities	85,136,795	86,659,988
Tax credits payable	4,826,124	-
Contracts payable	-	21,236,248
Accrued interest payable	18,373,148	28,401,378
Accrued payroll and other	23,150,564	18,000,319
Current portion of compensated absences payable	10,625,355	6,686,276
Payable to federal agencies	8,170,230	-
Provision for tax refunds	114,717,893	-
Current portion of IRS payable	5,500,000	-
COLA liability	4,585,535	-
Due to primary government	-	2,520,952
Unearned revenues	78,482,461	13,142,176
Deposits and other liabilities	9,789,101	40,862,886
Total current liabilities	400,779,455	267,422,414
Noncurrent liabilities:		
Compensated absences payable, net of current portion	15,490,948	8,473,908
Capital lease obligations, net of current portion	192,065,462	24,428,832
Bonds payable, net of current portion	1,158,278,256	1,350,326,643
Notes payable, net of current portion	3,841,623	46,796,020
Due to IRS, net of current portion	14,437,926	-
Net pension liability	1,117,803,682	532,151,863
DCRS sick leave liability	34,718,763	18,737,620
Other noncurrent liabilities	16,186,087	3,712,599
Total noncurrent liabilities	2,552,822,747	1,984,627,485
Total liabilities	2,953,602,202	2,252,049,899
DEFERRED INFLOWS OF RESOURCES		
Deferred forward delivery contract revenues	-	2,336,071
Deferred inflows from pensions	11,581,430	5,950,488
Deferred gain on refunding	-	237,873
Total deferred inflows of resources	11,581,430	8,524,432
NET POSITION		
Net investment in capital assets	568,704,057	639,504,902
Restricted for:		
Capital projects	-	64,046,736
Retirement of indebtedness	67,743,721	42,581,014
Endowment - nonexpendable	461,302,203	5,670,536
Public health	14,135,101	-
Environmental protection	20,480,780	-
Other purposes	31,798,884	80,028,566
Unrestricted	(2,053,658,279)	(20,354,946)
Total net position	(889,493,533)	811,476,808
	\$ 2,075,690,099	\$ 3,072,051,139

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Activities
Year Ended September 30, 2017

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	\$ 123,197,019	\$ 18,594,796	\$ 6,497,206	\$ -	\$ (98,105,017)	\$ -
Protection of life and property	139,065,325	21,333,164	12,504,175	-	(105,227,986)	-
Public health	306,636,198	7,481,626	215,188,673	-	(83,965,899)	-
Community services	36,929,409	1,522,311	14,060,448	-	(21,346,650)	-
Culture and recreation	30,556,676	804,098	698,960	-	(29,053,618)	-
Individual and collective rights	82,999,952	2,579,001	12,877,342	-	(67,543,609)	-
Transportation	31,356,464	14,246,439	10,337,682	-	(6,772,343)	-
Public education	361,150,673	1,886,432	66,677,508	-	(292,586,733)	-
Environmental protection	21,196,401	23,280,913	3,473,733	-	5,558,245	-
Economic development	16,100,602	428,466	17,686,324	-	2,014,188	-
Interest (unallocated)	77,365,469	-	2,027,283	-	(75,338,186)	-
Total primary government	\$ 1,226,554,188	\$ 92,157,246	\$ 362,029,334	\$ -	(772,367,608)	-
Component Units:						
Antonio B. Won Pat International						
Airport Authority	\$ 81,741,738	\$ 70,069,043	\$ -	\$ 13,586,533	-	1,913,838
Guam Community College	35,492,497	5,441,690	11,606,127	-	-	(18,444,680)
Guam Housing and Urban						
Renewal Authority	43,698,653	1,056,049	40,895,912	1,289,709	-	(456,983)
Guam Memorial Hospital Authority	120,270,321	92,205,528	-	93,364	-	(27,971,429)
Guam Power Authority	329,716,629	333,468,123	-	-	-	3,751,494
Guam Waterworks Authority	99,531,662	104,369,463	-	21,811,030	-	26,648,831
Port Authority of Guam	47,630,493	50,752,611	-	310,442	-	3,432,560
University of Guam	92,667,110	21,304,245	32,705,091	-	-	(38,657,774)
Nonmajor component units	36,420,394	8,791,588	13,626,721	-	-	(14,002,085)
	\$ 887,169,497	\$ 687,458,340	\$ 98,833,851	\$ 37,091,078	-	(63,786,228)
General revenues:						
Taxes:						
Income					354,709,313	-
Gross receipts					237,133,647	-
Section 30 Federal income tax collections					87,154,735	-
Hotel occupancy					44,007,074	-
Property					26,990,962	-
Tobacco					21,940,042	-
Liquid fuel					10,411,898	-
Alcoholic beverages					3,400,434	-
Excise					2,835,998	-
Limited gaming					1,718,598	-
Investment earnings					414,153	6,582,980
Contributions from primary government					-	99,715,498
Other					8,147,264	65,020,764
Total general revenues					798,864,118	171,319,242
Contributions to permanent fund					25,204,501	-
Total general revenues and contributions to permanent fund					824,068,619	171,319,242
Change in net position					51,701,011	107,533,014
Net position at beginning of year, as previously reported					(727,756,818)	791,150,245
Implementation of GASB Statement No. 73 (Note 1X)					(213,437,726)	(87,206,451)
Net position at beginning of year, as restated					(941,194,544)	703,943,794
Net position at end of year					\$ (889,493,533)	\$ 811,476,808

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Balance Sheet
Governmental Funds
September 30, 2017

	General	Special Revenue		Permanent	Other Governmental Funds	Total
		Federal Grants Assistance	GDOE Federal Grants	Chamorro Lands		
ASSETS						
Cash and cash equivalents	\$ 46,486,939	\$ 2,103,503	\$ 558,181	\$ -	\$ 37,242,158	\$ 86,390,781
Investments	209,179	-	-	-	4,499,787	4,708,966
Land and other real estate	-	-	-	461,302,203	-	461,302,203
Receivables, net:						
Taxes	58,513,033	-	-	-	7,027,180	65,540,213
Federal agencies	3,366,159	20,866,729	9,892,482	-	-	34,125,370
Other	5,033,707	-	-	-	6,717,834	11,751,541
Due from other funds	27,417,700	-	-	-	18,853,089	46,270,789
Due from private purpose trust funds	2,090,433	-	-	-	-	2,090,433
Inventories	5,387,152	-	-	-	-	5,387,152
Prepayments	4,658,994	-	-	-	85,350	4,744,344
Deposits and other assets	6,448,237	-	-	-	1,068	6,449,305
Restricted assets:						
Cash and cash equivalents	79,747,989	-	-	-	13,537,942	93,285,931
Investments	-	-	-	-	22,474,522	22,474,522
Total assets	\$ 239,359,522	\$ 22,970,232	\$ 10,450,663	\$ 461,302,203	\$ 110,438,930	\$ 844,521,550
LIABILITIES AND FUND BALANCES (DEFICIT)						
Accounts payable	\$ 71,608,542	\$ 1,582,861	\$ 2,447,950	\$ -	\$ 9,497,442	\$ 85,136,795
Accrued payroll and other	16,059,829	1,377,201	3,667,104	-	2,046,430	23,150,564
Due to other funds	18,853,089	13,533,553	2,576,855	-	11,307,292	46,270,789
Payable to federal agencies	-	6,411,476	1,758,754	-	-	8,170,230
Unearned revenues	77,795,541	-	-	-	686,920	78,482,461
Provision for tax refunds	114,717,893	-	-	-	-	114,717,893
COLA liability	4,585,535	-	-	-	-	4,585,535
Deposits and other liabilities	8,741,725	-	-	-	1,047,376	9,789,101
Total liabilities	312,362,154	22,905,091	10,450,663	-	24,585,460	370,303,368
Fund balances (deficit):						
Non-spendable	3,363,649	-	-	461,302,203	-	464,665,852
Restricted	78,236,306	-	-	-	40,122,903	118,359,209
Committed	14,107,756	-	-	-	46,121,881	60,229,637
Assigned	-	65,141	-	-	-	65,141
Unassigned:						
General fund	(168,710,343)	-	-	-	-	(168,710,343)
Special revenue funds	-	-	-	-	(391,314)	(391,314)
Total fund balances (deficit)	(73,002,632)	65,141	-	461,302,203	85,853,470	474,218,182
Total liabilities and fund balances (deficit)	\$ 239,359,522	\$ 22,970,232	\$ 10,450,663	\$ 461,302,203	\$ 110,438,930	\$ 844,521,550

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, 2017

Total fund balance - governmental funds	\$	474,218,182
Amounts reported for governmental activities in the statement of net position are different because:		
Prepayment of capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		781,574
Maintenance costs associated with capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		1,125,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	48,719,357
Construction in progress		66,326,604
Depreciable capital assets and infrastructure		1,658,104,476
Accumulated depreciation		<u>(710,924,711)</u>
Capital assets, net of accumulated depreciation		1,062,225,726
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		(1,181,188,256)
Notes payable		(10,357,318)
Capital lease obligations		(200,062,016)
Due to IRS		(19,937,926)
Tax credits payable		(4,826,124)
Accrued interest payable		(18,373,148)
Net pension liability		(1,117,803,682)
Compensated absences payable		(26,116,303)
DCRS sick leave liability		(34,718,763)
Landfill closure and postclosure costs		<u>(16,186,087)</u>
Long-term liabilities		(2,629,569,623)
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		105,817,331
Deferred outflows on net pension liability		<u>107,489,707</u>
		213,307,038
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of deferred inflows on the net pension liability		
		<u>(11,581,430)</u>
Net position of governmental activities	\$	<u><u>(889,493,533)</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, 2017

	General	Special Revenue		Permanent	Other Governmental Funds	Total
		Federal Grants Assistance	GDOE Federal Grants	Chamorro Lands		
Revenues:						
Taxes	\$ 681,833,693	\$ -	\$ -	\$ -	\$ 108,469,008	\$ 790,302,701
Intergovernmental	6,925,146	292,937,948	57,909,784	-	1,930,351	359,703,229
Licenses and permits	5,475,813	-	-	-	58,213,120	63,688,933
Charges for services	4,078,639	-	178,749	-	22,556,993	26,814,381
Fines and forfeits	804,361	-	-	-	849,571	1,653,932
Interest and investment earnings	179,649	-	-	25,204,501	234,504	25,618,654
Indirect cost reimbursement	298,822	-	-	-	-	298,822
Contributions from component units	2,027,283	-	-	-	-	2,027,283
Other	7,392,263	-	-	-	755,001	8,147,264
Total revenues	709,015,669	292,937,948	58,088,533	25,204,501	193,008,548	1,278,255,199
Expenditures:						
Current:						
General government	50,265,819	6,255,502	-	-	21,254,182	77,775,503
Protection of life and property	109,465,723	12,504,175	-	-	17,200,935	139,170,833
Public health	9,120,943	243,972,419	-	-	24,231,155	277,324,517
Community services	22,646,320	14,060,448	-	-	381	36,707,149
Recreation	1,065,826	698,960	-	-	4,075,795	5,840,581
Individual and collective rights	51,243,853	10,497,820	-	-	10,937,425	72,679,098
Transportation	-	10,337,682	-	-	8,333,584	18,671,266
Public education	245,570,666	-	60,165,750	-	-	305,736,416
Environmental protection	34,032	3,473,733	-	-	24,574,605	28,082,370
Economic development	4,253,462	5,335,054	-	-	3,155,986	12,744,502
Payments to:						
GovGuam Retirement Fund	2,715,000	-	-	-	-	2,715,000
Guam Community College	17,122,713	-	-	-	450,241	17,572,954
Guam International Airport Authority	-	221,681	-	-	-	221,681
Guam Memorial Hospital Authority	22,652,248	957,604	-	-	4,145,549	27,755,401
Guam Power Authority	-	275,544	-	-	-	275,544
Guam Preservation Trust	-	-	-	-	950,000	950,000
Guam Visitors Bureau	-	-	-	-	23,852,472	23,852,472
Guam Waterworks Authority	-	83,741	-	-	-	83,741
University of Guam	26,333,645	25,257	-	-	4,639,392	30,998,294
Miscellaneous appropriations	66,560,017	-	-	-	1,025,415	67,585,432
Capital projects	-	7,311,988	-	-	3,647,270	10,959,258
Debt service:						
Principal retirement	20,834,648	-	3,935,000	-	2,711,042	27,480,690
Interest and fiscal charges	64,760,430	-	2,730,250	-	5,440,338	72,931,018
Total expenditures	714,645,345	316,011,608	66,831,000	-	160,625,767	1,258,113,720
Excess (deficiency) of revenues over (under) expenditures	(5,629,676)	(23,073,660)	(8,742,467)	25,204,501	32,382,781	20,141,479
Other financing sources (uses):						
Proceeds from issuance of long-term debt	-	-	-	-	1,611,129	1,611,129
Capital lease	26,995,762	-	-	-	-	26,995,762
Transfers in from other funds	54,050,838	31,832,100	8,742,467	-	23,927,247	118,552,652
Transfers out to other funds	(42,686,057)	(8,742,467)	-	-	(68,010,302)	(119,438,826)
Total other financing sources (uses), net	38,360,543	23,089,633	8,742,467	-	(42,471,926)	27,720,717
Net change in fund balances (deficit)	32,730,867	15,973	-	25,204,501	(10,089,145)	47,862,196
Fund balances (deficit) at beginning of year	(105,733,499)	49,168	-	436,097,702	95,942,615	426,355,986
Fund balances (deficit) at end of year	\$ (73,002,632)	\$ 65,141	\$ -	\$ 461,302,203	\$ 85,853,470	\$ 474,218,182

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, 2017

Net change in fund balances - total governmental funds \$ 47,862,196

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 120,740

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	61,292,090	
Depreciation expense	<u>(63,685,760)</u>	(2,393,670)

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 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	(1,611,129)	
Capital lease acquisition	(29,930,761)	
Repayment of General Obligation bonds	4,510,000	
Repayment of Limited Obligation bonds	3,640,000	
Repayment of Business Privilege Tax bonds	11,060,000	
Repayment of loans	701,042	
Repayment of capital leases	11,074,648	
Reduction in tax credits payable	1,264,961	
Amortization of loss on defeasance	(5,349,024)	
Amortization of bond premiums	4,389,882	
Amortization of bond discounts	<u>(189,108)</u>	(439,489)

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	(1,604,871)	
Change in compensated absences payable	553,866	
Change in landfill closure and postclosure care costs	777,259	
Change in DCRS sick leave liability	(3,420,667)	
Net pension activity	<u>10,245,647</u>	6,551,234

Change in net position of governmental activities \$ 51,701,011

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Fiduciary Funds
September 30, 2017

	Pension Trust	Private Purpose Trust	Agency Fund
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,547,556	\$ 22,373,412	\$ -
Time certificates of deposit	-	1,000,000	-
Investments at fair value:			
Common stocks	1,110,502,896	-	-
U.S. Government securities	232,829,593	-	-
Corporate bonds and notes	303,153,981	-	-
Money market funds	23,864,447	-	-
Mutual funds	602,482,734	-	-
DC plan forfeitures	7,737,923	-	-
Total investments	<u>2,280,571,574</u>	<u>-</u>	<u>-</u>
Accounts receivable:			
Employer contributions	7,345,488	-	-
Member contributions	1,601,455	-	-
Interest and penalties on contributions	293,978	-	-
Accrued investment income	4,664,261	-	-
Due from brokers for unsettled trades	2,693,741	-	-
Service credits	481,712	-	-
Supplemental/COLA benefits	26,450,176	-	-
Supplemental/Insurance benefits advanced	2,000,350	-	-
Other	1,599,488	-	-
Total receivables	<u>47,130,649</u>	<u>-</u>	<u>-</u>
Deposits and other assets	-	-	17,517,256
Capital assets	738,540	-	-
Total assets	<u>2,333,988,319</u>	<u>23,373,412</u>	\$ <u>17,517,256</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources from pensions	383,152	-	
<u>LIABILITIES</u>			
Unearned revenue	660,577	-	\$ -
Accounts payable and accrued expenses	2,856,690	-	-
Accrued payroll and other	778,118	-	-
Due to other funds	-	2,090,433	-
Deposits and other liabilities	-	18,320,125	17,517,256
Due to brokers for unsettled trades	8,147,588	-	-
Net pension liability	5,450,291	-	-
Total liabilities	<u>17,893,264</u>	<u>20,410,558</u>	\$ <u>17,517,256</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources from pensions	135,291	-	
Restricted for:			
Employees' pension benefits	2,316,342,916	-	
Individuals, organizations and other governments	-	2,962,854	
Total net position	\$ <u>2,316,342,916</u>	\$ <u>2,962,854</u>	

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2017

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer contributions	\$ 139,383,249	\$ -
Member contributions	33,425,589	-
Use of money and property	-	2,077,019
Transfers in from other funds	-	886,174
Total contributions and revenues	172,808,838	2,963,193
Net investment income:		
Net increase in fair value of investments	206,178,383	-
Interest	41,080,521	-
Dividends	12,862,678	-
Other	453,091	-
Total investment income	260,574,673	-
Less: investment expenses	5,029,234	-
Net investment income	255,545,439	-
Total additions	428,354,277	2,963,193
Deductions:		
Benefits	213,745,250	-
Refunds	22,652,640	-
Interest on refunded contributions	831,859	-
Administrative and general expense	5,984,005	-
Individual and collective rights	-	2,316,793
Total deductions	243,213,754	2,316,793
Change in net position held in trust for:		
Employees' pension benefits	185,140,523	-
Individuals, organizations, and other governments	-	646,400
	185,140,523	646,400
Net position at beginning of year, as previously reported	2,132,391,494	2,316,454
Implementation of GASB Statement No. 73 (Note 1X)	(1,189,101)	-
Net position at beginning of year, as restated	2,131,202,393	2,316,454
Net position at end of year	\$ 2,316,342,916	\$ 2,962,854

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Position Component Units September 30, 2017

	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 AND DEFERRED OUTFLOWS										
OF RESOURCES										
Current assets:										
Cash and cash equivalents	\$ 4,370,217	\$ 13,015,171	\$ 11,310,006	\$ 2,665,141	\$ 37,681,703	\$ 4,873,275	\$ 30,881,981	\$ 9,647,880	\$ 27,865,154	\$ 142,310,528
Investments	-	2,043,384	-	-	10,248,873	-	-	13,222,197	10,869,519	36,383,973
Receivables, net	19,338,119	4,929,045	1,253,670	26,727,157	77,826,134	23,884,177	7,780,226	13,069,739	4,611,848	179,420,115
Due from primary government	-	653,475	-	2,252,382	-	-	-	231,760	140,000	3,277,617
Inventories	516,775	622,731	268,095	2,700,287	64,377,116	2,166,557	464,832	782,002	513,344	72,411,739
Prepayments	-	-	84,696	14,690	629,586	551,127	15,874	-	94,421	1,390,394
Deposits and other assets	-	2,258,233	-	-	-	-	-	8,864,365	-	11,122,598
Restricted assets:										
Cash and cash equivalents	-	235,632	2,882,847	-	119,684,409	65,124,401	-	-	10,888,096	198,815,385
Investments	-	12,467,916	-	-	39,407,265	-	-	10,622,646	2,694,661	65,192,488
Total current assets	<u>24,225,111</u>	<u>36,225,587</u>	<u>15,799,314</u>	<u>34,359,657</u>	<u>349,855,086</u>	<u>96,599,537</u>	<u>39,142,913</u>	<u>56,440,589</u>	<u>57,677,043</u>	<u>710,324,837</u>
Noncurrent assets:										
Investments	-	1,949,737	-	-	-	-	-	10,274,478	-	12,224,215
Receivables, net	-	-	3,420,722	-	-	-	-	-	27,319,332	30,740,054
Capital assets:										
Nondepreciable capital assets	112,227,168	3,102,401	3,675,882	1,034,982	19,552,409	112,806,885	6,391,706	4,753,256	19,168,390	282,713,079
Capital assets, net of accumulated depreciator	308,157,186	30,301,853	18,616,481	31,535,141	475,219,795	346,773,806	117,438,696	62,683,762	6,200,605	1,396,927,325
Land held for development	-	-	2,705,458	-	-	-	-	-	-	2,705,458
Unamortized bond issuance costs	-	-	-	-	4,267,305	-	-	-	-	4,267,305
Other assets	10,397,709	-	-	18,037	-	-	-	-	153,227	10,568,973
Restricted assets:										
Cash and cash equivalents	-	-	-	-	56,907,535	277,592,040	8,382,257	2,089,301	-	344,971,133
Investments	159,145,974	-	-	-	12,522,243	-	-	18,513,321	-	190,181,538
Total noncurrent assets	<u>589,928,037</u>	<u>35,353,991</u>	<u>28,418,543</u>	<u>32,588,160</u>	<u>568,469,287</u>	<u>737,172,731</u>	<u>132,212,659</u>	<u>98,314,118</u>	<u>52,841,554</u>	<u>2,275,299,080</u>
Total assets	<u>614,153,148</u>	<u>71,579,578</u>	<u>44,217,857</u>	<u>66,947,817</u>	<u>918,324,373</u>	<u>833,772,268</u>	<u>171,355,572</u>	<u>154,754,707</u>	<u>110,518,597</u>	<u>2,985,623,917</u>
Deferred outflows of resources:										
Deferred amount on refunding	-	-	-	-	11,076,064	1,695,980	-	-	-	12,772,044
Deferred outflows from pensions	3,877,874	4,317,966	1,658,353	14,108,364	8,698,853	4,943,777	6,176,940	10,589,601	1,895,045	56,266,773
Unrecovered fuel costs	-	-	-	-	16,751,048	-	-	-	-	16,751,048
Deferred forward delivery contract costs	-	-	-	-	637,357	-	-	-	-	637,357
Total deferred outflows of resources	<u>3,877,874</u>	<u>4,317,966</u>	<u>1,658,353</u>	<u>14,108,364</u>	<u>37,163,322</u>	<u>6,639,757</u>	<u>6,176,940</u>	<u>10,589,601</u>	<u>1,895,045</u>	<u>86,427,222</u>
	<u>\$ 618,031,022</u>	<u>\$ 75,897,544</u>	<u>\$ 45,876,210</u>	<u>\$ 81,056,181</u>	<u>\$ 955,487,695</u>	<u>\$ 840,412,025</u>	<u>\$ 177,532,512</u>	<u>\$ 165,344,308</u>	<u>\$ 112,413,642</u>	<u>\$ 3,072,051,139</u>

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Position, Continued
Component Units
September 30, 2017

	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
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION										
Current liabilities:										
Current portion of bonds payable	\$ 11,430,000	\$ -	\$ -	\$ -	\$ 1,780,000	\$ 5,200,000	\$ -	\$ -	\$ 1,305,000	\$ 19,715,000
Current portion of notes payable	1,119,201	52,100	66,000	-	-	3,037,569	2,350,902	241,226	-	6,866,998
Current obligations under capital leases	-	-	-	-	23,330,193	-	-	-	-	23,330,193
Accounts payable	3,948,210	1,170,612	227,497	5,223,547	58,992,710	4,096,454	2,568,562	4,988,393	5,444,003	86,659,988
Contracts payable	7,285,961	-	-	-	-	13,950,287	-	-	-	21,236,248
Accrued interest payable	6,220,000	-	-	-	15,065,830	6,656,499	-	-	459,049	28,401,378
Accrued payroll and other	3,501,573	-	514,991	2,631,034	6,875,090	2,604,343	779,339	-	1,093,949	18,000,319
Due to primary government	2,520,952	-	-	-	-	-	-	-	-	2,520,952
Unearned revenue	-	2,595,447	1,665,782	-	-	-	201,802	8,307,407	371,738	13,142,176
Compensated absences	408,245	247,443	105,361	986,810	2,045,201	567,057	1,232,707	842,121	251,331	6,686,276
Deposits and other liabilities	3,683,562	1,436,952	962,343	2,197,890	27,760,205	3,381,138	389,498	254,654	796,644	40,862,886
Total current liabilities	40,117,704	5,502,554	3,541,974	11,039,281	135,849,229	39,493,347	7,522,810	14,633,801	9,721,714	267,422,414
Noncurrent liabilities:										
Compensated absences	846,425	252,765	806,548	3,135,647	1,086,456	783,992	444,045	1,045,482	72,548	8,473,908
Capital lease obligations	-	-	-	-	24,428,832	-	-	-	-	24,428,832
Noncurrent portion of bonds payable	206,845,059	-	-	-	590,568,862	520,121,393	-	-	32,791,329	1,350,326,643
Noncurrent portion of notes payable	7,185,031	3,178,609	967,128	-	-	5,533,918	18,858,975	11,072,359	-	46,796,020
Net pension liability	36,921,046	40,526,801	13,336,362	140,412,624	85,875,217	49,243,800	56,767,410	93,255,503	15,813,100	532,151,863
DCRS sick leave liability	624,153	1,721,154	-	4,706,659	4,008,397	1,729,291	1,893,141	3,517,295	537,530	18,737,620
Other noncurrent liabilities	-	-	2,981,773	-	369,180	-	-	74,453	287,193	3,712,599
Total noncurrent liabilities	252,421,714	45,679,329	18,091,811	148,254,930	706,336,944	577,412,394	77,963,571	108,965,092	49,501,700	1,984,627,485
Total liabilities	292,539,418	51,181,883	21,633,785	159,294,211	842,186,173	616,905,741	85,486,381	123,598,893	59,223,414	2,252,049,899
Deferred inflows of resources:										
Deferred forward delivery contract revenues	-	-	-	-	2,336,071	-	-	-	-	2,336,071
Deferred inflows from pensions	296,651	307,850	100,656	1,848,141	788,894	564,513	1,008,960	837,827	196,996	5,950,488
Deferred amount on refunding	237,873	-	-	-	-	-	-	-	-	237,873
Total deferred inflows of resources	534,524	307,850	100,656	1,848,141	3,124,965	564,513	1,008,960	837,827	196,996	8,524,432
Net Position:										
Net investment in capital assets	203,964,899	30,173,545	23,964,693	32,570,123	(40,220,465)	205,317,593	102,242,086	56,123,433	25,368,995	639,504,902
Restricted:										
Capital projects	54,060,720	-	-	-	-	9,986,016	-	-	-	64,046,736
Retirement of indebtedness	30,747,826	-	-	-	3,685,679	8,147,509	-	-	-	42,581,014
Endowment - nonexpendable	-	43,629	-	-	-	-	-	5,626,907	-	5,670,536
Other purposes	-	14,924,895	1,397,733	-	11,547,153	347,854	8,382,257	24,109,556	19,319,118	80,028,566
Unrestricted (deficit)	36,183,635	(20,734,258)	(1,220,657)	(112,656,294)	135,164,190	(857,201)	(19,587,172)	(44,952,308)	8,305,119	(20,354,946)
Total net position	324,957,080	24,407,811	24,141,769	(80,086,171)	110,176,557	222,941,771	91,037,171	40,907,588	52,993,232	811,476,808
	\$ 618,031,022	\$ 75,897,544	\$ 45,876,210	\$ 81,056,181	\$ 955,487,695	\$ 840,412,025	\$ 177,532,512	\$ 165,344,308	\$ 112,413,642	\$ 3,072,051,139

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, 2017

	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
Operating revenues:										
Charges for services	\$ 64,883,178	\$ 4,081,452	\$ 1,032,649	\$ 88,224,299	\$ 331,274,645	\$ 103,933,949	\$ 50,644,384	\$ 14,961,481	\$ 4,200,918	\$ 663,236,955
Grants and contracts	-	11,606,127	40,895,912	-	-	-	-	32,705,091	13,626,721	98,833,851
Other	5,185,865	1,360,238	23,400	3,981,229	2,193,478	435,514	108,227	6,342,764	4,590,670	24,221,385
Total operating revenues	70,069,043	17,047,817	41,951,961	92,205,528	333,468,123	104,369,463	50,752,611	54,009,336	22,418,309	786,292,191
Operating expenses:										
Cost of services	43,629,879	31,253,479	39,142,136	111,093,940	220,169,477	48,233,320	29,645,053	77,739,246	31,988,874	632,895,404
Depreciation and amortization	26,830,443	2,380,898	2,376,574	5,373,279	44,291,589	16,824,455	6,103,304	3,492,472	422,659	108,095,673
General and administrative	-	1,708,270	2,115,406	3,435,276	32,484,109	7,300,127	10,821,867	8,893,268	1,880,766	68,639,089
Total operating expenses	70,460,322	35,342,647	43,634,116	119,902,495	296,945,175	72,357,902	46,570,224	90,124,986	34,292,299	809,630,166
Operating income (loss)	(391,279)	(18,294,830)	(1,682,155)	(27,696,967)	36,522,948	32,011,561	4,182,387	(36,115,650)	(11,873,990)	(23,337,975)
Nonoperating revenues (expenses):										
Contributions from the primary government	28,968	18,320,971	-	24,679,853	-	-	-	32,660,670	24,025,036	99,715,498
Contributions to the primary government	-	-	-	-	-	-	-	(2,027,283)	-	(2,027,283)
Investment income	1,269,029	-	12,854	-	1,722,483	917,351	-	2,355,658	305,605	6,582,980
Interest expense	(11,281,416)	(149,850)	(64,537)	(367,826)	(32,771,454)	(27,173,760)	(1,060,269)	(514,841)	(2,128,095)	(75,512,048)
Other income (expenses), net	5,120,611	1,257,706	278,879	1,383,729	42,879,750	12,822,258	624,371	1,267,425	(613,965)	65,020,764
Total nonoperating revenues (expenses), net	(4,862,808)	19,428,827	227,196	25,695,756	11,830,779	(13,434,151)	(435,898)	33,741,629	21,588,581	93,779,911
Net income (loss) before capital contributions	(5,254,087)	1,133,997	(1,454,959)	(2,001,211)	48,353,727	18,577,410	3,746,489	(2,374,021)	9,714,591	70,441,936
Capital contributions	13,586,533	-	1,289,709	93,364	-	21,811,030	310,442	-	-	37,091,078
Change in net position	8,332,446	1,133,997	(165,250)	(1,907,847)	48,353,727	40,388,440	4,056,931	(2,374,021)	9,714,591	107,533,014
Net position at beginning of year, as previously reported	320,625,807	30,196,132	26,368,555	(59,641,871)	77,060,329	193,735,683	100,664,798	57,151,606	44,989,206	791,150,245
Implementation of GASB Statement No. 73 (Note 1X)	(4,001,173)	(6,922,318)	(2,061,536)	(18,536,453)	(15,237,499)	(11,182,352)	(13,684,558)	(13,869,997)	(1,710,565)	(87,206,451)
Net position at beginning of year, as restated	316,624,634	23,273,814	24,307,019	(78,178,324)	61,822,830	182,553,331	86,980,240	43,281,609	43,278,641	703,943,794
Net position at end of year	\$ 324,957,080	\$ 24,407,811	\$ 24,141,769	\$ (80,086,171)	\$ 110,176,557	\$ 222,941,771	\$ 91,037,171	\$ 40,907,588	\$ 52,993,232	\$ 811,476,808

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Government of Guam (GovGuam) have been prepared in conformity 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 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, 2017

(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, 2017

(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, 2017

(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, 2017

(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, 2017. 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.
- 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 \$595,460,689 of restricted net position, of which \$66,414,765 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, 2017

(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, 2017

(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, 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. special federal assistance grants and contracts utilized by GovGuam to finance general governmental operations.
- 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.
- Chamorro Lands Fund - a Permanent Fund that accounts for developed Chamorro land and other real estate owned by GovGuam and is 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

Fund Accounting, Continued:

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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

G. Restricted Assets

As of September 30, 2017, certain assets of the primary government in the amount of \$115,760,453 are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures) and grantors. Of this amount, \$73,105 is externally restricted for Capital Improvement Projects identified in the State Fiscal Stabilization Fund budget funded by the U.S. Department of Education; \$653,826 is externally restricted under the First Generation Trust Initiative Program; \$461,785 is externally restricted for a Court issued permanent injunction as further disclosed in Note 12C; \$514,125 is externally restricted under a Chamorro Lands loan guarantee program; \$5,850,023 is externally restricted for Child Support; \$98,677,047 is externally restricted under various bond issues, including for future debt service requirements; \$902,104 is externally restricted under the Judicial building loan agreement for future debt service requirements; and \$8,628,438 is restricted for landfill postclosure costs.

H. Land and Other Real Estate

Land and other real estate held as investments in permanent funds of \$461,302,203, which comprise of \$453,073,398 held by the Chamorro Land Trust Commission and \$8,228,805 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. 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

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

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, 2017

(1) Summary of Significant Accounting Policies, Continued

M. Unearned Revenues

In the government-wide financial statements, unearned revenues are recognized when cash, receivables or other assets are recorded prior to being earned. In the governmental fund financial statements, unearned revenues represent monies received or revenues accrued which have not been earned or do not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting. Unearned revenues in the governmental fund types primarily relate to Section 30 federal income tax collections remitted to the trustee in accordance with the bond indenture associated with the 2016 Series A bond issue, and federal funds received in advance of eligible expenditures. In September 2017, GovGuam received Section 30 federal income tax collections from the United States Government in the amount of \$77,795,541, which pertains to revenues of the following fiscal year.

N. 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. 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, 2017, GovGuam recorded a provision for unpaid tax refunds in the amount of \$114,717,893, which includes amounts relating to the U.S. Federal Earned Income Tax Credit (EITC).

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, long-term liabilities to other governmental entities, and closure and post-closure costs associated with the Ordot Dump and Layon Landfill. 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 \$1,334,798,583 as of October 31, 2017, the date that such certification was performed. Total debt outstanding as of September 30, 2017, subject to the debt ceiling limitation is \$1,096,752,318.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

P. Dedicated Revenues and Pledges

GovGuam has pledged a portion of future General Fund Section 30 revenues to repay the following debt: (i) \$236,605,000 in limited obligation bonds issued in August 2016; and (ii) \$21,818,000 in qualified school construction bonds issued in March 2013. This debt is payable solely from Section 30 revenues payable to GovGuam by the United States Government pursuant to Section 30 of the Organic Act, Title 48, U.S. Code, Section 41421(h). Total principal and interest remaining on this debt is approximately \$420,092,225 payable through December 2046. For the year ended September 30, 2017, principal and interest paid and total Section 30 revenues were \$12,046,957 and \$87,154,735, respectively.

GovGuam has also pledged a portion of future hotel occupancy tax revenues to repay \$90,665,000 in limited obligation infrastructure improvement bonds issued in April 2011. This debt is payable solely from these certain tax revenues generated by GovGuam. Total principal and interest remaining on the limited obligation infrastructure improvement bonds is approximately \$150,518,214 payable through November 2040. For the year ended September 30, 2017, principal and interest paid and total hotel occupancy tax revenues were \$6,998,775 and \$43,815,042, respectively.

GovGuam has also pledged a portion of future General Fund gross receipts tax revenues to repay the following debt: (i) \$235,000,000 in limited obligation bonds issued in December 2011; (ii) \$108,700,000 in limited obligation bonds issued in June 2012; (iii) \$22,640,000 in limited obligation bonds issued in January 2013; and (iv) \$410,485,000 in limited obligation bonds issued in September 2015. This debt is payable solely from these certain tax revenues generated by GovGuam. Total principal and interest remaining on this debt is approximately \$1,292,625,573 payable through January 2042. For the year ended September 30, 2017, principal and interest paid and total gross receipts tax revenues were \$48,885,006 and \$237,133,647, respectively.

GovGuam has also pledged a portion of Judicial Building Fund receipts to repay an \$11,000,000 note payable to a bank executed in September 2006. This debt is payable solely from these certain judicial fees, fines and building rental receipts generated by GovGuam. Total principal and interest remaining on the note payable is approximately \$6,750,086 payable through September 2018. For the year ended September 30, 2017, principal and interest paid and total judicial fees, fines and building rental receipt revenues were \$993,005 and \$1,648,496, respectively.

GovGuam has also pledged a portion of Capitol District Fund receipts to repay a \$4,000,000 note payable to a bank executed in April 2014. This debt is payable solely from these certain building rental receipts generated by GovGuam. Total principal and interest remaining on the note payable is approximately \$4,572,158 payable through September 2020. For the year ended September 30, 2017, principal and interest paid and total building rental receipt revenues were \$159,600 and \$237,198, respectively.

Finally, GovGuam has pledged a portion of future Compact Impact grant revenues to repay \$38,570,000 in certificates of participation issued in August 2016. This debt is payable solely from Compact Impact grant revenues payable to GovGuam by the United States Government pursuant to the Compact of Free Association Act, U.S. Public Law 108-188. Total payments remaining on this municipal school lease agreement are approximately \$59,194,950 payable through September 2027. For the year ended September 30, 2017, lease payments made and total Compact Impact grant revenues received were \$6,665,250.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

Q. 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 straight-line 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.

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.

R. Deferred Outflows/Inflows of Resources

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.

S. 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 will 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 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, 2017

(1) Summary of Significant Accounting Policies, Continued

S. 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.

T. 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, 2017

(1) Summary of Significant Accounting Policies, Continued

T. 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 to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GovGuam has accrued an estimated liability of \$34,718,763 at September 30, 2017 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.

U. Pensions

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.

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-eighths percent (7/80%) of the value thereof and seven-twentieths (7/20%) of the value of the improvements thereon.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

W. Encumbrances

GovGuam utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. At September 30, 2017, 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>\$12,913,013</u>	<u>\$39,802,329</u>	<u>\$ 7,360,289</u>	<u>\$ -</u>	<u>\$16,091,868</u>	<u>\$76,167,409</u>

X. New Accounting Standards

During the year ended September 30, 2017, GovGuam implemented the following pronouncements:

- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*, which aligns the reporting requirements for pensions and pension plans not covered in GASB Statements No. 67 and No. 68 with the reporting requirements in Statement No. 68. The implementation of this statement has no impact on GovGuam's governmental fund financial statements, which continue to report expenditures in the amount statutorily required. However, implementation has resulted in the restatement of GovGuam's government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for certain supplemental annuity and adhoc Cost of Living Allowance payments and the recognition of pension expense in accordance with the provisions of GASB Statement No. 73. The government-wide financial statements were also restated due to changes in actuarial assumptions and other inputs used to determine net pension liabilities, deferred inflows of resources and deferred outflows of resources for the qualified defined benefit plan. Net position as of October 1, 2016 for governmental activities, fiduciary component units and discretely presented component units decreased by \$213,437,726, \$1,189,101 and \$87,206,451, respectively, as a result of the implementation of GASB Statement No. 73 and the change in actuarial assumptions and other inputs. Refer to Note 11 for more information regarding GovGuam's pensions.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which addresses financial reporting requirements for governments whose employees are provided with postemployment benefits other than pensions (other postemployment benefits or OPEB). The implementation of this statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 77, *Tax Abatement Disclosures*, which requires governments that enter into tax abatement agreements to disclose certain information about the agreements. Refer to Note 3B for more information regarding GovGuam's tax abatements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards, Continued

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, which improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The implementation of this statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*, which addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this statement did not have a material effect on the accompanying financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Based on an actuarial valuation dated October 1, 2015, the net OPEB obligation for governmental activities, fiduciary component units and discretely presented component units that will be recorded upon implementation of Statement 75 is anticipated to be \$1,079,182,304, \$5,118,475 and \$353,138,115, respectively, as of September 30, 2017.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, which improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions in Statement No. 81 are effective for fiscal years beginning after December 15, 2016. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for certain asset retirement obligations (AROs) associated with the retirement of a tangible capital asset. The provisions in Statement No. 83 are effective for fiscal years beginning after June 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, Continued

X. New Accounting Standards, Continued

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. The provisions in Statement No. 84 are effective for fiscal years beginning after December 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*, which address practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The provisions in Statement No. 85 are effective for fiscal years beginning after June 15, 2017. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt. The provisions in Statement No. 86 are effective for fiscal years beginning after June 15, 2017. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in Statement No. 87 are effective for fiscal years beginning after December 15, 2019. Management has yet to determine whether implementation of this statement will have a material effect on the financial statements.

Y. Estimates

The preparation of financial statements in conformity 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, 2016 from which summarized information was derived.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(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.

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, 2017, the carrying amount of the primary government's total cash and cash equivalents and time certificates of deposit was \$181,840,256 and the corresponding bank balances were \$212,405,427. Of the bank balances, \$134,060,157 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 \$78,345,270 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, 2017.

As of September 30, 2017, bank deposits in the amount of \$1,207,791 were FDIC insured and bank deposits in the amount of \$440,913 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 in 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, 2017, 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(2) Deposits and Investments, Continued

B. Investments, Continued

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, 2017.

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.

As of September 30, 2017, GovGuam's investments are classified as follows:

	General	Federal Grants Assistance	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
Investments:						
Certificates of deposit	\$ 209,179	\$ -	\$ -	\$ -	\$ 1,954,365	\$ 2,163,544
Mutual funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,019,944</u>	<u>25,019,944</u>
	<u>\$ 209,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,974,309</u>	<u>\$ 27,183,488</u>

The following table sets forth by fair value hierarchy level assets carried at fair value:

	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:				
Federal Home Loan Bank	\$ 3,080,717	\$ -	\$ 3,080,717	\$ -
Federal Home Loan Mortgage Corporation	<u>403,665</u>	<u>-</u>	<u>403,665</u>	<u>-</u>
	3,484,382	<u>\$ -</u>	<u>\$ 3,484,382</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Mutual funds	25,019,944			
Investments measured at amortized cost:				
Money market investments	708,023			
Certificates of deposit	<u>2,163,544</u>			
	<u>\$ 31,375,893</u>			

Included in the preceding table is \$4,192,405 of money market and fixed income investments, which are classified as cash equivalents in the accompanying financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(2) Deposits and Investments, Continued

B. Investments, Continued

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 Depository 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:

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

- i. Two times its average annual fixed charges over the same period, in the case of any public utility company;
- 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, 2017

(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, 2017 are classified as follows:

Common stocks	\$ 1,110,502,896
Fixed income securities	535,983,574
Money market funds	23,864,447
Mutual funds	<u>610,220,657</u>
	\$ <u>2,280,571,574</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(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, 2017, 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	\$ -	\$ 7,867,976	\$ 10,244,215	\$ 66,077,740	\$ 84,189,931
U.S. government agencies	19,773,963	56,455,050	26,551,514	45,859,135	148,639,662
Corporate notes and bonds	<u>4,840,817</u>	<u>164,209,057</u>	<u>77,572,957</u>	<u>56,531,150</u>	<u>303,153,981</u>
	<u>\$ 24,614,780</u>	<u>\$ 228,532,083</u>	<u>\$ 114,368,686</u>	<u>\$ 168,468,025</u>	<u>\$ 535,983,574</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, 2017, GGRF held mortgage-backed securities valued at approximately \$150,000,000.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

Presented below is the minimum rating required by (where applicable) the Guam Code Annotated and GGRF's investment policy, and the actual rating as of September 30, 2017:

<u>Investment Type</u>	<u>Minimum Rating</u>	<u>Amount</u>	<u>Rating as of Year End</u>
U.S. Treasury notes	N/A	\$ 84,189,931	Exempt from disclosure
Federal agency securities	N/A	137,444,006	Exempt from disclosure
Money market funds	A-2	23,864,447	AAAm
Corporate medium term notes and U.S. municipal obligations	BBB	10,456,459	Aaa
		32,715,680	Aa1-Aa3
		73,301,841	A1-A3
		149,085,232	BBB-BB
		15,668,907	CCC-CC
		<u>33,121,518</u>	Not rated
		<u>\$ 559,848,021</u>	

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. At September 30, 2017, 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, 2017, GGRF held approximately \$28,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$8,000,000 was issued by Canadian companies, \$4,000,000 by Dutch companies, \$4,000,000 by British companies, \$1,000,000 by Irish companies, and \$11,000,000 by 19 other country companies.

At September 30, 2017, 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, 2017 was approximately \$92,000,000. Of this total, approximately \$43,000,000 relates to companies whose functional currency is the Euro, \$10,000,000 relates to companies whose functional currency is the British pound, \$13,000,000 relates to companies whose functional currency is the Japanese yen, \$8,000,000 relates to companies whose functional currency is the Hong Kong dollar, and the remaining \$18,000,000 relates to companies representing eighteen 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

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.

GGRF has the following recurring fair value measurements as of September 30, 2017:

		<u>Fair Value Measurements Using</u>		
		Quoted Prices In Active Markets for Identical Assets <u>Total</u> <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Investments by fair value level:				
Equity securities	\$ 1,110,502,896	\$ 1,110,502,896	\$ -	\$ -
U.S. Treasury notes	232,829,593	-	232,829,593	-
Corporate notes and bonds	286,276,386	-	286,276,386	-
Mortgage-backed securities	12,741,790	-	12,741,790	-
Bank loans	4,135,805	-	4,135,805	-
Other	<u>100,395,359</u>	<u>100,395,359</u>	<u>-</u>	<u>-</u>
	1,746,881,829	<u>\$ 1,210,898,255</u>	<u>\$ 535,983,574</u>	<u>\$ -</u>
Investments measured at NAV:				
Mutual funds	<u>533,689,745</u>			
	<u>\$ 2,280,571,574</u>			

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(3) Receivables and Tax Abatements

A. Receivables

Receivables as of September 30, 2017, 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:

	Federal Grants Assistance	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Fiduciary Funds	Total
Receivables:						
Taxes	\$ 58,513,033	\$ -	\$ -	\$ 7,027,180	\$ -	\$ 65,540,213
Federal	3,366,159	20,866,729	9,892,482	-	-	34,125,370
Contributions	-	-	-	-	8,946,943	8,946,943
Interest	-	-	-	-	293,978	293,978
COLA	-	-	-	-	26,450,176	26,450,176
Other	<u>7,744,470</u>	<u>-</u>	<u>-</u>	<u>9,130,608</u>	<u>11,439,552</u>	<u>28,314,630</u>
	69,623,662	20,866,729	9,892,482	16,157,788	47,130,649	163,671,310
Allowance for Uncollectible Accounts	<u>(2,710,763)</u>	<u>-</u>	<u>-</u>	<u>(2,412,774)</u>	<u>-</u>	<u>(5,123,537)</u>
	<u>\$ 66,912,899</u>	<u>\$ 20,866,729</u>	<u>\$ 9,892,482</u>	<u>\$ 13,745,014</u>	<u>\$ 47,130,649</u>	<u>\$ 158,547,773</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, 2017, employer contributions receivable totaled \$7,345,488; member contributions receivable totaled \$1,601,455; and interest and penalties receivable totaled \$293,978.

GGRF has recorded a receivable as of September 30, 2017 of \$26,450,176. Public Law 25-72, passed in September 1999, required the payment of supplemental annuity and cost of living allowance benefits to retirees, and specified that these payments were vested, limited-duration benefits to be provided by GGRF. GGRF initially recorded these benefit payments as a receivable in the amount of \$137,200,000 and has reduced this receivable each year by a portion of employer contributions received. For the year ended September 30, 2017, the statutory contribution rate for the DB Plan is 27.41% of covered payroll, of which 1.2016% was used to reduce this receivable. In the opinion of GovGuam management, the corresponding liability is embodied within the governmental activities net pension obligation of \$1,117,803,682. Thus, no separate corresponding liability is required to be recorded.

B. Tax Abatements

As of September 30, 2017, GovGuam provided tax abatements through the following programs:

Guam Registered Apprenticeship Program (GRAP)

The 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements, Continued

Guam Registered Apprenticeship Program (GRAP), Continued

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

The 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.

Special Hotel Qualifying Certificate (QC) Program

The Special Hotel 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;

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(3) Receivables and Tax Abatements, Continued

B. Tax Abatements, Continued

Special Hotel Qualifying Certificate (QC) Program, Continued

- 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.

Guam Community Recycling Tax Incentive Program

In order to help minimize the volume of Guam's waste stream entering the landfill as well as encourage the practice of recycling and composting on Guam, economic incentive to collect and ship recyclable materials off island to recycling companies was created under Public Law 25-127, which provides recycling and transshipment companies with tax benefits to encourage investment opportunities in recycling and transshipment activities. Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of gross receipts tax on income derived from recycling activities for up to ten (10) years;
- Up to 100% abatement of excise tax with respect to the property used to construct, furnish and equip the recycling facilities.

During the year ended September 30, 2017, information relevant to the disclosure of these programs is as follows:

Guam Registered Apprenticeship Program:	
Gross receipts tax	\$ 4,111,663
Qualifying Certificate Program:	
Real property tax	750,069
Gross receipts tax	12,624,048
Corporate income tax	7,794,690
Special Hotel Qualifying Certificate Program:	
Real property tax	-
Gross receipts tax	-
Excise tax	-
Corporate income tax	-
Guam Community Recycling Tax Incentive Program:	
Gross receipts tax	-
Excise tax	-
	<hr/>
	\$ <u>25,280,470</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(4) Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds in the combined balance sheet at September 30, 2017, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Federal Grants Assistance	\$ 13,533,553
General	GDOE Federal Grants	2,576,855
General	Nonmajor governmental funds	11,307,292
Nonmajor governmental funds	General	<u>18,853,089</u>
		<u>\$ 46,270,789</u>

(5) Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2017, are as follows:

	Estimated Useful Lives	Balance October 1, 2016	Additions	Transfers	Retirements	Balance September 30, 2017
Governmental activities:						
Nondepreciable capital assets:						
Land		\$ 47,926,963	\$ 792,394	\$ -	\$ -	\$ 48,719,357
Construction in progress		<u>162,164,799</u>	<u>25,713,723</u>	<u>(121,551,918)</u>	<u>-</u>	<u>66,326,604</u>
		<u>210,091,762</u>	<u>26,506,117</u>	<u>(121,551,918)</u>	<u>-</u>	<u>115,045,961</u>
Depreciable capital assets:						
Landfill cells	Capacity	71,093,441	-	-	-	71,093,441
Buildings	40 - 60 yrs	619,894,418	28,552,356	7,768,451	-	656,215,225
Machinery, equipment and furniture	5 - 20 yrs	122,526,740	4,213,188	-	(7,818,354)	118,921,574
Infrastructure	25 yrs	<u>695,892,352</u>	<u>2,198,417</u>	<u>113,783,467</u>	<u>-</u>	<u>811,874,236</u>
		<u>1,509,406,951</u>	<u>34,963,961</u>	<u>121,551,918</u>	<u>(7,818,354)</u>	<u>1,658,104,476</u>
Less accumulated depreciation:						
Buildings		(201,407,024)	(14,413,052)	-	-	(215,820,076)
Landfill cells		(3,256,080)	(604,294)	-	-	(3,860,374)
Machinery, equipment and furniture		(91,834,885)	(9,028,365)	-	7,640,366	(93,222,884)
Infrastructure		<u>(358,381,328)</u>	<u>(39,640,049)</u>	<u>-</u>	<u>-</u>	<u>(398,021,377)</u>
		<u>(654,879,317)</u>	<u>(63,685,760)</u>	<u>-</u>	<u>7,640,366</u>	<u>(710,924,711)</u>
Depreciable capital assets, net		<u>854,527,634</u>	<u>(28,721,799)</u>	<u>121,551,918</u>	<u>(177,988)</u>	<u>947,179,765</u>
		<u>\$1,064,619,396</u>	<u>\$ (2,215,682)</u>	<u>\$ -</u>	<u>\$ (177,988)</u>	<u>\$1,062,225,726</u>

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

General government	\$ 11,799,784
Protection of life and property	1,395,915
Public health	365,523
Community services	37,731
Recreation	239,842
Individual and collective rights	11,847,502
Transportation	20,788,461
Public education	13,660,189
Environmental protection	143,377
Economic development	<u>3,407,436</u>
	<u>\$ 63,685,760</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations

As of September 30, 2017, the primary government had the following long-term debt outstanding:

General Obligation Bonds:

General Obligation Bonds, 2009 Series A (original issue of \$271,070,000, dated June 18, 2009), varying interest rates at 5.75% - 7% per annum, payable semiannually on May 1 and November 1, partially refunded in 2015 with principal fund payments due in varying annual installments commencing with an initial payment of \$4,255,000 on November 15, 2015 and increasing to a final payment of \$5,375,000 on November 15, 2019. The bonds were issued for the purpose of providing proceeds to fund certain capital improvement projects and other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments (the 2009 Projects) and are backed solely by a pledge of full faith and credit of GovGuam.

	\$ 15,230,000
Less net unamortized discount	<u>(357,979)</u>
	<u>\$ 14,872,021</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,785,000	\$ 770,250	\$ 5,555,250
2019	5,070,000	474,600	5,544,600
2020	<u>5,375,000</u>	<u>161,250</u>	<u>5,536,250</u>
	<u>\$ 15,230,000</u>	<u>\$ 1,406,100</u>	<u>\$ 16,636,100</u>

On September 9, 2015, GovGuam issued \$410,485,000 in Business Privilege Tax Revenue Bonds, 2015 Series D, with varying interest rates of 3% - 5% per annum. The bonds were issued at a premium, which will be amortized over the life of the bonds using the effective interest rate method, 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 premiums of \$44,650,254), \$454,758,932 were 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 method over average remaining life of the 2007 and 2009 bonds. The unamortized balance of the deferred loss on refunding of the 2007 and 2009 Series bonds is \$75,652,407 as of September 30, 2017.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Limited Obligation Bonds:

Hotel Occupancy Tax Revenue Bonds, 2011 Series A (original issue of \$90,665,000, dated April 28, 2011), varying interest rates at 2% - 6.5% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying annual installments commencing with an initial payment of \$1,670,000 on November 1, 2011 and increasing to a final payment of \$5,725,000 on November 1, 2040. The 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, and are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of hotel occupancy tax revenues. \$ 79,695,000

Business Privilege Tax Revenue Bonds, 2011 Series A (original issue of \$235,000,000, dated December 1, 2011), varying interest rates at 2.5% - 5.25% per annum, payable semiannually on January 1 and July 1, principal fund payments due in varying annual installments commencing with an initial payment of \$4,515,000 on January 1, 2017 and increasing to a final payment of \$15,940,000 on January 1, 2042. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments, and funding capitalized interest, and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 230,485,000

Business Privilege Tax Revenue Bonds, 2012 Series B (original issue of \$108,700,000, dated June 6, 2012), varying interest rates at 2.93% - 5% per annum, payable semiannually on January 1 and July 1, principal fund payments due in varying annual installments commencing with an initial payment of \$2,305,000 on January 1, 2017 and increasing to a final payment of \$7,135,000 on January 1, 2042. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, health insurance premium payments and delinquent retirement fund contributions, and funding capitalized interest, and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 106,395,000

Business Privilege Tax Revenue Bonds, 2013 Series C (original issue of \$22,640,000, dated February 7, 2013), varying interest rates at 3% - 5% per annum, payable semiannually on May 15 and November 15, principal fund payments due in varying annual installments commencing with an initial payment of \$1,300,000 on November 15, 2013 and increasing to a final payment of \$4,675,000 on November 15, 2018. The bonds were issued for the purpose of refunding 1993 General Obligation Bonds and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 9,130,000

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Limited Obligation Bonds, Continued:

Business Privilege Tax Revenue Bonds, 2015 Series D (original issue of \$410,485,000, dated September 9, 2015), varying interest rates at 3% - 5% per annum, payable semiannually on May 15 and November 15, principal fund payments due in varying annual installments commencing with an initial payment of \$2,080,000 on November 15, 2017 and increasing to a final payment of \$19,145,000 on November 15, 2039. The bonds were issued for the purpose of refunding 2007 and 2009 General Obligation Bonds and are payable solely from and collateralized by a pledge of gross receipts tax revenues. 410,485,000

Limited Obligation (Section 30) Bonds, 2016 Series A (original issue of \$236,605,000, dated August 17, 2016), varying interest rates at 2% - 5% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of \$1,630,000 on December 1, 2016 and increasing to a final payment of \$4,435,000 on December 1, 2046. The bonds were issued for the purpose of refunding 2009 Limited Obligation (Section 30) Bonds; refinancing all of the outstanding 2013 Series B Certificates of Participation (Ukudo Expansion Project); and to provide additional proceeds to fund certain working capital costs of the Guam Memorial Hospital, and are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of Section 30 federal income tax collections. 234,975,000

1,071,165,000

Add net unamortized premium 96,836,453
Less net unamortized discount (1,685,218)

\$ 1,166,316,235

Annual debt service requirements to maturity for limited obligation bonds are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 18,125,000	\$ 53,859,786	\$ 71,984,786
2019	21,510,000	52,946,382	74,456,382
2020	25,745,000	51,791,503	77,536,503
2021	33,030,000	50,330,461	83,360,461
2022	35,720,000	48,616,754	84,336,754
2023 - 2027	192,875,000	214,590,239	407,465,239
2028 - 2032	238,390,000	160,783,456	399,173,456
2033 - 2037	277,695,000	93,020,203	370,715,203
2038 - 2042	207,970,000	27,923,497	235,893,497
2043 - 2047	<u>20,105,000</u>	<u>2,613,625</u>	<u>22,718,625</u>
	\$ <u>1,071,165,000</u>	\$ <u>756,475,906</u>	\$ <u>1,894,432,906</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Limited Obligation Bonds, Continued:

On August 17, 2016, GovGuam issued \$236,605,000 in Limited Obligation (Section 30) Bonds, 2016 Series, with varying interest rates of 2% - 5% per annum. The bonds were issued at a premium, which will be amortized over the life of the bonds using the effective interest rate method, 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. Of the net proceeds of \$280,547,958 (including a premium of \$43,942,958), \$211,658,081 were 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 of the 2009 Series bonds is \$30,164,924 as of September 30, 2017.

Loans Payable:

Note payable to a local bank in the amount of \$11,000,000, dated September 15, 2006, interest at 5% per annum, payable quarterly commencing December 1, 2006, with principal and interest payable commencing December 1, 2009 in quarterly installments of \$248,251, fully due on September 1, 2018. This loan was used to fund the construction of a Judicial Building and a Forensic Science Laboratory. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues. \$ 6,410,910

Note payable to a local bank in the amount of \$4,000,000, dated April 28, 2014, variable interest at 1.25% over bank's reference rate subject to a minimum rate of 4.5% per annum (5.5% at September 30, 2017), payable monthly interest only commencing 30 days after first drawdown, with principal and interest payable monthly commencing 18 months first drawdown, fully due on September 1, 2020. This loan was used to fund the modernization, refurbishment and restoration of the Guam Congress Building. The note is collateralized by the pledge and assignment of Capitol District Fund revenues. 3,946,408

\$ 10,357,318

Annual debt service requirements to maturity for the loans payable are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,515,695	\$ 553,590	\$ 7,069,285
2019	110,696	208,504	319,200
2020	<u>3,730,927</u>	<u>202,831</u>	<u>3,933,758</u>
	\$ <u>10,357,318</u>	\$ <u>964,926</u>	\$ <u>11,322,244</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

There are a number of limitations and restrictions placed on the bonds as specified below:

General Obligation Bonds - 2009 Series A:

On or before the fifth day of each calendar month, GovGuam shall deposit into the Bond Fund held by the Trustee an amount equal to the amount necessary to increase the amount in the Bond Fund to the aggregate amount for all outstanding Bonds of all unpaid interest, principal and Mandatory Sinking Account Payments which shall be required to have been transferred to the Bond Fund under the following transfer requirement rules: (i) the amount of interest payable on each Bond on a current un compounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Interest Accrual Period for such Bond ending on such Interest Payment Date; (ii) the amount of interest payable on each Bond on a deferred compounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; (iii) the amount of the principal of each Bond shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; and (iv) the amount of each Mandatory Sinking Account Payment for Bonds shall be transferred in equal monthly amounts over the Principal Payment Period for such Bonds ending on the date such Mandatory Sinking Account Payment is due.

On or prior to the fifth Business Day preceding each Interest Payment Date, the Trustee shall notify GovGuam of the amount, if any, by which the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments. On or prior to the third Business Day preceding such Interest Payment Date, GovGuam shall deposit with the Trustee an amount equal to the amount of such deficiency.

In the event that on the third Business Day preceding any Interest Payment Date, the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments, the Depository upon the direction of the Trustee shall transfer to the Bond Fund the amount of such deficiency by withdrawing said amount from the Construction Fund or Proceeds Fund.

The 2009 Series A Bonds are general obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-7 and a Certificate of the Governor of Guam, dated June 1, 2009. Under the Certificate, the Governor of Guam appointed a Trustee and Depository for the Bonds and a Paying Agent and registrar for the Bonds.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

General Obligation Bonds - 2009 Series A, Continued:

In accordance with the Certificate, the Depository has created the following trust accounts:

- Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depository for the payment of the costs of the 2009 Projects 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.
- 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.

The "Proceeds Fund" and "Bond Fund" accounts are accounted for within the General Fund.

Limited Obligation (Section 30) Bonds, 2016 Series A:

The 2016 Series A Section 30 Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 33-183 and an Indenture dated June 1, 2009, as amended and restated by an Amended and Restated Indenture, dated August 17, 2016. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depository for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Section 30 revenues. Section 30 revenues are amounts received by or on behalf of GovGuam or the Trustee from the United States as proceeds of custom duties, federal income taxes and any other taxes derived from Guam.

As defined by the terms of the bond indenture, these revenues include the following: (1) all amounts received by GovGuam as proceeds of Federal income taxes derived from Guam ("Section 30" monies); (2) customs duties collected by GovGuam derived from Guam; (3) the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in Guam and transported to the United States, its Territories or possessions, or consumed in Guam; and (4) the proceeds of any other taxes which may be levied by Congress on the inhabitants of Guam. "Revenue" further includes all interest, profits or other income derived from investments in any fund or account created pursuant to the bond indenture.

In accordance with the Indenture, the following funds are established:

- Section 30 Revenue Fund - GovGuam 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, except that all interest and other profit from the investment of moneys in the Rebate Fund will be retained therein, all interest and other profit from the investment of moneys in the Project Fund will be transferred to the Capitalized Interest Account, which shall be established, maintained and held in trust by the Depository as a separate account within the Section 30 Revenue Fund. The Trustee shall be entitled to and shall collect and receive all of the Section 30 Revenues, and any Section 30 Revenues collected or received by GovGuam shall be deemed to be held, and to have been collected or received, by GovGuam as the agent of the Trustee and shall promptly be paid by GovGuam to the Trustee.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Limited Obligation (Section 30) Bonds, 2016 Series A, Continued:

On the fifth day of each calendar month, the Trustee shall transfer from the Section 30 Revenue Fund (to the Co-Trustee or Depository, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Section 30 Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Debt Service Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; and (E) the Section 30 Surplus Fund.

- Debt Service Fund - The Debt Service Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Debt Service Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable and (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture.
- Bond Reserve Fund - The Indenture requires the Trustee to establish and maintain the Bond Reserve Fund and to deposit with respect to any series of Bonds an amount equal to the Bond Reserve Fund Requirement to be held by the Trustee. 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) Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (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 ten percent (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 and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Internal Revenue Code.
- Project Fund - At closing, there shall be deposited in the Series 2016A Project Account a portion of the proceeds of the 2016A Bonds. Moneys on deposit therein will be disbursed to fund the 2016 Hospital Working Capital Project, which consists of refinancing an outstanding working capital loan in the approximate principal amount of \$20.1 million, and finance approximately \$45 million of vendor accounts payable.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Trustee upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The "Section 30 Revenue Fund", "Capitalized Interest Account", "Debt Service Fund", "Bond Reserve Fund", "Project Fund" and "Bond Expense Fund" accounts are accounted for within the General Fund.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Hotel Occupancy Tax Revenue Bonds, 2011 Series A:

The 2011 Series A Hotel Occupancy Tax Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-228 and an Indenture, as supplemented by a First Supplemental Indenture, each dated April 1, 2011. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Hotel Occupancy Tax revenues. Hotel Occupancy Tax revenues are amounts levied at the rate of 11% on transient occupancy of hotel rooms in Guam.

In accordance with the Indenture, the following funds are established:

- Revenue Fund - GovGuam shall deposit or cause to be deposited all Hotel Occupancy Tax Revenues upon receipt in a special fund designated as the "Revenue Fund", which the Trustee, as Depositary, will establish and maintain and hold in trust pursuant to the Indenture.

On or before the fifth day of each calendar month following the calendar month in which the 2011 Series A Hotel Occupancy Tax Bonds are delivered, the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Hotel Occupancy Tax revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Bond Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; (E) such amount specified by the budget enacted by *I Liheslaturan Guåhan* (the Guam Legislature) for the Guam Visitors Bureau; and (F) the Tourist Attraction Fund.

- Bond Fund - The Bond Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Bond Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable, (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture, (4) pay Parity Payment Agreement payments as they become due and payable, and (5) pay Credit Agreement Reimbursement payments as they become due and payable.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depositary upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Business Privilege Tax Revenue Bonds - 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D:

- Construction Fund - At closing, there shall be deposited in the Series 2011A Construction Account within the Construction Fund a portion of the proceeds of the 2011A Bonds. Moneys on deposit therein will be disbursed to fund the 2011A Bonds Project, which consists 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.
- Bond Reserve Fund - The Indenture requires the Trustee to establish and maintain the Bond Reserve Fund and to deposit with respect to any series of Bonds an amount equal to the Bond Reserve Fund Requirement to be held by the Trustee. 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) Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (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 ten percent (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 and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Internal Revenue Code.

The "Revenue Fund", "Bond Fund", "Bond Reserve Fund", "Bond Expense Fund" and "Construction Fund" accounts are accounted for within the other governmental funds.

The 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D Business Privilege Tax Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 31-76 and an Indenture, as supplemented by a First Supplemental Indenture, each dated December 1, 2011, a Second Supplemental Indenture, dated June 1, 2012, a Third Supplemental Indenture, dated January 1, 2013, and a Fourth Supplemental Indenture, dated September 1, 2015. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Gross Receipts Tax (GRT) revenues. GRT revenues are amounts levied by GovGuam at the rate of 4% on certain goods and services, including the sale of tangible personal property and the provision of professional services.

In accordance with the Indenture, the following funds are established:

- Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depositary for the payment of Eligible Expenses to be funded from Bond proceeds and the costs associated with the issuance of the Bonds.
- Revenue Fund - GovGuam shall deposit or cause to be deposited all GRT upon receipt in a special fund designated as the "Revenue Fund", which the Trustee, as Depositary, will establish and maintain and hold in trust pursuant to the Indenture.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(6) Long-Term Obligations, Continued

Business Privilege Tax Revenue Bonds - 2011 Series A, 2012 Series B, 2013 Series C and 2015 Series D, Continued:

On or before the twenty-fifth day of each calendar month, the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or Depository, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of GRT revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Bond Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; and (E) GovGuam, free and clear from the lien of the Indenture, the balance of the Revenue Fund.

- Bond Fund - The Bond Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Bond Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable, (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture, (4) pay Parity Payment Agreement payments as they become due and payable, and (5) pay Credit Agreement Reimbursement payments as they become due and payable.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depository upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.
- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depository upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The "Proceeds Fund", "Revenue Fund", "Bond Fund" and "Bond Expense Fund" accounts are accounted for within the General Fund.

Management of GovGuam believes that it is in compliance with all significant limitations and restrictions of the bond indentures and loan covenants as of September 30, 2017.

Prior-Year Defeasance of Debt:

In prior years, GovGuam defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in GovGuam's financial statements. At September 30, 2017, \$586,235,000 of bonds outstanding are considered defeased.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(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, 2017, 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 1, 2016	Additions	Reductions	Balance September 30, 2017	Due Within One Year
GO Bonds payable:					
General obligation bonds	\$ 19,740,000	\$ -	\$ (4,510,000)	\$ 15,230,000	\$ 4,785,000
Discount on bonds issued	<u>(474,081)</u>	<u>-</u>	<u>116,102</u>	<u>(357,979)</u>	<u>-</u>
	<u>19,265,919</u>	<u>-</u>	<u>(4,393,898)</u>	<u>14,872,021</u>	<u>4,785,000</u>
LO Bonds payable:					
Limited obligation bonds	1,085,865,000	-	(14,700,000)	1,071,165,000	18,125,000
Premium on bonds issued	101,226,335	-	(4,389,882)	96,836,453	-
Discount on bonds issued	<u>(1,758,224)</u>	<u>-</u>	<u>73,006</u>	<u>(1,685,218)</u>	<u>-</u>
	<u>1,185,333,111</u>	<u>-</u>	<u>(19,016,876)</u>	<u>1,166,316,235</u>	<u>18,125,000</u>
Loans payable	<u>9,447,231</u>	<u>1,611,129</u>	<u>(701,042)</u>	<u>10,357,318</u>	<u>6,515,695</u>
Other long-term liabilities:					
Compensated absences	26,670,169	9,489,189	(10,043,055)	26,116,303	10,625,355
Capital lease obligations	181,205,903	26,995,762	(8,139,649)	200,062,016	7,996,554
DCRS sick leave liability	31,298,096	3,420,667	-	34,718,763	-
Net pension liability	1,166,981,420	86,356,781	(135,534,519)	1,117,803,682	-
Tax credits payable	6,091,085	-	(1,264,961)	4,826,124	4,826,124
Due to IRS	19,937,926	-	-	19,937,926	5,500,000
Landfill closure	<u>16,963,346</u>	<u>946,251</u>	<u>(1,723,510)</u>	<u>16,186,087</u>	<u>-</u>
	<u>1,449,147,945</u>	<u>127,208,650</u>	<u>(156,705,694)</u>	<u>1,419,650,901</u>	<u>28,948,033</u>
	<u>\$ 2,663,194,206</u>	<u>\$ 128,819,779</u>	<u>\$ (180,817,510)</u>	<u>\$ 2,611,196,475</u>	<u>\$ 58,373,728</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; however, GovGuam anticipates repayment to occur in three equal annual amounts of \$5,500,000 with a final payment of \$3,437,926.

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, 2017, tax credits in the amount of \$1,264,961 were redeemed in lieu of payments associated with this Court Order.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(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 fund balance classifications:

	General	Federal Grants Assistance	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
Nonspendable:						
Pacific Islands Development Bank	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Land trust	-	-	-	461,302,203	-	461,302,203
Inventories	<u>2,363,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,363,649</u>
	<u>3,363,649</u>	<u>-</u>	<u>-</u>	<u>461,302,203</u>	<u>-</u>	<u>464,665,852</u>
Restricted:						
State Fiscal Stabilization Fund	73,105	-	-	-	-	73,105
First Generation Trust Initiative	653,826	-	-	-	-	653,826
Debt service reserve	72,543,110	-	-	-	13,573,759	86,116,869
Municipal school lease	4,800,125	-	-	-	-	4,800,125
Tourism-related capital projects	-	-	-	-	11,985,264	11,985,264
Chamorro Loan Guarantee	-	-	-	-	514,125	514,125
Ancestral Land Bank	-	-	-	-	5,421,317	5,421,317
Landfill-related capital projects	-	-	-	-	8,628,438	8,628,438
Other purposes	<u>166,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,140</u>
	<u>78,236,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,122,903</u>	<u>118,359,209</u>
Committed:						
General government	5,370,266	-	-	-	6,713,492	12,083,758
Protection of life and property	1,093,406	-	-	-	3,271,668	4,365,074
Public health	622,926	-	-	-	13,512,175	14,135,101
Community services	-	-	-	-	46,903	46,903
Recreation	-	-	-	-	2,242,051	2,242,051
Individual and collective rights	7,016,134	-	-	-	221,692	7,237,826
Transportation	-	-	-	-	1,384,654	1,384,654
Public education	5,024	-	-	-	96,336	101,360
Environmental protection	-	-	-	-	11,852,342	11,852,342
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,780,568</u>	<u>6,780,568</u>
	<u>14,107,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,121,881</u>	<u>60,229,637</u>
Assigned:						
Other purposes	<u>-</u>	<u>65,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,141</u>
Unassigned						
	<u>(168,710,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(391,314)</u>	<u>(169,101,657)</u>
	<u>\$(73,002,632)</u>	<u>\$ 65,141</u>	<u>\$ -</u>	<u>\$ 461,302,203</u>	<u>\$ 85,853,470</u>	<u>\$ 474,218,182</u>

(9) Deficit Net Position

The following individual component units reflect a deficit net position at September 30, 2017:

Component Units:

Guam Memorial Hospital Authority \$ 80,086,171

Guam Economic Development Authority \$ 14,500,595

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(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, 2017, are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Federal Grants Assistance Fund	\$ 31,832,100	\$ -
Nonmajor governmental funds	9,967,783	54,050,838
Fiduciary funds	<u>886,174</u>	<u>-</u>
	<u>42,686,057</u>	<u>54,050,838</u>
Federal Grants Assistance Fund:		
General Fund	-	31,832,100
GDOE Federal Grants Fund	<u>8,742,467</u>	<u>-</u>
	<u>8,742,467</u>	<u>31,832,100</u>
GDOE Federal Grants Fund:		
Federal Grants Assistance Fund	<u>-</u>	<u>8,742,467</u>
Nonmajor governmental funds:		
General Fund	54,050,838	9,967,783
Nonmajor governmental funds	<u>13,959,464</u>	<u>13,959,464</u>
	<u>68,010,302</u>	<u>23,927,247</u>
Fiduciary funds:		
General Fund	<u>-</u>	<u>886,174</u>
	<u>\$ 119,438,826</u>	<u>\$ 119,438,826</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 \$31,832,100 from the General Fund to the Federal Grants Assistance Fund representing local match requirements under various federal grant awards; \$8,005,562 from the General Fund to the nonmajor governmental funds to finance charter schools administered by the Guam Department of Education; \$13,978,803 from the nonmajor governmental funds to the General Fund to finance General Fund operations; \$30,862,347 from the nonmajor governmental funds to the General Fund to primarily finance public school operations and debt service requirements; and \$8,742,467 from the Federal Grants Assistance Fund to the GDOE Federal Grants Fund to finance municipal school lease payments and other programs administered by the Guam Department of Education.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans

A. General Information About the Pension Plans:

Defined Benefit Plan

Plan Description: 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. 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 commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS). Hence, the DB Plan became a closed group.

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, 2016, the date of the most recent valuation, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	7,298
Terminated employees entitled to benefits but not yet receiving them	4,463
Current members	<u>2,208</u>
	<u>13,969</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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

A. General Information About the Pension Plans, Continued:

Defined Benefit Plan, Continued

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 of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Contributions and Funding Policy: Contribution requirements of participating employers and active members 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, 2015 actuarial valuation was used for determining the year ended September 30, 2017 statutory contributions. Member contributions are required at 9.55% of base pay.

As a result of actuarial valuations performed as of September 30, 2015, 2014, and 2013, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2017, 2016 and 2015, respectively, have been determined as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Normal costs (% of DB Plan payroll)	16.27%	15.86%	15.92%
Employee contributions (DB Plan employees)	<u>9.55%</u>	<u>9.54%</u>	<u>9.55%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>6.72%</u>	<u>6.32%</u>	<u>6.37%</u>
Employer portion of normal costs (% of total payroll)	1.87%	1.94%	2.05%
Unfunded liability cost (% of total payroll)	<u>21.60%</u>	<u>22.42%</u>	<u>24.09%</u>
Government contribution as a % of total payroll	<u>23.47%</u>	<u>24.36%</u>	<u>26.14%</u>
Statutory contribution rates as a % of DB Plan payroll:			
Employer	<u>27.41%</u>	<u>28.16%</u>	<u>29.85%</u>
Employee	<u>9.55%</u>	<u>9.54%</u>	<u>9.55%</u>

GovGuam's contributions to the DB Plan for the years ended September 30, 2017, 2016 and 2015 were \$23,255,833, \$26,039,792 and \$32,053,568, respectively, which were equal to the statutorily required contributions for the respective years then ended.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

A. General Information About the Pension Plans, Continued:

Defined Benefit Plan, Continued

Actuarial Assumptions: Actuarially determined contribution rates 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, 2015
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	14.58 years
Asset Valuation Method:	3-year smoothed market value
Inflation:	2.75%
Total payroll growth:	3.00% per year
Salary Increases:	4.50% to 7.50%
Expected Rate of Return:	7.00%
Discount Rate:	6.70%
Retirement age:	40% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 15% until age 65, 20% from 65-69, and 100% at age 70.
Mortality:	RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP 2000 disability mortality table with no set forwards.
Other information:	Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012.

Discount Rate: The total pension liability is calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. 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 ad hoc cost-of-living adjustments (COLA) and supplemental annuity (SA) payments to DB retirees. The rate of return of a high quality bond index applies to the ad hoc COLAs and supplemental annuity payments to DB retirees, which are not funded by plan assets. The blended rate calculated as described above is 6.70%.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

A. General Information About the Pension Plans, Continued:

Defined Benefit Plan, Continued

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.70%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate <u>5.70%</u>	Current Discount Rate <u>6.70%</u>	1% Increase in Discount Rate <u>7.70%</u>
Net Pension Liability	\$ <u>1,114,085,145</u>	\$ <u>913,724,199</u>	\$ <u>741,267,725</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees

Plan Description: GovGuam participates in the GovGuam ad hoc COLA/supplemental annuity plan for DB retirees, a single-employer defined benefit pension plan administered by the GGRF. GovGuam considers this as a separate pension plan for DB retirees. A single actuarial calculation 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 this 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: The plan membership is the same as the DB plan described above.

Benefits Provided, Contributions and Funding Policy: Ad hoc COLA and supplemental annuity benefits are provided to members and beneficiaries at the discretion of the Guam Legislature, but are funded on a "pay-as-you-go" basis so there is no plan trust. Ad hoc COLAs are made through annual allocations to provide DB Plan retired members and spouse survivors with COLA payments of \$2,000 per year. In addition, DB Plan retired members and survivors whose benefits commenced prior to October 1, 1995, have received supplemental annuity payments in the amount of \$4,238 per year, but not to exceed \$40,000 per year when combined with their regular annual retirement annuity. 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.

GovGuam's contributions to the Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees for the years ended September 30, 2017, 2016 and 2015 were \$16,931,330 \$17,165,779 and \$17,498,999, respectively, which were equal to the statutorily required contributions for the respective years then ended.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

A. General Information About the Pension Plans, Continued:

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees, Continued

Actuarial Assumptions: The methods and assumptions used to determine contribution rates are as follows:

Valuation Date:	September 30, 2015
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Inflation:	2.75%
Total payroll growth:	3.00% per year
Salary Increases:	4.50% to 7.50%
Discount Rate:	6.70%
Retirement age:	40% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 15% until age 65, 20% from 65-69, and 100% at age 70.
Mortality:	RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP 2000 disability mortality table with no set forwards.
Other information:	Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012.

Discount Rate: The total pension liability is calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. 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 ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments to DB retirees. The rate of return of a high quality bond index applies to the ad hoc COLAs and supplemental annuity payments to DB retirees, which are not funded by plan assets. The blended rate calculated as described above is 6.70%.

Discount Rate Sensitivity Analysis: The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.70%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate <u>5.70%</u>	Current Discount Rate <u>6.70%</u>	1% Increase in Discount Rate <u>7.70%</u>
Net Pension Liability	\$ <u>175,401,133</u>	\$ <u>163,009,076</u>	\$ <u>152,039,383</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

A. General Information About the Pension Plans, Continued:

Ad Hoc COLA Plan for DCRS Retirees

Plan Description: GovGuam participates in the GovGuam ad hoc COLA plan for DCRS retirees, a single-employer defined benefit pension plan administered by the GGRF. GovGuam considers this as a separate pension plan for DCRS retirees. A single actuarial calculation 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 this 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, 2016, the most recent measurement date, plan membership consisted of 8,858 active DCRS participants.

Benefits Provided, Contributions and Funding Policy: Ad hoc COLA benefits, contributions and funding policy are the same as those for DB retirees.

GovGuam's contributions to the Ad Hoc COLA Plan for DCRS Retirees for the years ended September 30, 2017, 2016 and 2015 were \$1,102,000, \$950,000 and \$802,600, respectively, which were equal to the statutorily required contributions for the respective years then ended.

Actuarial Assumptions: The methods and assumptions used to determine contribution rates are as follows:

Valuation Date:	September 30, 2015
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll
Inflation:	2.75%
Total payroll growth:	3.00% per year
Salary Increases:	4.50% to 7.50%
Discount Rate:	3.058%
Retirement age:	5% per year from age 55 to 64, 10% per year from age 65 to age 74, 100% at age 75.
Mortality:	RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP 2000 disability mortality table with no set forwards.
Other information:	Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

A. General Information About the Pension Plans, Continued:

Ad Hoc COLA Plan for DCRS Retirees, Continued

Discount Rate: The total pension liability is calculated using a discount rate of 3.058% that is the high quality bond index rate. The rate of return of a high quality bond index applies to benefit payments that are not funded by plan assets.

Discount Rate Sensitivity Analysis: The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.058%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate <u>2.058%</u>	Current Discount Rate <u>3.058%</u>	1% Increase in Discount Rate <u>4.058%</u>
Net Pension Liability	\$ <u>46,914,092</u>	\$ <u>41,070,407</u>	\$ <u>34,100,681</u>

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

Pension Liability: At September 30, 2017, GovGuam reported a net pension liability for its proportionate share of the net pension liabilities, which is comprised of the following:

Defined benefit plan	\$ 913,724,199
Ad hoc COLA/supplemental annuity plan for DB retirees	163,009,076
Ad hoc COLA plan for DCRS retirees	<u>41,070,407</u>
	<u>\$ 1,117,803,682</u>

GovGuam's proportion of the GovGuam net pension liabilities was based on projection of GovGuam's long-term share of contributions to the pension plans relative to the projected contributions of GovGuam and GovGuam's component units, actuarially determined. At September 30, 2017, GovGuam's proportionate shares of the GovGuam net pension liabilities were as follows:

Defined benefit plan	66.76%
Ad hoc COLA/supplemental annuity plan for DB retirees	71.03%
Ad hoc COLA plan for DCRS retirees	66.58%

Pension Expense: For the year ended September 30, 2017, GovGuam recognized pension expense from the above pension plans as follows:

Defined benefit plan	\$ 70,685,762
Ad hoc COLA/supplemental annuity plan for DB retirees	12,040,248
Ad hoc COLA plan for DCRS retirees	<u>3,630,771</u>
	<u>\$ 86,356,781</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

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

Deferred Outflows and Inflows of Resources: At September 30, 2017, GovGuam 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/SA 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	\$ -	\$ 3,010,118	\$ 12,751	\$ -	\$ 447,086	\$ -
Net difference between projected and actual earnings on pension plan investments	-	4,779,222	-	-	-	-
Changes of assumptions	2,601,619	-	168,151	-	4,485,278	-
Contributions subsequent to the measurement date	78,645,925	-	16,931,329	-	1,102,000	-
Changes in proportion and difference between GovGuam contributions and proportionate share of contributions	<u>1,937,033</u>	<u>3,078,088</u>	<u>28,259</u>	<u>160,905</u>	<u>1,130,276</u>	<u>553,097</u>
	<u>\$ 83,184,577</u>	<u>\$ 10,867,428</u>	<u>\$ 17,140,490</u>	<u>\$ 160,905</u>	<u>\$ 7,164,640</u>	<u>\$ 553,097</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, 2017 will be recognized in pension expense as follows:

<u>Year Ending September 30</u>	<u>Defined Benefit Plan</u>	<u>Ad Hoc COLA/SA Plan for DB Retirees</u>	<u>Ad Hoc COLA Plan for DCRS Retirees</u>
2018	\$ (9,843,041)	\$ 48,256	\$ 351,065
2019	2,426,609	-	351,065
2020	8,507,464	-	351,065
2021	(7,419,808)	-	351,065
2022	-	-	351,065
Thereafter	<u>-</u>	<u>-</u>	<u>3,754,218</u>
	<u>\$ (6,328,776)</u>	<u>\$ 48,256</u>	<u>\$ 5,509,543</u>

Defined Contribution Retirement System (DCRS)

Contributions into the DCRS plan by members are based on an automatic deduction of 5% 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.

Statutory employer contributions for the DCRS plan for the year ended September 30, 2017 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 5% 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.

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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

Defined Contribution Retirement System (DCRS), Continued

GovGuam's contributions to the DCRS Plan for the years ended September 30, 2017, 2016 and 2015 were \$69,201,601, \$71,313,222 and \$71,510,959, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts, \$55,390,092, \$55,915,707 and \$58,356,153 were contributed toward the unfunded liability of the DB Plan for the years ended September 30, 2017, 2016 and 2015, respectively.

Other Post Employment Benefits

Plan Description: GovGuam, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a cost-sharing multiple employer defined benefit plan to provide certain postretirement healthcare benefits to retirees who are members of the GovGuam Retirement Fund. Under the Plan, known as the GovGuam Group Health Insurance Program, GovGuam 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. Because the 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.

Funding Policy: GovGuam contributes to the Plan a portion of the medical and dental premiums based on a schedule of semi-monthly rates provided through insurance companies, with GovGuam's contribution amount set each year at renewal. Retirees are also required to pay a portion of the medical and dental insurance premiums. Medical coverage continues to the spouse after the death of the retiree provided the spouse makes the required contributions. Retirees and covered spouses are eligible for a \$10,000 life insurance benefit. Retirees do not share in the cost of this benefit. Monthly life insurance premium is \$15.52 per covered life.

For the years ended September 30, 2017, 2016 and 2015, GovGuam's contributions to this Plan amounted to \$36,235,284, \$32,395,138 and \$29,440,638, respectively, equal to the statutorily required contributions for the respective years then ended.

GovGuam's net OPEB obligation at September 30, 2017, 2016, 2015 for the above mentioned Plan is as follows:

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ <u>1,079,182,304</u>	\$ <u>987,000,240</u>	\$ <u>898,202,000</u>

Defined Benefit 1.75 Retirement System (the DB 1.75 Plan) and the Guam Retirement Security Plan (GRSP)

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 GRSP. Commencing April 1, 2017 through September 30, 2017, eligible employees may elect, during the "election window", to participate in the DB 1.75 Plan or the GRSP with an effective date of January 1, 2018. Beginning January 1, 2018, all new employees shall be automatically enrolled in the GRSP. New employees have sixty (60) days from the date of hire to elect to participate in the DCRS.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(11) Retirement Plans, Continued

Defined Benefit 1.75 Retirement System (the DB 1.75 Plan) and the Guam Retirement Security Plan (GRSP), Continued

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 or the new GRSP 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.

No actuarial valuation of the DB 1.75 Plan or the GRSP has been performed.

(12) Commitments and Contingencies

A. Landfill Closure and Postclosure Costs

On February 11, 2004, GovGuam and the U.S. Environmental Protection Agency filed a Consent Decree in the United States District Court of Guam. The consent decree included deadlines for the opening of a new landfill and implementing an Ordot Dump closure plan. Within a period of forty-five months, GovGuam was required to complete an environmental impact statement analyzing at least three potential new landfill locations; complete design, permitting, and construction for the selected landfill location; begin operations at the new landfill; and properly and permanently close the Ordot Dump. In the event that GovGuam failed to meet any of the stipulated deadlines under the consent decree, GovGuam would be liable for civil penalties.

On March 17, 2008, the United States District Court of Guam issued a Court Order that placed the Solid Waste Division of the Department of Public Works (DPW) in Guam in Receivership. After receiving and reviewing qualifications information on firms presented by GovGuam and the U.S. Environmental Protection Agency, and conducting interviews and reference checks, the District Court Judge selected and appointed a receiver. The Receiver was given full power and authority to enforce the terms of the Consent Decree, including closure of the Ordot Dump and opening of a new landfill, and assume all of the responsibilities for the operations of DPW's Solid Waste Division. For the year ended September 30, 2017, recorded Receiver related expenditures were \$1,602,172 with accumulated Receiver related expenditures since the appointment of the Receiver on March 17, 2008 through September 30, 2017 amounting to \$19,264,772. Of this amount, \$3,848,700 was funded by the General Fund and the remaining was funded from solid waste operations. The District Court maintains a separate trust account from which Receiver fees are paid. Accordingly, timing differences occur between GovGuam records and the fees actually paid and payable to the Receiver by the District Court of Guam.

Pursuant to the Court Order, the appointment of the Receiver shall be for the period necessary to achieve compliance with the consent decree unless: (a) the Receiver recommends termination of the Court Order as no longer necessary, or modification thereof, and said termination or modification is accepted by the court, (b) the Receiver requests to be relieved and such request is approved by the court, and (c) the Court Order is otherwise modified or terminated by the court.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

A. Landfill Closure and Postclosure Costs, Continued

On February 13, 2009, the United States District Court of Guam 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 reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during fiscal year 2017. The estimated landfill closure and post closure care liability at September 30, 2017 is not included in the accompanying fund financial statements. Instead, GovGuam has reported an amount of \$10,948,339 as landfill closure and post closure care liability at September 30, 2017 within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump and \$5,237,748 reported based on the use of 5.43% of the estimated capacity of Layon landfill. The Layon landfill consists of up to eleven cells and has an estimated lifespan of 50 years. Currently, GovGuam has projected utilizing two cells that together have a projected life of 10 years. 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 2017. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

B. Permanent Injunction

On June 8, 2004, the United States District Court of Guam issued a Permanent Injunction, which was subsequently amended on June 30, 2005, requiring GovGuam's Department of Mental Health and Substance Abuse (MHSA) and Department of Integrated Services for Individuals with Disabilities (DISID) to provide treatment and develop programs to mentally ill patients residing on Guam.

On March 2, 2010, the Court issued a Court Order appointing a Federal Management Team (FMT) in order to achieve compliance with the amended Permanent Injunction. The Court Order also required the payment of \$1,500,000 to be deposited with the Court for the purpose of funding the activities of the FMT. On September 8, 2010, the Court approved the FMT's Plan of Action. On November 9, 2010, the Court issued a Court Order requiring the payment of \$15,950,000 to be deposited with the Court for the purpose of funding the cost of implementation of the Amended Permanent Injunction and Plan of Action, of which GovGuam had deposited prerequisite payments of \$7,500,000.

On October 7, 2011, the Court issued a Court Order deferring the remainder of the required deposits pending the adoption of the FMT's Plan of Action.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

B. Permanent Injunction, Continued

On August 3, 2012, the Court issued a Court Order returning control of MHS and DISID back to GovGuam for the purpose of fulfilling the requirements of the Permanent Injunction; however, the requirement to make the remaining deposits remains in the event that GovGuam fails to comply with the amended Permanent Injunction. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction. 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.

C. Guam Fire Department Equipment

On September 30, 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. As of September 30, 2017, no commitment has been entered into with respect to the purchase of this equipment.

D. Land Management Building

On December 24, 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, 2017, no commitment has been entered into with respect to the construction of this facility.

E. University of Guam (UOG) and Guam Community College (GCC) Buildings

On December 1, 2010, the Guam Legislature enacted Public Law 30-201 authorizing the construction of the UOG Student Services Center and the Annex Building for the School of Engineering; the extension of the GCC Crime Lab Building; and the renovation of GCC Buildings 100 and 200 in the aggregate amount of \$40,500,000. As of September 30, 2017, no commitment has been entered into with respect to the construction of these facilities.

On October 6, 2016, UOG signed a facilities lease agreement with the UOG Endowment Foundation, Inc. (the Foundation) for the lease of UOG Student Success Center College of Natural and Applied Sciences - Engineering Annex. On December 5, 2016, the Foundation entered into a \$21,700,000 loan from the U.S. Department of Agriculture (USDA) for the renovation and expansion of a Student Services Center and the construction of an Engineering Annex.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

F. Tax Refunds

On August 12, 2012, the United States District Court of Guam held a hearing regarding GovGuam's administration of the Guam Territorial Income Tax (GTIT) and the lack of timely payment of tax refunds. On January 30, 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.

G. 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, the General Fund 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.

H. Municipal School Lease Agreements

Guam Public School Facilities Project:

On October 19, 2006, GovGuam issued, on behalf of the Guam Department of Education (GDOE), \$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.

On November 12, 2008, GovGuam issued, on behalf of GDOE, \$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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

H. Municipal School Lease Agreements, Continued

Guam Public School Facilities Project, Continued:

The holders of the COPS are the current owners of the Leased Schools. Accordingly, GovGuam’s rental payments for the use of the Leased Schools and Facilities are paid to a trustee, who then remits those amounts to the holders of the COPS, with annual rental payments to be funded by a pledge of U.S. Compact Impact grant revenues through December 1, 2022 with the remaining payments subject to future appropriations by the Guam Legislature. Payments commenced on December 1, 2006 in the amount of \$6,100,000 and continue through December 1, 2025 (with incremental increases on December 1, 2008 through December 1, 2018), with varying interest rates at 4.5% - 5.875% per annum. Title to the Leased Schools and Facilities will transfer to GovGuam upon the payment of all required rents.

Commencing in 2010, \$7,100,000 of Compact Impact grant revenues will be received annually for a ten year period. Of this amount, \$1,000,000 will be allocated for rental, principal and interest, to fund additional equipment requirements, as defined. Subsequent to that ten year period, the annual grant returns to \$6,100,000.

On January 20, 2016, the Guam Legislature enacted Public Law 33-118 authorizing the refinance of the 2006 Series A COPS, the 2006 Series B COPS and the 2008 Series A COPS with the obligation of GovGuam not to exceed 30 years or extend the original leaseback period.

On August 4, 2016, GovGuam issued, on behalf of GDOE, \$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. Proceeds were also used to fund the reserve requirement with respect to the Certificate Debt Service Fund for the COPS and delivery costs.

On October 1, 2016, the lease commenced the first automatic annual renewal term through September 30, 2027 as stated on the amended lease agreement dated August 1, 2016.

Future minimum lease obligations to maturity for the Guam Public School Facilities Project Lease, are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Additional</u> <u>Rental</u>	<u>Total</u>
2018	\$ 3,935,000	\$ 1,690,900	\$ 1,000,000	\$ 6,625,900
2019	4,010,000	1,591,400	1,000,000	6,601,400
2020	3,205,000	1,451,125	1,000,000	5,656,125
2021	3,370,000	1,286,750	1,000,000	5,656,750
2022	3,535,000	1,114,125	1,000,000	5,649,125
2023 - 2027	<u>20,515,000</u>	<u>2,664,875</u>	<u>5,000,000</u>	<u>28,179,875</u>
	<u>\$ 38,570,000</u>	<u>\$ 9,799,175</u>	<u>\$ 10,000,000</u>	<u>\$ 58,369,175</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

H. Municipal School Lease Agreements, Continued

John F. Kennedy High School Project:

On September 16, 2010, GovGuam issued, on behalf of GDOE, \$65,735,000 in 2010 Series A COPS to finance the demolition, acquisition, construction, renovation and installation of facilities comprising the new John F. Kennedy (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. Accordingly, GDOE's rental payments for the use of the new High School are paid to a trustee, who then remits those payments to the holders of the COPS, with annual rental payments subject to appropriations by the Guam Legislature. Payments commenced on December 1, 2010, for base and additional rentals and continue through December 1, 2040 (with incremental increases subsequent to the first payment), with varying interest rates of 5.5% - 6.875% per annum. Title to the new High School will transfer to GDOE upon the payment of all required rents.

Future minimum lease obligations to maturity for the John F. Kennedy High School Project Lease are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Additional Rental</u>	<u>Total</u>
2018	\$ 1,085,000	\$ 4,043,200	\$ 1,568,000	\$ 6,696,200
2019	1,155,000	3,976,900	1,568,000	6,699,900
2020	1,225,000	3,906,550	1,568,000	6,699,550
2021	1,315,000	3,812,050	1,568,000	6,695,050
2022	1,380,000	3,749,909	1,568,000	6,697,909
2023 - 2027	8,420,000	17,223,147	7,840,000	33,483,147
2028 - 2032	11,710,000	13,931,681	7,840,000	33,481,681
2033 - 2037	16,305,000	9,334,188	7,840,000	33,479,188
2038 - 2041	<u>17,745,000</u>	<u>2,771,656</u>	<u>6,272,000</u>	<u>26,788,656</u>
	<u>\$ 60,340,000</u>	<u>\$ 62,749,281</u>	<u>\$ 37,632,000</u>	<u>\$ 160,721,281</u>

Okkodo High School Expansion Project:

On June 3, 2011, the Guam Legislature enacted Public Law 31-74 authorizing the expansion of Okkodo (also referred as Ukudo) High School as authorized under Section 1521 of the American Recovery and Reinvestment Act of 2009 and the issuance of tax exempt bonds of lease certificates.

On March 15, 2013, GovGuam issued, on behalf of GDOE, \$21,818,000 in 2013 Series A COPS and \$1,000,000 in 2013 Series B COPS to finance the expansion. The holders of the COPS are the current owners of Okkodo High School.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

H. Municipal School Lease Agreements, Continued

Okkodo High School Expansion Project, Continued:

Expansion was funded by appropriations from the Guam Legislature from available Section 30 revenues, tax credits, 2013 Series A Construction Account, 2013 Series B Construction Account, the Holding Fund and the Trust Fund established pursuant to the Trust Agreement. The expansion project was completed on July 10, 2014.

Payments include base rental and additional rental. On June 1, 2014 and on June 1 and December 1 of each year through September 2030, payments of principal and interest at true rate of 2.44% per annum (calculated on a 360 day year and 30 day month) commence. Additional rental payment of \$1,217,336 commenced on October 15, 2013. On October 15, 2014, and on October 15 of each year thereafter through September 2027, additional rental will decrease to \$650,000.

On August 17, 2016, the 2013 Series B COPS were refunded with lease terms decreasing the additional rental from \$1,867,336 to \$650,000 each year.

Future minimum lease obligations to maturity for the Okkodo High School Expansion Project Lease are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Additional Rental</u>	<u>Total</u>
2018	\$ 950,000	\$ 1,336,685	\$ 650,000	\$ 2,936,685
2019	1,020,000	1,268,960	650,000	2,938,960
2020	1,090,000	1,196,335	650,000	2,936,335
2021	1,170,000	1,118,635	650,000	2,938,635
2022	1,250,000	1,035,335	650,000	2,935,335
2023 - 2027	8,655,000	3,593,450	3,250,000	15,498,450
2028 - 2030	<u>4,853,000</u>	<u>560,700</u>	<u>-</u>	<u>5,413,700</u>
	\$ <u>18,988,000</u>	\$ <u>10,110,100</u>	\$ <u>6,500,000</u>	\$ <u>35,598,100</u>

Tiyan Lease:

On June 23, 2009, the Guam Legislature enacted Public Law 30-37, authorizing GovGuam, on behalf of GDOE, to enter 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 September 2011 and subsequently occupied by Untalan Middle School in January 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 Charter School Academy and the Guam Police Department, which represent a small portion of the total Tiyan property under lease.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

H. Municipal School Lease Agreements, Continued

Tiyan Lease, Continued:

On December 30, 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.

On December 30, 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.

On October 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 will only apply for lease amounts due through January 2015 to include the aforementioned collateral equipment. Effective February 2015, rent and additional rent (insurance and maintenance) due will be paid in the form of cash.

Annual rent includes principal, interest at 10% per annum of outstanding principal balance, insurance and maintenance costs.

Future minimum lease obligations to maturity for the Tiyan lease agreement is as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Additional Rental</u>	<u>Total</u>
2018	\$ 1,951,554	\$ 6,400,740	\$ 1,761,633	\$ 10,113,927
2019	2,066,432	6,202,741	1,844,754	10,113,927
2020	2,206,571	6,034,895	1,872,461	10,113,927
2021	2,355,839	5,877,887	1,880,201	10,113,927
2022	2,388,154	5,801,730	1,924,043	10,113,927
2023 - 2027	14,313,766	26,044,470	10,211,401	50,569,637
2028 - 2032	18,659,907	20,677,188	11,232,541	50,569,636
2033 - 2037	24,797,771	13,416,070	12,355,795	50,569,636
2038 - 2041	<u>13,424,022</u>	<u>3,807,605</u>	<u>5,942,660</u>	<u>23,174,287</u>
	<u>\$ 82,164,016</u>	<u>\$ 94,263,326</u>	<u>\$ 49,025,489</u>	<u>\$ 225,452,831</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

H. Municipal School Lease Agreements, Continued

Tiyan Lease, Continued:

As of September 30, 2017, \$60,153,208 of the Tiyan properties purchased were occupied. The remaining \$26,995,762 of properties have been recorded as of September 30, 2017; however, the properties are currently not occupied. Depreciation will commence upon occupancy. A summary of properties yet to be occupied are as follows:

New Office	\$ 24,587,809
Warehouse II	1,360,427
Warehouse / Mezzanine	535,926
Office and Warehouse II	<u>511,600</u>
	\$ <u>26,995,762</u>

Total assets acquired through the aforementioned capital leases are as follows:

Asset:	
Buildings	\$ 264,231,836
Less accumulated depreciation	<u>(35,165,490)</u>
	\$ <u>229,066,346</u>

These buildings are summarized as follows:

JFK High School	\$ 65,735,000
Tiyan High School	43,500,000
Okkodo High School	42,581,348
New Office	24,587,809
Okkodo High School Expansion	22,818,000
Astumbo Middle School	18,383,500
Adacao Elementary School	14,482,938
Liguan Elementary School	13,082,080
Tiyan 3 (lot)	8,000,000
Tiyan Gymnasium	4,947,008
Tiyan Office	2,900,000
Warehouse II	1,360,427
Tiyan Warehouse	806,200
Warehouse / Mezzanine	535,926
Office and Warehouse II	<u>511,600</u>
	\$ <u>264,231,836</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

I. 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, 2017. The estimated accumulated amount of unused sick leave at September 30, 2017, is \$125,969,371, of which an estimated \$34,718,763 has been accrued and may be convertible by members of the DCRS to pay upon retirement.

J. 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, 2017. 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 12K below and, therefore, no provision for any liability that may result has been made in the accompanying financial statements.

K. 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.

L. Deposits with Treasurer

Insurance companies doing business on Guam are required under sections 43102 and 43202 of the Government Code of Guam, to deposit with the Commissioner of Insurance an amount equal to the minimum amount of paid-in-capital required under Article III of Title 39 of the Government Code. 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, 2017, \$17,517,256 was held by GovGuam in bonds as security against possible claims.

M. 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(12) Commitments and Contingencies, Continued

N. Cost of Living Adjustment (COLA) Liability

In August 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 October 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 October 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, 2017, the outstanding COLA liability amounted to \$4,585,535. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased commencing October 1, 2011.

(13) 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, 2017, 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	\$ 7,617,006
Operations and Maintenance Reserve Fund	11,276,050
Operations and Maintenance Fund	6,329,587
General Revenue Fund	10,531,669
Self-Insurance Fund	5,968,679
Capital Improvement Fund	26,394,437
Construction Fund	53,060,368
Bond Reserve Funds	19,290,211
Debt Service Funds	17,677,615
Renewal and Replacement Fund	<u>1,000,352</u>
	\$ <u>159,145,974</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, 2017, restricted cash and cash equivalents held for this purpose amounted to \$235,632.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures

A. Restricted Assets

Guam Community College (GCC), Continued:

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, 2017, restricted investments held for this purpose amounted to \$12,467,916.

Guam Housing and Urban Renewal Authority (GHURA):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2017, cash and cash equivalents and time certificates of deposits held by GHURA in these funds and accounts are as follows:

Supportive Housing for the Elderly	\$ 417,268
Section 8 HCV	999,998
Public Housing	1,351,457
Low Rent Housing	12,870
Revolving Fund	<u>101,254</u>
	\$ <u>2,882,847</u>

Guam Power Authority (GPA):

The bond indenture agreements for GPA's 2010, 2012 and 2014 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. At September 30, 2017, 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	\$ 56,907,535
Interest and Principal Funds	18,061,879
Working Capital Funds	30,721,306
Bond Reserve Funds	48,576,863
Self-insurance Fund	19,251,372
Revenue Funds	10,472,662
Energy Sense Fund	1,074,491
Operating Funds	7,002,010
Surplus Funds	<u>36,453,334</u>
	\$ <u>228,521,452</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 2010, 2013, 2014 and 2016 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA's trustees. At September 30, 2017, restricted cash and cash equivalents held by the trustees, in trust for GWA, in these funds and accounts are as follows:

Construction Funds	\$ 217,343,806
Bond Reserve Fund	34,888,475
Debt Service Fund	18,230,530
Operations, Maintenance, Renewal and Replacement Fund	17,423,213
Capitalized Interest Fund	1,782,982
Operations and Maintenance Fund	16,600,022
Revenue Fund	8,147,509
Capital Improvement Fund	<u>15,468,468</u>
	\$ <u>329,885,005</u>

Furthermore, GWA maintained restricted cash and cash equivalents for specific capital projects related accounts. At September 30, 2017, these consisted of the following:

Customer Deposit Fund	\$ 1,831,426
Legislative Surcharge Fund	284,264
Meter Reserve Fund	666,140
Sewer Hook-up Revolving Fund	63,590
Island Water and Sewer Infrastructure Development Fund	<u>9,986,016</u>
	\$ <u>12,831,436</u>

Port Authority of Guam (PAG):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2017, restricted cash and cash equivalents held by PAG are as follows:

Crane Surcharge Reserve Account	\$ <u>8,382,257</u>
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University of Guam (UOG):

At September 30, 2017, UOG maintained restricted cash and cash equivalents and investments for the following purposes:

Enhancement of Learning Resources and Technology	\$ 2,179,249
Guam Cancer Trust Fund	4,425,142
Debt Service and Operations and Maintenance Reserve Funds	625,199
Endowment Funds	13,314,339
Other	<u>58,693</u>
	\$ <u>20,602,622</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Assets, Continued

University of Guam (UOG), Continued:

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, 2017, restricted investments held for this purpose amounted to \$10,622,646.

Guam Housing Corporation (GHC):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2017, cash and cash equivalents held by GHC in these funds and accounts are as follows:

Revolving Loan Fund	\$ 845,982
Trust fund and borrower's deposit	622,536
Foreclosure Protection Fund	504,843
First-time Homeowner Assistance Program	130,133
Community Affordable Housing Action Trust	253,724
Hazard Mitigation Program	162,331
Tenant security deposits	<u>192,214</u>
	\$ <u>2,711,763</u>

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, 2017, investments held by the trustees, in trust for GHC, in these funds and accounts are as follows:

Restricted:	
Revenue Fund	\$ <u>2,694,661</u>

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, 2017, restricted short-term money market fund investments held for this purpose amounted to \$5,067,469.

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, 2017, cash and cash equivalents held by GVB in these funds and accounts are as follows:

Rainy Day Fund	\$ 2,025,363
Cultural and Sports Ambassadors Fund	478,835
Tourist Attraction Fund Projects	<u>604,666</u>
	\$ <u>3,108,864</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments

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

As of September 30, 2017, the carrying amount of AWPIAA's total cash and cash equivalents was \$4,370,217 maintained in banks, which at times may exceed federal depository insurance limits. At September 30, 2017, \$250,000 of bank deposits was covered by federal depository insurance, with the remainder being uninsured and uncollateralized.

At September 30, 2017, 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, 2017.

AWPIAA has the following recurring fair value measurements as of September 30, 2017:

	<u>Total</u>	Fair Value Measurements Using		
		Quoted Prices		Significant Unobservable Inputs (Level 3)
		In Active	Significant	
		Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	
Investments by fair value level:				
Fixed income:				
U.S. Treasury obligations	\$ 9,622,205	\$ 9,622,205	\$ -	\$ -
U.S. Government agencies	31,845,140	-	31,845,140	-
Exchange Traded Products	3,876,648	3,876,648	-	-
Mutual Funds	1,211,427	1,211,427		
Corporate notes	<u>1,603,781</u>	<u>-</u>	<u>1,603,781</u>	<u>-</u>
Total investments by fair value level	48,159,201	<u>\$ 14,710,280</u>	<u>\$ 33,448,921</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV):				
Money market funds	61,069,900			
Investments measured at amortized cost:				
Cash	24,779,174			
Time certificates of deposit	15,588,505			
Interest-earning contracts	<u>9,549,194</u>			
	<u>\$ 159,145,974</u>			

As of September 30, 2017, AWPIAA's investments in debt securities were as follows:

	Investment Maturities (In Years)				
	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury obligations	\$ 698,811	\$ 8,923,394	\$ -	\$ -	\$ 9,622,205
U.S. government agencies:					
Federal Home Loan Mortgage Corporation	16,276,705	2,986,691	-	-	19,263,396
Federal National Mortgage Association	10,692,366	1,889,378	-	-	12,581,744
Exchange Traded Products	3,876,648	-	-	-	3,876,648
Mutual funds	1,211,427	-	-	-	1,211,427
Corporate notes	<u>305,145</u>	<u>1,298,636</u>	<u>-</u>	<u>-</u>	<u>1,603,781</u>
	<u>\$ 33,061,102</u>	<u>\$ 15,098,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,159,201</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

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

AWPIAA's exposure to credit risk at September 30, 2017, was as follows:

Standard & Poor's/Moody's Credit Rating

AA/Aaaa	\$ 41,467,345
Aaa/AAA	66,169
Aa/AA	290,804
A	903,187
Baa/BBB	343,621
Not rated	<u>5,088,075</u>
	<u>\$ 48,159,201</u>

Guam Community College (GCC):

As of September 30, 2017, the carrying amount of GCC's cash and cash equivalents and time certificates of deposit was \$15,294,187 and the corresponding bank balance was \$16,152,777, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2017, bank deposits in the amount of \$731,075 were FDIC insured. GCC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

GCC has the following recurring fair value measurements as of September 30, 2017:

	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:				
Mutual fund	\$ 1,949,737	<u>\$ 1,949,737</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Time certificates of deposit	<u>2,043,384</u>			
	<u>\$ 3,993,121</u>			

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Community College (GCC), Continued:

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	\$ 688,191
Certificates of deposit	1,003,287
U.S. Government notes and bonds	468,876
Government and government-sponsored entity bonds	1,314,908
Corporate bonds	1,377,280
Exchange-traded funds	14,268
Common stocks	<u>7,601,106</u>
	\$ <u>12,467,916</u>

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2017, the carrying amount of GHURA's total cash and cash equivalents was \$14,192,853 and the corresponding bank balances were \$14,190,853, 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, 2017, bank deposits in the amount of \$14,190,853 were FDIC insured or collateralized by U.S. securities.

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2017, the carrying amount of GMHA's total cash and cash equivalents was \$2,665,141 and the corresponding bank balances were \$2,980,248, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2017, bank deposits in the amount of \$250,000 were FDIC insured. GMHA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Power Authority (GPA):

As of September 30, 2017, the carrying amount of GPA's total cash and cash equivalents and time certificates of deposit was \$231,572,055 and the corresponding bank balances were \$231,788,408. Of the bank balance amount, \$68,427,002 is maintained in financial institutions subject to FDIC insurance. The remaining amount 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, 2017, bank deposits in the amount of \$988,101 were FDIC insured. GPA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

At September 30, 2017, 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, 2017.

GPA has the following recurring fair value measurements as of September 30, 2017:

	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:				
U.S. Government agencies	\$ 15,773,908	\$ 15,773,908	\$ -	\$ -
Mutual funds	<u>4,840,862</u>	<u>4,840,862</u>	-	-
Total investments by fair value level	20,614,770	<u>\$ 20,614,770</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Time certificates of deposit	17,298,408			
Commercial paper	13,742,000			
Guaranteed investment certificate	<u>10,523,203</u>			
		<u>\$ 62,178,381</u>		

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Power Authority (GPA), Continued:

As of September 30, 2017, GPA'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. government agencies:					
Federal Home Loan Mortgage Corporation	\$ 3,374,522	\$ -	\$ -	\$ -	\$ 3,374,522
Federal National Mortgage Association	2,499,725	-	-	1,999,040	4,498,765
Federal Home Loan Bank	4,997,240	-	-	-	4,997,240
Federal Farm Credit Bank	2,903,381	-	-	-	2,903,381
Guaranteed investment certificate	-	-	-	10,523,203	10,523,203
Mutual funds	4,840,862	-	-	-	4,840,862
Commercial paper	<u>13,742,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,742,000</u>
	<u>\$ 32,357,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,522,243</u>	<u>\$ 44,879,973</u>

GPA's exposure to credit risk at September 30, 2017, was as follows:

Moody's Credit Rating

P-1	\$ 27,516,868
A1	10,523,203
Aaa	1,999,040
Not rated	<u>4,840,862</u>
	<u>\$ 44,879,973</u>

Guam Waterworks Authority (GWA):

As of September 30, 2017, the carrying amount of GWA's total cash and cash equivalents was \$347,589,716 and the corresponding bank balances were \$347,776,215. Of the bank balance amount, \$19,955,124 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$329,557,107 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, 2017, bank deposits in the amount of \$578,147 were FDIC insured. GWA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Port Authority of Guam (PAG):

As of September 30, 2017, the carrying amount of PAG's total cash and cash equivalents was \$39,264,238 and the corresponding bank balance was \$39,268,752, all of which were maintained in financial institutions subject to FDIC insurance. As of September 30, 2017, bank deposits in the amount of \$500,000 were FDIC insured. PAG does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

University of Guam (UOG):

As of September 30, 2017, the carrying amount of UOG's total cash and cash equivalents and time certificates of deposit was \$24,959,378 and the corresponding bank balance was \$29,833,248. Of the bank balance amount, \$1,050,555 is maintained in financial institutions subject to FDIC insurance, or collateralized by securities held by a trustee in the name of the financial institution. UOG does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

UOG has the following recurring fair value measurements as of September 30, 2017:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices</u>	<u>Significant</u>	<u>Significant</u>
		<u>In Active</u>	<u>Other</u>	<u>Significant</u>
		<u>Markets for</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Identical</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>Assets</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Investments by fair value level:				
U.S. treasury obligations	\$ 1,158,553	\$ -	\$ 1,158,553	\$ -
U.S. Government agencies	2,538,887	-	2,538,887	-
Corporate bonds	2,547,566	-	2,547,566	-
Equity securities	12,409,756	12,409,756	-	-
Mutual funds	3,425,989	3,425,989	-	-
Exchange-traded funds	<u>2,682,678</u>	<u>2,682,678</u>	-	-
Total investments by fair value level	24,763,429	<u>\$ 18,518,423</u>	<u>\$ 6,245,006</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Time certificates of deposit	16,702,197			
Money market funds	<u>544,370</u>			
	<u>\$ 42,009,996</u>			

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

As of September 30, 2017, 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	\$ -	\$ -	\$ -	\$ 1,158,553	\$ 1,158,553
U.S. government agencies	885,913	1,029,757	378,137	245,080	2,538,887
Corporate notes and bonds	<u>-</u>	<u>1,487,815</u>	<u>1,037,551</u>	<u>22,200</u>	<u>2,547,566</u>
	<u>\$ 885,913</u>	<u>\$ 2,517,572</u>	<u>\$ 1,415,688</u>	<u>\$ 1,425,833</u>	<u>\$ 6,245,006</u>

UOG's exposure to credit risk at September 30, 2017, was as follows:

<u>Moody's Rating</u>	<u>Domestic</u>
AAA	\$ 3,074,223
A1/A	581,967
A2/A	426,538
A3/A	396,623
Baa2/BBB	26,618
Baa3/BBB-	22,395
BA1/B+	217,432
BA2/B	200,525
BA3/B-	267,179
B1/BB+	162,679
B2/B	134,912
B3/B	90,372
Caa1	20,326
Not rated	<u>623,217</u>
	<u>\$ 6,245,006</u>

The University of Guam Endowment Foundation, Inc., a legally separate tax-exempt foundation of UOG, 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	\$ 577,790
Mutual funds	150,316
U.S. Government notes and bonds	2,778,154
Domestic equities	<u>7,116,386</u>
	<u>\$ 10,622,646</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Housing Corporation (GHC):

As of September 30, 2017, the carrying amount of GHC's cash and cash equivalents was \$6,666,930, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2017, bank deposits in the amount of \$2,055,882 were FDIC insured. GHC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

GHC has the following recurring fair value measurements as of September 30, 2017:

	Total	Fair Value Measurements Using		
		Quoted Prices		
		In Active	Significant	
		Markets for	Other	Significant
		Identical	Observable	Unobservable
	Assets	Inputs	Inputs	
	(Level 1)	(Level 2)	(Level 3)	
Investments by fair value level:				
U.S. government agencies:	\$ 1,253,253	\$ -	\$ 1,253,253	\$ -
Investments measured at amortized cost:				
Money market investments	<u>1,441,408</u>			
	<u>\$ 2,694,661</u>			

As of September 30, 2017, GHC's investments in debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Total
			1 to 5	6 to 10	Greater Than 10	
U.S. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	\$ -	\$ -	\$ -	\$ 1,253,253	\$ 1,253,253

Guam Economic Development Authority (GEDA):

At September 30, 2017, the carrying amount of GEDA's cash and cash equivalents was \$14,035,027 and the corresponding bank balance was \$16,012,109, of which \$12,408,786 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$3,603,323 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, 2017. As of September 30, 2017, bank deposits in the amount of \$500,000 were FDIC insured. GEDA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Economic Development Authority (GEDA), Continued:

GEDA has the following recurring fair value measurements as of September 30, 2017:

	<u>Fair Value Measurements Using</u>			
	Quoted Prices	Significant		
	In Active	Other	Significant	
	Markets for	Observable	Unobservable	
	Identical	Inputs	Inputs	
Assets	(Level 2)	(Level 3)		
<u>Total</u>	<u>(Level 1)</u>			
Investments by fair value level:				
Mutual funds	\$ 3,758,152	\$ 3,758,152	\$ -	\$ -
Exchange-traded funds	<u>2,449,128</u>	<u>2,449,128</u>	-	-
Total investments by fair value level	<u>\$ 6,207,280</u>	<u>\$ 6,207,280</u>	<u>\$ -</u>	<u>\$ -</u>

Guam Preservation Trust (GPT):

As of September 30, 2017, the carrying amount of GPT's total cash and cash equivalents and time certificates of deposit was \$1,670,471, which is maintained in a financial institution subject to FDIC insurance. As of September 30, 2017, bank deposits in the amount of \$2,170,469 were FDIC insured with the remaining amounts subject to collateralization. Accordingly, these deposits are not exposed to custodial credit risk.

GPT has the following recurring fair value measurements as of September 30, 2017:

	<u>Fair Value Measurements Using</u>			
	Quoted Prices	Significant		
	In Active	Other	Significant	
	Markets for	Observable	Unobservable	
	Identical	Inputs	Inputs	
Assets	(Level 2)	(Level 3)		
<u>Total</u>	<u>(Level 1)</u>			
Investments by fair value level:				
Equities	\$ 391,109	\$ -	\$ 391,109	\$ -
Investments measured at amortized cost:				
Time certificates of deposit	1,340,238			
Exchange-traded funds	223,054			
Money market investments	<u>170,388</u>			
	<u>\$ 2,124,789</u>			

Guam Visitors Bureau (GVB):

At September 30, 2017, the carrying amount of GVB's cash and cash equivalents and time certificates of deposit was \$20,036,390 and the corresponding bank balance was \$20,241,407, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2017, bank deposits in the amount of \$2,897,436 were FDIC insured. GVB does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Visitors Bureau (GVB), Continued:

At September 30, 2017, investments include time certificates of deposit in the amount of \$2,537,450 with original maturities of more than three months, which are fully FDIC insured.

Guam Educational Telecommunications Corporation (GETC):

At September 30, 2017, the carrying amount of GETC's cash and cash equivalents was \$222,120 and the corresponding bank balance was \$224,021, which is maintained in financial institutions subject to FDIC insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. As of September 30, 2017, bank deposits in the amount of \$105,390 were FDIC insured and bank deposits in the amount of \$118,631 were NCUA insured.

C. Receivables

Receivables as of September 30, 2017, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat	Guam International Airport Authority	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
Trade	\$ 9,612,785	\$ 5,193,144	\$ 118,229	\$137,303,149	\$31,871,150	\$27,948,575	\$ 7,639,531	\$11,201,267	\$ 62,498	\$ 230,950,328
Federal grants	9,483,277	226,062	670,604	-	6,086,289	7,041,969	704,549	3,806,702	-	28,019,452
Loans	-	-	3,667,396	-	-	-	-	16,529,559	29,976,181	50,173,136
Insurance	-	-	-	-	41,844,342	-	-	-	-	41,844,342
Interest	-	-	202	-	-	-	-	-	64,783	64,985
Other	<u>1,697,738</u>	<u>1,174,329</u>	<u>431,504</u>	<u>74,169</u>	<u>1,224,184</u>	<u>1,512,667</u>	<u>-</u>	<u>2,356,896</u>	<u>2,565,708</u>	<u>11,037,195</u>
	20,793,800	6,593,535	4,887,935	137,377,318	81,025,965	36,503,211	8,344,080	33,894,424	32,669,170	362,089,438
Allowance	<u>(1,455,681)</u>	<u>(1,664,490)</u>	<u>(213,543)</u>	<u>(110,650,161)</u>	<u>(3,199,831)</u>	<u>(12,619,034)</u>	<u>(563,854)</u>	<u>(20,824,685)</u>	<u>(737,990)</u>	<u>(151,929,269)</u>
	<u>\$19,338,119</u>	<u>\$ 4,929,045</u>	<u>\$ 4,674,392</u>	<u>\$ 26,727,157</u>	<u>\$77,826,134</u>	<u>\$23,884,177</u>	<u>\$ 7,780,226</u>	<u>\$13,069,739</u>	<u>\$31,931,180</u>	<u>\$ 210,160,169</u>

Guam Housing and Urban Renewal Authority (GHURA):

Loans receivable from first time homebuyers under GHURA's Down Payment and Closing Cost Assistance Program, due in varying monthly installments, interest free and with a maximum loan amount of \$18,000 or 18% of the purchase price, with maturities to 2026, collateralized by second mortgages on real estate.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

C. Receivables, Continued

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, 2017, loan receivables are reserved in the amount of \$16,529,559.

Guam Housing Corporation (GHC):

Loans receivable from first time homebuyers under GHC's Low Cost Housing Assistance Program, due in varying monthly installments, interest free, with maturities to 2024, collateralized by first mortgages on real estate. \$ 28,061,292

Loans receivable from first time homebuyers under the Community Affordable Housing Action Trust, Hazard Mitigation, Down Payment and Closing Assistance, and the Sagan Linayan Project programs, due in varying monthly installments, interest free. 1,914,889

\$ 29,976,181

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government at September 30, 2017, are summarized as follows:

	Antonio B. Won Pat International Airport <u>Authority</u>	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	<u>Total</u>
Due from primary government:										
General Fund	\$ -	\$ 653,475	\$ -	\$ 2,252,382	\$ -	\$ -	\$ -	\$ 231,760	\$ 140,000	\$ 3,277,617
Due to primary government:										
Nonmajor governmental funds	\$ 2,520,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,520,952

Amounts recorded as due from primary government are presented as accounts payable within the General Fund. Amounts recorded as due to primary government are presented as other receivables within the nonmajor governmental funds.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

E. Capital Assets

Capital asset activities of the discretely presented component units for the year ended September 30, 2017, are as follows:

	Estimated Useful Lives	Balance October 1, 2016	Transfers and Additions	Transfers and Deletions	Balance September 30, 2017
Nondepreciable capital assets:					
Land		\$ 89,869,192	\$ 856,710	\$ -	\$ 90,725,902
Construction in progress		<u>180,018,593</u>	<u>186,288,168</u>	<u>(174,319,584)</u>	<u>191,987,177</u>
		<u>269,887,785</u>	<u>187,144,878</u>	<u>(174,319,584)</u>	<u>282,713,079</u>
Depreciable capital assets:					
Capital lease assets	20 - 40 yrs	155,382,727	29,466,516	-	184,849,243
Buildings and improvements	5 - 60 yrs	1,525,590,559	77,494,554	(18,520,473)	1,584,564,640
Machinery, equipment and furniture	2 - 40 yrs	214,696,075	20,848,574	(12,681,955)	222,862,694
Infrastructure	10 - 50 yrs	<u>965,332,879</u>	<u>67,030,703</u>	<u>(10,412,969)</u>	<u>1,021,950,613</u>
		2,861,002,240	194,840,347	(41,615,397)	3,014,227,190
Less accumulated depreciation		<u>(1,550,415,087)</u>	<u>(106,883,217)</u>	<u>39,998,439</u>	<u>(1,617,299,865)</u>
Depreciable capital assets, net		<u>1,310,587,153</u>	<u>87,957,130</u>	<u>(1,616,958)</u>	<u>1,396,927,325</u>
		<u>\$1,580,474,938</u>	<u>\$ 275,102,008</u>	<u>\$ (175,936,542)</u>	<u>\$1,679,640,404</u>

F. Bonds Payable

As of September 30, 2017, the discretely presented component units had the following bonds payable outstanding:

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

General Revenue Bonds, Series 2013 (original issue of \$247,335,000, dated September 1, 2013), varying interest rates at 3% - 6.375% per annum, payable semiannually on October 1 and April 1, principal fund payments due in varying annual installments, commencing on October 1, 2014 of \$9,845,000 and increasing to a final payment of \$10,240,000 on October 1, 2043. The bonds were issued for the purpose of: (1) advance refunding 2003 Series bonds; (2) to finance additions, extensions, and improvements to the Airport; and (3) to provide additional proceeds to fund the Bond Reserve account.

\$ 216,135,000

Add net unamortized premium on bonds

2,140,059

\$ 218,275,059

The bond indentures for the 2013 General 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, 2017

(13) 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>
2018	\$ 11,430,000	\$ 12,154,250	\$ 23,584,250
2019	12,010,000	11,568,250	23,578,250
2020	12,605,000	10,952,875	23,557,875
2021	13,230,000	10,307,000	23,537,000
2022	13,885,000	9,629,125	23,514,125
2023 - 2027	40,535,000	38,646,231	79,181,231
2028 - 2032	22,280,000	31,434,325	53,714,325
2033 - 2037	29,910,000	23,560,813	53,470,813
2038 - 2042	40,370,000	12,757,453	53,127,453
2043 - 2044	<u>19,880,000</u>	<u>1,254,822</u>	<u>21,134,822</u>
	<u>\$ 216,135,000</u>	<u>\$ 162,265,144</u>	<u>\$ 378,400,144</u>

Guam Power Authority (GPA):

General Revenue Bonds, Series 2010 (original issue of \$150,440,000, dated July 1, 2010), varying interest rates at 5.0% - 5.5% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$225,000 in October 2022, increasing to \$17,215,000 in October 2040. The bonds have been issued to finance a new administration building and various generation, transmission, and distribution facilities. \$ 150,440,000

General Revenue Bonds, Series 2012 (original issue of \$340,620,000, dated October 1, 2012), varying interest rates at 2.98% - 5% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$110,000 in October 2013, increasing to \$24,485,000 in October 2034. The bonds have been issued to refund the 1993 and 1999 bonds, and to fund a deposit to the Bond Reserve Fund and satisfy the Bond Reserve Fund Requirement. 339,830,000

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

General Revenue Bonds, Series 2014 (original issue of \$76,470,000, dated September 17, 2014), varying interest rates at 4% - 5% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$1,310,000 in October 2017, increasing to \$4,855,000 in October 2044. The bonds have been issued to finance a variety of generation, transmission and distribution improvements and systems and information technology upgrades, and to fund a deposit to the Senior Bond Reserve Fund.

	<u>76,470,000</u>
	566,740,000
Add net unamortized premium on 2014 and 2012 bonds	29,002,672
Less net unamortized discount on 2010 bonds	<u>(3,393,810)</u>
	<u>\$ 592,348,862</u>

All gross revenues of GPA have been pledged to repay the 2010, 2012 and 2014 series bond principal and interest. The debt service for the 2010, 2012 and 2014 series bonds was \$30,532,400 or 9% of pledged gross revenues for the year ended September 30, 2017. Premium and discounts associated with the 2010, 2012 and 2014 bond series are being amortized using the effective interest method over the lives of the bonds.

The bond indentures require the establishment of special funds and accounts to be held and administered by GPA'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>
2018	\$ 1,780,000	\$ 28,712,600	\$ 30,492,600
2019	1,495,000	28,636,625	30,131,625
2020	15,950,000	28,201,700	44,151,700
2021	20,515,000	27,290,075	47,805,075
2022	21,540,000	26,238,700	47,778,700
2023 - 2027	126,010,000	113,699,200	239,709,200
2028 - 2032	155,915,000	77,723,800	233,638,800
2033 - 2037	126,725,000	39,724,750	166,449,750
2038 - 2042	82,905,000	14,691,725	97,596,725
2043 - 2045	<u>13,905,000</u>	<u>1,017,025</u>	<u>14,922,025</u>
	<u>\$ 566,740,000</u>	<u>\$ 385,936,200</u>	<u>\$ 952,676,200</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

On September 28, 2000, GPA entered into a Bond Reserve Fund Forward Delivery Agreement (the agreement) with the Lehman Brothers and Bank of America. In connection with the agreement, GPA received cash totaling \$13,500,000 in October 2000 representing the present value amount of interest income on certain bond proceeds invested by GPA. Based on the terms of the agreement, 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 agreement. 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, 2017 associated with this agreement:

Unearned forward delivery contract revenues	\$ 8,760,514
Accumulated amortization	<u>(6,424,443)</u>
	\$ <u>2,336,071</u>
Unamortized forward delivery contract costs	\$ 2,390,265
Accumulated amortization	<u>(1,752,908)</u>
	\$ <u>637,357</u>

Guam Waterworks Authority (GWA):

Water and Wastewater System Revenue Bonds, Series 2010 (original issue of \$118,825,000, dated November 9, 2010), varying interest rates at 4% - 5.625% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$1,055,000 on July 1, 2015, and increasing to a final payment of \$14,460,000 on July 1, 2040. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems.

\$ 114,525,000

Water and Wastewater System Revenue Bonds, Series 2013 (original issue of \$172,630,000, dated December 12, 2013), varying interest rates at 5% - 5.5% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$2,695,000 on July 1, 2020, and increasing to a final payment of \$25,880,000 on July 1, 2043. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems.

172,630,000

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

Water and Wastewater System Revenue Bonds, Series 2014 (original issue of \$85,600,000, dated August 7, 2014), varying interest rates at 5% - 6% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$2,900,000 on July 1, 2015, and decreasing to a final payment of \$350,000 on July 1, 2035. The bonds have been issued to refund the 2005 bond issue.	75,995,000
Water and Wastewater System Revenue Bonds, Series 2016 (original issue of \$143,310,000, dated February 24, 2016), interest rate at 5% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of \$420,000 on July 1, 2020, and increasing to a final payment of \$33,225,000 on January 1, 2046. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems.	<u>143,310,000</u>
	506,460,000
Add net unamortized premium on 2014 and 2016 bonds	22,067,669
Less net unamortized discount on 2010 and 2013 bonds	<u>(3,206,276)</u>
	<u>\$ 525,321,393</u>

All gross revenues of GWA, except PUC surcharge revenues, have been pledged to repay the 2010, 2013, 2014 and 2016 series bond principal and interest. The debt service for the 2010, 2013, 2014 and 2016 series bonds was \$31,727,802 or 31% of pledged gross revenues for the year ended September 30, 2017. Premiums and discounts associated with the 2010, 2013, 2014 and 2016 bond series are being amortized using the effective interest method over the respective lives of the bonds.

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>
2018	\$ 5,200,000	\$ 26,532,297	\$ 31,732,297
2019	5,420,000	26,348,302	31,768,302
2020	8,770,000	26,114,825	34,884,825
2021	9,215,000	25,669,588	34,884,588
2022	9,690,000	25,196,775	34,886,775
2023 - 2027	56,430,000	121,991,481	178,421,481
2028 - 2032	72,490,000	105,352,438	177,842,438
2033 - 2037	93,565,000	83,484,738	177,049,738
2038 - 2042	97,570,000	50,945,625	148,515,625
2043 - 2046	<u>148,110,000</u>	<u>16,518,550</u>	<u>164,628,550</u>
	<u>\$ 506,460,000</u>	<u>\$ 508,154,619</u>	<u>\$ 1,014,614,619</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Housing Corporation (GHC):

Mortgage-Backed Revenue Bonds, Series 1998, (original issue of \$50,000,000, dated April 15, 1998), varying interest rates at 4.7% - 5.75% per annum, payable semiannually on March 1 and September 1, principal fund payments due in varying semiannual installments commencing with a payment of \$25,000 on March 1, 2002, and increasing to a final payment of \$194,201 on September 1, 2031. The bonds were issued for the purpose of providing money to engage in a home-financing program within the Territory of Guam.

\$ 3,905,000

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>
2018	\$ 190,000	\$ 214,044	\$ 404,044
2019	220,000	203,835	423,835
2020	230,000	193,378	423,378
2021	235,000	182,450	417,450
2022	235,000	170,919	405,919
2023 - 2027	1,380,000	634,225	2,014,225
2028 - 2031	<u>1,415,000</u>	<u>188,600</u>	<u>1,603,600</u>
	<u>\$ 3,905,000</u>	<u>\$ 1,787,451</u>	<u>\$ 5,692,451</u>

Guam Economic Development Authority (GEDA):

Tobacco Settlement Asset-Backed Bonds, 2007 Series A, (original issue of \$33,575,000, dated December 1, 2007), varying interest rates at 5.25% - 5.625% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of \$1,025,000 on June 1, 2008 and increasing to a final payment of \$3,840,000 on June 1, 2026. These bonds are payable solely from and secured by certain revenues. The bonds have been issued for deposit to trust and endowment funds.

\$ 24,025,000

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Economic Development Authority (GEDA), Continued:

Tobacco Settlement Asset-Backed Capital Appreciation Bonds, 2007 Series B (original issue of \$3,407,077, dated December 1, 2007), interest not paid currently, compounded annually on December 1 based on an imputed interest rate of 7.25% to become part of the accreted value until the maturity date or earlier redemptions. The bonds bear an original maturity value of \$115,455,000 with final maturity date of June 1, 2057. The projected turbo redemption date, however, is June 1, 2034 with a total projected principal amount of \$16,773,618. Under the Turbo Redemption assumption, principal fund payments are due in varying annual installments commencing with a payment of \$917,533 on June 1, 2008 and increasing to a final payment of \$1,191,488 on June 1, 2034. The Series B bonds are also secured by certain revenues with the Series A bonds; however, they are subordinate to the 2007 Series A Bonds.

16,773,618

40,798,618

Less net unamortized discount on Series B capital appreciation turbo term bonds

(9,965,238)

Less net unamortized discount on issuance

(642,051)

\$ 30,191,329

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>
2018	\$ 1,115,000	\$ 885,891	\$ 2,000,891
2019	1,200,000	805,219	2,005,219
2020	1,285,000	737,719	2,022,719
2021	1,380,000	665,227	2,045,227
2022	1,480,000	587,461	2,067,461
2023 - 2027	11,889,588	2,067,328	13,369,455
2028 - 2032	10,473,733	-	10,473,733
2033 - 2034	<u>11,975,297</u>	<u>-</u>	<u>11,975,297</u>
	<u>\$ 40,798,618</u>	<u>\$ 5,161,384</u>	<u>\$ 45,960,002</u>

All Tobacco Settlement Revenue (TSR) of GEDA has been pledged to repay the 2007 series bond principal and interest. The debt service for the 2007 series bonds was \$2,352,369 or 98% of pledged TSR revenues for the year ended September 30, 2017.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable

As of September 30, 2017, the discretely presented component units had the following notes payable outstanding:

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

Note payable to a bank in the amount of \$11,900,000, dated June 27, 2012, interest at 3.75% per annum, due initially in monthly installments of interest commencing July 27, 2012, with monthly installments of principal and interest at 5.75% per annum of \$130,625 commencing February 27, 2014 through January 23, 2024. Loan proceeds are to be used to finance energy efficient upgrades. The loan is subject to U.S. Department of Agriculture's (USDA) written commitment to the bank to guaranty no less than 90% of the loan to AWPIAA.

\$ 8,304,232

The loan is secured by a Security Agreement and UCC-1 Financing Statement which identify sums in the Subordinate Securities Fund and Capital Improvement Fund as collateral for the loan. Both funds are allocated revenues pursuant to Section 5.02 of the 2013 General Revenue Bond indenture. Obligations of AWPIAA payable from the aforementioned funds are subordinate to the pledge and lien of airport revenues to secure payment of AWPIAA's bonds. The \$11,900,000 is subject to USDA's Loan Note Guarantee, which was executed by USDA on March 10, 2014.

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>
2018	\$ 1,119,000	\$ 448,500	\$ 1,567,500
2019	1,185,000	382,500	1,567,500
2020	1,255,000	312,500	1,567,500
2021	1,329,000	238,500	1,567,500
2022	1,408,000	159,500	1,567,500
2023 - 2024	<u>2,008,232</u>	<u>81,371</u>	<u>2,089,603</u>
	\$ <u>8,304,232</u>	\$ <u>1,622,871</u>	\$ <u>9,927,103</u>

Guam Community College (GCC):

Due to U.S. Department of Agriculture in the original amount of \$3,500,000, with interest at 3.125% per annum, payable in monthly installments of \$12,810, including interest, through March 6, 2053, collateralized by a pledge of all gross revenues.

\$ 3,230,709

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Guam Community College (GCC), 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>
2018	\$ 52,100	\$ 144,123	\$ 153,720
2019	53,752	139,305	153,720
2020	55,456	134,299	153,720
2021	57,214	129,098	153,720
2022	59,028	94,692	153,720
2023 - 2027	324,424	444,176	768,600
2028 - 2032	379,213	389,387	768,600
2033 - 2037	443,254	325,346	768,600
2038 - 2042	518,112	250,488	768,600
2043 - 2047	605,611	162,989	768,600
2048 - 2052	676,423	92,177	768,600
2053	<u>6,122</u>	<u>275</u>	<u>6,397</u>
	<u>\$ 3,230,709</u>	<u>\$ 2,155,888</u>	<u>\$ 5,386,597</u>

Guam Housing and Urban Renewal Authority:

Due to Farmers' Home Administration, with interest at 6% per annum, payable in equal monthly installments of \$10,540, including interest, through April 2030, collateralized by restricted cash balances.

\$ 1,033,128

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>
2018	\$ 66,000	\$ 60,480	\$ 126,480
2019	70,379	56,101	126,480
2020	74,726	51,754	126,480
2021	79,341	47,139	126,480
2022	84,242	42,238	126,480
2023 - 2027	424,201	92,259	516,460
2028 - 2030	<u>234,239</u>	<u>39,979</u>	<u>274,218</u>
	<u>\$ 1,033,128</u>	<u>\$ 389,950</u>	<u>\$ 1,423,078</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Guam Waterworks Authority (GWA):

Note payable to a local bank in the original amount of \$25,000,000, dated June 15, 2010, interest at 7.75% per annum, due in monthly installments of principal and interest of \$300,027 through June 15, 2015; refinanced principal balance of \$14,856,080, interest at 5.25% per annum, due in monthly installments of principal and interest of \$285,000 through June 15, 2020. \$ 8,571,487

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>
2018	\$ 3,037,569	\$ 382,431	\$ 3,420,000
2019	3,206,110	213,890	3,420,000
2020	<u>2,327,808</u>	<u>47,932</u>	<u>2,375,740</u>
	<u>\$ 8,571,487</u>	<u>\$ 644,253</u>	<u>\$ 9,215,740</u>

Port Authority of Guam (PAG):

Note payable to a bank in the initial amount of \$3,500,000, dated October 22, 2010, variable interest at 3% above the Federal Home Loan Bank of Seattle's 15-year amortizing fixed advanced rate at the time of funding (6.18% per annum at September 30, 2017), due in monthly installments of principal and interest of \$30,049 through October 2025. Loan proceeds were used to reimburse PAG for the acquisition of four top lifters and ten terminal yard contractors. The loan is secured by the abovementioned equipment. \$ 2,261,355

Note payable to a local bank in the initial amount of \$12,000,000, dated December 20, 2012, variable interest at 3.42% above the Federal Home Loan Bank of Seattle's 15-year amortizing fixed advanced rate at the time of funding (5.94% per annum at September 30, 2017), due in monthly installments of principal and interest of \$101,427 through December 2027. Loan proceeds were used to purchase used gantry cranes. 9,288,632

Notes payable to a local bank in the aggregate amount not to exceed \$10,000,000, dated April 3, 2014, payable in ten years, for the purpose of funding the cost of service life extension repairs to the berths or wharves and for either or both of (a) funding the cost of software acquisition for the purpose of upgrading the financial management system, (b) funding the cost of acquisition of a container handling top-lifter. The funding for service life extension repairs shall have the priority. The term loan bears interest at 2.55% above the Federal Home Loan Bank of Seattle Long Term 5-year amortizing fixed rate in effect from time to time or 3.75% whichever is greater. The interest rate shall be adjusted on the fifth anniversary. 8,225,890

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Port Authority of Guam (PAG), Continued:

Note payable to a local bank, dated July 15, 2015, interest at 3.625% per annum, due in monthly installments of \$27,000 in principal and interest over seven years. Proceeds of the loan will be used to fund the acquisition of cargo handling equipment.

1,434,000

\$ 21,209,877

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>
2018	\$ 2,350,902	\$ 1,037,373	\$ 3,388,275
2019	2,450,323	922,944	3,373,267
2020	2,568,435	804,832	3,373,267
2021	2,697,022	676,245	3,373,267
2022	2,775,376	543,292	3,318,668
2023 - 2027	8,088,173	1,098,720	9,186,893
2028	<u>279,646</u>	<u>3,020</u>	<u>282,666</u>
	\$ <u>21,209,877</u>	\$ <u>5,086,426</u>	\$ <u>26,296,303</u>

University of Guam (UOG):

Rural development loan payable to the U.S. Department of Agriculture, dated June 12, 2003, in the amount of \$13,500,000, interest at 4.5% per annum, principal and interest payable commencing on July 12, 2006 in monthly installments of \$62,505, and collateralized by real property. Loan proceeds were used to finance the construction of the Business and Public Administration (BPA) Building. The loan is secured by equipment, furniture and fixtures located at the BPA Building.

\$ 11,313,585

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>
2018	\$ 241,226	\$ 508,834	\$ 750,060
2019	252,308	497,752	750,060
2020	263,899	486,161	750,060
2021	276,023	474,037	750,060
2022	288,703	461,357	750,060
2023 - 2027	1,655,075	2,095,225	3,750,300
2028 - 2032	2,071,815	1,678,485	3,750,300
2033 - 2037	2,593,490	1,156,810	3,750,300
2038 - 2042	3,246,520	503,780	3,750,300
2043	<u>424,526</u>	<u>9,578</u>	<u>434,104</u>
	\$ <u>11,313,585</u>	\$ <u>7,872,019</u>	\$ <u>19,185,604</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

H. Capital Lease Financing

Guam Power Authority (GPA):

In September 1996, GPA entered into agreements to purchase electricity produced by generating plants constructed or refurbished and operated by three companies. The agreements have twenty year terms. At the end of the agreements, ownership of the plants and the plant improvements reverts to GPA. Under each of the agreements, GPA pays capacity and operation and maintenance costs.

GPA has determined that the agreements to purchase electricity were in fact capital leases to acquire the plants and that the capacity payments made under the agreements were lease payments.

The assets acquired through capital leases are as follows:

Asset:	
Buildings	\$ 184,849,243
Less accumulated depreciation	<u>(74,722,606)</u>
	\$ <u>110,126,637</u>

The leases have effective interest rates ranging from 8.6% to 13.7%.

Future minimum lease obligations 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>
2018	\$ 23,330,193	\$ 3,033,848	\$ 26,364,041
2019	13,621,228	916,292	14,537,520
2020	8,582,729	346,471	8,929,200
2021	<u>2,224,875</u>	<u>18,578</u>	<u>2,243,453</u>
	\$ <u>47,759,025</u>	\$ <u>4,315,189</u>	\$ <u>52,074,214</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

I. Changes in Long-Term Liabilities

During the year ended September 30, 2017, the following changes occurred in liabilities reported as part of the discretely presented component units' long-term liabilities in the statement of net position:

Bonds Payable:

	Balance October 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance September <u>30, 2017</u>	Due Within <u>One Year</u>
Antonio B. Won Pat International					
Airport Authority	\$ 227,025,000	\$ -	\$ (10,890,000)	\$ 216,135,000	\$ 11,430,000
Guam Power Authority	566,855,000	-	(115,000)	566,740,000	1,780,000
Guam Waterworks Authority	511,500,000	-	(5,040,000)	506,460,000	5,200,000
Guam Housing Corporation	4,085,000	-	(180,000)	3,905,000	190,000
Guam Economic Development Authority	<u>41,778,618</u>	<u>-</u>	<u>(980,000)</u>	<u>40,798,618</u>	<u>1,115,000</u>
	1,351,243,618	-	(17,205,000)	1,334,038,618	19,715,000
Unamortized amounts:					
Bond premiums:					
Antonio B. Won Pat International					
Airport Authority	2,314,997	-	(174,938)	2,140,059	-
Guam Power Authority	31,824,124	-	(2,821,452)	29,002,672	-
Guam Waterworks Authority	22,941,777	-	(874,108)	22,067,669	-
Bond discounts:					
Guam Power Authority	(3,506,346)	-	112,536	(3,393,810)	-
Guam Waterworks Authority	(3,338,055)	-	131,779	(3,206,276)	-
Guam Economic Development Authority	<u>(11,173,589)</u>	<u>-</u>	<u>546,300</u>	<u>(10,607,289)</u>	<u>-</u>
	<u>\$ 1,390,306,526</u>	<u>\$ -</u>	<u>\$ (20,264,883)</u>	<u>\$ 1,370,041,643</u>	<u>\$ 19,715,000</u>

Notes Payable:

	Balance October 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance September <u>30, 2017</u>	Due Within <u>One Year</u>
Antonio B. Won Pat International					
Airport Authority	\$ 9,361,040	\$ -	\$ (1,056,808)	\$ 8,304,232	\$ 1,119,201
Guam Community College	4,415,389	-	(1,184,680)	3,230,709	52,100
Guam Housing and Urban Renewal Authority	1,095,072	-	(61,944)	1,033,128	66,000
Guam Waterworks Authority	11,452,191	-	(2,880,704)	8,571,487	3,037,569
Port Authority of Guam	19,833,424	3,130,450	(1,753,997)	21,209,877	2,350,902
University of Guam	<u>11,548,805</u>	<u>-</u>	<u>(235,220)</u>	<u>11,313,585</u>	<u>241,226</u>
	<u>\$ 57,705,921</u>	<u>\$ 3,130,450</u>	<u>\$ (7,173,353)</u>	<u>\$ 53,663,018</u>	<u>\$ 6,866,996</u>

Other Long-term Liabilities:

	Balance October 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance September <u>30, 2017</u>	Due Within <u>One Year</u>
Compensated absences	\$ 14,823,130	\$ 9,528,453	\$ (9,191,399)	\$ 15,160,184	\$ 6,686,276
Capital lease obligations	39,609,962	29,466,516	(21,317,453)	47,759,025	23,330,193
DCRS sick leave	16,767,882	4,223,533	(2,253,795)	18,737,620	-
Net pension liability	547,647,800	21,429,134	(36,925,071)	532,151,863	-
Other noncurrent liabilities	<u>783,866</u>	<u>4,141,352</u>	<u>(1,212,619)</u>	<u>3,712,599</u>	<u>-</u>
	<u>\$ 619,632,640</u>	<u>\$ 68,788,988</u>	<u>\$ (70,900,337)</u>	<u>\$ 617,521,291</u>	<u>\$ 30,016,469</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies

Performance Management Contracts (PMCs):

Guam Power Authority (GPA) has entered into two new PMCs with two companies for the operation and maintenance of Cabras 1 and 2 and Cabras 3 and 4 generators, which became effective on October 1, 2010 and July 1, 2010, respectively. These PMCs are for a period of five years with an option to extend for another five-year term. Several extensions were made on both PMCs. The latest extension of the PMC for Cabras 1 and 2 expires on September 30, 2020 while the PMC for Cabras 3 and 4 expires on February 28, 2018. GPA has also entered into a new 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, 2017, the minimum future fixed management fees are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2018	\$ 2,688,626
2019	2,449,963
2020	2,515,840
2021	<u>293,203</u>
	\$ <u>7,947,632</u>

Renewable Energy Contracts:

Guam Power Authority (GPA) has entered into three agreements to purchase 20 Megawatts (MW) of solar renewable energy, 5.65 MW of solar renewable energy, and 9.35 MW of wind renewable energy. The commercial operation date of the 20 MW and the 5.65 MW solar plants is October 30, 2015. The planned commercial operation for the wind renewable energy has not yet been established. 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, 2017, the minimum future renewable energy purchases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2018	\$ 9,164,695
2019	9,157,338
2020	9,162,071
2021	9,171,682
2022	9,200,983
2023 - 2027	46,045,437
2028 - 2032	46,118,779
2033 - 2037	46,575,874
2038 - 2041	<u>28,968,797</u>
	\$ <u>213,565,656</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor:

In March 2013, Lotte Duty Free Guam, LLC (Lotte) was selected as the primary concessionaire for the 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>	
2018	\$ 15,160,000
2019	15,160,000
2020	15,160,000
2021	15,160,000
2022	15,160,000
2023	<u>12,633,333</u>
	\$ <u>88,433,333</u>

Antonio B. Won Pat International Airport Authority (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. Other ground lease agreements will expire ranging from September 2015 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>	
2018	\$ 1,998,000
2019	2,000,000
2020	1,894,000
2021	1,674,000
2022	1,346,000
2023 - 2027	1,369,000
2028 - 2032	1,300,000
2033 - 2037	1,309,000
2038 - 2040	<u>354,000</u>
	\$ <u>13,244,000</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor, Continued:

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>	
2018	\$ 1,122,057
2019	1,122,057
2020	921,339
2021	314,544
2022	238,164
Thereafter	<u>1,706,842</u>
	\$ <u>5,425,002</u>

Lease Obligations as Lessee:

On November 1, 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 was extended for 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 was extended for five years.

On September 1, 2013, GPA renewed a lease agreement for fuel storage tanks with fixed annual fees escalating 4% every year until August 31, 2018.

The future minimum lease payments for the aforementioned leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2018	\$ 1,630,481
2019	115,196
2020	101,712
2021	61,261
2022	61,261
2023	<u>5,105</u>
	\$ <u>1,975,016</u>

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Fuel Purchase and Bulk Storage Facility Contracts:

In September 2017, the Guam Power Authority (GPA) entered into an agreement for the management and operations of its fuel bulk storage facility. The agreement is for two years ending September 30, 2019 with an option to extend the contract for three additional one-year terms with the mutual consent of both parties. At September 30, 2017, the minimum future management fees for the years ending September 30, 2018 and 2019 are \$516,560 and \$532,057, respectively.

In August 2013, GPA entered into a fuel purchase contract agreement to purchase residual fuel oil and low sulfur fuel oil from a fuel supplier. The agreement is for two years with an option to extend for three additional one year terms, renewable annually. In August 2015, the agreement was mutually extended for an additional three years commencing on September 1, 2015. On January 1, 2015, GPA entered into diesel fuel supply contracts with two fuel suppliers. The agreements are for three years ending December 31, 2017 with an option to extend for two additional one-year terms, renewable annually.

U.S. Environmental Protection Agency (EPA):

On May 24, 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 February 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 \$37,000 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. In January 2015, GPA submitted its compliance plan outlining the proposed timelines for inclusion in a consent decree. GPA believes results of negotiations with EPA will defer potential fines post RICE MACT deadlines for the slow speed diesel units. If the consent decree is not reached, the maximum liability for GPA would be \$186,000,000 as of September 30, 2017. No liability that may result from potential noncompliance has been recorded in the accompanying financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Environmental Monitoring:

In September 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. In November 2000, the Navy paid AWPIAA \$10,000,000. 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, 2017, AWPIAA estimated that its pollution remediation obligations amounted to \$348,742.

Primary Treatment Permits:

On November 29, 2011, the U.S. Environmental Protection Agency (EPA) informed GWA that its primary treatment permits for the Hagatna and Northern District Wastewater Treatment Plants had been denied and that GWA would be required to upgrade the plants to secondary treatment. The upgrades have been estimated to cost approximately \$300 million. GWA intends to negotiate with the EPA on the timelines for upgrading the plants, which may be deferring the upgrades for approximately 20 to 30 years.

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.

On June 5, 2003, a Stipulated Order for Preliminary Relief was filed before the District Court of Guam. 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.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 2017

(13) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Stipulated Order, Continued:

In 2006, the Stipulated Order was amended which required GWA to perform approximately \$220 million worth 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 Stipulated Order. The District Court ordered the parties to stipulate as to scope of remaining projects and project completion dates; however, 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 establishing new projects that were not part of the amended Stipulated Order. As of September 30, 2017, the financial impact of the order has not been fully determined and has been estimated to cost approximately \$450 million to \$500 million, including financing costs.

Guam YTK Corporation (YTK) Lawsuit:

Port Authority of Guam (PAG) is engaged in litigation with YTK, a former tenant, involving a lease agreement dated December 14, 2001. In 2016, the case was submitted to arbitration as required by the terms of the lease agreement and in April 2016, the Arbitrators issued a decision awarding YTK \$14 million. PAG filed an appeal in the Superior Court of Guam to deny the award to YTK. In December 2016, the Superior Court of Guam issued a decision denying PAG's appeal. In June 2017, PAG filed a notice of Appeal in the Superior Court of Guam. In January 2018, PAG filed a motion to dismiss in the Superior Court of Guam. PAG Management maintains its position that the lease is not legal and will appeal the decision to the Supreme Court of Guam. No provision has been recorded for the litigation in the accompanying financial statements.

GOVERNMENT OF GUAM

**REQUIRED SUPPLEMENTARY
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2017

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual (Unaudited) General Fund Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget -
	Original	Final	(See Note 1)	Positive (Negative)
Revenues:				
Taxes:				
Income tax:				
Corporate	\$ 142,997,574	\$ 142,997,574	\$ 139,689,403	\$ (3,308,171)
Individual	100,855,539	100,855,539	73,350,403	(27,505,136)
Withholding taxes, interest and penalties	264,230,779	264,230,779	266,669,507	2,438,728
	508,083,892	508,083,892	479,709,313	(28,374,579)
Provision for tax refund payments	(125,000,000)	(125,000,000)	(125,000,000)	-
	383,083,892	383,083,892	354,709,313	(28,374,579)
Gross receipts	247,029,258	250,277,720	237,133,647	(13,144,073)
Excise	2,183,865	2,183,865	2,835,998	652,133
Section 30 Federal income tax collections	74,900,290	74,900,290	87,154,735	12,254,445
Immigration fees	1,893,236	1,893,236	1,969,785	76,549
Indirect cost reimbursement	-	-	298,822	298,822
Contributions from component units	2,027,283	2,027,283	2,027,283	-
Other	7,463,389	7,463,389	12,537,206	5,073,817
Total revenues	718,581,213	721,829,675	698,666,789	(23,162,886)
Expenditures by Department:				
Executive Branch:				
Office of I Maga'lahaen Guahan	8,446,881	8,212,258	7,147,710	1,064,548
Office of I Segundu Na Maga'lahaen Guahan	1,079,464	1,079,464	1,060,680	18,784
Bureau of Budget and Management Research	1,286,073	1,286,073	1,189,050	97,023
Civil Service Commission	1,134,773	1,134,773	1,034,660	100,113
Department of Administration	12,652,278	12,882,273	11,682,489	1,199,784
Guam Election Commission	1,773,489	1,773,489	1,502,382	271,107
Department of Revenue and Taxation	11,457,544	11,457,544	10,971,783	485,761
Bureau of Statistics and Plans	1,254,100	1,254,100	1,192,821	61,279
Department of Public Works	7,968,015	7,968,015	6,359,408	1,608,607
Office of the Attorney General	21,468,942	18,740,144	13,752,732	4,987,412
Guam Police Department	35,877,565	35,063,087	32,777,087	2,286,000
Department of Corrections	27,884,572	27,884,572	27,850,711	33,861
Department of Agriculture	3,162,725	3,162,725	3,079,206	83,519
Department of Public Health and Social Services	48,844,028	25,971,269	18,993,900	6,977,369
Department of Education	219,678,835	219,828,835	218,944,885	883,950
Department of Youth Affairs	6,299,530	6,299,530	5,678,389	621,141
Guam Behavioral Health and Wellness Center	8,616,760	8,616,760	5,091,226	3,525,534
Department of Labor	1,599,767	1,553,867	1,573,445	(19,578)
Department of Parks and Recreation	319,942	1,076,013	1,076,046	(33)
Department of Integrated Services for Individuals with Disabilities	1,261,951	785,106	513,815	271,291
Mayors' Council of Guam	6,555,680	6,555,680	6,014,081	541,599
Department of Land Management	683,180	683,180	507,149	176,031
Chief Medical Examiner	434,439	434,439	417,349	17,090
Department of Chamorro Affairs	3,452,496	3,158,696	2,814,563	344,133
Department of Military Affairs	916,219	211,863	179,425	32,438
Guam Fire Department	34,550,505	34,550,505	32,259,842	2,290,663
Payments to Component Units	60,677,972	75,677,972	55,549,722	20,128,250
GovGuam Retirement Fund appropriations	2,715,000	2,715,000	2,715,000	-
Miscellaneous appropriations	57,441,243	68,337,144	55,627,365	12,709,779
Interest and other charges	-	-	2,353,609	(2,353,609)
Debt service	65,351,983	65,351,983	65,351,983	-
Total expenditures	654,845,951	653,706,359	595,262,513	58,443,846
Excess of revenues over expenditures	63,735,262	68,123,316	103,404,276	35,280,960
Other financing sources (uses):				
Transfers in from other funds	-	-	19,522,955	19,522,955
Transfers out to other funds	(92,878,340)	(121,408,389)	(115,576,206)	5,832,183
Total other financing sources (uses), net	(92,878,340)	(121,408,389)	(96,053,251)	25,355,138
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				
	6,471,378	6,471,378	9,051,873	2,580,495
Net change in deficit	\$ (22,671,700)	\$ (46,813,695)	\$ 16,402,898	\$ 63,216,593

See accompanying notes to required supplementary information - budgetary reporting.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Notes to Required Supplementary Information – Budgetary Reporting September 30, 2017

(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, 2017

(1) Budgetary Process, Continued

The Budget Act for fiscal year 2017, Public Law No. 33-185, 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	\$ 16,402,898
Net change in deficit of GASB 54 Funds included within the General Fund	<u>16,327,969</u>
Net change in deficit - General Fund	\$ <u>32,730,867</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Funding Progress and Actuarial Accrued Liability - Post
Employment Benefits Other than Pension (Unaudited)

The Schedule of Funding Progress presents GASB 45 results of OPEB valuations as of fiscal year ends September 30, 2015, 2011, and 2007 for GovGuam's Post Employment Benefits other than Pensions. The schedule provides an information trend about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
October 1, 2007	\$ -	\$ 1,635,223,000	\$ 1,635,223,000	0.0%	\$ 466,346,000	350.6%
October 1, 2011	\$ -	\$ 2,088,331,000	\$ 2,088,331,000	0.0%	\$ 466,346,000	447.8%
October 1, 2015	\$ -	\$ 1,981,159,892	\$ 1,981,159,892	0.0%	\$ 474,098,955	417.9%

The Schedule of Actuarial Accrued Liability presents GASB 45 agency-specific results of the OPEB valuation as of fiscal year end September 30, 2017 as a whole and assists in providing information that is helpful for understanding the scale of the information presented relative to each employer.

Primary Government:	
GovGuam Line Agencies	\$ 678,569,751
GovGuam Retirement Fund	8,973,654
Guam Legislature	13,673,130
Guam Department of Education	582,457,794
Public Defender Service Corporation	9,644,102
Unified Courts of Guam	50,093,441
Guam Telephone Authority	<u>21,640,085</u>
Total Primary Government	<u>1,365,051,957</u>
Component Units:	
Antonio B. Won Pat International Airport Authority	37,225,457
Guam Community College	39,992,714
Guam Economic Development Authority	3,029,369
Guam Housing Corporation	9,558,506
Guam Housing and Urban Renewal Authority	11,802,261
Guam Memorial Hospital Authority	143,287,530
Guam Power Authority	122,598,086
Guam Visitors Bureau	4,470,547
Guam Waterworks Authority	73,213,364
Port Authority of Guam	69,129,551
University of Guam	<u>101,800,550</u>
Total Component Units	<u>616,107,935</u>
Total Actuarial Accrued Liability	<u>\$ 1,981,159,892</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years * (Unaudited)

Defined Benefit Plan				
	2017	2016	2015	2014
GovGuam's proportion of the Net Pension Liability	66.7612%	67.1183%	67.8926%	65.6700%
GovGuam's proportionate share of the Net Pension Liability	\$ 913,724,199	\$ 964,364,934	\$ 846,150,680	\$ 855,888,933
GovGuam's covered-employee payroll	\$ 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	270.3111%	280.9755%	246.8213%	283.1130%
Plan fiduciary net position as a percentage of total Net Pension Liability	54.62%	52.32%	56.60%	53.94%

* Information for 2008 - 2013 is unavailable

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees

	2017	2016
GovGuam's proportion of the Net Pension Liability	71.0320%	71.2765%
GovGuam's proportionate share of the Net Pension Liability	\$ 163,009,076	\$ 168,069,808
GovGuam's covered-employee payroll	\$ 359,651,048	\$ 364,484,142
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	45.3242%	46.1117%

* Information for 2008 - 2015 is unavailable

Ad Hoc COLA for DCRS Retirees

	2017	2016
GovGuam's proportion of the Net Pension Liability	66.5776%	66.2884%
GovGuam's proportionate share of the Net Pension Liability	\$ 41,070,407	\$ 34,546,678
GovGuam's covered-employee payroll	\$ 243,054,382	\$ 235,917,381
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	16.8976%	14.6435%

* Information for 2008 - 2015 is unavailable

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 83,063,953	\$ 90,278,355	\$ 91,048,706	\$ 80,079,430
Contributions in relation to the contractually required contribution	<u>81,955,499</u>	<u>90,409,720</u>	<u>90,526,350</u>	<u>79,175,360</u>
Contribution deficiency (excess)	<u>\$ (1,108,454)</u>	<u>\$ 131,365</u>	<u>\$ (522,356)</u>	<u>\$ (904,070)</u>
GovGuam's covered-employee payroll	\$ 338,026,939	\$ 343,220,317	\$ 342,819,183	\$ 302,313,488
Contributions as a percentage of covered-employee payroll	24.25%	26.34%	26.41%	26.19%

* Information for 2006 - 2013 is unavailable

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

**OTHER SUPPLEMENTARY
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2017

GOVERNMENT OF GUAM

General Fund
September 30, 2017

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, 2017, 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.

Community Development Fund - This fund was created to account for funds allocated by the Mayor's Council of Guam to Mayors for payment of salaries of employees performing minor repairs and maintenance and for purchase of equipment and supplies necessary for performing minor repairs and maintenance.

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

General Fund, Continued
September 30, 2017

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.

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.

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.

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.

Parks and Recreation Revolving Fund - This fund was created by Public Law 16-44 for the development, improvement and maintenance of the Guam Territorial Park System. Expenditures are authorized and made by appropriations from the Legislature.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

General Fund, Continued
September 30, 2017

Plant Protection and Quarantine Revolving Fund - This fund was created to account for all fees collected under the Department of Agriculture's fee schedule for agricultural quarantine activities.

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.

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.

Typhoon Chata'an and Halong Fund - This fund was created by Public Law 26-116 to account for appropriations made by the Legislature to cover the emergency recovery needs of Guam resulting from Typhoons Chata'an and Halong.

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.

General Obligation Bond Series A 1993 Fund - This fund is used to account for funds required by the General Obligation Bond Series A 1993 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

General Obligation Bond Series A 1995 Fund - This fund is used to account for funds required by the General Obligation Bond Series A 1995 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

General Obligation Bond Series A 2007 Fund - This fund is used to account for funds required by the General Obligation Bond Series A 2007 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

Streetlight Note Payable 2008 Fund - This fund is used to account for an assignment of Section 30 funds required by a \$13,800,000 promissory bank note.

Limited Obligation Bond Series A 2009 Fund - This fund is used to account for funds required by the Limited Obligation Bond Series A 2009 bond indenture 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, 2017

AS/400 Fund Number	100	618	309	628	319	255/643	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Community Development	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
ASSETS										
Cash and cash equivalents	\$ 27,758,634	\$ 11,813,973	\$ 5,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,933	\$ 61,563
Investments	209,179	-	-	-	-	-	-	-	-	-
Receivables, net:										
Taxes	58,513,033	-	-	-	-	-	-	-	-	-
Federal agencies	2,133,654	-	-	-	-	-	-	-	-	-
Other	591,476	1,526,707	-	90,169	-	-	-	-	-	-
Due from other funds	27,102,561	2,576,855	-	-	-	-	-	1,093,406	-	545,113
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Prepayments	4,570,417	88,577	-	-	-	-	-	-	-	-
Deposits and other assets	1,000,000	4,800,125	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	64,482,963	726,931	-	-	-	-	461,785	-	-	-
Total assets	<u>\$ 186,361,917</u>	<u>\$ 21,533,168</u>	<u>\$ 5,030</u>	<u>\$ 90,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,785</u>	<u>\$ 1,093,406</u>	<u>\$ 1,933</u>	<u>\$ 606,676</u>
LIABILITIES AND FUND BALANCE (DEFICIT)										
Accounts payable	\$ 60,684,709	\$ 6,611,424	\$ -	\$ -	\$ -	\$ -	\$ 525,279	\$ -	\$ -	\$ -
Accrued payroll and other	5,010,965	10,050,944	-	-	-	-	-	-	-	2,020
Due to other funds	29,122,734	-	6	-	-	-	-	-	-	-
Unearned revenue	77,795,541	-	-	-	-	-	-	-	-	-
Provision for tax refunds	109,525,629	-	-	-	-	-	-	-	-	-
COLA liability	4,585,535	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	7,968,910	-	-	-	-	-	-	-	748	-
Total liabilities	<u>294,694,023</u>	<u>16,662,368</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,279</u>	<u>-</u>	<u>748</u>	<u>2,020</u>
Fund balance (deficit):										
Non-spendable	1,000,000	-	-	-	-	-	-	-	-	-
Restricted	58,632,940	5,527,056	-	-	-	-	-	-	-	-
Committed	-	-	5,024	90,169	-	-	-	1,093,406	1,185	604,656
Unassigned	(167,965,046)	(656,256)	-	-	-	-	(63,494)	-	-	-
Total fund balance (deficit)	<u>(108,332,106)</u>	<u>4,870,800</u>	<u>5,024</u>	<u>90,169</u>	<u>-</u>	<u>-</u>	<u>(63,494)</u>	<u>1,093,406</u>	<u>1,185</u>	<u>604,656</u>
Total liabilities and fund balance (deficit)	<u>\$ 186,361,917</u>	<u>\$ 21,533,168</u>	<u>\$ 5,030</u>	<u>\$ 90,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,785</u>	<u>\$ 1,093,406</u>	<u>\$ 1,933</u>	<u>\$ 606,676</u>

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2017

AS/400 Fund Number	104	299	229	404	239	649	659	617	616	201	298
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Government Claims	Guam Geodetic Network	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Housing Revolving	Human Resources Services Revolving
ASSETS											
Cash and cash equivalents	\$ 227,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,414	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-	-	-
Other	28,738	19,661	-	-	-	-	-	-	595,887	301,979	-
Due from other funds	-	70,470	50,232	-	-	-	-	-	203,899	1,870	107,200
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	5,221,740	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 256,279</u>	<u>\$ 90,131</u>	<u>\$ 50,232</u>	<u>\$ 5,221,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,414</u>	<u>\$ 799,786</u>	<u>\$ 303,849</u>	<u>\$ 107,200</u>
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ 285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	188,340	-	-	3,023,503	-	-	-	1,397	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	8,894	-
Total liabilities	<u>188,625</u>	<u>-</u>	<u>-</u>	<u>3,023,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,397</u>	<u>-</u>	<u>8,894</u>	<u>-</u>
Fund balance (deficit):											
Non-spendable	-	-	-	2,198,237	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	67,654	90,131	50,232	-	-	-	-	17	799,786	294,955	107,200
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>67,654</u>	<u>90,131</u>	<u>50,232</u>	<u>2,198,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>799,786</u>	<u>294,955</u>	<u>107,200</u>
Total liabilities and fund balance (deficit)	<u>\$ 256,279</u>	<u>\$ 90,131</u>	<u>\$ 50,232</u>	<u>\$ 5,221,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,414</u>	<u>\$ 799,786</u>	<u>\$ 303,849</u>	<u>\$ 107,200</u>

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2017

AS/400 Fund Number	303	321	293	329	225	504				314	
	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Parks and Recreation Revolving	Plant Protection and Quarantine Revolving	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	State Agency for Surplus Property
ASSETS											
Cash and cash equivalents	\$ -	\$ 398	\$ 1,544,809	\$ -	\$ -	\$ 455,421	\$ -	\$ -	\$ 602,467	\$ 751,766	\$ 74,059
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	29,091	-	-	-	-	-
Other	-	-	11,296	-	-	-	-	-	2,246	895,442	19,515
Due from other funds	5,711,247	280,424	-	2,535,942	-	-	-	-	-	-	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	165,412
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 5,711,247</u>	<u>\$ 280,822</u>	<u>\$ 1,556,105</u>	<u>\$ 2,535,942</u>	<u>\$ -</u>	<u>\$ 484,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,713</u>	<u>\$ 1,647,208</u>	<u>\$ 258,986</u>
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ -	\$ -	\$ 17,267	\$ 2,517,689	\$ -	\$ 32,273	\$ -	\$ -	\$ 5,632	\$ 11,033	\$ -
Accrued payroll and other	-	-	97,491	-	-	-	-	-	-	54,010	679
Due to other funds	-	-	330,158	-	-	-	-	-	-	-	48,060
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	5,192,264	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	726,084	-	13,213	-	-	-	-	9,864	-
Total liabilities	<u>5,192,264</u>	<u>-</u>	<u>1,171,000</u>	<u>2,517,689</u>	<u>13,213</u>	<u>32,273</u>	<u>-</u>	<u>-</u>	<u>5,632</u>	<u>74,907</u>	<u>48,739</u>
Fund balance (deficit):											
Non-spendable	-	-	-	-	-	-	-	-	-	-	165,412
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	518,983	280,822	385,105	18,253	-	452,239	-	-	599,081	1,572,301	44,835
Unassigned	-	-	-	-	(13,213)	-	-	-	-	-	-
Total fund balance (deficit)	<u>518,983</u>	<u>280,822</u>	<u>385,105</u>	<u>18,253</u>	<u>(13,213)</u>	<u>452,239</u>	<u>-</u>	<u>-</u>	<u>599,081</u>	<u>1,572,301</u>	<u>210,247</u>
Total liabilities and fund balance (deficit)	<u>\$ 5,711,247</u>	<u>\$ 280,822</u>	<u>\$ 1,556,105</u>	<u>\$ 2,535,942</u>	<u>\$ -</u>	<u>\$ 484,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,713</u>	<u>\$ 1,647,208</u>	<u>\$ 258,986</u>

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Balance Sheet Accounts
General Fund
September 30, 2017

AS/400 Fund Number	103	607	645	501	355	363				
	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Typhoon Chataa & Halong	Unified Courts of Guam	Water System Revenue Bond Debt Service	Limited Obligation Series A 2016 Debt Service	Combined Total	Eliminating Entries	Total
ASSETS										
Cash and cash equivalents	\$ 15,776	\$ -	\$ 244	\$ -	\$ 2,419,141	\$ 752,770	\$ -	\$ 46,486,939	\$ -	\$ 46,486,939
Investments	-	-	-	-	-	-	-	209,179	-	209,179
Receivables, net:										
Taxes	-	-	-	-	-	-	-	58,513,033	-	58,513,033
Federal agencies	-	-	-	-	1,203,414	-	-	3,366,159	-	3,366,159
Other	-	-	-	-	950,591	-	-	5,033,707	-	5,033,707
Due from other funds	-	-	-	-	1,748,926	-	-	42,028,145	(14,610,445)	27,417,700
Due from private purpose trust funds	-	-	-	-	2,090,433	-	-	2,090,433	-	2,090,433
Inventories	-	-	-	-	-	-	-	5,387,152	-	5,387,152
Prepayments	-	-	-	-	-	-	-	4,658,994	-	4,658,994
Deposits and other assets	-	-	-	-	648,112	-	-	6,448,237	-	6,448,237
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	14,076,310	79,747,989	-	79,747,989
Total assets	<u>\$ 15,776</u>	<u>\$ -</u>	<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 9,060,617</u>	<u>\$ 752,770</u>	<u>\$ 14,076,310</u>	<u>\$ 253,969,967</u>	<u>\$ (14,610,445)</u>	<u>\$ 239,359,522</u>
LIABILITIES AND FUND BALANCE (DEFICIT)										
Accounts payable	\$ 188	\$ -	\$ -	\$ -	\$ 1,200,763	\$ 2,000	\$ -	\$ 71,608,542	\$ -	\$ 71,608,542
Accrued payroll and other	-	-	-	-	843,720	-	-	16,059,829	-	16,059,829
Due to other funds	-	-	-	-	-	749,336	-	33,463,534	(14,610,445)	18,853,089
Unearned revenue	-	-	-	-	-	-	-	77,795,541	-	77,795,541
Provision for tax refunds	-	-	-	-	-	-	-	114,717,893	-	114,717,893
COLA liability	-	-	-	-	-	-	-	4,585,535	-	4,585,535
Deposits and other liabilities	-	-	14,012	-	-	-	-	8,741,725	-	8,741,725
Total liabilities	<u>188</u>	<u>-</u>	<u>14,012</u>	<u>-</u>	<u>2,044,483</u>	<u>751,336</u>	<u>-</u>	<u>326,972,599</u>	<u>(14,610,445)</u>	<u>312,362,154</u>
Fund balance (deficit):										
Non-spendable	-	-	-	-	-	-	-	3,363,649	-	3,363,649
Restricted	-	-	-	-	-	-	14,076,310	78,236,306	-	78,236,306
Committed	15,588	-	-	-	7,016,134	-	-	14,107,756	-	14,107,756
Unassigned	-	-	(13,768)	-	-	1,434	-	(168,710,343)	-	(168,710,343)
Total fund balance (deficit)	<u>15,588</u>	<u>-</u>	<u>(13,768)</u>	<u>-</u>	<u>7,016,134</u>	<u>1,434</u>	<u>14,076,310</u>	<u>(73,002,632)</u>	<u>-</u>	<u>(73,002,632)</u>
Total liabilities and fund balance (deficit)	<u>\$ 15,776</u>	<u>\$ -</u>	<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 9,060,617</u>	<u>\$ 752,770</u>	<u>\$ 14,076,310</u>	<u>\$ 253,969,967</u>	<u>\$ (14,610,445)</u>	<u>\$ 239,359,522</u>

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2017

AS/400 Fund Number	100	618	309	628	319	255/643	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Community Development	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:										
Taxes:										
Income	\$ 354,709,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	237,133,647	-	-	-	-	-	-	-	-	-
Excise	2,835,998	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	87,154,735	-	-	-	-	-	-	-	-	-
Intergovernmental	-	4,458,316	-	-	-	-	-	-	-	-
Licenses and permits	5,060,547	-	-	-	12,866	-	-	-	-	18,238
Charges for services	1,969,785	498,124	-	-	-	-	-	1,610,730	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	165,029	-	6	-	-	-	-	-	2	81
Indirect cost reimbursement	298,822	-	-	-	-	-	-	-	-	-
Contributions from component units	2,027,283	-	-	-	-	-	-	-	-	-
Other	7,311,630	-	-	-	-	-	-	-	-	-
Total revenues	698,666,789	4,956,440	6	-	12,866	-	-	1,610,730	2	18,319
Expenditures by Function:										
Current:										
General government	35,489,378	-	-	-	1,759,708	-	-	-	-	-
Protection of life and property	108,193,125	-	-	-	-	-	-	1,272,598	-	-
Public health	9,046,703	-	-	-	-	-	-	-	-	74,240
Community services	13,326,470	-	-	-	-	-	-	-	-	-
Recreation	1,065,826	-	-	-	-	-	-	-	-	-
Individual and collective rights	11,912,056	-	-	-	-	-	-	-	-	-
Public education	3,300,780	242,269,886	-	-	-	-	-	-	-	-
Environmental protection	2,592	-	-	-	-	-	-	-	-	-
Economic development	4,253,462	-	-	-	-	-	-	-	-	-
Payments to:										
GovGuam Retirement Fund	2,715,000	-	-	-	-	-	-	-	-	-
Guam Community College	17,122,713	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	12,093,364	-	-	-	-	-	-	-	-	-
University of Guam	26,333,645	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	57,070,017	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	17,200,000	3,634,648	-	-	-	-	-	-	-	-
Interest and fiscal charges	48,151,983	16,608,447	-	-	-	-	-	-	-	-
Total expenditures	367,277,114	262,512,981	-	-	1,759,708	-	-	1,272,598	-	74,240
Excess (deficiency) of revenues over (under) expenditures	331,389,675	(257,556,541)	6	-	(1,746,842)	-	-	338,132	2	(55,921)
Other financing sources (uses):										
Capital lease	-	26,995,762	-	-	-	-	-	-	-	-
Transfers in from other funds	19,522,955	248,093,671	215,789,062	-	2,182,530	89,038	100,284	-	-	-
Transfers out to other funds	(334,509,732)	-	(215,789,062)	-	-	-	-	-	-	-
Total other financing sources (uses), net	(314,986,777)	275,089,433	-	-	2,182,530	89,038	100,284	-	-	-
Net change in fund balances (deficit)	16,402,898	17,532,892	6	-	435,688	89,038	100,284	338,132	2	(55,921)
Fund balances (deficit) at beginning of year	(124,735,004)	(12,662,092)	5,018	90,169	(435,688)	(89,038)	(163,778)	755,274	1,183	660,577
Fund balances (deficit) at end of year	\$ (108,332,106)	\$ 4,870,800	\$ 5,024	\$ 90,169	\$ -	\$ -	\$ (63,494)	\$ 1,093,406	\$ 1,185	\$ 604,656

(continued)

GOVERNMENT OF GUAM
 Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
 General Fund
 Year Ended September 30, 2017

AS/400 Fund Number	104	299	229	404	239	649	659	617	616	201	298
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Government Claims	Guam Geodetic Network	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Housing Revolving	Human Resources Services Revolving
Revenues:											
Taxes:											
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	56,091	40,015	205,978	-	-	-	-	-	-	81,029
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	584	-	-	-	-	-	-	2	-	-	-
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	584	56,091	40,015	205,978	-	-	-	2	-	-	81,029
Expenditures by Function:											
Current:											
General government	1,138	51,535	-	-	164,709	5,071	-	-	-	-	27,657
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	31,440	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	5,752,105	4,806,779	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	32,578	51,535	-	-	164,709	5,071	5,752,105	4,806,779	-	-	27,657
Excess (deficiency) of revenues over (under) expenditures	(31,994)	4,556	40,015	205,978	(164,709)	(5,071)	(5,752,105)	(4,806,777)	-	-	53,372
Other financing sources (uses):											
Capital lease	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	164,709	5,071	5,752,105	10,558,885	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	(5,752,105)	-	-	-
Total other financing sources (uses), net	-	-	-	-	164,709	5,071	5,752,105	4,806,780	-	-	-
Net change in fund balances (deficit)	(31,994)	4,556	40,015	205,978	-	-	-	3	-	-	53,372
Fund balances (deficit) at beginning of year	99,648	85,575	10,217	1,992,259	-	-	-	14	799,786	294,955	53,828
Fund balances (deficit) at end of year	\$ 67,654	\$ 90,131	\$ 50,232	\$ 2,198,237	\$ -	\$ -	\$ -	\$ 17	\$ 799,786	\$ 294,955	\$ 107,200

(continued)

GOVERNMENT OF GUAM
 Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
 General Fund
 Year Ended September 30, 2017

AS/400 Fund Number	303	321	293	329	225	504				314	
	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Parks and Recreation Revolving	Plant Protection and Quarantine Revolving	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	State Agency for Surplus Property
Revenues:											
Taxes:											
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	49,261	-	-	-	38,047	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	1,049
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	93	2,040	-	-	2,848	-	-	-	-	61
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	20,760	-	-	-	-	59,873
Total revenues	-	93	2,040	-	-	72,869	-	-	-	38,047	60,983
Expenditures by Function:											
Current:											
General government	-	-	8,899,858	-	2,224,897	1,571,243	-	-	-	-	69,875
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	9,319,850	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	963,017	4,306,863	-
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	-	-	8,899,858	9,319,850	2,224,897	1,571,243	-	-	963,017	4,306,863	69,875
Excess (deficiency) of revenues over (under) expenditures	-	93	(8,897,818)	(9,319,850)	(2,224,897)	(1,498,374)	-	-	(963,017)	(4,268,816)	(8,892)
Other financing sources (uses):											
Capital lease	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	8,313,104	9,319,850	2,360,509	1,396,898	4,808	3,548	1,239,791	4,341,373	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	8,313,104	9,319,850	2,360,509	1,396,898	4,808	3,548	1,239,791	4,341,373	-
Net change in fund balances (deficit)	-	93	(584,714)	-	135,612	(101,476)	4,808	3,548	276,774	72,557	(8,892)
Fund balances (deficit) at beginning of year	518,983	280,729	969,819	18,253	(148,825)	553,715	(4,808)	(3,548)	322,307	1,499,744	219,139
Fund balances (deficit) at end of year	\$ 518,983	\$ 280,822	\$ 385,105	\$ 18,253	\$ (13,213)	\$ 452,239	\$ -	\$ -	\$ 599,081	\$ 1,572,301	\$ 210,247

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2017

AS/400 Fund Number	103	607	645	501	355	363				
	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Typhoon Chataan & Halong	Unified Courts of Guam	Water System Revenue Bond Debt Service	Limited Obligation Series A 2016 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:										
Taxes:										
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,709,313	\$ -	\$ 354,709,313
Gross receipts	-	-	-	-	-	-	-	237,133,647	-	237,133,647
Excise	-	-	-	-	-	-	-	2,835,998	-	2,835,998
Section 30 Federal income tax collections	-	-	-	-	-	-	-	87,154,735	-	87,154,735
Intergovernmental	-	-	-	-	2,379,522	-	-	6,925,146	-	6,925,146
Licenses and permits	-	-	-	-	-	-	-	5,475,813	-	5,475,813
Charges for services	-	-	-	-	-	-	-	4,078,639	-	4,078,639
Fines and forfeits	-	-	-	-	804,361	-	-	804,361	-	804,361
Interest and investment earnings	41	-	-	-	-	1,434	7,428	179,649	-	179,649
Indirect cost reimbursement	-	-	-	-	-	-	-	298,822	-	298,822
Contributions from component units	-	-	-	-	-	-	-	2,027,283	-	2,027,283
Other	-	-	-	-	-	-	-	7,392,263	-	7,392,263
Total revenues	<u>41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,883</u>	<u>1,434</u>	<u>7,428</u>	<u>709,015,669</u>	<u>-</u>	<u>709,015,669</u>
Expenditures by Function:										
Current:										
General government	750	-	-	-	-	-	-	50,265,819	-	50,265,819
Protection of life and property	-	-	-	-	-	-	-	109,465,723	-	109,465,723
Public health	-	-	-	-	-	-	-	9,120,943	-	9,120,943
Community services	-	-	-	-	-	-	-	22,646,320	-	22,646,320
Recreation	-	-	-	-	-	-	-	1,065,826	-	1,065,826
Individual and collective rights	-	-	-	-	34,061,917	-	-	51,243,853	-	51,243,853
Public education	-	-	-	-	-	-	-	245,570,666	-	245,570,666
Environmental protection	-	-	-	-	-	-	-	34,032	-	34,032
Economic development	-	-	-	-	-	-	-	4,253,462	-	4,253,462
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	2,715,000	-	2,715,000
Guam Community College	-	-	-	-	-	-	-	17,122,713	-	17,122,713
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	22,652,248	-	22,652,248
University of Guam	-	-	-	-	-	-	-	26,333,645	-	26,333,645
Miscellaneous appropriations	-	9,490,000	-	-	-	-	-	66,560,017	-	66,560,017
Debt service:										
Principal retirement	-	-	-	-	-	-	-	20,834,648	-	20,834,648
Interest and fiscal charges	-	-	-	-	-	-	-	64,760,430	-	64,760,430
Total expenditures	<u>750</u>	<u>9,490,000</u>	<u>-</u>	<u>-</u>	<u>34,061,917</u>	<u>-</u>	<u>-</u>	<u>714,645,345</u>	<u>-</u>	<u>714,645,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(709)</u>	<u>(9,490,000)</u>	<u>-</u>	<u>-</u>	<u>(30,878,034)</u>	<u>1,434</u>	<u>7,428</u>	<u>(5,629,676)</u>	<u>-</u>	<u>(5,629,676)</u>
Other financing sources (uses):										
Capital lease	-	-	-	-	-	-	-	26,995,762	-	26,995,762
Transfers in from other funds	-	9,490,000	181,445	770	34,144,477	-	-	573,054,883	(519,004,045)	54,050,838
Transfers out to other funds	-	-	-	-	(1,980,352)	-	(3,658,851)	(561,690,102)	519,004,045	(42,686,057)
Total other financing sources (uses), net	<u>-</u>	<u>9,490,000</u>	<u>181,445</u>	<u>770</u>	<u>32,164,125</u>	<u>-</u>	<u>(3,658,851)</u>	<u>38,360,543</u>	<u>-</u>	<u>38,360,543</u>
Net change in fund balances (deficit)	<u>(709)</u>	<u>-</u>	<u>181,445</u>	<u>770</u>	<u>1,286,091</u>	<u>1,434</u>	<u>(3,651,423)</u>	<u>32,730,867</u>	<u>-</u>	<u>32,730,867</u>
Fund balances (deficit) at beginning of year	<u>16,297</u>	<u>-</u>	<u>(195,213)</u>	<u>(770)</u>	<u>5,730,043</u>	<u>-</u>	<u>17,727,733</u>	<u>(105,733,499)</u>	<u>-</u>	<u>(105,733,499)</u>
Fund balances (deficit) at end of year	<u>\$ 15,588</u>	<u>\$ -</u>	<u>\$ (13,768)</u>	<u>\$ -</u>	<u>\$ 7,016,134</u>	<u>\$ 1,434</u>	<u>\$ 14,076,310</u>	<u>\$ (73,002,632)</u>	<u>\$ -</u>	<u>\$ (73,002,632)</u>

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2017

AS/400 Fund Number	100	618	309	628	319	255/643	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Community Development	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:										
Taxes:										
Income	\$ 354,709,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	237,133,647	-	-	-	-	-	-	-	-	-
Excise	2,835,998	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	87,154,735	-	-	-	-	-	-	-	-	-
Intergovernmental	-	4,458,316	-	-	-	-	-	-	-	-
Licenses and permits	5,060,547	-	-	-	12,866	-	-	-	-	18,238
Charges for services	1,969,785	498,124	-	-	-	-	-	1,610,730	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	165,029	-	6	-	-	-	-	-	2	81
Indirect cost reimbursement	298,822	-	-	-	-	-	-	-	-	-
Contributions from component units	2,027,283	-	-	-	-	-	-	-	-	-
Other	7,311,630	-	-	-	-	-	-	-	-	-
Total revenues	698,666,789	4,956,440	6	-	12,866	-	-	1,610,730	2	18,319
Expenditures by Object:										
Salaries and wages - regular	99,065,281	132,224,567	-	-	-	-	-	-	-	37,107
Salaries and wages - overtime	9,654,678	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	34,012,158	46,235,539	-	-	-	-	-	-	-	15,400
Travel	553,741	380,367	-	-	-	-	-	-	-	1,934
Contractual services	22,410,689	15,827,514	-	-	1,659,894	-	-	1,069,672	-	4,254
Building rent	5,126,703	-	-	-	-	-	-	-	-	-
Supplies	2,648,592	2,130,413	-	-	97,214	-	-	193,116	-	4,326
Equipment	619,860	930,763	-	-	-	-	-	2,493	-	-
Utilities - power and water	4,803,473	14,834,570	-	-	-	-	-	-	-	-
Communications	1,339,123	204,549	-	-	-	-	-	-	-	-
Capital outlays	1,373,463	26,995,762	-	-	-	-	-	-	-	11,219
Grants and subsidies	55,517,523	8,005,561	-	-	-	-	-	-	-	-
COLA/Supplemental annuity benefits	13,476,000	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	41,463,017	-	-	-	-	-	-	-	-	-
Principal retirement	17,200,000	3,634,648	-	-	-	-	-	-	-	-
Interest and fiscal charges	48,151,983	11,870,085	-	-	-	-	-	-	-	-
Miscellaneous	9,860,830	(761,357)	-	-	2,600	-	-	7,317	-	-
Total expenditures	367,277,114	262,512,981	-	-	1,759,708	-	-	1,272,598	-	74,240
Excess (deficiency) of revenues over (under) expenditures	-	(257,556,541)	6	-	(1,746,842)	-	-	338,132	2	(55,921)
Other financing sources (uses):										
Capital leases	-	26,995,762	-	-	-	-	-	-	-	-
Transfers in from other funds	19,522,955	248,093,671	215,789,062	-	2,182,530	89,038	100,284	-	-	-
Transfers out to other funds	(334,509,732)	-	(215,789,062)	-	-	-	-	-	-	-
Total other financing sources (uses), net	(314,986,777)	275,089,433	-	-	2,182,530	89,038	100,284	-	-	-
Net change in fund balances (deficit)	16,402,898	17,532,892	6	-	435,688	89,038	100,284	338,132	2	(55,921)
Fund balances (deficit) at beginning of year	(124,735,004)	(12,662,092)	5,018	90,169	(435,688)	(89,038)	(163,778)	755,274	1,183	660,577
Fund balances (deficit) at end of year	\$(108,332,106)	\$ 4,870,800	\$ 5,024	\$ 90,169	\$ -	\$ -	\$(63,494)	\$ 1,093,406	\$ 1,185	\$ 604,656

(continued)

GOVERNMENT OF GUAM
 Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
 General Fund
 Year Ended September 30, 2017

AS/400 Fund Number	104	299	229	404	239	649	659	617	616	201	298
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Government Claims	Guam Geodetic Network	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Housing Revolving	Human Resources Services Revolving
Revenues:											
Taxes:											
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	56,091	40,015	205,978	-	-	-	-	-	-	81,029
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	584	-	-	-	-	-	-	2	-	-	-
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>584</u>	<u>56,091</u>	<u>40,015</u>	<u>205,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>81,029</u>
Expenditures by Object:											
Salaries and wages - regular	-	2,174	-	-	-	-	-	-	-	-	-
Salaries and wages - overtime	-	17,361	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	1,391	-	-	-	-	-	-	-	-	-
Travel	9,367	-	-	-	-	-	-	-	-	-	-
Contractual services	20,564	18,734	-	-	-	-	-	-	-	-	-
Building rent	-	-	-	-	-	-	-	-	-	-	-
Supplies	1,509	11,875	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	5,071	-	-	-	-	-
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-	5,752,105	4,806,779	-	-	-
COLA/Supplemental annuity benefits	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,138	-	-	-	164,709	-	-	-	-	-	27,657
Total expenditures	<u>32,578</u>	<u>51,535</u>	<u>-</u>	<u>-</u>	<u>164,709</u>	<u>5,071</u>	<u>5,752,105</u>	<u>4,806,779</u>	<u>-</u>	<u>-</u>	<u>27,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,994)</u>	<u>4,556</u>	<u>40,015</u>	<u>205,978</u>	<u>(164,709)</u>	<u>(5,071)</u>	<u>(5,752,105)</u>	<u>(4,806,777)</u>	<u>-</u>	<u>-</u>	<u>53,372</u>
Other financing sources (uses):											
Capital leases	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	164,709	5,071	5,752,105	10,558,885	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	(5,752,105)	-	-	-
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,709</u>	<u>5,071</u>	<u>5,752,105</u>	<u>4,806,780</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	<u>(31,994)</u>	<u>4,556</u>	<u>40,015</u>	<u>205,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>53,372</u>
Fund balances (deficit) at beginning of year	99,648	85,575	10,217	1,992,259	-	-	-	14	799,786	294,955	53,828
Fund balances (deficit) at end of year	<u>\$ 67,654</u>	<u>\$ 90,131</u>	<u>\$ 50,232</u>	<u>\$ 2,198,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 799,786</u>	<u>\$ 294,955</u>	<u>\$ 107,200</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, 2017

AS/400 Fund Number	303	321	293	329	225	504				314	
	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Parks and Recreation Revolving	Plant Protection and Quarantine Revolving	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	State Agency for Surplus Property
Revenues:											
Taxes:											
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	49,261	-	-	-	38,047	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	1,049
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	93	2,040	-	-	2,848	-	-	-	-	61
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	20,760	-	-	-	-	59,873
Total revenues	-	93	2,040	-	-	72,869	-	-	-	38,047	60,983
Expenditures by Object:											
Salaries and wages - regular	-	-	6,225,689	-	-	870,568	-	-	576,170	2,856,079	18,379
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	-	36,456
Salaries and wages - fringe benefits	-	-	1,259,404	-	-	293,492	-	-	238,931	954,205	6,095
Travel	-	-	19,145	23,388	2,402	16,331	-	-	-	-	-
Contractual services	-	-	338,295	-	-	186,865	-	-	39,237	121,600	6,156
Building rent	-	-	419,070	-	-	120,971	-	-	65,424	273,600	-
Supplies	-	-	78,637	-	-	(400)	-	-	1,460	37,742	2,914
Equipment	-	-	65,552	-	-	10,581	-	-	13,465	7,372	-
Utilities - power and water	-	-	119,067	-	-	-	-	-	-	-	-
Communications	-	-	66,284	-	-	3,526	-	-	-	44	-
Capital outlays	-	-	-	-	-	-	-	-	10,072	-	-
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
COLA/Supplemental annuity benefits	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	308,715	9,296,462	2,222,495	69,309	-	-	18,258	56,221	(125)
Total expenditures	-	-	8,899,858	9,319,850	2,224,897	1,571,243	-	-	963,017	4,306,863	69,875
Excess (deficiency) of revenues over (under) expenditures	-	93	(8,897,818)	(9,319,850)	(2,224,897)	(1,498,374)	-	-	(963,017)	(4,268,816)	(8,892)
Other financing sources (uses):											
Capital leases	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	8,313,104	9,319,850	2,360,509	1,396,898	4,808	3,548	1,239,791	4,341,373	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	8,313,104	9,319,850	2,360,509	1,396,898	4,808	3,548	1,239,791	4,341,373	-
Net change in fund balances (deficit)	-	93	(584,714)	-	135,612	(101,476)	4,808	3,548	276,774	72,557	(8,892)
Fund balances (deficit) at beginning of year	518,983	280,729	969,819	18,253	(148,825)	553,715	(4,808)	(3,548)	322,307	1,499,744	219,139
Fund balances (deficit) at end of year	\$ 518,983	\$ 280,822	\$ 385,105	\$ 18,253	\$ (13,213)	\$ 452,239	\$ -	\$ -	\$ 599,081	\$ 1,572,301	\$ 210,247

(continued)

GOVERNMENT OF GUAM
Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts
General Fund
Year Ended September 30, 2017

AS/400 Fund Number	103	607	645	501	355	363				
	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Typhoon Chataan & Halong	Unified Courts of Guam	Water System Revenue Bond Debt Service	Limited Obligation Series A 2009 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:										
Taxes:										
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,709,313	\$ -	\$ 354,709,313
Gross receipts	-	-	-	-	-	-	-	237,133,647	-	237,133,647
Excise	-	-	-	-	-	-	-	2,835,998	-	2,835,998
Section 30 Federal income tax collections	-	-	-	-	-	-	-	87,154,735	-	87,154,735
Intergovernmental	-	-	-	-	2,379,522	-	-	6,925,146	-	6,925,146
Licenses and permits	-	-	-	-	-	-	-	5,475,813	-	5,475,813
Charges for services	-	-	-	-	-	-	-	4,078,639	-	4,078,639
Fines and forfeits	-	-	-	-	804,361	-	-	804,361	-	804,361
Interest and investment earnings	41	-	-	-	-	1,434	7,428	179,649	-	179,649
Indirect cost reimbursement	-	-	-	-	-	-	-	298,822	-	298,822
Contributions from component units	-	-	-	-	-	-	-	2,027,283	-	2,027,283
Other	-	-	-	-	-	-	-	7,392,263	-	7,392,263
Total revenues	<u>41</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,883</u>	<u>1,434</u>	<u>7,428</u>	<u>709,015,669</u>	<u>-</u>	<u>709,015,669</u>
Expenditures by Object:										
Salaries and wages - regular	-	-	-	-	21,166,410	-	-	263,042,424	-	263,042,424
Salaries and wages - overtime	-	-	-	-	750,486	-	-	10,458,981	-	10,458,981
Salaries and wages - fringe benefits	-	-	-	-	7,361,491	-	-	90,378,106	-	90,378,106
Travel	-	-	-	-	449,520	-	-	1,456,195	-	1,456,195
Contractual services	-	-	-	-	1,936,783	-	-	43,640,257	-	43,640,257
Building rent	-	-	-	-	-	-	-	6,005,768	-	6,005,768
Supplies	-	-	-	-	265,908	-	-	5,473,306	-	5,473,306
Equipment	-	-	-	-	276,051	-	-	1,931,208	-	1,931,208
Utilities - power and water	-	-	-	-	842,436	-	-	20,599,546	-	20,599,546
Communications	-	-	-	-	130,812	-	-	1,744,338	-	1,744,338
Capital outlays	-	-	-	-	847,057	-	-	29,237,573	-	29,237,573
Grants and subsidies	-	-	-	-	-	-	-	74,081,968	-	74,081,968
COLA/Supplemental annuity benefits	-	9,490,000	-	-	-	-	-	22,966,000	-	22,966,000
Retiree healthcare benefits	-	-	-	-	-	-	-	41,463,017	-	41,463,017
Principal retirement	-	-	-	-	-	-	-	20,834,648	-	20,834,648
Interest and fiscal charges	-	-	-	-	-	-	-	60,022,068	-	60,022,068
Miscellaneous	750	-	-	-	34,963	-	-	21,309,942	-	21,309,942
Total expenditures	<u>750</u>	<u>9,490,000</u>	<u>-</u>	<u>-</u>	<u>34,061,917</u>	<u>-</u>	<u>-</u>	<u>714,645,345</u>	<u>-</u>	<u>714,645,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(709)</u>	<u>(9,490,000)</u>	<u>-</u>	<u>-</u>	<u>(30,878,034)</u>	<u>1,434</u>	<u>7,428</u>	<u>(5,629,676)</u>	<u>-</u>	<u>(5,629,676)</u>
Other financing sources (uses):										
Capital leases	-	-	-	-	-	-	-	26,995,762	-	26,995,762
Transfers in from other funds	-	9,490,000	181,445	770	34,144,477	-	-	573,054,883	(519,004,045)	54,050,838
Transfers out to other funds	-	-	-	-	(1,980,352)	-	(3,658,851)	(561,690,102)	519,004,045	(42,686,057)
Total other financing sources (uses), net	<u>-</u>	<u>9,490,000</u>	<u>181,445</u>	<u>770</u>	<u>32,164,125</u>	<u>-</u>	<u>(3,658,851)</u>	<u>38,360,543</u>	<u>-</u>	<u>38,360,543</u>
Net change in fund balances (deficit)	<u>(709)</u>	<u>-</u>	<u>181,445</u>	<u>770</u>	<u>1,286,091</u>	<u>1,434</u>	<u>(3,651,423)</u>	<u>32,730,867</u>	<u>-</u>	<u>32,730,867</u>
Fund balances (deficit) at beginning of year	<u>16,297</u>	<u>-</u>	<u>(195,213)</u>	<u>(770)</u>	<u>5,730,043</u>	<u>-</u>	<u>17,727,733</u>	<u>(105,733,499)</u>	<u>-</u>	<u>(105,733,499)</u>
Fund balances (deficit) at end of year	<u>\$ 15,588</u>	<u>\$ -</u>	<u>\$ (13,768)</u>	<u>\$ -</u>	<u>\$ 7,016,134</u>	<u>\$ 1,434</u>	<u>\$ 14,076,310</u>	<u>\$ (73,002,632)</u>	<u>\$ -</u>	<u>\$ (73,002,632)</u>

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	<u>2017</u>	<u>2016</u>
Revenues:		
Taxes:		
Income	\$ 354,709,313	\$ 343,836,465
Gross receipts	237,133,647	238,304,786
Excise	2,835,998	2,937,715
Section 30 Federal income tax collections	87,154,735	78,467,450
Intergovernmental	6,925,146	4,065,459
Licenses and permits	5,475,813	5,916,066
Charges for services	4,078,639	5,288,057
Fines and forfeits	804,361	1,057,450
Interest and investment earnings	179,649	191,859
Indirect cost reimbursement	298,822	48,475
Contributions from component units	2,027,283	2,478,046
Other	7,392,263	3,150,719
Total revenues	<u>709,015,669</u>	<u>685,742,547</u>
Expenditures by Department:		
General Government:		
Office of I Maga'lahaen Guahan:		
Office of the Governor	4,628,825	5,171,124
Office of the Governor - Guam Liaison Office	219,451	216,523
Government House	822,933	751,062
Medical Referral Offices	601,124	750,444
Office of Civil Defense	-	215,180
Office of Veteran's Affairs	579,902	710,039
	<u>6,852,235</u>	<u>7,814,372</u>
Office of I Segundu Na Maga'lahaen Guahan:		
Office of the Lieutenant Governor	1,044,603	1,079,324
Bureau of Budget and Management Research:		
Office of the Director	387,230	418,342
Internal Audit Division	801,820	707,802
	<u>1,189,050</u>	<u>1,126,144</u>
Civil Service Commission:		
Office of the Director	440,618	398,543
Board of Commissioners	58,440	61,274
Legal Office	204,121	131,448
Personnel Management	279,603	245,178
	<u>982,782</u>	<u>836,443</u>
Department of Administration:		
Office of the Director	4,316,527	4,925,757
Office of the Director - Child Support	787,588	857,260
Office of the Director - Upgrade Network	-	4,026
Personnel Management	1,732,389	1,776,182
Financial Management	51,535	64,568
Data Processing	2,868,340	3,447,445
General Services Agency	1,113,453	1,075,598
Division of Accounts	2,687,328	2,626,058
	<u>13,557,160</u>	<u>14,776,894</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	<u>2017</u>	<u>2016</u>
Expenditures by Department, continued:		
General Government, continued:		
Department of Public Works:		
Office of the Director	1,651,645	1,435,259
Capital Improvement Projects	12,535	1,200,787
Bus Maintenance	485,755	100,270
Building Construction and Facilities Maintenance	908,182	1,128,281
	<u>3,058,117</u>	<u>3,864,597</u>
Department of Revenue and Taxation:		
Office of the Director	3,838,067	4,923,477
Office of the Director - Vacancies and Overtime	1,860,695	1,610,582
Tax Enforcement Division	2,061,788	2,166,180
Real Property Tax Division	794,801	715,797
Taxpayer Services Division	1,562,757	1,720,505
Regulatory Division	1,122,459	1,033,256
Motor Vehicle Division	674,093	653,423
	<u>11,914,660</u>	<u>12,823,220</u>
Department of Land Management:		
Office of the Director	424,968	411,204
Ancestral Land Trust Commission	86,588	91,139
	<u>511,556</u>	<u>502,343</u>
Legislative Branch:		
Guam Legislature	8,899,858	8,625,057
Public Auditor:		
Office of Public Accountability	1,571,243	1,538,902
Total General Government	<u>49,581,264</u>	<u>52,987,296</u>
Protection of Life and Property:		
Department of Corrections:		
Office of the Director	5,624,816	6,945,773
Office of the Director - Bureau of Prisons	473,921	480,004
Office of the Director - Food Contract	2,930,636	1,620,000
Office of the Director - Vacancy Pool	1,011,972	24,280
Office of the Director - Overtime	-	648,000
Office of the Director - Electronic Locking System	82,500	-
Office of the Director - GMHA	839,720	-
Adult Correctional Facility	12,030,935	12,493,202
Rosario Detention Center	2,627,952	2,865,478
Casework and Counseling Service Division	369,968	341,855
Forensic Division	243,688	332,056
Parole Service Division	756,490	578,620
	<u>26,992,598</u>	<u>26,329,268</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	<u>2017</u>	<u>2016</u>
Expenditures by Department, continued:		
Protection of Life and Property, continued:		
Department of Youth Affairs:		
Office of the Director	215,672	231,432
Division of Youth Development	1,057,517	1,056,563
Division of Youth Corrections	3,164,243	3,172,910
Division of Vocational Rehabilitation and Support Services	<u>1,110,165</u>	<u>1,059,703</u>
	<u>5,547,597</u>	<u>5,520,608</u>
Guam Fire Department:		
Office of the Fire Chief	225,890	180,860
Administrative and Logistical Support	1,187,251	1,367,793
Emergency Medical Service/Rescue Operations Bureau	10,876,679	10,934,491
Fire Suppression Bureau	<u>19,676,592</u>	<u>20,575,560</u>
	<u>31,966,412</u>	<u>33,058,704</u>
Guam Police Department:		
Office of the Chief	4,833,876	3,762,238
Office of the Chief - Police Commander	3,496,993	4,055,361
Office of the Chief - Administration Division	1,303,617	1,018,570
Office of the Chief - Overtime	1,438,957	2,079,272
Office of the Chief - Workers' Compensation Disability	11,279	11,279
Office of the Chief - Vacancy Pool	142,577	-
Office of the Chief - Fuel	267,940	222,497
Criminal Investigation Division	3,479,048	4,169,396
Neighborhood Patrol Division	11,246,786	11,692,418
Support Division	1,486,277	1,504,451
Forensic Science Division	2,176,541	1,903,011
Highway Patrol Division	<u>1,456,872</u>	<u>1,221,433</u>
	<u>31,340,763</u>	<u>31,639,926</u>
Office of the Attorney-General:		
Attorney-General's Office	<u>13,202,865</u>	<u>12,049,595</u>
Chief Medical Examiner:		
Medical Examiner's Office	<u>415,488</u>	<u>414,146</u>
Total Protection of Life and Property	<u>109,465,723</u>	<u>109,012,247</u>
Public Health:		
Guam Behavioral Health and Wellness Center:		
Office of the Director	3,070,761	2,888,867
Office of the Director - Permanent Injunction	-	5,170,801
Clinical Services Division	-	527,097
Child and Adolescent Services Division	1,243,378	1,222,413
Nursing Services Division	<u>-</u>	<u>1,653,965</u>
	<u>4,314,139</u>	<u>11,463,143</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	2017	2016
Expenditures by Department, continued:		
Public Health, continued:		
Department of Public Health and Social Services:		
Office of the Director	770,392	772,577
Chief Public Health Office	-	456,031
Nutrition Services	73,790	85,945
Communicable Disease Control	1,629,299	821,578
Community Health Services	-	10,969
Family Health and Nursing	513,264	608,677
Physical Activity Action Team	34,969	198,242
Division of Environmental Health	74,240	717,380
Financial Management Services	215,628	214,155
Supply Section	117,776	149,400
Management Support Services	166,779	148,544
Facilities and Maintenance	1,070,120	1,197,423
Systems Group	140,547	331,677
	4,806,804	5,712,598
Total Public Health	9,120,943	17,175,741
Community Services:		
Department of Public Health and Social Services:		
Medically Indigent Program	9,365,695	11,511,554
Public Assistance Program	1,571,920	1,607,444
Foster Care	3,025,280	2,678,868
Division of Senior Citizens	7,528,045	7,431,768
Adult Protective Services	644,317	635,644
	22,135,257	23,865,278
Department of Integrated Services for Individuals with Disabilities:		
Office of the Director	508,479	467,064
Fiscal Support	2,584	42,520
	511,063	509,584
Total Community Services	22,646,320	24,374,862
Recreation:		
Department of Parks and Recreation:		
Office of the Director	-	1,085
Community Programs	-	2,085
Pool and Beach Programs	-	11
Historic Preservation Division	-	10,704
Parks Maintenance	-	474
Territorial Park Protection	309,755	239,530
	309,755	253,889
Total Recreation	309,755	253,889
Individual and Collective Rights:		
Office of I Maga'lahaen Guahan:		
Commission on Decolonization	225,661	190,572

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	2017	2016
Expenditures by Department, continued:		
Individual and Collective Rights, continued:		
Department of Chamorro Affairs:		
Office of the Director	658,739	931,349
Guam Public Library	1,063,550	1,065,802
Guam Council on the Arts and Humanities	78,924	35,225
Research Publication and Training	62,433	88,342
Guam Educational Telecommunications Corporation	574,088	573,814
Guam Museum	117,791	174,050
	2,555,525	2,868,582
Department of Labor:		
Office of the Director	509,143	575,369
Wage and Hour Division	217,696	208,910
Bureau of Labor Statistics	248,304	219,078
Fair Employment Practice Office	60,726	34,098
Worker's Compensation Commission	263,439	261,862
Fiscal and Support Office	270,439	244,208
	1,569,747	1,543,525
Department of Military Affairs:		
Office of the Adjutant General	179,101	197,844
Other:		
Unified Courts of Guam	34,061,917	34,262,468
Public Defender Services Corporation	5,269,880	5,160,573
Guam Election Commission	1,487,834	1,776,645
Mayor's Council of Guam	5,894,188	6,464,951
	46,713,819	47,664,637
Total Individual and Collective Rights	51,243,853	52,465,160
Public Education:		
Guam Commission for Educator Certification	222,937	219,111
Department of Education:		
Guam Public School System	242,269,886	229,383,237
Department of Public Works:		
Bus Operations	3,077,843	2,557,685
Total Public Education	245,570,666	232,160,033
Environmental Protection:		
Guam Energy Office	35,170	120,622
Total Environmental Protection	35,170	120,622
Economic Development:		
Bureau of Statistics and Plans:		
Administration	341,421	338,007
Planning Information	264,144	186,045
Socio-Economic Planning	156,779	209,594
Business and Economic Statistics Division	429,375	314,609
	1,191,719	1,048,255

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	2017	2016
Expenditures by Department, continued:		
Economic Development, continued:		
Department of Agriculture:		
Office of the Director	732,105	755,505
Forestry and Soil Resources	770,709	787,317
Aquatic and Wildlife Resources Division	149,770	178,062
Animal and Plant Industry Division	426,446	435,213
Plant Inspection Station	231,706	139,336
Crop Damage Compensation	-	212,500
Animal Health Section	751,007	575,599
	3,061,743	3,083,532
Total Economic Development	4,253,462	4,131,787
Payments to Component Units:		
Government of Guam Retirement Fund:		
Medicare Reimbursement	2,100,000	2,100,000
Governor and Lieutenant Governor Pension Contributions	252,000	251,000
Judge and Justice Retirement Annuities	363,000	304,300
	2,715,000	2,655,300
Guam Community College	17,122,713	13,814,950
Guam Memorial Hospital Authority	22,652,248	62,620,088
University of Guam	26,333,645	29,917,515
Total Payments to Component Units	68,823,606	109,007,853
Miscellaneous Appropriations:		
Retiree Healthcare Premiums	38,748,017	23,005,981
Retiree COLA payments	13,476,000	13,226,000
Retiree supplemental annuity benefit payments	9,490,000	10,105,000
Landfill Tax Credits - Principal	317,952	738,216
Landfill Tax Credits - Interest	365,465	413,841
Tiyon Collateral Equipment Tax Credits	2,492,391	-
Guam Basketball Federation Tax Credits	756,071	-
Guam Football Association	-	200,000
Total Miscellaneous Appropriations	65,645,896	47,689,038
Interest and Other Charges:		
Interest on tax refunds	1,583,990	1,529,555
Court judgments for attorney's fees	-	1,870,124
Other	769,619	652,316
Total Interest and Other Charges	2,353,609	4,051,995
Debt Service:		
Principal retirement	20,834,648	16,944,055
Bond issuance costs	-	2,893,259
Interest and fiscal charges	64,760,430	61,155,125
Total Debt Service	85,595,078	80,992,439
Total expenditures	714,645,345	734,422,962
Deficiency of revenues under expenditures	(5,629,676)	(48,680,415)

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	2017	2016
Other financing sources (uses):		
Capital leases	26,995,762	4,947,008
Proceeds from refunded bonds issued	-	236,605,000
Premium on refunded bonds issued	-	43,942,958
Payment to refunding bond escrow agent	-	(211,658,081)
	26,995,762	73,836,885
Transfers in from other funds:		
Capitol District Fund	430,000	-
Chamorro Land Trust Survey and Infrastructure Fund	321,263	-
Chamorro Loan Guarantee Fund	320,105	-
Controlled Substance Diversion Fund	131,806	-
Customs, Agriculture and Quarantine Inspection Fund	1,852,949	-
DLM Building Construction Fund	588,520	-
Enhanced 911 Emergency Reporting System Fund	839,583	488,779
GFD Capital Revolving Fund	331,345	397,144
Guam Charter Schools Fund	8,005,562	5,775,000
Guam Environmental Trust Fund	104,475	31,578
Guam Highway Fund	2,996,739	3,247,882
Guam Invasive Species Inspection Fee Fund	780,195	-
Health Professional Licensure Fund	391,694	-
Healthy Futures Fund	891,754	4,148,499
Land Survey Revolving Fund	87,351	-
Limited Gaming Fund	544,468	-
Office of Vital Statistics Revolving Fund	284,546	-
Pesticide Management Fund	123,274	-
Police Patrol Vehicle and Equipment Revolving Fund	166,970	-
Public Library System Fund	928,467	871,983
Rabies Prevention Fund	92,517	-
Recycling Revolving Fund	2,528,529	2,224,563
Street Light Fund	255,962	-
Tax Collection Fund	190,417	190,269
Territorial Education Facilities Fund	30,862,347	19,563,869
	54,050,838	36,939,566

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Deficit - General Fund, Continued
Year Ended September 30, 2017
(With comparatives for the year ended September 30, 2016)

	2017	2016
Other financing sources (uses), continued:		
Transfers out to other funds:		
Air Pollution Control Fund	-	309,000
Federal Grants Assistance Fund	31,832,100	25,758,980
First Generation Trust Fund	450,000	-
Guam Charter Schools Fund	8,005,562	5,775,000
Indirect Cost Fund	322,943	908,363
Manpower Development Fund	396,317	-
Public Market Revolving Fund	-	11,966
Public Recreation Services Fund	127,536	-
Safe Streets Fund	126,637	-
Section 2718 Fund	-	14,921,655
Unified Courts of Guam Trust Fund	740,561	385,454
Village Streets Fund	-	112,700
Worker's Compensation Fund	684,401	546,290
	42,686,057	48,729,408
Total other financing sources (uses), net	38,360,543	62,047,043
Net change in deficit	32,730,867	13,366,628
Deficit at the beginning of the year	(105,733,499)	(119,100,127)
Deficit at the end of the year	\$ (73,002,632)	\$ (105,733,499)

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Taxes:				
Income tax:				
Corporate	\$ 142,997,574	\$ 142,997,574	\$ 139,689,403	\$ (3,308,171)
Individual	100,855,539	100,855,539	73,350,403	(27,505,136)
Withholding taxes, interest and penalties	264,230,779	264,230,779	266,669,507	2,438,728
	<u>508,083,892</u>	<u>508,083,892</u>	<u>479,709,313</u>	<u>(28,374,579)</u>
Provision for tax refund payments	(125,000,000)	(125,000,000)	(125,000,000)	-
Total income taxes	383,083,892	383,083,892	354,709,313	(28,374,579)
Gross receipts	247,029,258	250,277,720	237,133,647	(13,144,073)
Excise	2,183,865	2,183,865	2,835,998	652,133
Section 30 Federal income tax collections	74,900,290	74,900,290	87,154,735	12,254,445
Immigration fees	1,893,236	1,893,236	1,969,785	76,549
Indirect cost reimbursement	-	-	298,822	298,822
Contributions from component units	2,027,283	2,027,283	2,027,283	-
Other	7,463,389	7,463,389	12,537,206	5,073,817
	<u>718,581,213</u>	<u>721,829,675</u>	<u>698,666,789</u>	<u>(23,162,886)</u>
Expenditures by Department:				
Executive Branch:				
Office of I Maga'lahaen Guahan:				
Office of the Governor	4,931,944	4,931,944	4,664,983	266,961
Office of the Governor - Guam Liaison Office	223,549	223,549	219,451	4,098
Commission on Decolonization	612,145	619,522	229,073	390,449
Government House	880,303	880,303	838,638	41,665
Medical Referral Offices	782,032	782,032	601,124	180,908
Office of Civil Defense	53,276	53,276	1,485	51,791
Office of Veteran's Affairs	963,632	721,632	592,956	128,676
	<u>8,446,881</u>	<u>8,212,258</u>	<u>7,147,710</u>	<u>1,064,548</u>
Office of I Segundu Na Maga'lahaen Guahan:				
Office of the Lieutenant Governor	1,079,464	1,079,464	1,060,680	18,784
Bureau of Budget and Management Research:				
Office of the Director	413,360	413,360	387,230	26,130
Internal Audit Division	872,713	872,713	801,820	70,893
	<u>1,286,073</u>	<u>1,286,073</u>	<u>1,189,050</u>	<u>97,023</u>
Civil Service Commission:				
Office of the Director	521,722	521,722	471,636	50,086
Board of Commissioners	72,756	72,756	58,440	14,316
Legal Office	260,269	260,269	224,981	35,288
Personnel Management	280,026	280,026	279,603	423
	<u>1,134,773</u>	<u>1,134,773</u>	<u>1,034,660</u>	<u>100,113</u>
Department of Administration:				
Office of the Director	2,181,509	2,411,504	2,046,156	365,348
Office of the Director - Child Support	946,969	946,969	787,588	159,381
Office of the Director - Drug Free Workplace	8,997	8,997	-	8,997
Personnel Management	1,738,527	1,738,527	1,704,732	33,795
Data Processing	4,179,339	4,179,339	3,413,857	765,482
General Services Agency	1,077,570	1,077,570	1,043,578	33,992
Division of Accounts	2,519,367	2,519,367	2,686,578	(167,211)
	<u>12,652,278</u>	<u>12,882,273</u>	<u>11,682,489</u>	<u>1,199,784</u>
Guam Election Commission	1,773,489	1,773,489	1,502,382	271,107

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Revenue and Taxation:				
Office of the Director	2,732,796	2,732,796	2,599,546	133,250
Office of the Director - Vacancies and Overtime	2,459,415	2,459,415	2,149,713	309,702
Office of the Director - Vacancies and Tax Attorney	3,522	3,522	3,522	-
Office of the Director - Stimulus Tax Rebates	2	2	-	2
Office of the Director - Real Property Assessment Bond	3,104	3,104	3,104	-
Tax Enforcement Division	2,116,553	2,116,553	2,061,788	54,765
Real Property Tax Division	800,132	800,132	794,801	5,331
Taxpayer Services Division	1,558,885	1,558,885	1,562,757	(3,872)
Regulatory Division	1,098,895	1,098,895	1,122,459	(23,564)
Motor Vehicle Division	684,240	684,240	674,093	10,147
	<u>11,457,544</u>	<u>11,457,544</u>	<u>10,971,783</u>	<u>485,761</u>
Bureau of Statistics and Plans:				
Administration	361,474	361,474	342,267	19,207
Chief Economist's Office	259	259	256	3
Planning Information	264,144	264,144	264,144	-
Socio-Economic Planning	182,220	182,220	156,779	25,441
Business and Economic Statistics Division	446,003	446,003	429,375	16,628
	<u>1,254,100</u>	<u>1,254,100</u>	<u>1,192,821</u>	<u>61,279</u>
Department of Public Works:				
Office of the Director	1,799,418	1,799,418	1,683,379	116,039
Capital Improvement Projects	1,205,147	1,205,147	104,108	1,101,039
Bus Maintenance	716,779	716,779	514,584	202,195
Bus Operations Division	3,127,685	3,127,685	3,077,846	49,839
Building Construction and Facilities Maintenance	1,083,346	1,083,346	979,491	103,855
Tiyan Parkway Project	35,640	35,640	-	35,640
	<u>7,968,015</u>	<u>7,968,015</u>	<u>6,359,408</u>	<u>1,608,607</u>
Office of the Attorney-General:				
Attorney-General's Office	21,468,942	18,740,144	13,752,732	4,987,412
Guam Police Department:				
Office of the Chief	6,588,402	6,588,402	6,136,575	451,827
Office of the Chief - Equipment and Training	3,201	3,201	3,201	-
Office of the Chief - Workers' Compensation Disability	12,200	12,200	11,279	921
Office of the Chief - Portable Radios	9,060	9,060	-	9,060
Office of the Chief - Vacancy Pool	1,188,681	1,188,681	142,577	1,046,104
Office of the Chief - Overtime	1,722,546	1,722,546	1,438,957	283,589
Office of the Chief - Administration Division	1,410,209	1,410,209	1,303,617	106,592
Office of the Chief - Fuel	300,000	300,000	267,940	32,060
Office of the Chief - Police Commander	3,453,643	3,453,643	3,496,993	(43,350)
Criminal Investigation Division	3,559,532	3,559,532	3,479,048	80,484
Neighborhood Patrol Division	11,385,715	11,385,715	11,246,786	138,929
Support Division	1,559,532	1,559,532	1,486,277	73,255
Recreational Boating Safety	814,478	-	-	-
Forensic Science Division	2,402,901	2,402,901	2,306,965	95,936
Highway Patrol Division	1,467,465	1,467,465	1,456,872	10,593
	<u>35,877,565</u>	<u>35,063,087</u>	<u>32,777,087</u>	<u>2,286,000</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Corrections:				
Office of the Director	3,262,030	3,262,030	4,361,918	(1,099,888)
Office of the Director - Bureau of Prisons	475,543	475,543	473,921	1,622
Office of the Director - Food Service Contract	2,944,086	2,944,086	2,930,636	13,450
Office of the Director - Vacancy Pool	1,011,972	1,011,972	1,011,972	-
Office of the Director - Electronic Locking System	1,700,000	1,700,000	1,700,000	-
Office of the Director - GMHA	1,100,000	1,100,000	839,720	260,280
Adult Correctional Facility	12,497,681	12,497,681	12,534,446	(36,765)
Rosario Detention Center	2,981,922	2,981,922	2,627,952	353,970
Casework and Counseling Service Division	430,092	430,092	369,968	60,124
Forensic Division	644,191	644,191	243,688	400,503
Parole Service Division	837,055	837,055	756,490	80,565
	<u>27,884,572</u>	<u>27,884,572</u>	<u>27,850,711</u>	<u>33,861</u>
Department of Agriculture:				
Office of the Director	909,965	909,965	749,568	160,397
Forestry and Soil Resources	821,289	821,289	770,709	50,580
Aquatic and Wildlife Resources Division	172,843	172,843	149,770	23,073
Animal and Plant Industry Division	428,035	428,035	426,446	1,589
Plant Inspection Station	286,485	286,485	231,706	54,779
Animal Health Section	544,108	544,108	751,007	(206,899)
	<u>3,162,725</u>	<u>3,162,725</u>	<u>3,079,206</u>	<u>83,519</u>
Department of Public Health and Social Services:				
Office of the Director	556,498	965,878	830,441	135,437
Chief Public Health Office	480,905	480,905	90,509	390,396
Nutrition Services	710,948	710,948	75,113	635,835
Communicable Disease Control	2,133,143	2,133,143	1,695,936	437,207
Community Health Services	7,051	7,051	1,020	6,031
Primary Care Services	1,656,702	1,656,702	198,178	1,458,524
Family Health and Nursing	515,175	515,175	530,434	(15,259)
Physical Activity Action Team	101,758	101,758	43,000	58,758
Division of Environmental Health	871,824	871,824	11,686	860,138
Financial Management Services	231,772	231,772	216,035	15,737
Supply Section	131,417	131,417	117,776	13,641
Management Support Services	229,039	229,039	184,588	44,451
Facilities and Maintenance	2,064,221	2,064,221	1,430,233	633,988
Systems Group	617,379	617,379	324,903	292,476
Medically Indigent Program	848,069	848,069	45,845	802,224
Medicaid Assistance Program	20,641,829	-	-	-
Employment and Training Program	101,813	-	-	-
Foster Care	3,271,064	3,271,064	3,049,385	221,679
Public Assistance Program	1,714,791	1,684,791	1,571,920	112,871
Food Stamps	1,743,494	-	-	-
Division of Senior Citizens	9,347,056	8,582,053	7,825,046	757,007
Adult Protective Services	868,080	868,080	751,852	116,228
	<u>48,844,028</u>	<u>25,971,269</u>	<u>18,993,900</u>	<u>6,977,369</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Education:				
Charter school operations	7,798,249	7,798,249	8,005,562	(207,313)
JFK Certificates of Participation	5,130,600	5,130,600	5,130,600	-
Okkodo Certificates of Participation	2,284,685	2,284,685	2,286,685	(2,000)
Okkodo High School expansion	-	-	650,000	(650,000)
Operations	200,438,817	200,438,817	200,177,066	261,751
Chamorro Studies	461,207	461,207	401,207	60,000
1st Generation Trust Fund	100,000	100,000	100,000	-
Y Kuantan Salappe	1,081,000	1,081,000	637,198	443,802
Secure Our School Act	238,529	238,529	189,103	49,426
Textbooks	1,500,000	1,500,000	1,206,105	293,895
Service learning projects	15,000	15,000	-	15,000
GPSS A/C maintenance	619,389	619,389	-	619,389
GPSS school maintenance	-	150,000	150,000	-
GPSS facility repairs	11,359	11,359	11,359	-
	<u>219,678,835</u>	<u>219,828,835</u>	<u>218,944,885</u>	<u>883,950</u>
Department of Youth Affairs:				
Office of the Director	231,629	231,629	215,672	15,957
Division of Youth Development	1,105,347	1,105,347	1,057,517	47,830
Division of Youth Corrections	3,253,851	3,253,851	3,164,243	89,608
Division of Vocational Rehabilitation and Support Services	1,708,703	1,708,703	1,240,957	467,746
	<u>6,299,530</u>	<u>6,299,530</u>	<u>5,678,389</u>	<u>621,141</u>
Guam Behavioral Health and Wellness Center:				
Office of the Director	4,114,887	4,114,887	3,748,321	366,566
Office of the Director - Permanent Injunction	11,299	11,299	11,299	-
Clinical Services Division	826,130	826,130	47,722	778,408
Child and Adolescent Services Division	1,581,498	1,581,498	1,243,378	338,120
Nursing Services Division	2,082,946	2,082,946	40,506	2,042,440
	<u>8,616,760</u>	<u>8,616,760</u>	<u>5,091,226</u>	<u>3,525,534</u>
Department of Labor:				
Office of the Director	636,781	636,781	512,841	123,940
Wage and Hour Division	178,092	178,092	217,696	(39,604)
Bureau of Labor Statistics	286,205	240,305	248,304	(7,999)
Fair Employment Practice Office	52,937	52,937	60,726	(7,789)
Worker's Compensation Commission	221,651	221,651	263,439	(41,788)
Fiscal and Support Office	224,101	224,101	270,439	(46,338)
	<u>1,599,767</u>	<u>1,553,867</u>	<u>1,573,445</u>	<u>(19,578)</u>
Department of Parks and Recreation:				
Office of the Director	11,447	11,447	8,677	2,770
Guam Basketball Confederation Tax Credits	-	756,071	756,071	-
Historic Resources Division	308,495	308,495	311,298	(2,803)
	<u>319,942</u>	<u>1,076,013</u>	<u>1,076,046</u>	<u>(33)</u>
Department of Integrated Services for Individuals with Disabilities:				
Office of the Director	716,839	716,839	511,231	205,608
Fiscal Support	545,112	68,267	2,584	65,683
	<u>1,261,951</u>	<u>785,106</u>	<u>513,815</u>	<u>271,291</u>
Mayor's Council of Guam:				
Mayors' Council Consolidated Accounts	6,555,680	6,555,680	6,014,081	541,599

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Land Management:				
Office of the Director	591,447	591,447	419,897	171,550
Ancestral Land Trust Commission	91,733	91,733	87,252	4,481
	<u>683,180</u>	<u>683,180</u>	<u>507,149</u>	<u>176,031</u>
Chief Medical Examiner:				
Medical Examiner's Office	434,439	434,439	417,349	17,090
Department of Chamorro Affairs:				
Office of the Director	776,265	776,265	663,853	112,412
Guam Public Library	1,357,008	1,357,008	1,269,041	87,967
Guam Council on the Arts and Humanities Agency	411,064	117,264	78,924	38,340
Research Publication and Training	62,433	62,433	62,433	-
Guam Educational Telecommunications Corporation	639,173	639,173	590,590	48,583
Guam Museum	206,553	206,553	149,722	56,831
	<u>3,452,496</u>	<u>3,158,696</u>	<u>2,814,563</u>	<u>344,133</u>
Department of Military Affairs:				
Office of the Adjutant General	916,219	211,863	179,425	32,438
Guam Fire Department:				
Office of the Fire Chief	226,003	226,003	226,002	1
Office of the Chief - Vacancy Pool	1,033,287	1,033,287	-	1,033,287
Administrative and Logistical Support	1,715,251	1,715,251	1,480,569	234,682
Emergency Medical Service/Rescue Operations Bureau	11,092,965	11,092,965	10,876,679	216,286
Fire Suppression Bureau	20,482,999	20,482,999	19,676,592	806,407
	<u>34,550,505</u>	<u>34,550,505</u>	<u>32,259,842</u>	<u>2,290,663</u>
Payments to Component Units:				
Guam Community College	22,769,665	22,769,665	17,122,713	5,646,952
Guam Memorial Hospital Authority	588,802	15,588,802	12,093,364	3,495,438
University of Guam	37,319,505	37,319,505	26,333,645	10,985,860
	<u>60,677,972</u>	<u>75,677,972</u>	<u>55,549,722</u>	<u>20,128,250</u>
Government of Guam Retirement Fund Appropriations:				
Medicare Reimbursement	2,100,000	2,100,000	2,100,000	-
Governor and Lieutenant Governor Pension Contributions	252,000	252,000	252,000	-
Judge and Justice Retirement Annuities	363,000	363,000	363,000	-
	<u>2,715,000</u>	<u>2,715,000</u>	<u>2,715,000</u>	<u>-</u>
Total Executive Branch	<u>532,052,725</u>	<u>520,017,232</u>	<u>471,929,556</u>	<u>48,087,676</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures by Department, continued:				
Executive Branch, continued:				
Miscellaneous Appropriations:				
Retiree Healthcare Premiums	38,372,078	52,275,588	38,748,017	13,527,571
Retiree Cost of Living Adjustments	13,226,000	13,226,000	13,476,000	(250,000)
Landfill Tax Credits - Principal	-	-	317,952	(317,952)
Landfill Tax Credits - Interest	-	-	365,465	(365,465)
Tiyán Collateral Equipment Tax Credits	-	2,492,391	2,492,391	-
Make Work Pay Tax Credit repayment	5,500,000	-	-	-
Guam Energy Office	58,897	58,897	2,592	56,305
Guam Commission for Educator Certification	284,268	284,268	224,948	59,320
Total Miscellaneous Appropriations	<u>57,441,243</u>	<u>68,337,144</u>	<u>55,627,365</u>	<u>12,709,779</u>
Interest and other charges:				
Interest on tax refunds	-	-	1,583,990	(1,583,990)
Nonappropriated expenditures	-	-	783,084	(783,084)
Other	-	-	(13,465)	13,465
Total Interest and other charges	<u>-</u>	<u>-</u>	<u>2,353,609</u>	<u>(2,353,609)</u>
Debt Service:				
Principal retirement	17,200,000	17,200,000	17,200,000	-
Interest and fiscal charges	48,151,983	48,151,983	48,151,983	-
	<u>65,351,983</u>	<u>65,351,983</u>	<u>65,351,983</u>	<u>-</u>
Total expenditures	<u>654,845,951</u>	<u>653,706,359</u>	<u>595,262,513</u>	<u>58,443,846</u>
Excess of revenues over expenditures	<u>63,735,262</u>	<u>68,123,316</u>	<u>103,404,276</u>	<u>35,280,960</u>
Other financing sources (uses):				
Transfers in from other funds:				
Chamorro Land Trust Survey and Infrastructure Fund	-	-	321,263	321,263
Chamorro Loan Guarantee Fund	-	-	320,105	320,105
Controlled Substance Diversion Fund	-	-	131,806	131,806
Customs, Agriculture and Quarantine Inspection Service	-	-	1,852,949	1,852,949
DLM Building Construction Fund	-	-	588,520	588,520
Enhanced 911 Emergency Reporting System Fund	-	-	839,583	839,583
GFD Capital Revolving Fund	-	-	331,345	331,345
Guam Environmental Trust Fund	-	-	69,018	69,018
Guam Invasive Species Inspection Fee Fund	-	-	780,195	780,195
Health Professional Licensure	-	-	391,694	391,694
Land Survey Revolving Fund	-	-	87,351	87,351
Limited Obligation Section 30 Debt Service Fund	-	-	3,658,851	3,658,851
Office of Vital Statistics Revolving Fund	-	-	284,546	284,546
Pesticide Management Fund	-	-	123,274	123,274
Police Patrol Vehicle and Equipment Revolving Fund	-	-	166,970	166,970
Public Library System Fund	-	-	103,077	103,077
Rabies Prevention Fund	-	-	92,517	92,517
Recycling Revolving Fund	-	-	2,528,529	2,528,529
Street Light Fund	-	-	255,962	255,962
Tax Collection Fund	-	-	190,417	190,417
Territorial Education Facilities Fund	-	-	4,393,814	4,393,814
Territorial Highway Fund	-	-	2,011,169	2,011,169
	<u>-</u>	<u>-</u>	<u>19,522,955</u>	<u>19,522,955</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and
Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Other financing sources (uses), continued:				
Transfers out to other funds:				
Better Public Service Fund	587,336	587,336	1,161,503	(574,167)
Community Development Fund	-	-	89,038	(89,038)
DMHSA Receiver Fund	-	-	100,284	(100,284)
Federal Grants Assistance Fund	-	36,870,600	31,832,100	5,038,500
First Generation Trust Fund	-	-	450,000	(450,000)
Government Claims Fund	250,000	250,000	164,709	85,291
GMHA Medicaid Fund	90,036	90,036	-	90,036
GMHA Pharmaceuticals Fund	15,291,111	15,291,111	10,558,885	4,732,226
Guam Geodetic Network Fund	-	-	5,071	(5,071)
Guam Legislature Fund	9,355,769	9,205,769	8,313,104	892,665
Indirect Cost Fund	-	-	322,943	(322,943)
Manpower Development Fund	-	-	396,317	(396,317)
MIP Payment Revolving Fund	16,628,907	7,597,789	9,319,850	(1,722,061)
Office of Public Accountability	1,396,898	1,396,898	1,396,898	-
Off-island Treatment Fund	1,600,000	2,440,567	2,360,509	80,058
Parks and Recreation Revolving Fund	-	-	4,808	(4,808)
Plant Protection and Quarantine Revolving Fund	-	-	3,548	(3,548)
Public Defender Service Corporation Fund	4,341,373	4,341,373	4,341,373	-
Public Recreation Services Fund	-	-	127,536	(127,536)
Safe Streets Fund	-	-	126,637	(126,637)
Supplemental Annuity Benefits Fund	8,493,840	8,493,840	9,490,000	(996,160)
Supplemental Appropriations Revenue Fund	-	-	181,445	(181,445)
Typhoon Chataan and Halong Fund	-	-	770	(770)
Unified Courts of Guam Fund	34,144,477	34,144,477	34,144,477	-
Worker's Compensation Fund	698,593	698,593	684,401	14,192
	<u>92,878,340</u>	<u>121,408,389</u>	<u>115,576,206</u>	<u>5,832,183</u>
Total other financing sources (uses), net	<u>(92,878,340)</u>	<u>(121,408,389)</u>	<u>(96,053,251)</u>	<u>13,690,772</u>
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	<u>6,471,378</u>	<u>6,471,378</u>	<u>9,051,873</u>	<u>2,580,495</u>
Net change in deficit	\$ <u>(22,671,700)</u>	\$ <u>(46,813,695)</u>	\$ <u>16,402,898</u>	\$ <u>63,216,593</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
September 30, 2017

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, 2017

<u>ASSETS</u>	Other <u>Special Revenue</u>	Other <u>Capital Project</u>	Other <u>Debt Service</u>	<u>Total</u>
Cash and cash equivalents	\$ 35,807,567	\$ 1,434,591	\$ -	\$ 37,242,158
Investments	4,499,787	-	-	4,499,787
Receivables, net:				
Taxes	7,027,180	-	-	7,027,180
Other	6,717,834	-	-	6,717,834
Due from other funds	18,677,190	175,899	-	18,853,089
Prepayments	85,350	-	-	85,350
Deposits and other assets	-	1,068	-	1,068
Restricted assets:				
Cash and cash equivalents	8,842,563	502,974	4,192,405	13,537,942
Investments	300,000	14,103,003	8,071,519	22,474,522
Total assets	<u>\$ 81,957,471</u>	<u>\$ 16,217,535</u>	<u>\$ 12,263,924</u>	<u>\$ 110,438,930</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 8,268,024	\$ 1,229,418	\$ -	\$ 9,497,442
Accrued payroll and other	2,046,430	-	-	2,046,430
Due to other funds	8,956,307	2,350,985	-	11,307,292
Unearned revenue	686,920	-	-	686,920
Deposits and other liabilities	1,047,376	-	-	1,047,376
Total liabilities	<u>21,005,057</u>	<u>3,580,403</u>	<u>-</u>	<u>24,585,460</u>
Fund balances:				
Restricted	14,971,611	12,887,368	12,263,924	40,122,903
Committed	46,121,881	-	-	46,121,881
Unassigned	(141,078)	(250,236)	-	(391,314)
Total fund balances	<u>60,952,414</u>	<u>12,637,132</u>	<u>12,263,924</u>	<u>85,853,470</u>
Total liabilities and fund balances	<u>\$ 81,957,471</u>	<u>\$ 16,217,535</u>	<u>\$ 12,263,924</u>	<u>\$ 110,438,930</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, 2017

	Other Special Revenue	Other Capital Project	Other Debt Service	Total
Revenues:				
Taxes:				
Property	\$ 26,990,962	\$ -	\$ -	\$ 26,990,962
Hotel	44,007,074	-	-	44,007,074
Liquid fuel	10,411,898	-	-	10,411,898
Tobacco	21,940,042	-	-	21,940,042
Alcoholic beverages	3,400,434	-	-	3,400,434
Limited gaming	1,718,598	-	-	1,718,598
Licenses and permits	57,414,195	798,925	-	58,213,120
Charges for services	22,556,993	-	-	22,556,993
Fines and forfeits	-	849,571	-	849,571
Interest and investment earnings	195,272	31,471	7,761	234,504
Intergovernmental	1,930,351	-	-	1,930,351
Other	755,001	-	-	755,001
Total revenues	191,320,820	1,679,967	7,761	193,008,548
Expenditures by Function:				
Current:				
General government	21,254,182	-	-	21,254,182
Protection of life and property	17,200,935	-	-	17,200,935
Public health	24,231,155	-	-	24,231,155
Community services	381	-	-	381
Recreation	4,075,795	-	-	4,075,795
Individual and collective rights	10,286,688	650,737	-	10,937,425
Transportation	8,333,584	-	-	8,333,584
Environmental protection	24,574,605	-	-	24,574,605
Economic development	3,155,986	-	-	3,155,986
Payments to:				
Guam Community College	450,241	-	-	450,241
Guam Memorial Hospital Authority	4,145,549	-	-	4,145,549
Guam Preservation Trust	950,000	-	-	950,000
Guam Visitors Bureau	23,852,472	-	-	23,852,472
University of Guam	4,639,392	-	-	4,639,392
Miscellaneous appropriations	1,025,415	-	-	1,025,415
Capital projects	-	3,647,270	-	3,647,270
Debt service:				
Principal retirement	53,592	647,450	2,010,000	2,711,042
Interest and fiscal charges	106,008	345,555	4,988,775	5,440,338
Total expenditures	148,335,980	5,291,012	6,998,775	160,625,767
Excess (deficiency) of revenues over (under) expenditures	42,984,840	(3,611,045)	(6,991,014)	32,382,781
Other financing sources (uses):				
Proceeds from issuance of long-term debt	1,611,129	-	-	1,611,129
Transfers in from other funds	16,909,439	-	7,017,808	23,927,247
Transfers out to other funds	(68,010,302)	-	-	(68,010,302)
Total other financing sources (uses), net	(49,489,734)	-	7,017,808	(42,471,926)
Net change in fund balances	(6,504,894)	(3,611,045)	26,794	(10,089,145)
Fund balances at beginning of year	67,457,308	16,248,177	12,237,130	95,942,615
Fund balances at end of year	\$ 60,952,414	\$ 12,637,132	\$ 12,263,924	\$ 85,853,470

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, 2017

	Other Special Revenue	Other Capital Project	Other Debt Service	Total
Revenues:				
Taxes:				
Property	\$ 26,990,962	\$ -	\$ -	\$ 26,990,962
Hotel	44,007,074	-	-	44,007,074
Liquid fuel	10,411,898	-	-	10,411,898
Tobacco	21,940,042	-	-	21,940,042
Alcoholic beverages	3,400,434	-	-	3,400,434
Limited gaming	1,718,598	-	-	1,718,598
Licenses and permits	57,414,195	798,925	-	58,213,120
Charges for services	22,556,993	-	-	22,556,993
Fines and forfeits	-	849,571	-	849,571
Interest and investment earnings	195,272	31,471	7,761	234,504
Intergovernmental	1,930,351	-	-	1,930,351
Other	755,001	-	-	755,001
Total revenues	191,320,820	1,679,967	7,761	193,008,548
Expenditures by Object:				
Salaries and wages - regular	37,888,803	-	-	37,888,803
Salaries and wages - overtime	1,255,003	-	-	1,255,003
Salaries and wages - fringe benefits	13,373,779	-	-	13,373,779
Travel	359,648	-	-	359,648
Contractual services	35,788,673	1,470,193	-	37,258,866
Building rent	3,786,299	404,811	-	4,191,110
Supplies	4,660,410	4,818	-	4,665,228
Equipment	548,804	60,464	-	609,268
Utilities - power and water	7,757,018	-	-	7,757,018
Communications	425,095	-	-	425,095
Capital outlays	4,802,957	2,322,514	-	7,125,471
Grants and subsidies	34,237,654	-	-	34,237,654
Retiree healthcare benefits	1,025,415	-	-	1,025,415
Principal retirement	53,592	647,450	2,010,000	2,711,042
Interest and fiscal charges	106,008	345,555	4,988,775	5,440,338
Other	2,266,822	35,207	-	2,302,029
Total expenditures	148,335,980	5,291,012	6,998,775	160,625,767
Excess (deficiency) of revenues over (under) expenditures	42,984,840	(3,611,045)	(6,991,014)	32,382,781
Other financing sources (uses):				
Proceeds from issuance of long-term debt	1,611,129	-	-	1,611,129
Transfers in from other funds	16,909,439	-	7,017,808	23,927,247
Transfers out to other funds	(68,010,302)	-	-	(68,010,302)
Total other financing sources (uses), net	(49,489,734)	-	7,017,808	(42,471,926)
Net change in fund balances	(6,504,894)	(3,611,045)	26,794	(10,089,145)
Fund balances at beginning of year	67,457,308	16,248,177	12,237,130	95,942,615
Fund balances at end of year	\$ 60,952,414	\$ 12,637,132	\$ 12,263,924	\$ 85,853,470

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds September 30, 2017

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, 2017, follows.

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.

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 monies collected by the Board ... shall be deposited with the Treasurer of Guam to the credit of the Board." 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 Public Accountancy Act of 1990.

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 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.

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.

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2017

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.

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.

First Generation Trust Fund - This fund was created for the purpose of encouraging GDOE high school students to pursue post-secondary learning.

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 Funds - These funds were established by Public Law 25-45 for the purpose of investigating, recording, filing, and reporting claims for ancestral lands, and to respond to requests for remedy from claimants for lands taken by the United States or by GovGuam on or after January 1, 1930.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2017

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 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.

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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2017

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.

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 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, 2017

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 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.

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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds, Continued September 30, 2017

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, 2017

AS/400 Fund Number	236	265	661	611	266	NEW	282	624	669	415	646	105	250
	Accessible Parking	Air Pollution Control	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	Consumer Protection
ASSETS													
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 248,817	\$ 954,983	\$ 77,573	\$ -	\$ 2,066,644	\$ -	\$ -	\$ -	\$ 6,365,259	\$ -
Investments	-	-	-	-	752,261	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	3,600	-	-	-
Other	-	-	-	-	40,810	-	-	394,393	458	-	-	-	-
Due from other funds	12,281	267,388	192	124,406	-	330,158	10,666	222,155	-	-	34,622	-	3,273
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	214,125	-	-	-
Investments	-	-	-	-	-	-	-	-	-	300,000	-	-	-
Total assets	<u>\$ 12,281</u>	<u>\$ 267,388</u>	<u>\$ 192</u>	<u>\$ 373,223</u>	<u>\$ 1,748,054</u>	<u>\$ 407,731</u>	<u>\$ 10,666</u>	<u>\$ 2,683,192</u>	<u>\$ 458</u>	<u>\$ 517,725</u>	<u>\$ 34,622</u>	<u>\$ 6,365,259</u>	<u>\$ 3,273</u>
LIABILITIES AND FUND BALANCES													
(DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 25,789	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ 106,250	\$ -
Accrued payroll and other	-	7,708	-	-	-	-	-	27,039	-	-	-	104,339	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	487,263	-
Unearned revenue	-	-	-	-	-	-	-	455,582	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>7,708</u>	<u>-</u>	<u>-</u>	<u>25,789</u>	<u>-</u>	<u>-</u>	<u>482,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,852</u>	<u>-</u>
Fund balances (deficit):													
Restricted	-	-	-	-	-	407,731	-	-	-	514,125	-	-	-
Committed	12,281	259,680	192	373,223	1,722,265	-	10,666	2,200,501	458	3,600	34,622	5,667,407	3,273
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>12,281</u>	<u>259,680</u>	<u>192</u>	<u>373,223</u>	<u>1,722,265</u>	<u>407,731</u>	<u>10,666</u>	<u>2,200,501</u>	<u>458</u>	<u>517,725</u>	<u>34,622</u>	<u>5,667,407</u>	<u>3,273</u>
Total liabilities and fund balances (deficit)	<u>\$ 12,281</u>	<u>\$ 267,388</u>	<u>\$ 192</u>	<u>\$ 373,223</u>	<u>\$ 1,748,054</u>	<u>\$ 407,731</u>	<u>\$ 10,666</u>	<u>\$ 2,683,192</u>	<u>\$ 458</u>	<u>\$ 517,725</u>	<u>\$ 34,622</u>	<u>\$ 6,365,259</u>	<u>\$ 3,273</u>

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2017

AS/400 Fund Number	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	668 First Generation Trust
ASSETS													
Cash and cash equivalents	\$ 82,459	\$ -	\$ 982,425	\$ 91,506	\$ -	\$ 2,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	2,950,056	-	-	-	-	-	-	-	-	-
Due from other funds	406,829	9,824	669,268	-	52,320	-	847,543	15,355	201,220	413,063	11,512	-	-
Prepayments	-	-	-	85,350	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 489,288</u>	<u>\$ 9,824</u>	<u>\$ 1,651,693</u>	<u>\$ 3,126,912</u>	<u>\$ 52,320</u>	<u>\$ 2,934</u>	<u>\$ 847,543</u>	<u>\$ 15,355</u>	<u>\$ 201,220</u>	<u>\$ 413,063</u>	<u>\$ 11,512</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES													
(DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ 169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	17,755	-	-	355,549	-	-	11,589	-	42,387	23,424	-	1,443	-
Due to other funds	-	-	-	2,693,529	-	-	-	-	-	-	-	12,595	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	209,872	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>17,755</u>	<u>-</u>	<u>210,041</u>	<u>3,049,078</u>	<u>-</u>	<u>-</u>	<u>11,589</u>	<u>-</u>	<u>42,387</u>	<u>23,424</u>	<u>-</u>	<u>14,038</u>	<u>-</u>
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	471,533	9,824	1,441,652	77,834	52,320	2,934	835,954	15,355	158,833	389,639	11,512	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(14,038)	-
Total fund balances (deficit)	<u>471,533</u>	<u>9,824</u>	<u>1,441,652</u>	<u>77,834</u>	<u>52,320</u>	<u>2,934</u>	<u>835,954</u>	<u>15,355</u>	<u>158,833</u>	<u>389,639</u>	<u>11,512</u>	<u>(14,038)</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 489,288</u>	<u>\$ 9,824</u>	<u>\$ 1,651,693</u>	<u>\$ 3,126,912</u>	<u>\$ 52,320</u>	<u>\$ 2,934</u>	<u>\$ 847,543</u>	<u>\$ 15,355</u>	<u>\$ 201,220</u>	<u>\$ 413,063</u>	<u>\$ 11,512</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2017

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	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	\$ 1,002	\$ -	\$ -	\$ 1,002	\$ 5,318,171	\$ 7,459	\$ 30	\$ 1,501	\$ -	\$ 198,916	\$ 134,873	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	72,814	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	416,041	-	-	-	-	-	-	-	-
Due from other funds	-	273,644	36,016	-	-	-	-	1,000	-	20,233	-	80,114	870,470
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,002</u>	<u>\$ 273,644</u>	<u>\$ 108,830</u>	<u>\$ 1,002</u>	<u>\$ 5,734,212</u>	<u>\$ 7,459</u>	<u>\$ 30</u>	<u>\$ 2,501</u>	<u>\$ -</u>	<u>\$ 219,149</u>	<u>\$ 134,873</u>	<u>\$ 80,114</u>	<u>\$ 870,470</u>
LIABILITIES AND FUND BALANCES													
(DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 13,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	3,000	-	4,093	-
Due to other funds	-	-	-	-	-	-	45	-	-	-	22,477	-	-
Unearned revenue	-	-	-	-	231,338	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	75,310	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,354</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>22,477</u>	<u>4,093</u>	<u>-</u>
Fund balances (deficit):													
Restricted	-	-	-	-	5,413,858	7,459	-	-	-	-	-	-	-
Committed	1,002	273,644	108,830	1,002	-	-	-	2,501	-	216,149	112,396	76,021	870,470
Unassigned	-	-	-	-	-	-	(15)	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,002</u>	<u>273,644</u>	<u>108,830</u>	<u>1,002</u>	<u>5,413,858</u>	<u>7,459</u>	<u>(15)</u>	<u>2,501</u>	<u>-</u>	<u>216,149</u>	<u>112,396</u>	<u>76,021</u>	<u>870,470</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,002</u>	<u>\$ 273,644</u>	<u>\$ 108,830</u>	<u>\$ 1,002</u>	<u>\$ 5,734,212</u>	<u>\$ 7,459</u>	<u>\$ 30</u>	<u>\$ 2,501</u>	<u>\$ -</u>	<u>\$ 219,149</u>	<u>\$ 134,873</u>	<u>\$ 80,114</u>	<u>\$ 870,470</u>

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2017

AS/400 Fund Number	326	651	270	602	241	311	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	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development
ASSETS													
Cash and cash equivalents	\$ 2,400	\$ -	\$ 337,074	\$ 3,083,847	\$ -	\$ 21,092	\$ -	\$ 71,831	\$ 43	\$ 181	\$ -	\$ -	\$ 470
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	2,099,272	-	-	-	-	-	-	-	141,949	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	216,358	1,931	4,028	2,321,270	46,371	-	53	4,132,476	62,150	70	144,567	2,100,102	777,515
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 218,758</u>	<u>\$ 1,931</u>	<u>\$ 341,102</u>	<u>\$ 7,504,389</u>	<u>\$ 46,371</u>	<u>\$ 21,092</u>	<u>\$ 53</u>	<u>\$ 4,204,307</u>	<u>\$ 62,193</u>	<u>\$ 251</u>	<u>\$ 144,567</u>	<u>\$ 2,242,051</u>	<u>\$ 777,985</u>
LIABILITIES AND FUND BALANCES													
(DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ 181,957	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	404,773	1,842	-	-	-	62,184	-	98,256	-	15,791
Due to other funds	-	-	-	-	-	10,907	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	762,194
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,730</u>	<u>1,842</u>	<u>10,907</u>	<u>-</u>	<u>-</u>	<u>62,193</u>	<u>-</u>	<u>98,256</u>	<u>-</u>	<u>777,985</u>
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	218,758	1,931	341,102	6,917,659	44,529	10,185	53	4,204,307	-	251	46,311	2,242,051	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>218,758</u>	<u>1,931</u>	<u>341,102</u>	<u>6,917,659</u>	<u>44,529</u>	<u>10,185</u>	<u>53</u>	<u>4,204,307</u>	<u>-</u>	<u>251</u>	<u>46,311</u>	<u>2,242,051</u>	<u>-</u>
Total liabilities and fund balances (deficit)	<u>\$ 218,758</u>	<u>\$ 1,931</u>	<u>\$ 341,102</u>	<u>\$ 7,504,389</u>	<u>\$ 46,371</u>	<u>\$ 21,092</u>	<u>\$ 53</u>	<u>\$ 4,204,307</u>	<u>\$ 62,193</u>	<u>\$ 251</u>	<u>\$ 144,567</u>	<u>\$ 2,242,051</u>	<u>\$ 777,985</u>

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2017

AS/400 Fund Number	671	294	653	261	650	629	211	663	263	644	215	604	666
	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	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	Public Market Revolving
ASSETS													
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,835	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	7	-	5,444	141,092	14,672	8,230	14,061	142,034	321,663	1,569	116,990	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 5,444</u>	<u>\$ 141,092</u>	<u>\$ 14,672</u>	<u>\$ 8,230</u>	<u>\$ 14,061</u>	<u>\$ 142,034</u>	<u>\$ 321,663</u>	<u>\$ 1,569</u>	<u>\$ 116,990</u>	<u>\$ 93,835</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES													
(DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	2,253	2,631	-	-	-	-	7,399	-	-
Due to other funds	-	989	-	-	-	-	-	-	-	-	-	-	4,576
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>989</u>	<u>-</u>	<u>-</u>	<u>2,253</u>	<u>2,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,399</u>	<u>-</u>	<u>4,576</u>
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed	7	-	5,444	141,092	12,419	5,599	14,061	142,034	321,663	1,569	109,591	93,835	-
Unassigned	-	(989)	-	-	-	-	-	-	-	-	-	-	(4,576)
Total fund balances (deficit)	<u>7</u>	<u>(989)</u>	<u>5,444</u>	<u>141,092</u>	<u>12,419</u>	<u>5,599</u>	<u>14,061</u>	<u>142,034</u>	<u>321,663</u>	<u>1,569</u>	<u>109,591</u>	<u>93,835</u>	<u>(4,576)</u>
Total liabilities and fund balances (deficit)	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 5,444</u>	<u>\$ 141,092</u>	<u>\$ 14,672</u>	<u>\$ 8,230</u>	<u>\$ 14,061</u>	<u>\$ 142,034</u>	<u>\$ 321,663</u>	<u>\$ 1,569</u>	<u>\$ 116,990</u>	<u>\$ 93,835</u>	<u>\$ -</u>

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2017

AS/400 Fund Number	620	317	285	619	289	601	217	647	284	416	605	625	202	603
	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	Tax Collection
ASSETS														
Cash and cash equivalents	\$ 58,804	\$ -	\$ -	\$ 49,527	\$ -	\$ -	\$ 33,148	\$ 1,528	\$ -	\$ 14,926,613	\$ 160,025	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	2,916,076	-	-	-	-
Due from other funds	-	-	250	21,068	4,829	75	-	19,951	44,860	-	539,308	1,208	41,017	182,541
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:														
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	8,628,438	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 58,804</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 70,595</u>	<u>\$ 4,829</u>	<u>\$ 75</u>	<u>\$ 33,148</u>	<u>\$ 21,479</u>	<u>\$ 44,860</u>	<u>\$ 26,471,127</u>	<u>\$ 699,333</u>	<u>\$ 1,208</u>	<u>\$ 41,017</u>	<u>\$ 182,541</u>
LIABILITIES AND FUND BALANCES														
(DEFICIT)														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,024,632	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	2,334	-	-	-	-	-	64,870	-	-	-	17,146
Due to other funds	58,804	24,936	-	-	-	-	33,148	-	-	574,086	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>58,804</u>	<u>24,936</u>	<u>-</u>	<u>2,334</u>	<u>-</u>	<u>-</u>	<u>33,148</u>	<u>-</u>	<u>-</u>	<u>6,663,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,146</u>
Fund balances (deficit):														
Restricted	-	-	-	-	-	-	-	-	-	8,628,438	-	-	-	-
Committed	-	-	250	68,261	4,829	75	-	21,479	44,860	11,179,101	699,333	1,208	41,017	165,395
Unassigned	-	(24,936)	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>(24,936)</u>	<u>250</u>	<u>68,261</u>	<u>4,829</u>	<u>75</u>	<u>-</u>	<u>21,479</u>	<u>44,860</u>	<u>19,807,539</u>	<u>699,333</u>	<u>1,208</u>	<u>41,017</u>	<u>165,395</u>
Total liabilities and fund balances (deficit)	<u>\$ 58,804</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 70,595</u>	<u>\$ 4,829</u>	<u>\$ 75</u>	<u>\$ 33,148</u>	<u>\$ 21,479</u>	<u>\$ 44,860</u>	<u>\$ 26,471,127</u>	<u>\$ 699,333</u>	<u>\$ 1,208</u>	<u>\$ 41,017</u>	<u>\$ 182,541</u>

(continued)

GOVERNMENT OF GUAM
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
September 30, 2017

AS/400 Fund Number	205	208	206	257	636	297	637	283	300	203	310	276	Total
	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Truck Enforcement Screening Station Facility	Underground Storage Tank Management	University of Guam Capital Improvements	Victim/Witness Travel-Housing	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	
ASSETS													
Cash and cash equivalents	\$ 27,967	\$ 315,704	\$ -	\$ -	\$ 82,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,130	\$ 35,807,567
Investments	-	-	3,747,526	-	-	-	-	-	-	-	-	-	4,499,787
Receivables, net:													
Taxes	666,534	869,683	3,173,328	-	-	-	-	-	-	-	-	-	7,027,180
Other	-	-	-	-	-	-	-	-	-	-	-	-	6,717,834
Due from other funds	-	1,089,505	-	10,740	-	1,136,759	14,065	1,673	27,000	56,136	-	-	18,677,190
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	85,350
Restricted assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	8,842,563
Investments	-	-	-	-	-	-	-	-	-	-	-	-	300,000
Total assets	\$ 694,501	\$ 2,274,892	\$ 6,920,854	\$ 10,740	\$ 82,794	\$ 1,136,759	\$ 14,065	\$ 1,673	\$ 27,000	\$ 56,136	\$ -	\$ 5,130	\$ 81,957,471
LIABILITIES AND FUND BALANCES													
(DEFICIT)													
Liabilities:													
Accounts payable	\$ -	\$ 540,559	\$ 141,600	\$ -	\$ -	\$ 1,233,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,268,024
Accrued payroll and other	-	349,679	414,592	-	962	-	-	1,399	1,993	-	-	-	2,046,430
Due to other funds	81,722	-	4,917,927	-	33,303	-	-	-	-	-	-	-	8,956,307
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	686,920
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	1,047,376
Total liabilities	81,722	890,238	5,474,119	-	34,265	1,233,283	-	1,399	1,993	-	-	-	21,005,057
Fund balances (deficit):													
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	14,971,611
Committed	612,779	1,384,654	1,446,735	10,740	48,529	-	14,065	274	25,007	56,136	-	5,130	46,121,881
Unassigned	-	-	-	-	-	(96,524)	-	-	-	-	-	-	(141,078)
Total fund balances (deficit)	612,779	1,384,654	1,446,735	10,740	48,529	(96,524)	14,065	274	25,007	56,136	-	5,130	60,952,414
Total liabilities and fund balances (deficit)	\$ 694,501	\$ 2,274,892	\$ 6,920,854	\$ 10,740	\$ 82,794	\$ 1,136,759	\$ 14,065	\$ 1,673	\$ 27,000	\$ 56,136	\$ -	\$ 5,130	\$ 81,957,471

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, 2017

AS/400 Fund Number	236	265	661	611	266	NEW	282	624	669	415	646	105	250
	Accessible Parking	Air Pollution Control	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	Consumer Protection
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,955	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	2,910	119,406	192	373,809	877,775	-	797,218	816,457	20,114	-	5,245	1,990,167	-
Charges for services	-	-	-	-	-	237,198	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	125	-	941	-	2,428	127,865	614	-	-	-
Intergovernmental	-	-	-	-	-	138,423	-	-	-	-	-	1,791,928	-
Other	-	-	-	-	18,320	-	-	462,000	-	-	-	-	-
Total revenues	2,910	119,406	192	373,934	896,095	376,562	797,218	1,280,885	147,979	95,569	5,245	3,782,095	-
Expenditures by Function:													
Current:													
General government	-	-	-	711	614,823	11,030	-	1,311,100	-	-	-	533	-
Protection of life and property	-	-	-	-	-	-	794,208	-	-	-	-	-	1,249
Public health	-	-	-	-	-	-	-	-	-	-	-	4,695,564	-
Community services	381	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	194,138	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	2,714,165	-	-	-	-	-	-	-
Payments to:													
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:													
Principal retirement	-	-	-	-	-	53,592	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	106,008	-	-	-	-	-	-	-
Total expenditures	381	194,138	-	711	614,823	2,884,795	794,208	1,311,100	-	-	-	4,696,097	1,249
Excess (deficiency) of revenues over (under) expenditures	2,529	(74,732)	192	373,223	281,272	(2,508,233)	3,010	(30,215)	147,979	95,569	5,245	(914,002)	(1,249)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	1,611,129	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	(430,000)	-	-	(321,263)	(320,105)	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	1,181,129	-	-	(321,263)	(320,105)	-	-	-
Net change in fund balances (deficit)	2,529	(74,732)	192	373,223	281,272	(1,327,104)	3,010	(30,215)	(173,284)	(224,536)	5,245	(914,002)	(1,249)
Fund balances (deficit) at beginning of year	9,752	334,412	-	-	1,440,993	1,734,835	7,656	2,230,716	173,742	742,261	29,377	6,581,409	4,522
Fund balances (deficit) at end of year	\$ 12,281	\$ 259,680	\$ 192	\$ 373,223	\$ 1,722,265	\$ 407,731	\$ 10,666	\$ 2,200,501	\$ 458	\$ 517,725	\$ 34,622	\$ 5,667,407	\$ 3,273

(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, 2017

AS/400 Fund Number	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	668 First Generation Trust
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	732,694	75,490	7,930	15,077,535	41,370	-	1,480,749	7,705	2,209,374	1,211,507	-	12,925	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	181	-	341	497	-	3	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	11,512	-	-
Total revenues	732,875	75,490	8,271	15,078,032	41,370	3	1,480,749	7,705	2,209,374	1,211,507	11,512	12,925	-
Expenditures by Function:													
Current:													
General government	548,375	-	-	-	-	-	1,548,301	-	-	-	-	20,629	-
Protection of life and property	-	-	145,361	13,122,013	-	-	-	-	1,327,604	-	-	-	-
Public health	-	7,409	-	-	-	-	-	-	-	1,499,816	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	11,180	-	-	-	-	-	-	-
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	548,375	7,409	145,361	13,122,013	-	11,180	1,548,301	-	1,327,604	1,499,816	-	20,629	-
Excess (deficiency) of revenues over (under) expenditures	184,500	68,081	(137,090)	1,956,019	41,370	(11,177)	(67,552)	7,705	881,770	(288,309)	11,512	(7,704)	-
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	450,000
Transfers out to other funds	-	(131,806)	-	(1,852,949)	-	(588,520)	-	-	(839,583)	-	-	-	-
Total other financing sources (uses), net	-	(131,806)	-	(1,852,949)	-	(588,520)	-	-	(839,583)	-	-	-	450,000
Net change in fund balances (deficit)	184,500	(63,725)	(137,090)	103,070	41,370	(599,697)	(67,552)	7,705	42,187	(288,309)	11,512	(7,704)	450,000
Fund balances (deficit) at beginning of year	287,033	73,549	1,578,742	(25,236)	10,950	602,631	903,506	7,650	116,646	677,948	-	(6,334)	(450,000)
Fund balances (deficit) at end of year	\$ 471,533	\$ 9,824	\$ 1,441,652	\$ 77,834	\$ 52,320	\$ 2,934	\$ 835,954	\$ 15,355	\$ 158,833	\$ 389,639	\$ 11,512	\$ (14,038)	\$ -

(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, 2017

AS/400 Fund Number	614	231	656				641	639	657	245	608	662	244
	Government	GFD	GMHA	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam
	Ethics	Capital	Healthcare	Ancestral	Ancestral	Ancestral	Cancer	Charter	Community	Environmental	Plant	Invasive	Museum
		Revolving	Trust and	Lands	Land	Landowners	Trust	Schools	College	Trust	Inspection	Species	
			Development	Operations	Bank	Recovery		Improvements	Capital	Inspection	and Permit	Inspection	
												Fee	
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	892,256	3,475,893	-	-	-	-	-	-	354,570	98,146	386,083	340,914
Charges for services	-	-	-	-	711,901	-	-	-	-	-	-	-	-
Interest and investment earnings	2	-	-	-	21,922	20	-	1	-	129	106	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,000	-	-	994	238,520	1	-	1,000	-	-	-	-	-
Total revenues	1,002	892,256	3,475,893	994	972,343	21	-	1,001	-	354,699	98,252	386,083	340,914
Expenditures by Function:													
Current:													
General government	-	-	-	-	110,579	993	-	-	-	-	-	-	-
Protection of life and property	-	420,837	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	1,525,956
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	182,338	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	44,276	58,559	-
Payments to:													
Guam Community College	-	-	-	-	-	-	-	-	278,922	-	-	-	-
Guam Memorial Hospital Authority	-	-	3,545,549	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	420,837	3,545,549	-	110,579	993	-	-	278,922	182,338	44,276	58,559	1,525,956
Excess (deficiency) of revenues over (under) expenditures	1,002	471,419	(69,656)	994	861,764	(972)	-	1,001	(278,922)	172,361	53,976	327,524	(1,185,042)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	8,005,562	278,922	-	-	-	1,125,640
Transfers out to other funds	-	(331,345)	-	-	-	-	-	(8,005,562)	-	(104,475)	-	(780,195)	-
Total other financing sources (uses), net	-	(331,345)	-	-	-	-	-	-	278,922	(104,475)	-	(780,195)	1,125,640
Net change in fund balances (deficit)	1,002	140,074	(69,656)	994	861,764	(972)	-	1,001	-	67,886	53,976	(452,671)	(59,402)
Fund balances (deficit) at beginning of year	-	133,570	178,486	8	4,552,094	8,431	(15)	1,500	-	148,263	58,420	528,692	929,872
Fund balances (deficit) at end of year	\$ 1,002	\$ 273,644	\$ 108,830	\$ 1,002	\$ 5,413,858	\$ 7,459	\$ (15)	\$ 2,501	\$ -	\$ 216,149	\$ 112,396	\$ 76,021	\$ 870,470

(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, 2017

AS/400 Fund Number	326	651	270	602	241	311	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	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	21,940,042	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	3,400,434	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	1,718,598	-
Licenses and permits	676,232	-	-	-	297,230	-	-	-	-	-	3,055,118	-	225,136
Charges for services	-	-	-	-	-	-	-	-	1,208,964	-	-	-	-
Interest and investment earnings	462	-	1,011	898	-	63	-	143	-	-	-	-	141
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	676,694	-	1,011	25,341,374	297,230	63	-	143	1,208,964	-	3,055,118	1,718,598	225,277
Expenditures by Function:													
Current:													
General government	711	-	-	-	-	-	-	-	1,531,827	-	2,980,418	52,918	-
Protection of life and property	-	-	-	177,658	-	-	-	-	-	-	-	-	-
Public health	-	-	-	17,846,686	92,222	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	668,033	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	93,545	502,642
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	480,048	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to:													
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	-	147,165
Guam Memorial Hospital Authority	-	-	-	600,000	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	950,000	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	2,781,109	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	950,711	-	-	21,405,453	92,222	-	480,048	-	1,531,827	-	2,980,418	814,496	649,807
Excess (deficiency) of revenues over (under) expenditures	(274,017)	-	1,011	3,935,921	205,008	63	(480,048)	143	(322,863)	-	74,700	904,102	(424,530)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	480,048	2,918,268	322,943	-	-	-	396,317
Transfers out to other funds	-	-	-	(891,754)	(391,694)	-	-	-	-	-	(87,351)	(544,468)	-
Total other financing sources (uses), net	-	-	-	(891,754)	(391,694)	-	480,048	2,918,268	322,943	-	(87,351)	(544,468)	396,317
Net change in fund balances (deficit)	(274,017)	-	1,011	3,044,167	(186,686)	63	-	2,918,411	80	-	(12,651)	359,634	(28,213)
Fund balances (deficit) at beginning of year	492,775	1,931	340,091	3,873,492	231,215	10,122	53	1,285,896	(80)	251	58,962	1,882,417	28,213
Fund balances (deficit) at end of year	\$ 218,758	\$ 1,931	\$ 341,102	\$ 6,917,659	\$ 44,529	\$ 10,185	\$ 53	\$ 4,204,307	\$ -	\$ 251	\$ 46,311	\$ 2,242,051	\$ -

(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, 2017

AS/400 Fund Number	671	294	653	261	650	629	211	663	263	644	215	604	666
	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	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	Public Market Revolving
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	7	-	1,496	34,179	260,592	143,489	9,205	300,057	1,057,648	-	278,330	976,718	15,000
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-	-	265	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	7	-	1,496	34,179	260,592	143,489	9,205	300,057	1,057,648	-	278,330	976,983	15,000
Expenditures by Function:													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	257,478	-	-
Protection of life and property	-	-	-	13,690	-	-	-	309,069	260,226	-	-	-	-
Public health	-	-	-	-	89,458	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	19,576
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	90,269	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	2,133	-	-	-	-	-	-
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	-	-	-	13,690	89,458	90,269	2,133	309,069	260,226	-	257,478	-	19,576
Excess (deficiency) of revenues over (under) expenditures	7	-	1,496	20,489	171,134	53,220	7,072	(9,012)	797,422	-	20,852	976,983	(4,576)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	(284,546)	(123,274)	-	(166,970)	-	-	-	(928,467)	-
Total other financing sources (uses), net	-	-	-	-	(284,546)	(123,274)	-	(166,970)	-	-	-	(928,467)	-
Net change in fund balances (deficit)	7	-	1,496	20,489	(113,412)	(70,054)	7,072	(175,982)	797,422	-	20,852	48,516	(4,576)
Fund balances (deficit) at beginning of year	-	(989)	3,948	120,603	125,831	75,653	6,989	318,016	(475,759)	1,569	88,739	45,319	-
Fund balances (deficit) at end of year	\$ 7	\$ (989)	\$ 5,444	\$ 141,092	\$ 12,419	\$ 5,599	\$ 14,061	\$ 142,034	\$ 321,663	\$ 1,569	\$ 109,591	\$ 93,835	\$ (4,576)

(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, 2017

AS/400 Fund Number	620	317	285	619	289	601	217	647	284	416	605	625	202	603
	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	Tax Collection
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	127,866	-	53,876	2,859,696	2,279	75	120,979	-	30,464	-	23,045	100	4,292,152	976,779
Charges for services	-	104,498	-	-	-	-	-	1,046,893	-	19,247,539	-	-	-	-
Interest and investment earnings	115	-	-	16	-	-	74	1	-	29,871	193	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	127,981	104,498	53,876	2,859,712	2,279	75	121,053	1,046,894	30,464	19,277,410	23,238	100	4,292,152	976,779
Expenditures by Function:														
Current:														
General government	-	-	-	-	-	-	-	-	-	89,494	-	-	4,096,025	709,704
Protection of life and property	-	-	-	-	-	-	93,748	-	-	-	55,147	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	318,441	-	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	452,849	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	1,065,464	7,433	-	-	-	3,322	22,302,926	-	-	-	-
Economic development	-	-	12,750	-	-	-	-	-	-	-	-	-	-	-
Payments to:														
Guam Community College	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	1,025,415	-	-	-	-	-	-
Debt service:														
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	318,441	452,849	12,750	1,065,464	7,433	-	93,748	1,025,415	3,322	22,392,420	55,147	-	4,096,025	709,704
Excess (deficiency) of revenues over (under) expenditures	(190,460)	(348,351)	41,126	1,794,248	(5,154)	75	27,305	21,479	27,142	(3,115,010)	(31,909)	100	196,127	267,075
Other financing sources (uses):														
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	127,536	334,882	-	-	-	-	126,637	-	-	-	-	-	-	-
Transfers out to other funds	-	-	(92,517)	(2,528,529)	-	-	(145,613)	-	-	(480,048)	-	-	(255,962)	(190,417)
Total other financing sources (uses), net	127,536	334,882	(92,517)	(2,528,529)	-	-	(18,976)	-	-	(480,048)	-	-	(255,962)	(190,417)
Net change in fund balances (deficit)	(62,924)	(13,469)	(51,391)	(734,281)	(5,154)	75	8,329	21,479	27,142	(3,595,058)	(31,909)	100	(59,835)	76,658
Fund balances (deficit) at beginning of year	62,924	(11,467)	51,641	802,542	9,983	-	(8,329)	-	17,718	23,402,597	731,242	1,108	100,852	88,737
Fund balances (deficit) at end of year	\$ -	\$ (24,936)	\$ 250	\$ 68,261	\$ 4,829	\$ 75	\$ -	\$ 21,479	\$ 44,860	\$ 19,807,539	\$ 699,333	\$ 1,208	\$ 41,017	\$ 165,395

(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, 2017

AS/400 Fund Number	205	208	206	257	636	297	637	283	300	203	310	276	
	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Truck Enforcement Screening Station Facility	Underground Storage Tank Management	University of Guam Capital Improvements	Victim/Witness Travel-Housing	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
Revenues:													
Taxes:													
Property	\$ 26,896,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,990,962
Hotel	-	-	44,007,074	-	-	-	-	-	-	-	-	-	44,007,074
Liquid fuel	-	10,411,898	-	-	-	-	-	-	-	-	-	-	10,411,898
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	21,940,042
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	3,400,434
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	1,718,598
Licenses and permits	-	9,849,789	-	10,740	79,280	-	6,960	20,228	85,501	24,371	111,144	-	57,414,195
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	22,556,993
Interest and investment earnings	465	540	5,741	-	83	-	-	-	-	-	-	15	195,272
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	1,930,351
Other	-	21,654	-	-	-	-	-	-	-	-	-	-	755,001
Total revenues	26,896,472	20,283,881	44,012,815	10,740	79,363	-	6,960	20,228	85,501	24,371	111,144	15	191,320,820
Expenditures by Function:													
Current:													
General government	-	7,315,001	53,532	-	-	-	-	-	-	-	-	-	21,254,182
Protection of life and property	-	-	480,125	-	-	-	-	-	-	-	-	-	17,200,935
Public health	-	-	-	-	-	-	-	-	-	-	-	-	24,231,155
Community services	-	-	-	-	-	-	-	-	-	-	-	-	381
Recreation	-	-	3,089,321	-	-	-	-	-	-	-	-	-	4,075,795
Individual and collective rights	-	2,077,499	5,228,826	-	-	-	-	-	-	-	827,464	-	10,286,688
Transportation	-	7,880,735	-	-	-	-	-	-	-	-	-	-	8,333,584
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	80,527	-	53,157	-	-	36,500	78,483	-	-	-	24,574,605
Economic development	-	-	316,674	-	-	-	-	-	-	7,429	-	-	3,155,986
Payments to:													
Guam Community College	-	-	24,154	-	-	-	-	-	-	-	-	-	450,241
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-	-	4,145,549
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-	-	950,000
Guam Visitors Bureau	-	-	23,852,472	-	-	-	-	-	-	-	-	-	23,852,472
University of Guam	-	-	200,000	-	-	1,658,283	-	-	-	-	-	-	4,639,392
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-	-	1,025,415
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	53,592
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	106,008
Total expenditures	-	17,273,235	33,325,631	-	53,157	1,658,283	-	36,500	78,483	7,429	827,464	-	148,335,980
Excess (deficiency) of revenues over (under) expenditures	26,896,472	3,010,646	10,687,184	10,740	26,206	(1,658,283)	6,960	(16,272)	7,018	16,942	(716,320)	15	42,984,840
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	1,611,129
Transfers in from other funds	-	-	-	-	-	1,658,283	-	-	-	-	684,401	-	16,909,439
Transfers out to other funds	(32,020,630)	(4,110,543)	(11,061,716)	-	-	-	-	-	-	-	-	-	(68,010,302)
Total other financing sources (uses), net	(32,020,630)	(4,110,543)	(11,061,716)	-	-	1,658,283	-	-	-	-	684,401	-	(49,489,734)
Net change in fund balances (deficit)	(5,124,158)	(1,099,897)	(374,532)	10,740	26,206	-	6,960	(16,272)	7,018	16,942	(31,919)	15	(6,504,894)
Fund balances (deficit) at beginning of year	5,736,937	2,484,551	1,821,267	-	22,323	(96,524)	7,105	16,546	17,989	39,194	31,919	5,115	67,457,308
Fund balances (deficit) at end of year	\$ 612,779	\$ 1,384,654	\$ 1,446,735	\$ 10,740	\$ 48,529	\$ (96,524)	\$ 14,065	\$ 274	\$ 25,007	\$ 56,136	\$ -	\$ 5,130	\$ 60,952,414

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, 2017

AS/400 Fund Number	236	265	661	611	266	NEW	282	624	669	415	646	105	250
	Accessible Parking	Air Pollution Control	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	Consumer Protection
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,955	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	2,910	119,406	192	373,809	877,775	-	797,218	816,457	20,114	-	5,245	1,990,167	-
Charges for services	-	-	-	-	-	237,198	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	125	-	941	-	2,428	127,865	614	-	-	-
Intergovernmental	-	-	-	-	-	138,423	-	-	-	-	-	1,791,928	-
Other	-	-	-	-	18,320	-	-	462,000	-	-	-	-	-
Total revenues	2,910	119,406	192	373,934	896,095	376,562	797,218	1,280,885	147,979	95,569	5,245	3,782,095	-
Expenditures by Object:													
Salaries and wages - regular	-	114,834	-	-	-	-	492,958	535,347	-	-	-	2,452,905	-
Salaries and wages - overtime	-	-	-	-	-	-	285,443	-	-	-	-	73,114	-
Salaries and wages - fringe benefits	-	45,779	-	-	-	-	15,807	202,191	-	-	-	847,543	-
Travel	-	7,525	-	-	-	-	-	-	-	-	-	92,886	-
Contractual services	-	-	-	-	321,302	-	-	212,100	-	-	-	366,052	-
Building rent	-	16,000	-	-	23,868	-	-	124,390	-	-	-	-	-
Supplies	381	-	-	-	18,788	-	-	10,202	-	-	-	664,852	-
Equipment	-	-	-	-	4,065	-	-	72,175	-	-	-	26,323	1,249
Utilities - power and water	-	10,000	-	-	-	11,030	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	2,714,165	-	149,525	-	-	-	43,645	-
Payments to component units	-	-	-	-	200,000	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	53,592	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	106,008	-	-	-	-	-	-	-
Miscellaneous	-	-	-	711	46,800	-	-	5,170	-	-	-	128,777	-
Total expenditures	381	194,138	-	711	614,823	2,884,795	794,208	1,311,100	-	-	-	4,696,097	1,249
Excess (deficiency) of revenues over (under) expenditures	2,529	(74,732)	192	373,223	281,272	(2,508,233)	3,010	(30,215)	147,979	95,569	5,245	(914,002)	(1,249)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	1,611,129	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	(430,000)	-	-	(321,263)	(320,105)	-	-	-
Total other financing sources (uses), net	-	-	-	-	-	1,181,129	-	-	(321,263)	(320,105)	-	-	-
Net change in fund balances (deficit)	2,529	(74,732)	192	373,223	281,272	(1,327,104)	3,010	(30,215)	(173,284)	(224,536)	5,245	(914,002)	(1,249)
Fund balances (deficit) at beginning of year	9,752	334,412	-	-	1,440,993	1,734,835	7,656	2,230,716	173,742	742,261	29,377	6,581,409	4,522
Fund balances (deficit) at end of year	\$ 12,281	\$ 259,680	\$ 192	\$ 373,223	\$ 1,722,265	\$ 407,731	\$ 10,666	\$ 2,200,501	\$ 458	\$ 517,725	\$ 34,622	\$ 5,667,407	\$ 3,273

(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, 2017

AS/400 Fund Number	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	668 First Generation Trust
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	732,694	75,490	7,930	15,077,535	41,370	-	1,480,749	7,705	2,209,374	1,211,507	-	12,925	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	181	-	341	497	-	3	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	11,512	-	-
Total revenues	732,875	75,490	8,271	15,078,032	41,370	3	1,480,749	7,705	2,209,374	1,211,507	11,512	12,925	-
Expenditures by Object:													
Salaries and wages - regular	363,544	-	-	6,709,930	-	-	999,047	-	821,731	932,521	-	290	-
Salaries and wages - overtime	-	-	-	407,759	-	-	1,173	-	30,716	558	-	15,297	-
Salaries and wages - fringe benefits	130,378	-	-	2,392,501	-	-	326,552	-	315,251	330,241	-	5,042	-
Travel	-	-	-	-	-	-	2,981	-	-	48,551	-	-	-
Contractual services	24,894	-	-	369,488	-	11,180	103,697	-	37,484	110,534	-	-	-
Building rent	-	-	-	3,013,333	-	-	-	-	-	-	-	-	-
Supplies	8,169	1,523	1,009	74,288	-	-	26,464	-	37,747	26,333	-	-	-
Equipment	1,882	5,886	-	6,076	-	-	28,893	-	12,680	2,168	-	-	-
Utilities - power and water	12,804	-	-	70,222	-	-	11,773	-	15,141	24,889	-	-	-
Communications	4,623	-	-	31,086	-	-	10,751	-	52,394	-	-	-	-
Capital outlays	-	-	-	-	-	-	36,970	-	-	24,021	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,081	-	144,352	47,330	-	-	-	-	4,460	-	-	-	-
Total expenditures	548,375	7,409	145,361	13,122,013	-	11,180	1,548,301	-	1,327,604	1,499,816	-	20,629	-
Excess (deficiency) of revenues over (under) expenditures	184,500	68,081	(137,090)	1,956,019	41,370	(11,177)	(67,552)	7,705	881,770	(288,309)	11,512	(7,704)	-
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	450,000
Transfers out to other funds	-	(131,806)	-	(1,852,949)	-	(588,520)	-	-	(839,583)	-	-	-	-
Total other financing sources (uses), net	-	(131,806)	-	(1,852,949)	-	(588,520)	-	-	(839,583)	-	-	-	450,000
Net change in fund balances (deficit)	184,500	(63,725)	(137,090)	103,070	41,370	(599,697)	(67,552)	7,705	42,187	(288,309)	11,512	(7,704)	450,000
Fund balances (deficit) at beginning of year	287,033	73,549	1,578,742	(25,236)	10,950	602,631	903,506	7,650	116,646	677,948	-	(6,334)	(450,000)
Fund balances (deficit) at end of year	471,533	\$ 9,824	\$ 1,441,652	\$ 77,834	\$ 52,320	\$ 2,934	\$ 835,954	\$ 15,355	\$ 158,833	\$ 389,639	\$ 11,512	\$ (14,038)	\$ -

(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, 2017

AS/400 Fund Number	614	231	656				641	639	657 Guam Community College Capital Improvements	245	608	662 Guam Invasive Species Inspection Fee	244
	Government Ethics	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Guam Cancer Trust	Guam Charter Schools		Guam Environmental Trust	Guam Plant Inspection and Permit		Guam Museum
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	892,256	3,475,893	-	-	-	-	-	-	354,570	98,146	386,083	340,914
Charges for services	-	-	-	-	711,901	-	-	-	-	-	-	-	-
Interest and investment earnings	2	-	-	-	21,922	20	-	1	-	129	106	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,000	-	-	994	238,520	1	-	1,000	-	-	-	-	-
Total revenues	1,002	892,256	3,475,893	994	972,343	21	-	1,001	-	354,699	98,252	386,083	340,914
Expenditures by Object:													
Salaries and wages - regular	-	-	-	-	-	-	-	-	-	80,828	-	23,063	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	1,424	-	-	-
Salaries and wages - fringe benefits	-	-	-	-	-	-	-	-	-	28,467	-	8,094	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual services	-	18,101	-	-	97,991	-	-	-	-	1,146	3,049	14,720	1,167,752
Building rent	-	-	-	-	-	-	-	-	-	-	-	-	152,251
Supplies	-	276,965	-	-	-	-	-	-	-	-	1,120	2,561	-
Equipment	-	4,378	-	-	-	-	-	-	-	-	-	7,851	-
Utilities - power and water	-	-	-	-	-	-	-	-	-	52,484	38,310	-	205,953
Communications	-	-	-	-	-	-	-	-	-	17,989	1,447	-	-
Capital outlays	-	121,393	-	-	-	-	-	-	-	-	-	-	-
Payments to component units	-	-	3,545,549	-	-	-	-	-	278,922	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	12,588	993	-	-	-	-	350	2,270	-
Total expenditures	-	420,837	3,545,549	-	110,579	993	-	-	278,922	182,338	44,276	58,559	1,525,956
Excess (deficiency) of revenues over (under) expenditures	1,002	471,419	(69,656)	994	861,764	(972)	-	1,001	(278,922)	172,361	53,976	327,524	(1,185,042)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	8,005,562	278,922	-	-	-	1,125,640
Transfers out to other funds	-	(331,345)	-	-	-	-	-	(8,005,562)	-	(104,475)	-	(780,195)	-
Total other financing sources (uses), net	-	(331,345)	-	-	-	-	-	-	278,922	(104,475)	-	(780,195)	1,125,640
Net change in fund balances (deficit)	1,002	140,074	(69,656)	994	861,764	(972)	-	1,001	-	67,886	53,976	(452,671)	(59,402)
Fund balances (deficit) at beginning of year	-	133,570	178,486	8	4,552,094	8,431	(15)	1,500	-	148,263	58,420	528,692	929,872
Fund balances (deficit) at end of year	\$ <u>1,002</u>	\$ <u>273,644</u>	\$ <u>108,830</u>	\$ <u>1,002</u>	\$ <u>5,413,858</u>	\$ <u>7,459</u>	\$ <u>(15)</u>	\$ <u>2,501</u>	\$ <u>-</u>	\$ <u>216,149</u>	\$ <u>112,396</u>	\$ <u>76,021</u>	\$ <u>870,470</u>

(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, 2017

AS/400 Fund Number	326	651	270	602	241	311	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	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	21,940,042	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	3,400,434	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	1,718,598	-
Licenses and permits	676,232	-	-	-	297,230	-	-	-	-	-	3,055,118	-	225,136
Charges for services	-	-	-	-	-	-	-	-	1,208,964	-	-	-	-
Interest and investment earnings	462	-	1,011	898	-	63	-	143	-	-	-	-	141
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	676,694	-	1,011	25,341,374	297,230	63	-	143	1,208,964	-	3,055,118	1,718,598	225,277
Expenditures by Object:													
Salaries and wages - regular	-	-	-	8,932,967	33,725	-	-	-	1,050,945	-	1,963,679	-	339,216
Salaries and wages - overtime	-	-	-	40,295	-	-	-	-	11,335	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	3,086,677	12,855	-	-	-	371,617	-	702,222	-	122,508
Travel	-	-	-	7,453	10,333	-	-	-	18,440	-	-	-	9,844
Contractual services	-	-	-	4,829,117	9,515	-	-	-	46,314	-	48,345	43,519	10,256
Building rent	-	-	-	-	-	-	-	-	-	-	229,775	-	-
Supplies	-	-	-	679,135	8,224	-	-	-	22,711	-	15,257	57,889	7,406
Equipment	-	-	-	10,934	17,570	-	-	-	-	-	-	10,978	7,151
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	10,305	-	18,200	-	6,261
Capital outlays	-	-	-	70,772	-	-	-	-	-	-	-	-	-
Payments to component units	950,000	-	-	3,381,109	-	-	-	-	-	-	-	-	147,165
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	711	-	-	366,994	-	-	480,048	-	160	-	2,940	702,110	-
Total expenditures	950,711	-	-	21,405,453	92,222	-	480,048	-	1,531,827	-	2,980,418	814,496	649,807
Excess (deficiency) of revenues over (under) expenditures	(274,017)	-	1,011	3,935,921	205,008	63	(480,048)	143	(322,863)	-	74,700	904,102	(424,530)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	480,048	2,918,268	322,943	-	-	-	396,317
Transfers out to other funds	-	-	-	(891,754)	(391,694)	-	-	-	-	-	(87,351)	(544,468)	-
Total other financing sources (uses), net	-	-	-	(891,754)	(391,694)	-	480,048	2,918,268	322,943	-	(87,351)	(544,468)	396,317
Net change in fund balances (deficit)	(274,017)	-	1,011	3,044,167	(186,686)	63	-	2,918,411	80	-	(12,651)	359,634	(28,213)
Fund balances (deficit) at beginning of year	492,775	1,931	340,091	3,873,492	231,215	10,122	53	1,285,896	(80)	251	58,962	1,882,417	28,213
Fund balances (deficit) at end of year	\$ 218,758	\$ 1,931	\$ 341,102	\$ 6,917,659	\$ 44,529	\$ 10,185	\$ 53	\$ 4,204,307	\$ -	\$ 251	\$ 46,311	\$ 2,242,051	\$ -

(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, 2017

AS/400 Fund Number	671	294	653	261	650	629	211	663	263	644	215	604	666
	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Notary Public Revolving	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	Public Market Revolving
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	7	-	1,496	34,179	260,592	143,489	9,205	300,057	1,057,648	-	278,330	976,718	15,000
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-	-	265	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	7	-	1,496	34,179	260,592	143,489	9,205	300,057	1,057,648	-	278,330	976,983	15,000
Expenditures by Object:													
Salaries and wages - regular	-	-	-	-	48,171	52,562	-	-	-	-	141,401	-	16,611
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	-	28,655	15,848	-	-	-	-	49,246	-	2,965
Travel	-	-	-	-	880	6,565	-	-	-	-	-	-	-
Contractual services	-	-	-	13,373	11,626	14,704	-	33,410	154,192	-	38,209	-	-
Building rent	-	-	-	-	-	-	-	-	-	-	19,518	-	-
Supplies	-	-	-	317	126	590	2,133	94,029	89,030	-	1,813	-	-
Equipment	-	-	-	-	-	-	-	36,160	3,254	-	2,543	-	-
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-	2,117	-	-
Capital outlays	-	-	-	-	-	-	-	145,470	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	13,750	-	2,631	-	-
Total expenditures	-	-	-	13,690	89,458	90,269	2,133	309,069	260,226	-	257,478	-	19,576
Excess (deficiency) of revenues over (under) expenditures	7	-	1,496	20,489	171,134	53,220	7,072	(9,012)	797,422	-	20,852	976,983	(4,576)
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	(284,546)	(123,274)	-	(166,970)	-	-	-	(928,467)	-
Total other financing sources (uses), net	-	-	-	-	(284,546)	(123,274)	-	(166,970)	-	-	-	(928,467)	-
Net change in fund balances (deficit)	7	-	1,496	20,489	(113,412)	(70,054)	7,072	(175,982)	797,422	-	20,852	48,516	(4,576)
Fund balances (deficit) at beginning of year	-	(989)	3,948	120,603	125,831	75,653	6,989	318,016	(475,759)	1,569	88,739	45,319	-
Fund balances (deficit) at end of year	\$ 7	\$ (989)	\$ 5,444	\$ 141,092	\$ 12,419	\$ 5,599	\$ 14,061	\$ 142,034	\$ 321,663	\$ 1,569	\$ 109,591	\$ 93,835	\$ (4,576)

(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, 2017

AS/400 Fund Number	620	317	285	619	289	601	217	647	284	416	605	625	202	603
	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	Tax Collection
Revenues:														
Taxes:														
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	127,866	-	53,876	2,859,696	2,279	75	120,979	-	30,464	-	23,045	100	4,292,152	976,779
Charges for services	-	104,498	-	-	-	-	-	1,046,893	-	19,247,539	-	-	-	-
Interest and investment earnings	115	-	-	16	-	-	74	1	-	29,871	193	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	127,981	104,498	53,876	2,859,712	2,279	75	121,053	1,046,894	30,464	19,277,410	23,238	100	4,292,152	976,779
Expenditures by Object:														
Salaries and wages - regular	-	-	-	44,925	-	-	-	-	-	1,031,937	-	-	-	337,549
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	101,933	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	15,628	-	-	-	-	-	390,809	-	-	-	138,722
Travel	-	-	-	-	-	-	-	-	1,760	-	23,814	-	-	16,472
Contractual services	63,946	452,849	4,695	1,004,911	7,370	-	-	-	1,562	19,682,719	130	-	-	32,199
Building rent	-	-	-	-	-	-	-	-	-	-	-	-	-	81,549
Supplies	42,174	-	8,055	-	63	-	93,748	-	-	420,550	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	20,015	21,203	-	-	-
Utilities - power and water	156,698	-	-	-	-	-	-	-	-	77,195	-	-	4,096,025	-
Communications	5,846	-	-	-	-	-	-	-	-	-	-	-	-	103,213
Capital outlays	49,777	-	-	-	-	-	-	-	-	570,812	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	1,025,415	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	96,450	10,000	-	-	-
Total expenditures	318,441	452,849	12,750	1,065,464	7,433	-	93,748	1,025,415	3,322	22,392,420	55,147	-	4,096,025	709,704
Excess (deficiency) of revenues over (under) expenditures	(190,460)	(348,351)	41,126	1,794,248	(5,154)	75	27,305	21,479	27,142	(3,115,010)	(31,909)	100	196,127	267,075
Other financing sources (uses):														
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	127,536	334,882	-	-	-	-	126,637	-	-	-	-	-	-	-
Transfers out to other funds	-	-	(92,517)	(2,528,529)	-	-	(145,613)	-	-	(480,048)	-	-	(255,962)	(190,417)
Total other financing sources (uses), net	127,536	334,882	(92,517)	(2,528,529)	-	-	(18,976)	-	-	(480,048)	-	-	(255,962)	(190,417)
Net change in fund balances (deficit)	(62,924)	(13,469)	(51,391)	(734,281)	(5,154)	75	8,329	21,479	27,142	(3,595,058)	(31,909)	100	(59,835)	76,658
Fund balances (deficit) at beginning of year	62,924	(11,467)	51,641	802,542	9,983	-	(8,329)	-	17,718	23,402,597	731,242	1,108	100,852	88,737
Fund balances (deficit) at end of year	\$ -	\$ (24,936)	\$ 250	\$ 68,261	\$ 4,829	\$ 75	\$ -	\$ 21,479	\$ 44,860	\$ 19,807,539	\$ 699,333	\$ 1,208	\$ 41,017	\$ 165,395

(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, 2017

AS/400 Fund Number	205	208	206	257	636	297	637	283	300	203	310	276	
	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Truck Enforcement Screening Station Facility	Underground Storage Tank Management	University of Guam Capital Improvements	Victim/Witness Travel-Housing	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
Revenues:													
Taxes:													
Property	\$ 26,896,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,990,962
Hotel	-	-	44,007,074	-	-	-	-	-	-	-	-	-	44,007,074
Liquid fuel	-	10,411,898	-	-	-	-	-	-	-	-	-	-	10,411,898
Tobacco	-	-	-	-	-	-	-	-	-	-	-	-	21,940,042
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-	-	3,400,434
Limited gaming	-	-	-	-	-	-	-	-	-	-	-	-	1,718,598
Licenses and permits	-	9,849,789	-	10,740	79,280	-	6,960	20,228	85,501	24,371	111,144	-	57,414,195
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	22,556,993
Interest and investment earnings	465	540	5,741	-	83	-	-	-	-	-	-	15	195,272
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	1,930,351
Other	-	21,654	-	-	-	-	-	-	-	-	-	-	755,001
Total revenues	26,896,472	20,283,881	44,012,815	10,740	79,363	-	6,960	20,228	85,501	24,371	111,144	15	191,320,820
Expenditures by Object:													
Salaries and wages - regular	-	7,060,534	3,227,033	-	14,718	-	-	26,220	39,612	-	-	-	37,888,803
Salaries and wages - overtime	-	284,428	1,528	-	-	-	-	-	-	-	-	-	1,255,003
Salaries and wages - fringe benefits	-	2,708,547	1,052,145	-	6,087	-	-	9,707	11,695	-	-	-	13,373,779
Travel	-	17,511	65,457	-	29,176	-	-	-	-	-	-	-	359,648
Contractual services	-	3,602,735	1,994,848	-	3,176	-	-	573	1,903	-	822,987	-	35,788,673
Building rent	-	-	109,615	-	-	-	-	-	16,000	-	-	-	3,786,299
Supplies	-	1,274,739	684,317	-	-	-	-	-	273	7,429	-	-	4,660,410
Equipment	-	39,281	206,089	-	-	-	-	-	-	-	-	-	548,804
Utilities - power and water	-	1,549,937	1,415,557	-	-	-	-	-	9,000	-	-	-	7,757,018
Communications	-	16,010	144,853	-	-	-	-	-	-	-	-	-	425,095
Capital outlays	-	711,510	164,897	-	-	-	-	-	-	-	-	-	4,802,957
Payments to component units	-	-	24,076,626	-	-	1,658,283	-	-	-	-	-	-	34,237,654
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-	-	1,025,415
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	53,592
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	106,008
Miscellaneous	-	8,003	182,666	-	-	-	-	-	-	-	4,477	-	2,266,822
Total expenditures	-	17,273,235	33,325,631	-	53,157	1,658,283	-	36,500	78,483	7,429	827,464	-	148,335,980
Excess (deficiency) of revenues over (under) expenditures	26,896,472	3,010,646	10,687,184	10,740	26,206	(1,658,283)	6,960	(16,272)	7,018	16,942	(716,320)	15	42,984,840
Other financing sources (uses):													
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	1,611,129
Transfers in from other funds	-	-	-	-	-	1,658,283	-	-	-	-	684,401	-	16,909,439
Transfers out to other funds	(32,020,630)	(4,110,543)	(11,061,716)	-	-	-	-	-	-	-	-	-	(68,010,302)
Total other financing sources (uses), net	(32,020,630)	(4,110,543)	(11,061,716)	-	-	1,658,283	-	-	-	-	684,401	-	(49,489,734)
Net change in fund balances (deficit)	(5,124,158)	(1,099,897)	(374,532)	10,740	26,206	-	6,960	(16,272)	7,018	16,942	(31,919)	15	(6,504,894)
Fund balances (deficit) at beginning of year	5,736,937	2,484,551	1,821,267	-	22,323	(96,524)	7,105	16,546	17,989	39,194	31,919	5,115	67,457,308
Fund balances (deficit) at end of year	\$ 612,779	\$ 1,384,654	\$ 1,446,735	\$ 10,740	\$ 48,529	\$ (96,524)	\$ 14,065	\$ 274	\$ 25,007	\$ 56,136	\$ -	\$ 5,130	\$ 60,952,414

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Project Funds September 30, 2017

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, 2017, 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, 2017

AS/400 Fund Number	224	251	254		
	Limited Obligation Highway Improvement Bonds	Limited Obligation Infrastructure Improvement Bonds	Layon Landfill	Judicial Building	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS:</u>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,434,591	\$ 1,434,591
Due from other funds	175,899	-	-	-	175,899
Deposits and other assets	-	-	-	1,068	1,068
Restricted assets:					
Cash and cash equivalents	-	-	502,974	-	502,974
Investments	-	13,178,802	22,097	902,104	14,103,003
Total assets	<u>\$ 175,899</u>	<u>\$ 13,178,802</u>	<u>\$ 525,071</u>	<u>\$ 2,337,763</u>	<u>\$ 16,217,535</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ 1,116,550	\$ -	\$ 112,868	\$ 1,229,418
Due to other funds	-	76,988	525,071	1,748,926	2,350,985
Total liabilities	<u>-</u>	<u>1,193,538</u>	<u>525,071</u>	<u>1,861,794</u>	<u>3,580,403</u>
Fund balances:					
Restricted	-	11,985,264	-	902,104	12,887,368
Unassigned	175,899	-	-	(426,135)	(250,236)
	<u>175,899</u>	<u>11,985,264</u>	<u>-</u>	<u>475,969</u>	<u>12,637,132</u>
Total liabilities and fund balances	<u>\$ 175,899</u>	<u>\$ 13,178,802</u>	<u>\$ 525,071</u>	<u>\$ 2,337,763</u>	<u>\$ 16,217,535</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, 2017

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	Judicial Building	Total
Revenues:					
Licenses and permits	\$ -	\$ -	\$ -	\$ 798,925	\$ 798,925
Fines and forfeits	-	-	-	849,571	849,571
Interest and investment earnings	-	30,227	1,244	-	31,471
Total revenues	-	30,227	1,244	1,648,496	1,679,967
Expenditures by function:					
Current:					
Individual and collective rights	-	-	-	650,737	650,737
Capital projects	-	3,102,347	544,923	-	3,647,270
Debt service:					
Principal retirement	-	-	-	647,450	647,450
Interest and fiscal charges	-	-	-	345,555	345,555
Total expenditures	-	3,102,347	544,923	1,643,742	5,291,012
Net change in fund balances	-	(3,072,120)	(543,679)	4,754	(3,611,045)
Fund balances at beginning of year	175,899	15,057,384	543,679	471,215	16,248,177
Fund balances at end of year	\$ 175,899	\$ 11,985,264	\$ -	\$ 475,969	\$ 12,637,132

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, 2017

AS/400 Fund Number	224	251	254		
	Limited	Limited			
	Obligation	Obligation			
	Highway	Infrastructure			
	Improvement	Improvement	Layon	Judicial	
	Bonds	Bonds	Landfill	Building	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:					
Licenses and permits	\$ -	\$ -	\$ -	\$ 798,925	\$ 798,925
Fines and forfeits	-	-	-	849,571	849,571
Interest and investment earnings	-	30,227	1,244	-	31,471
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>-</u>	<u>30,227</u>	<u>1,244</u>	<u>1,648,496</u>	<u>1,679,967</u>
Expenditures by object:					
Contractual services	-	1,039,554	392,123	38,516	1,470,193
Building rent	-	-	-	404,811	404,811
Supplies	-	-	-	4,818	4,818
Equipment	-	-	-	60,464	60,464
Capital outlays	-	2,062,793	152,800	106,921	2,322,514
Principal retirement	-	-	-	647,450	647,450
Interest and fiscal charges	-	-	-	345,555	345,555
Miscellaneous	-	-	-	35,207	35,207
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>-</u>	<u>3,102,347</u>	<u>544,923</u>	<u>1,643,742</u>	<u>5,291,012</u>
Net change in fund balances	-	(3,072,120)	(543,679)	4,754	(3,611,045)
Fund balances at beginning of year	<u>175,899</u>	<u>15,057,384</u>	<u>543,679</u>	<u>471,215</u>	<u>16,248,177</u>
Fund balances at end of year	<u>\$ 175,899</u>	<u>\$ 11,985,264</u>	<u>\$ -</u>	<u>\$ 475,969</u>	<u>\$ 12,637,132</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Debt Service Funds September 30, 2017

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, 2017, 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, 2017

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, 2017, follows:

Defined Benefits 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 Contributions 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, 2017

	Defined Benefit	Defined Contribution	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,865,211	\$ 2,682,345	\$ 5,547,556
Investments at fair value:			
Common stocks	1,110,502,896	-	1,110,502,896
U.S. Government securities	232,829,593	-	232,829,593
Corporate bonds and notes	303,153,981	-	303,153,981
Money market funds	23,864,447	-	23,864,447
Mutual funds	76,530,912	525,951,822	602,482,734
DC plan forfeitures	-	7,737,923	7,737,923
Total investments	<u>1,746,881,829</u>	<u>533,689,745</u>	<u>2,280,571,574</u>
Accounts receivable:			
Employer contributions, net	6,593,649	751,839	7,345,488
Member contributions	851,023	750,432	1,601,455
Interest and penalties on contributions	293,978	-	293,978
Accrued investment income	4,664,261	-	4,664,261
Due from brokers for unsettled trades	2,693,741	-	2,693,741
Service credits	481,712	-	481,712
Supplemental/COLA benefits	26,450,176	-	26,450,176
Supplemental/Insurance benefits advanced	2,000,350	-	2,000,350
Other	649,870	171,500	821,370
Due from DC plan	778,118	-	778,118
Total receivables	<u>45,456,878</u>	<u>1,673,771</u>	<u>47,130,649</u>
Capital assets	<u>728,973</u>	<u>9,567</u>	<u>738,540</u>
Total assets	<u>1,795,932,891</u>	<u>538,055,428</u>	<u>2,333,988,319</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources from pensions	<u>383,152</u>	<u>-</u>	<u>383,152</u>
	<u>1,796,316,043</u>	<u>538,055,428</u>	<u>2,334,371,471</u>
LIABILITIES			
Unearned revenue	660,577	-	660,577
Accounts payable and accrued expenses	2,856,690	-	2,856,690
Due to DB plan	-	778,118	778,118
Due to brokers for unsettled trades	7,436,345	711,243	8,147,588
Total current liabilities	<u>10,953,612</u>	<u>1,489,361</u>	<u>12,442,973</u>
Net pension liability	<u>5,450,291</u>	<u>-</u>	<u>5,450,291</u>
Total liabilities	<u>16,403,903</u>	<u>1,489,361</u>	<u>17,893,264</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources from pensions	<u>135,291</u>	<u>-</u>	<u>135,291</u>
NET POSITION			
Restricted for:			
Employees' pension benefits	<u>\$ 1,779,776,849</u>	<u>\$ 536,566,067</u>	<u>\$ 2,316,342,916</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, 2017

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 119,211,434	\$ 20,171,815	\$ 139,383,249
Member	13,476,517	19,949,072	33,425,589
Total contributions	<u>132,687,951</u>	<u>40,120,887</u>	<u>172,808,838</u>
Net investment income:			
Net increase in fair value of investments	161,667,955	44,510,428	206,178,383
Interest	22,858,704	18,221,817	41,080,521
Dividends	12,862,678	-	12,862,678
Other	283,806	169,285	453,091
Total investment income	<u>197,673,143</u>	<u>62,901,530</u>	<u>260,574,673</u>
Less: investment expenses	<u>4,907,570</u>	<u>121,664</u>	<u>5,029,234</u>
Net investment income	<u>192,765,573</u>	<u>62,779,866</u>	<u>255,545,439</u>
Total additions	<u>325,453,524</u>	<u>102,900,753</u>	<u>428,354,277</u>
Deductions:			
Benefits	213,745,250	-	213,745,250
Refunds	1,113,513	21,539,127	22,652,640
Interest on refunded contributions	831,859	-	831,859
Administrative and general expenses	3,915,898	2,068,107	5,984,005
Total deductions	<u>219,606,520</u>	<u>23,607,234</u>	<u>243,213,754</u>
Change in net position held in trust for employees' pension benefits	<u>105,847,004</u>	<u>79,293,519</u>	<u>185,140,523</u>
Net position at beginning of year, as previously reported	1,675,118,946	457,272,548	2,132,391,494
Implementation of GASB Statement No. 73	<u>(1,189,101)</u>	<u>-</u>	<u>(1,189,101)</u>
Net position at beginning of year, as restated	<u>1,673,929,845</u>	<u>457,272,548</u>	<u>2,131,202,393</u>
Net position at end of year	<u>\$ 1,779,776,849</u>	<u>\$ 536,566,067</u>	<u>\$ 2,316,342,916</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts September 30, 2017

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, 2017, 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.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Fiduciary Net Position
September 30, 2017

	20	21	22	23	24	25	26			
	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	\$ 15,885,493	\$ 9,288	\$ 1,372,625	\$ 2,393,867	\$ 444,079	\$ 2,268,060	\$ -	\$ 22,373,412	\$ -	\$ 22,373,412
Time certificates of deposit	1,000,000	-	-	-	-	-	-	1,000,000	-	1,000,000
Due from other funds	-	716	-	66	-	928,451	82,741	1,011,974	(1,011,974)	-
Total assets	16,885,493	10,004	1,372,625	2,393,933	444,079	3,196,511	82,741	24,385,386	(1,011,974)	23,373,412
LIABILITIES										
Due to other funds	2,661,437	-	41,032	-	399,938	-	-	3,102,407	(1,011,974)	2,090,433
Deposits and other liabilities	14,224,056	10,004	1,331,593	2,393,933	30,088	247,710	82,741	18,320,125	-	18,320,125
Total liabilities	16,885,493	10,004	1,372,625	2,393,933	430,026	247,710	82,741	21,422,532	(1,011,974)	20,410,558
NET POSITION										
Restricted for:										
Individuals, organizations, and other governments	\$ -	\$ -	\$ -	\$ -	\$ 14,053	\$ 2,948,801	\$ -	\$ 2,962,854	\$ -	\$ 2,962,854

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, 2017

	20	21	22	23	24	25	26			
	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	\$ -	\$ -	\$ -	\$ -	\$ 1,457	\$ 1,832,235	\$ 243,327	\$ 2,077,019	\$ -	\$ 2,077,019
Transfers in from other funds	-	-	-	-	558,712	181,849	145,613	886,174	-	886,174
Total additions	-	-	-	-	560,169	2,014,084	388,940	2,963,193	-	2,963,193
Deductions:										
Individual and collective rights	-	-	-	-	563,133	1,364,720	388,940	2,316,793	-	2,316,793
Total deductions	-	-	-	-	563,133	1,364,720	388,940	2,316,793	-	2,316,793
Change in net position held in trust for individuals, organizations, and other governments	-	-	-	-	(2,964)	649,364	-	646,400	-	646,400
Net position at beginning of year	-	-	-	-	17,017	2,299,437	-	2,316,454	-	2,316,454
Net position at end of year	\$ -	\$ -	\$ -	\$ -	\$ 14,053	\$ 2,948,801	\$ -	\$ 2,962,854	\$ -	\$ 2,962,854

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Agency
September 30, 2017

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

GOVERNMENT OF GUAM

Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency
September 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
<u>ASSETS</u>				
Deposits and other assets	\$ 17,517,256	\$ -	\$ -	\$ 17,517,256
Total assets	<u>\$ 17,517,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,517,256</u>
<u>LIABILITIES</u>				
Deposits and other liabilities	\$ 17,517,256	\$ -	\$ -	\$ 17,517,256
Total liabilities	<u>\$ 17,517,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,517,256</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units September 30, 2017

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. The generally accepted accounting principles here 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, 2017, 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, invest in, provide loans, operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain GovGuam land; purchase mortgages; and recommend to the Governor of Guam businesses qualifying for tax rebates and abatements. GEDA utilizes various Trust Funds to accomplish its 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, 2017

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>						
Current assets:						
Cash and cash equivalents	\$ 3,955,167	\$ 8,967,558	\$ 330,233	\$ 14,390,076	\$ 222,120	\$ 27,865,154
Investments	-	6,207,280	2,124,789	2,537,450	-	10,869,519
Receivables, net	2,136,802	2,023,486	-	425,649	25,911	4,611,848
Due from primary government	-	-	-	140,000	-	140,000
Inventories	505,638	7,706	-	-	-	513,344
Prepayments	71,132	5,700	-	17,589	-	94,421
Restricted assets:						
Cash and cash equivalents	2,711,763	5,067,469	-	3,108,864	-	10,888,096
Investments	2,694,661	-	-	-	-	2,694,661
 Total current assets	 <u>12,075,163</u>	 <u>22,279,199</u>	 <u>2,455,022</u>	 <u>20,619,628</u>	 <u>248,031</u>	 <u>57,677,043</u>
Noncurrent assets:						
Receivables, net	27,319,332	-	-	-	-	27,319,332
Capital assets:						
Nondepreciable capital assets	2,934,227	-	10,223,748	5,992,415	18,000	19,168,390
Capital assets, net of accumulated depreciation	3,401,766	459,901	45,163	569,445	1,724,330	6,200,605
Other assets	-	3,500	-	133,230	16,497	153,227
 Total noncurrent assets	 <u>33,655,325</u>	 <u>463,401</u>	 <u>10,268,911</u>	 <u>6,695,090</u>	 <u>1,758,827</u>	 <u>52,841,554</u>
 Total assets	 <u>45,730,488</u>	 <u>22,742,600</u>	 <u>12,723,933</u>	 <u>27,314,718</u>	 <u>2,006,858</u>	 <u>110,518,597</u>
Deferred outflows of resources:						
Deferred outflows from pensions	423,640	628,550	-	740,012	102,843	1,895,045
 Total deferred outflows of resources	 <u>423,640</u>	 <u>628,550</u>	 <u>-</u>	 <u>740,012</u>	 <u>102,843</u>	 <u>1,895,045</u>
	\$ <u>46,154,128</u>	\$ <u>23,371,150</u>	\$ <u>12,723,933</u>	\$ <u>28,054,730</u>	\$ <u>2,109,701</u>	\$ <u>112,413,642</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
Combining Statement of Net Position, Continued
September 30, 2017

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities:						
Current portion of bonds payable	\$ 190,000	\$ 1,115,000	\$ -	\$ -	\$ -	\$ 1,305,000
Accounts payable	289,124	443,453	63,574	4,620,376	27,476	5,444,003
Accrued interest payable	18,049	441,000	-	-	-	459,049
Accrued payroll and other	-	1,083,873	-	-	10,076	1,093,949
Unearned revenues	151,418	98,812	14,364	18,700	88,444	371,738
Compensated absences	91,690	-	-	142,976	16,665	251,331
Deposits and other liabilities	788,644	-	8,000	-	-	796,644
Total current liabilities	1,528,925	3,182,138	85,938	4,782,052	142,661	9,721,714
Noncurrent liabilities:						
Compensated absences	39,135	-	-	-	33,413	72,548
Noncurrent portion of bonds payable	3,715,000	29,076,329	-	-	-	32,791,329
Net pension liability	4,035,146	5,268,477	-	5,445,987	1,063,490	15,813,100
DCRS sick leave liability	176,581	187,540	-	166,006	7,403	537,530
Other noncurrent liabilities	191,461	95,732	-	-	-	287,193
Total noncurrent liabilities	8,157,323	34,628,078	-	5,611,993	1,104,306	49,501,700
Total liabilities	9,686,248	37,810,216	85,938	10,394,045	1,246,967	59,223,414
Deferred inflows of resources:						
Deferred inflows from pensions	41,982	61,529	-	53,500	39,985	196,996
Net position:						
Net investment in capital assets	6,335,993	459,901	10,268,911	6,561,860	1,742,330	25,368,995
Restricted:						
Other purposes	3,605,367	12,872,792	-	2,840,959	-	19,319,118
Unrestricted (deficit)	26,484,538	(27,833,288)	2,369,084	8,204,366	(919,581)	8,305,119
Total net position	36,425,898	(14,500,595)	12,637,995	17,607,185	822,749	52,993,232
	\$ <u>46,154,128</u>	\$ <u>23,371,150</u>	\$ <u>12,723,933</u>	\$ <u>28,054,730</u>	\$ <u>2,109,701</u>	\$ <u>112,413,642</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, 2017

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
Operating revenues:						
Charges for services	\$ 2,382,679	\$ 1,818,239	\$ -	\$ -	\$ -	\$ 4,200,918
Grants and contracts	-	12,824,715	-	213,835	588,171	13,626,721
Other	-	3,224,651	-	1,058,297	307,722	4,590,670
Total operating revenues	<u>2,382,679</u>	<u>17,867,605</u>	<u>-</u>	<u>1,272,132</u>	<u>895,893</u>	<u>22,418,309</u>
Operating expenses:						
Cost of services	2,219,823	3,227,803	1,335,296	25,059,110	146,842	31,988,874
Depreciation and amortization	176,843	40,632	10,304	87,532	107,348	422,659
General and administrative	-	-	465,867	-	1,414,899	1,880,766
Total operating expenses	<u>2,396,666</u>	<u>3,268,435</u>	<u>1,811,467</u>	<u>25,146,642</u>	<u>1,669,089</u>	<u>34,292,299</u>
Operating income (loss)	<u>(13,987)</u>	<u>14,599,170</u>	<u>(1,811,467)</u>	<u>(23,874,510)</u>	<u>(773,196)</u>	<u>(11,873,990)</u>
Nonoperating revenues (expenses):						
Contributions from the primary government	-	-	676,182	22,767,472	581,382	24,025,036
Investment income	2,775	245,958	22,923	33,949	-	305,605
Interest expense	(223,005)	(1,905,090)	-	-	-	(2,128,095)
Other income (expenses), net	173,489	124,409	132,656	(1,044,519)	-	(613,965)
Total nonoperating revenues (expenses), net	<u>(46,741)</u>	<u>(1,534,723)</u>	<u>831,761</u>	<u>21,756,902</u>	<u>581,382</u>	<u>21,588,581</u>
Change in net position	<u>(60,728)</u>	<u>13,064,447</u>	<u>(979,706)</u>	<u>(2,117,608)</u>	<u>(191,814)</u>	<u>9,714,591</u>
Net position at beginning of year, as previously reported	37,246,362	(27,160,838)	13,617,701	20,138,086	1,147,895	44,989,206
Implementation of GASB Statement No. 73	<u>(759,736)</u>	<u>(404,204)</u>	<u>-</u>	<u>(413,293)</u>	<u>(133,332)</u>	<u>(1,710,565)</u>
Net position at beginning of year, as restated	<u>36,486,626</u>	<u>(27,565,042)</u>	<u>13,617,701</u>	<u>19,724,793</u>	<u>1,014,563</u>	<u>43,278,641</u>
Net position at end of year	<u>\$ 36,425,898</u>	<u>\$ (14,500,595)</u>	<u>\$ 12,637,995</u>	<u>\$ 17,607,185</u>	<u>\$ 822,749</u>	<u>\$ 52,993,232</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Other Information
September 30, 2017

A brief discussion of other information presented for additional analysis as of September 30, 2017, follows:

Combining Schedule of Expenditures By Object:
All Governmental Funds

Schedule of Outstanding Debt:
Primary Government
Component Units

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, 2017

	Special Revenue			Permanent		Total
	General	Federal Grants	GDOE Federal Grants	Chamorro Lands	Other Governmental Funds	
		Assistance				
Expenditures by Object:						
Salaries and wages:						
Regular	\$ 263,042,424	\$ 27,450,313	\$ 23,669,919	\$ -	\$ 37,888,803	\$ 352,051,459
Overtime	10,458,981	476,302	-	-	1,255,003	12,190,286
Fringe benefits	90,378,106	9,593,386	8,875,330	-	13,373,779	122,220,601
Travel	1,456,195	2,607,502	617,486	-	359,648	5,040,831
Contractual services	43,640,257	34,362,892	20,224,473	-	37,258,866	135,486,488
Building rent	6,005,768	2,147,494	-	-	4,191,110	12,344,372
Supplies	5,473,306	1,591,148	1,724,586	-	4,665,228	13,454,268
Equipment	1,931,208	926,283	2,792,078	-	609,268	6,258,837
Utilities - power and water	20,599,546	1,487,492	-	-	7,757,018	29,844,056
Communications	1,744,338	250,860	-	-	425,095	2,420,293
Capital outlays	29,237,573	4,381,938	71,150	-	7,125,471	40,816,132
Grants and subsidies	74,081,968	106,073,195	-	-	34,237,654	214,392,817
Supplemental annuity benefits	22,966,000	-	-	-	-	22,966,000
Retiree healthcare benefits	41,463,017	-	-	-	1,025,415	42,488,432
Principal retirement	20,834,648	-	3,935,000	-	2,711,042	27,480,690
Interest and fiscal charges	60,022,068	-	2,730,250	-	5,440,338	68,192,656
Miscellaneous	21,309,942	124,662,803	2,190,728	-	2,302,029	150,465,502
	<u>\$ 714,645,345</u>	<u>\$ 316,011,608</u>	<u>\$ 66,831,000</u>	<u>\$ -</u>	<u>\$ 160,625,767</u>	<u>\$ 1,258,113,720</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Outstanding Debt September 30, 2017

	Outstanding Principal Amount	Fiscal Year 2018 Debt Service			Final Maturity (Year Ending September 30)
		Principal	Interest	Total	
Primary Government:					
General Obligation Bonds:					
2009 Series A	\$ 15,230,000	\$ 4,785,000	\$ 770,250	\$ 5,555,250	2020
Limited Obligation Bonds:					
2011 Series A Hotel Tax Revenue Bonds	79,695,000	2,110,000	4,885,775	6,995,775	2041
2011 Series A Business Privilege Tax Revenue Bonds	230,485,000	4,730,000	11,616,762	16,346,762	2042
2012 Series B Business Privilege Tax Revenue Bonds	106,395,000	2,370,000	5,139,324	7,509,324	2042
2013 Series C Business Privilege Tax Revenue Bonds	9,130,000	4,455,000	345,125	4,800,125	2019
2015 Series D Business Privilege Tax Revenue Bonds	410,485,000	2,080,000	20,183,550	22,263,550	2040
2016 Series A Section 30 Bonds	234,975,000	2,380,000	11,662,250	14,042,250	2047
Other Loans Payable:					
2006 and 2014 Bank loans	10,357,318	6,515,695	553,590	7,069,285	2018/2020
	<u>1,096,752,318</u>	<u>29,425,695</u>	<u>55,156,626</u>	<u>84,582,321</u>	
Component Units:					
Antonio B. Won Pat International Airport Authority:					
2012 Bank loan	8,304,232	1,119,201	448,303	1,567,504	2024
2013 Series A, B and C Revenue Bonds	216,135,000	11,430,000	12,154,249	23,584,249	2044
Guam Power Authority:					
2010 Series A Revenue Bonds	150,440,000	-	7,999,200	7,999,200	2041
2012 Series A Revenue Bonds	339,830,000	470,000	16,972,650	17,442,650	2035
2014 Series A Revenue Bonds	76,470,000	1,310,000	3,740,750	5,050,750	2045
Guam Waterworks Authority:					
2010 Series A Revenue Bonds	114,525,000	1,725,000	6,340,262	8,065,262	2040
2010 Bank loan	8,571,487	3,037,569	382,431	3,420,000	2020
2013 Series A Revenue Bonds	172,630,000	-	9,331,688	9,331,688	2043
2014 Series A and B Revenue Bonds	75,995,000	3,475,000	3,694,847	7,169,847	2035
2016 Series A Revenue Bonds	143,310,000	-	7,165,500	7,165,500	2046
Port Authority of Guam:					
2010, 2012, 2014 and 2015 Bank loans	21,209,877	2,350,902	1,037,373	3,388,275	2028
University of Guam:					
Rural development loan	11,313,585	241,226	508,834	750,060	2043
Guam Community College:					
Rural development loan	3,230,709	52,100	101,620	153,720	2053
Guam Housing and Urban Renewal Authority:					
Rural development loan	1,033,128	66,000	60,480	126,480	2030
Guam Housing Corporation:					
1998 Series A Mortgage-Backed Revenue Bonds	3,905,000	190,000	214,044	404,044	2031
Guam Economic Development Authority:					
2007 Series A and B Tobacco Settlement Revenue Bonds	40,798,618	1,115,000	885,891	2,000,891	2034
	<u>1,387,701,636</u>	<u>26,581,998</u>	<u>71,038,122</u>	<u>97,620,120</u>	
	<u>\$ 2,484,453,954</u>	<u>\$ 56,007,693</u>	<u>\$ 126,194,748</u>	<u>\$ 182,202,441</u>	

See Accompanying Independent Auditors' Report.

Government of Guam
 Schedule of Personnel Count - Primary Government
 Year Ended September 30, 2017

FUND	DESCRIPTION	NO. OF EMP	AMOUNT
100	OFFICE OF THE GOVERNOR	120	\$ 5,591,731
100	LT GOVERNOR'S OFFICE	14	1,010,575
100	BUREAU OF BUDGET & MANAGEMENT RESEARCH	17	1,185,185
100	CIVIL SERVICE COMMISSION	10	730,886
100	DEPARTMENT OF ADMINISTRATION	112	7,033,859
100	GUAM ELECTION COMMISSION	14	844,419
100	DEPARTMENT OF REVENUE & TAXATION	158	8,849,451
100	BUREAU OF STATISTICS AND PLANS	19	1,147,133
100	DEPARTMENT OF PUBLIC WORKS	142	6,116,543
100	DEPARTMENT OF LAW	148	10,600,071
100	GUAM POLICE DEPARTMENT	352	28,081,428
100	DEPARTMENT OF CORRECTIONS	233	18,098,733
100	DEPARTMENT OF AGRICULTURE	49	2,934,242
100	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	55	3,496,599
100	DEPARTMENT OF YOUTH AFFAIRS	77	4,547,366
100	GUAM BEHAVIORAL HEALTH AND WELLNESS CENTER	80	4,151,982
100	DEPARTMENT OF LABOR	19	1,217,006
100	DEPARTMENT OF PARKS AND RECREATION	4	309,755
100	DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS WITH DISABILITIES	6	370,114
100	MAYOR'S COUNCIL OF GUAM	21	6,155,134
100	DEPARTMENT OF LAND MANAGEMENT	1	56,362
100	CHIEF MEDICAL EXAMINER	3	361,439
100	CUSTOMS AND QUARANTINE AGENCY	7	35,079
100	DEPARTMENT OF CHAMORRO AFFAIRS	36	2,097,139
100	DEPARTMENT OF MILITARY AFFAIRS	2	150,435
100	GUAM FIRE DEPARTMENT	222	31,234,921
100	PUBLIC AUDITOR	17	1,163,965
100	GUAM EDUCATIONAL TELECOM CORPORATOIN	8	116,437
100	GUAM COMMISSION FOR EDUCATOR CERTIFICATION	3	201,364
100 Total			147,889,353
101	OFFICE OF THE GOVERNOR	30	1,605,468
101	DEPARTMENT OF REVENUE & TAXATION	5	197,421
101	BUREAU OF STATISTICS AND PLANS	16	1,008,661
101	DEPARTMENT OF PUBLIC WORKS	21	1,410,556
101	DEPARTMENT OF LAW	68	4,053,359
101	GUAM POLICE DEPARTMENT	8	558,094
101	DEPARTMENT OF AGRICULTURE	32	1,567,336
101	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	264	14,815,565
101	GUAM ENVIRONMENTAL PROTECTION	44	2,863,156
101	GUAM BEHAVIORAL HEALTH AND WELLNESS CENTER	17	1,266,722
101	DEPARTMENT OF LABOR	122	4,015,027
101	DEPARTMENT OF PARKS AND RECREATION	3	178,634
101	DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS WITH DISABILITIES	12	717,153
101	GUAM ENERGY OFFICE	3	174,697
101	DEPARTMENT OF CHAMORRO AFFAIRS	6	351,002
101	DEPARTMENT OF MILITARY AFFAIRS	32	2,025,067
101	MISCELLANEOUS ENTITIES	2	91,273
101 Total			36,899,190
105	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	46	3,373,562
105 Total			3,373,562
206	GUAM POLICE DEPARTMENT	3	158,144
206	DEPARTMENT OF AGRICULTURE	4	159,561
206	GUAM ENVIRONMENTAL PROTECTION	6	46,330
206	DEPARTMENT OF PARKS AND RECREATION	40	2,197,960
206	MAYOR'S COUNCIL OF GUAM	206	1,718,710

Government of Guam
 Schedule of Personnel Count - Primary Government
 Year Ended September 30, 2017

FUND	DESCRIPTION	NO. OF EMP	AMOUNT
206 Total			4,280,706
208	DEPARTMENT OF PUBLIC WORKS	152	7,614,404
208	MAYOR'S COUNCIL OF GUAM	1	2,077,499
208	MISCELLANEOUS ENTITIES	6	361,608
208 Total			10,053,510
209	CUSTOMS AND QUARANTINE AGENCY	131	9,510,189
209 Total			9,510,189
213	DEPARTMENT OF PUBLIC WORKS	9	493,922
213 Total			493,922
215	DEPARTMENT OF PUBLIC WORKS	3	190,647
215 Total			190,647
222	DEPARTMENT OF LAND MANAGEMENT	42	2,665,901
222 Total			2,665,901
232	DEPARTMENT OF LABOR	11	461,724
232 Total			461,724
235	DEPARTMENT OF PUBLIC WORKS	6	407,557
235 Total			407,557
241	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	1	46,580
241 Total			46,580
245	GUAM ENVIRONMENTAL PROTECTION	1	110,719
245 Total			110,719
265	GUAM ENVIRONMENTAL PROTECTION	3	160,613
265 Total			160,613
281	GUAM FIRE DEPARTMENT	23	1,167,697
281 Total			1,167,697
282	CUSTOMS AND QUARANTINE AGENCY	51	794,208
282 Total			794,208
283	GUAM ENVIRONMENTAL PROTECTION AGENCY	1	35,927
283 Total			35,927
299	DEPARTMENT OF ADMINISTRATION	1	20,926
299 Total			20,926
300	GUAM ENVIRONMENTAL PROTECTION	1	51,307
300 Total			51,307
314	DEPARTMENT OF ADMINISTRATION	1	60,930
314 Total			60,930
416	MISCELLANEOUS ENTITIES	28	1,524,679
416 Total			1,524,679
600	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	9	724,189
600 Total			724,189
602	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	57	2,635,279
602	DEPARTMENT OF YOUTH AFFAIRS	2	57,787
602	GUAM BEHAVIORAL HEALTH AND WELLNESS CENTER	122	6,831,949
602 Total			9,525,015
603	DEPARTMENT OF REVENUE & TAXATION	10	476,271
603 Total			476,271
619	GUAM ENVIRONMENTAL PROTECTION AGENCY	1	60,553
619 Total			60,553
624	DEPARTMENT OF LAND MANAGEMENT	15	737,538
624 Total			737,538
629	GUAM ENVIRONMENTAL PROTECTION AGENCY	1	68,410
629 Total			68,410
632	LT GOVERNOR'S OFFICE	5	260,335
632	BUREAU OF BUDGET & MANAGEMENT RESEARCH	3	193,034
632	DEPARTMENT OF ADMINISTRATION	23	980,528
632 Total			1,433,897

Government of Guam
 Schedule of Personnel Count - Primary Government
 Year Ended September 30, 2017

FUND	DESCRIPTION	NO. OF EMP	AMOUNT
636	GUAM ENVIRONMENTAL PROTECTION AGENCY	1	20,805
636 Total			20,805
638	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	1	52,507
638 Total			52,507
640	DEPARTMENT OF REVENUE & TAXATION	3	20,629
640 Total			20,629
650	DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	2	76,826
650 Total			76,826
662	DEPARTMENT OF AGRICULTURE	2	31,157
662 Total			31,157
Grand Total		3,668	* \$ 233,427,643

* Schedule excludes the personnel count for the following entities:
 Guam Department of Education
 Guam Legislature
 Public Defender Service Corporation
 Unified Courts of Guam

Government of Guam
Schedule of Continuing Appropriations
September 30, 2017

Agency of Human Resources Development	FEDERAL GRANT FUND	111 - REGULAR SALARY	\$ 2,213
		113 - FRINGE	2,657
		220 - TRAVEL	436
		230 - CONTRACT	128,261
		233 - BLDG RENT	52,423
		240 - SUPPLIES	2,647
		280 - SUB-RECIPIENT/GRANTS	300,000
Bureau of Statistics and Planning (BSP)	FEDERAL GRANT FUND	111 - REGULAR SALARY	340,398
		112 - OVERTIME SALAR	5,940
		113 - FRINGE	208,239
		220 - TRAVEL	67,628
		230 - CONTRACT	141,416
		233 - BLDG RENT	26,280
		240 - SUPPLIES	13,438
		250 - EQUIPMENT	10,946
		280 - SUB-RECIPIENT/GRANTS	901,213
		290 - MISCELLANEOUS	6,820
		363 - TELEPHONE	8,356
		450 - CAPITAL	33,931
		701 - INDIRECT COST - FEDERAL	9,244
Chief Medical Examiner	FEDERAL GRANT FUND	240 - SUPPLIES	2,115
		250 - EQUIPMENT	5,839
		450 - CAPITAL	50,000
Customs & Quarantine	CARRIER OFF-DUTY SERVICES REV	111 - REGULAR SALARY	56,270
		112 - OVERTIME SALAR	31,476
		113 - FRINGE	1,551
	CUSTOMS,AGRIC & QUARANTN INSP	230 - CONTRACT	305
		240 - SUPPLIES	4
	FEDERAL GRANT FUND	230 - CONTRACT	14,000
		240 - SUPPLIES	8,377
		250 - EQUIPMENT	22,000
		450 - CAPITAL	626,000
Department of Administration (DOA)	FINANCIAL MGMT DIVISION RELVNG	111 - REGULAR SALARY	1,185
		112 - OVERTIME SALAR	6,610
		113 - FRINGE	3,823
		220 - TRAVEL	3,100
		230 - CONTRACT	16,866
		240 - SUPPLIES	1,707
		250 - EQUIPMENT	3,405
	GENERAL SERVICES AGENCY FUND	111 - REGULAR SALARY	3,000
		113 - FRINGE	1,000
		220 - TRAVEL	1,112
		230 - CONTRACT	165
	HUMAN RESOURCES SERVICES REVLV	111 - REGULAR SALARY	251
		112 - OVERTIME SALAR	97
		113 - FRINGE	21
		230 - CONTRACT	290
		240 - SUPPLIES	2,437
		250 - EQUIPMENT	1,162
		271 - DRUG TESTING CHARGES	70,992
		290 - MISCELLANEOUS	133
	SPC SURPLUS PROP	111 - REGULAR SALARY	6,012
		112 - OVERTIME SALAR	7,399
		113 - FRINGE	10,048
		230 - CONTRACT	19,650
		240 - SUPPLIES	7,030
		250 - EQUIPMENT	1,626
Department of Agriculture	FEDERAL GRANT FUND	111 - REGULAR SALARY	486,906
		112 - OVERTIME SALAR	5,512
		113 - FRINGE	208,198
		220 - TRAVEL	63,828
		230 - CONTRACT	691,542
		240 - SUPPLIES	156,953
		250 - EQUIPMENT	60,434
		280 - SUB-RECIPIENT/GRANTS	188,105
		361 - POWER UTILITY	7,000
		363 - TELEPHONE	11,515
		450 - CAPITAL	118,605
		701 - INDIRECT COST - FEDERAL	96,147
	GUAM INVASIVE SPECIES INSPECT	111 - REGULAR SALARY	46,180
		112 - OVERTIME SALAR	6,910
		113 - FRINGE	29,206
		230 - CONTRACT	288,351
		240 - SUPPLIES	8,076
		250 - EQUIPMENT	10,378
		271 - DRUG TESTING CHARGES	380
		290 - MISCELLANEOUS	1,131
		450 - CAPITAL	3,500
	PLANT NURSERY REVOLVING FUND	240 - SUPPLIES	1,871
		250 - EQUIPMENT	15,256
	PLANT PROTECTION & QUARANTINE	230 - CONTRACT	888
		240 - SUPPLIES	4
		250 - EQUIPMENT	576
		450 - CAPITAL	5,000
	RABIES PREVENTION FUND	230 - CONTRACT	1,940
		240 - SUPPLIES	2,575
		250 - EQUIPMENT	12,337
		450 - CAPITAL	36,000
	WILDLIFE CONSERVATION FUND	113 - FRINGE	26,363
		230 - CONTRACT	2,942
		250 - EQUIPMENT	2,225
		271 - DRUG TESTING CHARGES	5
		290 - MISCELLANEOUS	750
		363 - TELEPHONE	7

Government of Guam
 Schedule of Continuing Appropriations
 September 30, 2017

Department of Chamorro Affairs (DCA)	FEDERAL GRANT FUND	111 - REGULAR SALARY	34,377
		113 - FRINGE	13,410
		220 - TRAVEL	16,743
		230 - CONTRACT	3,027
		240 - SUPPLIES	24,656
		250 - EQUIPMENT	65,127
		271 - DRUG TESTING CHARGES	40
		GENERAL FUND	
		290 - MISCELLANEOUS	32,143
		GUAM MUSEUM FUND	
		230 - CONTRACT	539,186
		233 - BLDG RENT	5,075
		363 - TELEPHONE	1,854
PUBLIC MARKET REVOLVING FUND			
111 - REGULAR SALARY	1,389		
113 - FRINGE	1,418		
Department of Corrections (DOC)	FEDERAL GRANT FUND	230 - CONTRACT	250,000
		250 - EQUIPMENT	777
		450 - CAPITAL	3,110
Department of Integrated Services for Individual with Disabilities (DISID)	FEDERAL GRANT FUND	111 - REGULAR SALARY	217,859
		113 - FRINGE	113,166
		220 - TRAVEL	41,377
		230 - CONTRACT	960,950
		233 - BLDG RENT	276,000
		240 - SUPPLIES	19,056
		250 - EQUIPMENT	239,435
		271 - DRUG TESTING CHARGES	300
		290 - MISCELLANEOUS	2,400
		363 - TELEPHONE	5,000
		450 - CAPITAL	65,000
	GENERAL FUND	290 - MISCELLANEOUS	2,665
Department of Labor (DOL)	FEDERAL GRANT FUND	111 - REGULAR SALARY	1,304,248
		113 - FRINGE	433,993
		220 - TRAVEL	50,637
		230 - CONTRACT	1,606,078
		233 - BLDG RENT	243,724
		240 - SUPPLIES	42,878
		250 - EQUIPMENT	24,915
		280 - SUB-RECIPIENT/GRANTS	626,998
		363 - TELEPHONE	29,246
	MANPOWER DEVELOPMENT FUND	220 - TRAVEL	2,300
		230 - CONTRACT	4,858
		240 - SUPPLIES	8,137
		250 - EQUIPMENT	2,182
		363 - TELEPHONE	3,356
Department of Land Management	CHAMORRO LAND TRUST OPERATIONS	111 - REGULAR SALARY	38,274
		113 - FRINGE	36,578
	CLT SURVEY & INFRASTRUCTURE	230 - CONTRACT	2,408
	DLM BUILDING CONSTRUCTION FUND	230 - CONTRACT	557,354
		290 - MISCELLANEOUS	25,258
	GENERAL FUND	290 - MISCELLANEOUS	171,300
	GUAM GEODETIC NETWORK FUND	250 - EQUIPMENT	1,600
Department of Parks and Recreation (DPR)	FEDERAL GRANT FUND	230 - CONTRACT	132,498
	LIMITED GAMING FUND	290 - MISCELLANEOUS	204
	PUBLIC RECREATION SERVICES FND	230 - CONTRACT	3,299
		240 - SUPPLIES	2,218
		363 - TELEPHONE	3,154
		450 - CAPITAL	123
Department of Public Health & Human Services (DPHSS)	COMMUNITY HEALTH CENTERS	111 - REGULAR SALARY	2,744,431
		112 - OVERTIME SALAR	92,391
		113 - FRINGE	990,657
		220 - TRAVEL	55,791
		230 - CONTRACT	696,995
		240 - SUPPLIES	433,848
		250 - EQUIPMENT	169,829
		271 - DRUG TESTING CHARGES	220
		280 - SUB-RECIPIENT/GRANTS	131,455
		290 - MISCELLANEOUS	473
		450 - CAPITAL	30,105
	ENVIRONMENTAL HEALTH FUND	111 - REGULAR SALARY	50,528
		113 - FRINGE	32,325
		220 - TRAVEL	6,704
		230 - CONTRACT	299
		240 - SUPPLIES	103
		250 - EQUIPMENT	186
	FEDERAL GRANT FUND	111 - REGULAR SALARY	4,655,009
		112 - OVERTIME SALAR	57,785
		113 - FRINGE	2,039,570
		220 - TRAVEL	551,431
		230 - CONTRACT	3,559,070
		233 - BLDG RENT	556,837
		240 - SUPPLIES	924,448
		250 - EQUIPMENT	220,373
		271 - DRUG TESTING CHARGES	810
		280 - SUB-RECIPIENT/GRANTS	41,877
		290 - MISCELLANEOUS	10,156,146
		363 - TELEPHONE	29,034
		450 - CAPITAL	317,345
		701 - INDIRECT COST - FEDERAL	327,173
	GENERAL FUND	111 - REGULAR SALARY	141,990
		113 - FRINGE	61,300
		230 - CONTRACT	642,512
		240 - SUPPLIES	90,228
		250 - EQUIPMENT	486
		290 - MISCELLANEOUS	1,527,505
	GUAM CANCER TRUST FUND	290 - MISCELLANEOUS	2,148
	HEALTH PROF LICENSING	111 - REGULAR SALARY	27,039

Government of Guam
 Schedule of Continuing Appropriations
 September 30, 2017

		113 - FRINGE	4,783
		220 - TRAVEL	6,173
		230 - CONTRACT	107,546
		240 - SUPPLIES	1,454
		250 - EQUIPMENT	17,637
		271 - DRUG TESTING CHARGES	33
	HEALTHY FUTURES FUND	111 - REGULAR SALARY	40,762
		113 - FRINGE	19,076
		230 - CONTRACT	17,898
		240 - SUPPLIES	5,000
		290 - MISCELLANEOUS	3,400,000
	OFFICE OF VITAL STATISTICS FND	111 - REGULAR SALARY	51,326
		113 - FRINGE	31,060
		220 - TRAVEL	4,555
		230 - CONTRACT	63,132
		240 - SUPPLIES	19,441
		250 - EQUIPMENT	17,234
		271 - DRUG TESTING CHARGES	440
		363 - TELEPHONE	1,635
		450 - CAPITAL	104,122
Department of Public Works (DPW)	DPW BUILDING & DESIGN FUND	111 - REGULAR SALARY	749,796
		113 - FRINGE	287,867
		220 - TRAVEL	11,000
		230 - CONTRACT	569,997
		240 - SUPPLIES	35,872
		250 - EQUIPMENT	8,325
		270 - WORKERS COMP BENEFITS	5,000
		271 - DRUG TESTING CHARGES	500
		361 - POWER UTILITY	33,227
		363 - TELEPHONE	23,065
	FEDERAL GRANT FUND	111 - REGULAR SALARY	971,655
		112 - OVERTIME SALAR	329,205
		113 - FRINGE	436,187
		220 - TRAVEL	43,838
		230 - CONTRACT	99,089,979
		240 - SUPPLIES	350,462
		250 - EQUIPMENT	20,209
		271 - DRUG TESTING CHARGES	60
		280 - SUB-RECIPIENT/GRANTS	4,483
		363 - TELEPHONE	30,299
		450 - CAPITAL	2,541,020
	GENERAL FUND	230 - CONTRACT	3,103
		240 - SUPPLIES	289
	LANDFILL CLOSING/OPENING COSTS	230 - CONTRACT	1,962,200
		240 - SUPPLIES	1,118,655
		250 - EQUIPMENT	40,000
		450 - CAPITAL	36,825
	RECYCLING REVOLVING FUND	230 - CONTRACT	32,446
	STREET LIGHT FUND	230 - CONTRACT	8,207
	TERRITORIAL HIGHWAY	112 - OVERTIME SALAR	43,537
		113 - FRINGE	14,338
		230 - CONTRACT	1,537,071
		240 - SUPPLIES	199,000
		450 - CAPITAL	71,286
Department of Revenue & Tax (DRT)	EXAMINER OFF-DUTY SERVICE FUND	112 - OVERTIME SALAR	7,832
		113 - FRINGE	1,023
	GENERAL FUND	111 - REGULAR SALARY	669,444
		112 - OVERTIME SALAR	155,061
		113 - FRINGE	262,544
		230 - CONTRACT	18,467
		250 - EQUIPMENT	9,082
	LIMITED GAMING FUND	250 - EQUIPMENT	16,425
		290 - MISCELLANEOUS	7,137
		450 - CAPITAL	6,389
Department of Youth Affairs (DYA)	FEDERAL GRANT FUND	111 - REGULAR SALARY	19,482
		113 - FRINGE	7,308
		220 - TRAVEL	252
		230 - CONTRACT	36,901
		240 - SUPPLIES	3,668
		250 - EQUIPMENT	11,717
		290 - MISCELLANEOUS	19,387
		450 - CAPITAL	54,083
		701 - INDIRECT COST - FEDERAL	6,078
	HEALTHY FUTURES FUND	111 - REGULAR SALARY	10,892
		113 - FRINGE	17,255
		230 - CONTRACT	27,572
		240 - SUPPLIES	18
		250 - EQUIPMENT	545
GOVGUAM RETIREMENT FUND	GENERAL FUND	290 - MISCELLANEOUS	9,847
Guam Behavioral Health & Wellness Center (GBHWC)	FEDERAL GRANT FUND	111 - REGULAR SALARY	502,775
		113 - FRINGE	197,949
		220 - TRAVEL	70,362
		230 - CONTRACT	1,910,853
		233 - BLDG RENT	175,784
		240 - SUPPLIES	42,339
		250 - EQUIPMENT	22,934
		280 - SUB-RECIPIENT/GRANTS	110,474
		290 - MISCELLANEOUS	66,599
		701 - INDIRECT COST - FEDERAL	24,171
	GENERAL FUND	230 - CONTRACT	15,911
		240 - SUPPLIES	2,255
		450 - CAPITAL	21,799
	MHSA FUND	250 - EQUIPMENT	3,994
GUAM COMMUNITY COLLEGE	GENERAL FUND	290 - MISCELLANEOUS	2,380,000

Government of Guam
Schedule of Continuing Appropriations
September 30, 2017

GUAM ECONOMIC DEVELOPMENT & COMMERCE	TERRITORIAL EDUCATION FACILITY FEDERAL GRANT FUND INFRASTR IMPRVMT BOND '97 - CPF	450 - CAPITAL 278,922 230 - CONTRACT 11,256 230 - CONTRACT 621,805 450 - CAPITAL 6,719,813 290 - MISCELLANEOUS 400,000	
Guam Election Commission (GEC)	SUPPLMNTL APPROP REVENUE -SAR GENERAL FUND	230 - CONTRACT 75,167 240 - SUPPLIES 9,073 250 - EQUIPMENT 5,024 290 - MISCELLANEOUS 31,429	
Guam Energy Office	EXXON OVERCHARGE	363 - TELEPHONE 413	
Guam Environmental Protection Agency (GEPA)	AIR POLLUTION CONTROL FEDERAL GRANT FUND	113 - FRINGE 52 111 - REGULAR SALARY 195,820 113 - FRINGE 75,298 220 - TRAVEL 74,709 230 - CONTRACT 547,517 240 - SUPPLIES 85,296 250 - EQUIPMENT 78,906 271 - DRUG TESTING CHARGES 340 361 - POWER UTILITY 20,408 450 - CAPITAL 5,088 113 - FRINGE 1,618 230 - CONTRACT 54,687 111 - REGULAR SALARY 422 113 - FRINGE 142	
	GENERAL FUND	220 - TRAVEL 11,086 230 - CONTRACT 2,971 240 - SUPPLIES 10,068 250 - EQUIPMENT 4,274	
	GUAM ENVIRONMENTAL FUND	111 - REGULAR SALARY 92,173 113 - FRINGE 51,276 220 - TRAVEL 33,208 230 - CONTRACT 1,735,470 240 - SUPPLIES 10,427 250 - EQUIPMENT 12,362	
	PESTICIDE MANAGEMENT FUND	230 - CONTRACT 1,543 240 - SUPPLIES 1,007 220 - TRAVEL 8,756 230 - CONTRACT 10,727 240 - SUPPLIES 618	
	RECYCLING REVOLVING FUND	111 - REGULAR SALARY 17,834 113 - FRINGE 11,633 220 - TRAVEL 10,670 230 - CONTRACT 344,578 240 - SUPPLIES 20,394 250 - EQUIPMENT 29,000	
	SAFE DRINKING WATER FUND	233 - BLDG RENT 7,040 112 - OVERTIME SALAR 5,104 113 - FRINGE 2,169 250 - EQUIPMENT 49	
Guam Fire Department (GFD)	WATER PROTECTION FUND FEDERAL GRANT FUND	290 - MISCELLANEOUS 853,165 290 - MISCELLANEOUS 5,508,809 290 - MISCELLANEOUS 41,964 450 - CAPITAL 127,338	
GUAM LEGISLATURE	GENERAL FUND	290 - MISCELLANEOUS 1,600,000	
GUAM MEMORIAL HOSPITAL AUTHORITY	FEDERAL GRANT FUND GENERAL FUND	111 - REGULAR SALARY 461,262 112 - OVERTIME SALAR 16,791 113 - FRINGE 381,120 220 - TRAVEL 16,567 230 - CONTRACT 691,344 240 - SUPPLIES 7,477 250 - EQUIPMENT 14,682 450 - CAPITAL 180,167	
	HOTEL OCCUPANCY TAX SURPLUS FEDERAL GRANT FUND	290 - MISCELLANEOUS 296,051 230 - CONTRACT 5,336 240 - SUPPLIES 30,872 250 - EQUIPMENT 14,393 450 - CAPITAL 3,243	
	GUAM POLICE DEPARTMENT (GPD)	290 - MISCELLANEOUS 2,225 220 - TRAVEL 15,564 230 - CONTRACT 22,266 240 - SUPPLIES 23,634 250 - EQUIPMENT 35,956 290 - MISCELLANEOUS 5,000 450 - CAPITAL 31,563	
	GENERAL FUND	290 - MISCELLANEOUS 1,537,591 290 - MISCELLANEOUS 4,111,956 230 - CONTRACT 49,425 290 - MISCELLANEOUS 619,389 290 - MISCELLANEOUS 312,583	
	POLICE PATROL VEHICLE AND EQUIP	450 - CAPITAL -	
	POLICE SERVICES FUND	111 - REGULAR SALARY 87,502 113 - FRINGE 54,770 220 - TRAVEL 7,985 230 - CONTRACT 2,980,238 240 - SUPPLIES 15,231 250 - EQUIPMENT 111,426 290 - MISCELLANEOUS 18,790 450 - CAPITAL 1,096,062	
	SPECIAL ASSETS FORFEITURE FUND	230 - CONTRACT 104,493 450 - CAPITAL 32	
GUAM POWER AUTHORITY	FEDERAL GRANT FUND	240 - SUPPLIES 57,895 450 - CAPITAL 256,632	
GUAM PUBLIC SCHOOL SYSTEM	FEDERAL GRANT FUND GENERAL FUND	290 - MISCELLANEOUS 934,000	
	LIMITED GAMING FUND	290 - MISCELLANEOUS 300,000	
GUAM REGIONAL TRANSIT AUTHORITY	FEDERAL GRANT FUND		
	GUAM REGIONAL TRANST AUTHORITY		
GUAM SOLID WASTE AUTHORITY	SOLID WASTE OPERATIONS FUND		
GUAM WATERWORKS AUTHORITY	FEDERAL GRANT FUND		
HAGATNA RESTORATION & REDEVL	HOTEL OCCUPANCY TAX SURPLUS		

Government of Guam
Schedule of Continuing Appropriations
September 30, 2017

Mayor's Council of Guam (MCOG)	FEDERAL GRANT FUND	230 - CONTRACT	219,016	
	GENERAL FUND	230 - CONTRACT	43,638	
		240 - SUPPLIES	95,509	
		250 - EQUIPMENT	30,169	
		290 - MISCELLANEOUS	292,295	
		290 - MISCELLANEOUS	300,000	
	HOST COMMUNITY FUND	230 - CONTRACT	525,799	
	LIMITED GAMING FUND	240 - SUPPLIES	51,119	
		250 - EQUIPMENT	38,925	
		290 - MISCELLANEOUS	211,401	
	RECYCLING REVOLVING FUND	230 - CONTRACT	11,527	
	TOURIST ATTRACTION	111 - REGULAR SALARY	56,669	
		113 - FRINGE	229,015	
		220 - TRAVEL	40,185	
		230 - CONTRACT	73,209	
		240 - SUPPLIES	138,778	
		250 - EQUIPMENT	61,406	
		271 - DRUG TESTING CHARGES	345	
		290 - MISCELLANEOUS	87,210	
		361 - POWER UTILITY	18,159	
		362 - WATER UTILITY	39,713	
		363 - TELEPHONE	4,562	
		450 - CAPITAL	580	
	UNRESERVED FUND BALANCE FUND	230 - CONTRACT	66,137	
	VILLAGE STREETS FUND	230 - CONTRACT	167,748	
		240 - SUPPLIES	155,578	
		250 - EQUIPMENT	43,217	
		450 - CAPITAL	96,320	
Office of the Attorney General	CRIMINAL INJURIES	230 - CONTRACT	22,795	
		240 - SUPPLIES	249	
	280 - SUB-RECIPIENT/GRANTS	427,690		
	FEDERAL GRANT FUND	111 - REGULAR SALARY	1,041,627	
		113 - FRINGE	639,351	
		220 - TRAVEL	91,638	
		230 - CONTRACT	827,642	
		233 - BLDG RENT	43,200	
		240 - SUPPLIES	47,694	
		250 - EQUIPMENT	120,962	
		271 - DRUG TESTING CHARGES	2,223	
		280 - SUB-RECIPIENT/GRANTS	20,000	
		363 - TELEPHONE	3,415	
		450 - CAPITAL	65,472	
		701 - INDIRECT COST - FEDERAL	276,721	
	GENERAL FUND	290 - MISCELLANEOUS	716,589	
	NOTARY PUBLIC REVOLVING FUND	220 - TRAVEL	15,000	
		230 - CONTRACT	23,780	
		240 - SUPPLIES	12,757	
		250 - EQUIPMENT	10,000	
		450 - CAPITAL	16,000	
	VICTIM/WITNESS TRAVEL HOUSING	220 - TRAVEL	5,010	
		230 - CONTRACT	1,000	
Office of the Governor	FEDERAL GRANT FUND	111 - REGULAR SALARY	1,764,765	
		112 - OVERTIME SALAR	15,812	
		113 - FRINGE	664,158	
		220 - TRAVEL	373,740	
		230 - CONTRACT	3,353,623	
		233 - BLDG RENT	10,815	
		240 - SUPPLIES	111,589	
		250 - EQUIPMENT	304,085	
		280 - SUB-RECIPIENT/GRANTS	2,018,249	
		290 - MISCELLANEOUS	8,174,021	
		363 - TELEPHONE	25,487	
		701 - INDIRECT COST - FEDERAL	10,763	
	GENERAL FUND	111 - REGULAR SALARY	19,537	
		113 - FRINGE	14,067	
		230 - CONTRACT	496,106	
		233 - BLDG RENT	354	
		240 - SUPPLIES	32,430	
		250 - EQUIPMENT	40,476	
		290 - MISCELLANEOUS	26,898	
		361 - POWER UTILITY	2,790	
		362 - WATER UTILITY	2,385	
		363 - TELEPHONE	7,132	
		TOURIST ATTRACTION	230 - CONTRACT	12,803
			240 - SUPPLIES	4,749
			250 - EQUIPMENT	10,000
			290 - MISCELLANEOUS	250
	Office of the Lt. Governor	GENERAL FUND	230 - CONTRACT	465
			240 - SUPPLIES	260
		250 - EQUIPMENT	5	
		363 - TELEPHONE	870	
	INDIRECT COST FUND	230 - CONTRACT	1,661	
Transfers out	GENERAL FUND	290 - MISCELLANEOUS	90,036	
UNIFIED JUDICIARY	FEDERAL GRANT FUND	290 - MISCELLANEOUS	10,181	
UNIVERSITY OF GUAM	GENERAL FUND	290 - MISCELLANEOUS	5,674,792	
			<u>\$ 232,530,703</u>	