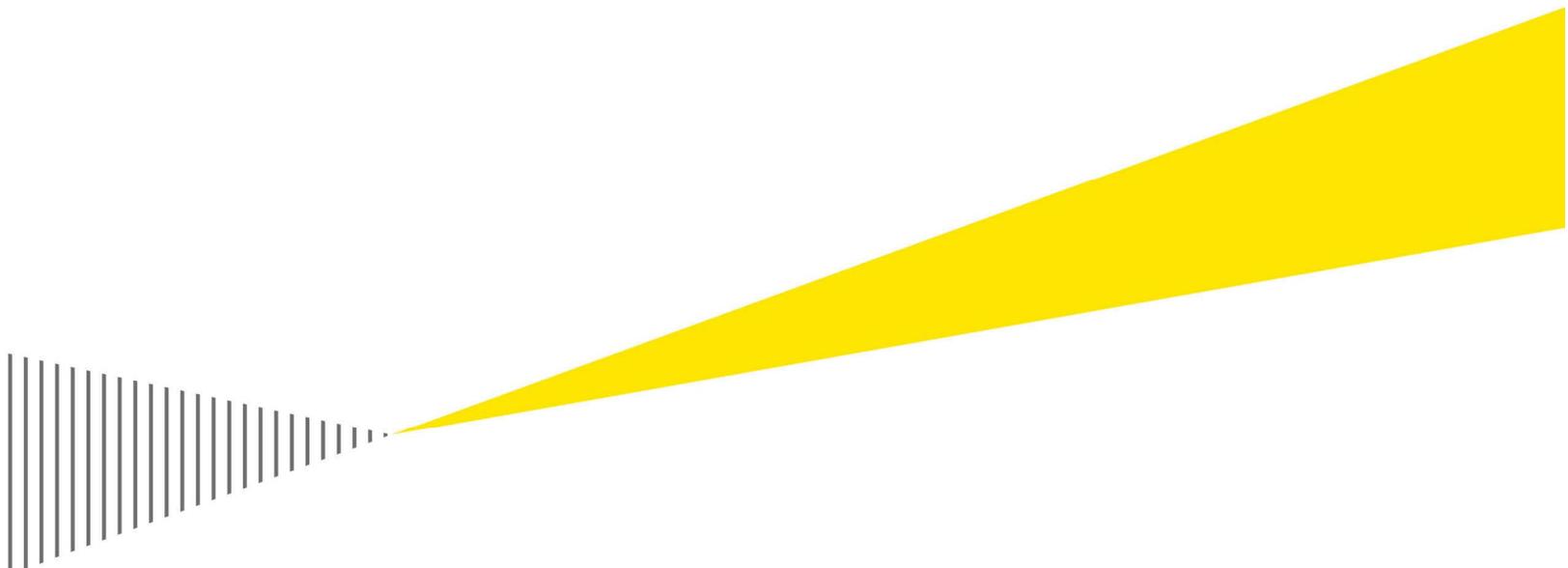


*Financial Statements, Required Supplementary Information, and
Supplementary and Other Information*

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

*Year ended September 30, 2019
with Report of Independent Auditors*



Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Financial Statements, Required Supplementary Information, and
Supplementary and Other Information

Year ended September 30, 2019

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Report of Independent Auditors

Honorable Lou Leon Guerrero
Governor of Guam:

Report on the Financial Statements

We have audited the accompanying financial statements of the Tourist Attraction Fund and of those funds related to the Government of Guam Hotel Occupancy Tax Revenue Bonds, 2011 Series A (the Funds), which comprise the balance sheet as of September 30, 2019, and the related statement of revenues, expenditures, and changes in fund balances for the year then ended, and the related notes to the financial statements, which collectively comprise the Funds' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Tourist Attraction Fund and of those funds related to the Government of Guam Hotel Occupancy Tax Revenue Bonds, 2011 Series A, as of September 30, 2019, and the results of their operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Emphasis of Matter

Reporting Entity

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the Tourist Attraction Fund and of those funds related to the Government of Guam Hotel Occupancy Tax Revenue Bonds, 2011 Series A and are not intended to present fairly the financial position and results of operations of the Government of Guam in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Funds' basic financial statements. The supplementary and other information included in pages 22 through 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary and other information included in pages 22 through 28 is the responsibility of the Funds' management and was derived from and relates 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 standard generally accepted in the United States. In our opinion, the 2019 information on pages 22 through 28 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary and Other Information, continued

The 2018 information on pages 22 through 28 as well as the additional information on page 29 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 23, 2020, on our consideration of the Funds' 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 the Funds' internal control over financing reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Funds' internal control over financial reporting and compliance.

Ernst + Young LLP

June 23, 2020

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis

Our discussion and analysis of the Government of Guam's ("GovGuam") Tourist Attraction Fund financial performance and those funds related to the GovGuam Hotel Occupancy Tax Revenue Bonds, 2011 Series A, provides an overview of financial activities for the fiscal years ended September 30, 2019 and 2018. Please read it in conjunction with the financial statements, which follow this section.

1. Financial Highlights

- For the fiscal year ended September 30, 2019, total fund balance increased by \$1,251,627 (or 6%) from an ending fund balance of \$20,850,880 in 2018 to \$22,102,507 in 2019.
- During the years ended September 30, 2019 and 2018, total combined expenditures for governmental fund operations were \$43,906,632 and \$48,154,670, respectively, including expenditures relating to payments to the Guam Visitor's Bureau of \$22,335,216 and \$24,785,216, respectively; debt service requirements of \$6,994,750 and \$6,995,775, respectively; and capital expenditures of \$733,897 and \$3,479,722, respectively. These expenditures were funded mainly by Hotel Occupancy Tax revenue collections during the years ended September 30, 2019 and 2018 of \$44,701,482 and \$43,181,165, respectively, with the remainder funded by residual bond proceeds.
- Total combined expenditures decreased by \$4,248,038 (or 9%) from 2018 to 2019 due primarily to an decrease of: \$2,745,825 for capital expenditures, \$2,450,000 for payments to the Guam Visitor's Bureau, \$525,156 for Mayor's Council of Guam operations and offset increases of: \$2,442,626 for operations under the Guam Police Department, \$238,449 for operations under the Department of Recreation, and \$22,027 for operations under the Guam Environmental Protection Agency. Total combined revenues increased by \$1,721,096 (or 4%) from \$43,437,163 in 2018 to \$45,158,259 in 2019 due primarily to increases in hotel occupancy tax collections from a record number of tourist arrivals.
- During the years ended September 30, 2019 and 2018, the Tourist Attraction Fund generated operating surpluses before transfers out to the Debt Service Fund of \$8,595,507 and \$5,525,327, respectively.

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

2. Overview of the Financial Statements

The financial statements include all of the activities of the Tourist Attraction Fund and of those funds related to the GovGuam Hotel Occupancy Tax Revenue Bonds, 2011 Series A. The financial statements present a balance sheet and a statement of revenues, expenditures, and changes in fund balance. The assets, liabilities and fund balances of these funds are reported in self-balancing funds.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements 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; generally when they are both measurable and available. Expenditures generally are recorded in the period in which the related fund liability is incurred, as under accrual accounting, with the exception of debt service expenditures, which are recorded only when payment is due.

The notes to the financial statements include additional information needed to provide a further understanding of the basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain other financial information to further assist the reader in understanding the financial statements.

Government of Guam
 Tourist Attraction Fund
 (A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

3. Financial Statement Analysis

Balance Sheet

The balance sheet presents information on assets, liabilities and fund balance at year-end. A condensed summary of the balance sheets is shown below as of September 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Assets:		
Investments	\$ 5,193,578	\$ 3,792,271
Tax receivables	3,122,747	3,483,270
Restricted assets	20,673,671	22,676,276
Due from General Fund	<u>659,183</u>	<u>---</u>
Total assets	<u>\$29,649,179</u>	<u>\$29,951,817</u>
Liabilities:		
Accounts payable and other	\$ 706,129	\$ 1,527,661
Due to Guam Visitors Bureau	---	2,039,601
Due to General Fund	<u>6,840,543</u>	<u>5,533,675</u>
Total liabilities	<u>7,546,672</u>	<u>9,100,937</u>
Fund balances:		
Restricted	20,675,615	21,024,745
Committed	---	---
Unassigned	<u>1,426,892</u>	<u>(173,865)</u>
Total fund balances	<u>22,102,507</u>	<u>20,850,880</u>
Total liabilities and fund balances	<u>\$29,649,179</u>	<u>\$29,951,817</u>

Total assets decreased by \$302,638 (or 1%) from \$29,951,817 in 2018 to \$29,649,179 in 2019. This decrease was primarily the result of a decrease in restricted assets of \$2,002,605 for capital expenditures and \$360,523 decrease in tax receivables, offset by an increase in investments of \$1,401,307 and \$659,183 due from General Fund. Total liabilities decreased by \$1,554,265 (or 17%) from \$9,100,937 in 2018 to \$7,546,672 in 2019. This decrease primarily was the result of decreases in amounts payable to the Guam Visitors Bureau of \$2,039,601 and accounts payable and other of \$821,532. Total fund balances increased by \$1,251,627 (or 6%) during 2018 from \$20,850,880 to \$22,102,507 in 2019. Of the total fund balance amounts presented at each respective fiscal year end, certain restrictions limit the availability of fund resources for future use. Specifically, fund balances are restricted by the bond indenture associated with the Hotel Occupancy Tax Revenue Bond, 2011 Series A, wherein these funds are restricted for (i) capital projects associated with a new Guam Museum and certain other related projects that benefit Guam's tourism industry, and (ii) future debt service.

Government of Guam
 Tourist Attraction Fund
 (A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

3. Financial Statement Analysis, continued

Statement of Revenues, Expenses and Changes in Fund Balances

The statement of revenues, expenditures and changes in fund balance show the effect of revenues and expenditures on fund balance for the year. The statements of revenues, expenditures and changes in fund balances for the years ended September 30, 2019 and 2018 are summarized as follows.

	<u>2019</u>	<u>2018</u>
Revenues:		
Hotel occupancy tax	\$44,701,482	\$ 43,181,165
Use of money and property	<u>456,777</u>	<u>255,998</u>
	<u>45,158,259</u>	<u>43,437,163</u>
Expenditures:		
Current:		
General government	178,533	180,742
Environmental protection	86,983	64,956
Individual and collective rights	3,932,189	5,039,748
Protection of life and property	5,834,626	3,978,563
Recreation	3,278,210	3,039,761
Economic development	308,074	366,033
Payments to Guam Visitors Bureau	22,559,370	25,009,370
Capital projects	733,897	3,479,722
Debt service	<u>6,994,750</u>	<u>6,995,775</u>
	<u>43,906,632</u>	<u>48,154,670</u>
Net change in fund balances	<u>\$ 1,251,627</u>	<u>\$ (4,717,507)</u>

Total revenues collected from hotel occupancy taxes increased by \$1,520,317 (or 4%) from \$43,181,165 in 2018 to \$44,701,482 in 2019. The increase was primarily due to a slight increase in tourist arrivals by 105,830 (or 7%) from 1,525,219 tourists in 2018 to 1,631,049 tourists in 2019.

Total expenditures decreased by \$4,248,038 (or 9%) from \$48,154,670 in 2018 to \$43,906,632 in 2019. The decrease was due primarily to reductions of: \$2,745,825 for capital related expenditures, \$2,450,000 of payments to the Guam Visitor's Bureau, and \$525,156 of Mayor's Council of Guam operational expenses. Notable offset expenditure increases include \$2,442,626 related to the Guam Police Department operations and \$238,449 for Department of Recreation operations.

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

4. Capital Assets

Public Law 30-228 authorizes the construction of the Guam Museum and certain other projects that benefit Guam's tourism industry in the amount of \$55,609,615. Capital-related expenditures amounted to \$733,897 in 2019 compared with \$3,479,722 in 2018. The cumulative expenditures as of fiscal year 2019 ending is \$44,004,624. Outstanding commitments under executed contracts total \$7,037,490. The outstanding or pending contracts and amounts consist of Guam and Chamorro Educational Facility for \$182,313, Tumon Bay improvements for \$11,989, primary or supplemental funding for Hagatna Master plan projects for \$4,715,147, San Vitores flooding mitigation for \$24,563, Guam Fishermen's Cooperative for \$1,100,000 and a Dock Facility for \$1,003,478. The outstanding commitments will be funded through the hotel occupancy tax limited obligation bond issuance which is financed through collection of hotel tax revenues.

5. Long-Term Debt

In April 2011, GovGuam issued \$90,665,000 in Hotel Occupancy Tax Revenue Bonds for the purpose of constructing the Guam Museum and other related tourism projects, refunding a previous bond, and funding capitalized interest. A payment of \$28,787,786 was made to a bond escrow agent for the purpose of refunding 1997 Series A bonds with net bond proceeds amounting to \$59,760,045. The resultant long-term debt is included as a liability in GovGuam's government-wide financial statements. See note 3 to the accompanying financial statements for additional information relating to this long-term debt.

6. Outlook, Challenges and Opportunities

Guam experienced a record-breaking year in fiscal year 2019 welcoming a total of 1.63 million visitors. Moving into FY2020 expected positive outcomes had been anticipated, including:

- Japan Airlines upgrading its aircraft to accommodate for an additional 113 seats for the route from Guam to Narita
- United Airlines increasing its flight seating capacity between Guam and Osaka resulting in an additional 6,400 seats during winter. Additionally, three flights weekly between Guam and Nagoya.
- Korean Air, Air Seoul, Air Busan, Jin Air and Jeju Air had also committed a combined additional 70,000 open seats beginning October 28, 2019.

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

6. Outlook, Challenges and Opportunities, continued

Adhering to the Tourism 2020 plan and ensuring Guam is not only attractive to visitors, but also a better home for Guam residents to live the Guam Visitors Bureau is working on its Survey of Tourism Attitudes of Residents or STAR report. The report will highlight the views of how residents feel tourism is impacting the economy and overall quality of life. In a news release according to GVB Director of Tourism Nico Fujikawa, "As we look to improve our destination, it is crucial that we first start with our people. The key to attracting quality visitors begins with a quality experience for both visitors and locals alike." The need to address and improve the quality of life for Guam residents is paramount and will ultimately result in a flourishing tourism portfolio for all to experience.

The outbreak worldwide of the Covid-19 Coronavirus had a sudden and ruinous effect on tourism which began in February 2020 and resulted in the complete standstill to tourism in March 2020. It is anticipated that tax revenues from hotels deriving income from providing quarantine sheltering will provide funding for debt payments, FY2020 revenues will be severely impacted, requiring significant reductions in non-restricted expenditures, including payments to Guam Visitors Bureau.

7. Contacting Government of Guam Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the finances of the Tourist Attraction Fund and related funds and to demonstrate accountability for money received and expended. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Director's Office, Department of Administration, Attention: Edward Birn, Director, P.O. Box 884, Hagatna, Guam 96932. Telephone No.: (671) 475-1101/1250, Email: edward.birn@doa.guam.gov; Website address: www.doa.guam.gov.

Government of Guam
 Tourist Attraction Fund
 (A Governmental Fund of the Government of Guam)

Balance Sheet

September 30, 2019

	<u>Tourist Attraction Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Projects Fund</u>	<u>Total</u>
Assets				
Investments	\$ 5,193,578	\$ ---	\$ ---	\$ 5,193,578
Restricted assets:				
Investments	---	8,593,671	12,080,000	20,673,671
Taxes receivable	3,122,747	---	---	3,122,747
Due from General Fund	---	---	659,183	659,183
	<u>---</u>	<u>---</u>	<u>659,183</u>	<u>659,183</u>
Total assets	<u>\$ 8,316,325</u>	<u>\$ 8,593,671</u>	<u>\$ 12,739,183</u>	<u>\$ 29,649,179</u>
Liabilities				
Accounts payable	\$ 1,600	\$ 50,910	\$ ---	\$ 52,510
Retention payable	---	529,341	---	529,341
Accrued payroll and other	124,278	---	---	124,278
Due to General Fund	6,763,555	76,988	---	6,840,543
	<u>6,889,433</u>	<u>657,239</u>	<u>---</u>	<u>7,546,672</u>
Fund Balances				
Fund balances:				
Restricted for:				
Capital projects	---	7,936,432	---	7,936,432
Debt service	---	---	12,739,183	12,739,183
Unassigned	1,426,892	---	---	1,426,892
	<u>1,426,892</u>	<u>7,936,432</u>	<u>12,739,183</u>	<u>22,102,507</u>
Total fund balances	<u>1,426,892</u>	<u>7,936,432</u>	<u>12,739,183</u>	<u>22,102,507</u>
Total liabilities and fund balances	<u>\$ 8,316,325</u>	<u>\$ 8,593,671</u>	<u>\$ 12,739,183</u>	<u>\$ 29,649,179</u>

See accompanying notes to financial statements.

Government of Guam
 Tourist Attraction Fund
 (A Governmental Fund of the Government of Guam)

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended September 30, 2019

	<u>Tourist Attraction Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Projects Fund</u>	<u>Total</u>
Revenues:				
Taxes	\$ 44,701,482	\$ ---	\$ ---	\$ 44,701,482
Use of money and property	<u>72,010</u>	<u>172,248</u>	<u>212,519</u>	<u>456,777</u>
Total revenues	<u>44,773,492</u>	<u>172,248</u>	<u>212,519</u>	<u>45,158,259</u>
Expenditures:				
Current:				
General government	178,533	---	---	178,533
Individual collective rights	3,932,189	---	---	3,932,189
Protection of life and property	5,834,626	---	---	5,834,626
Environmental protection	86,983	---	---	86,983
Recreation	3,278,210	---	---	3,278,210
Economic development	308,074	---	---	308,074
Payments to Guam Visitots Bureau	22,335,216	---	---	22,335,216
Payments to University of Guam	200,000	---	---	200,000
Payments to Guam Community College	24,154	---	---	24,154
Capital projects	---	733,897	---	733,897
Debt service:				
Principal	---	---	2,220,000	2,220,000
Interest	<u>---</u>	<u>---</u>	<u>4,774,750</u>	<u>4,774,750</u>
Total expenditures	<u>36,177,985</u>	<u>733,897</u>	<u>6,994,750</u>	<u>43,906,632</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,595,507</u>	<u>(561,649)</u>	<u>(6,782,231)</u>	<u>1,251,627</u>
Other financing sources (uses):				
Operating transfers in	---	---	6,994,750	6,994,750
Operating transfers out	<u>(6,994,750)</u>	<u>---</u>	<u>---</u>	<u>(6,994,750)</u>
Total other financing sources (uses)	<u>(6,994,750)</u>	<u>---</u>	<u>6,994,750</u>	<u>---</u>
Net change in fund balances	1,600,757	(561,649)	212,519	1,251,627
Fund balances at beginning of the year	<u>(173,865)</u>	<u>8,498,081</u>	<u>12,526,664</u>	<u>20,850,880</u>
Fund balances at end of the year	<u>\$ 1,426,892</u>	<u>\$ 7,936,432</u>	<u>\$ 12,739,183</u>	<u>\$ 22,102,507</u>

See accompanying notes to financial statements.

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements

Year ended September 30, 2019

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the Tourist Attraction Fund.

A. Reporting Entity

The Government of Guam (GovGuam) Tourist Attraction Fund, created by 11 GCA 30107, was established to fund various recreational projects and visitor industry activities. Additionally, 11 GCA 30108 provides for 25 percent of all revenues collected by the Tourist Attraction Fund be appropriated to the Infrastructure Improvement Fund. Revenues are derived from an excise tax that is levied and imposed on transient occupants of a room or rooms in a hotel, lodging house, or similar facility in Guam. On April 13, 2011, Hotel Occupancy Tax Revenue Bonds, 2011 Series A, were issued for the purpose of refunding the Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, and funding the construction of a new Guam Museum and certain other projects that benefit Guam's tourism industry. The Capital Projects Fund is used to account for the construction of capital improvement projects from bond proceeds. The Debt Service Fund is used to account for funds required by the bond indenture to redeem bond principal and to pay bond interest as such becomes due.

These funds are considered to be governmental funds and are presented as blended component units of GovGuam.

B. Fund Accounting

The accompanying financial statements present a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The assets, liabilities and fund balances of the Tourist Attraction Fund and funds related to the Hotel Occupancy Tax Revenue Bonds, 2011 Series A, are reported in self-balancing funds. Transactions between funds, if any, have not been eliminated.

Government of Guam
Tourist Attraction Fund
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

C. Measurement Focus and Basis of Accounting

The accompanying financial statements 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; generally when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 90 days of the end of the current fiscal period. Revenues susceptible to accrual include excise taxes. 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. Expenditures generally are recorded in the period in which the related fund liability is incurred, as under accrual accounting, with the exception of debt service expenditures, which are recorded only when payment is due.

The excise tax rate is set at eleven percent of the rental price charged or paid per occupancy per day. If the room or rooms are rented more than once within a twenty-four hour period, each time of occupancy shall be subject to the tax for such accommodations. This tax applies and is collectible when the sale is made, regardless of the time when the price is paid or delivered. It shall be paid by the consumer to the operator or owner of the hotel or rooming house facility.

D. Appropriations

Section 26 of Public Law 25-98 authorized the reprogramming and re-appropriation of appropriations from completed capital improvement projects. Specifically, all unexpended, unobligated and unencumbered balances of the appropriations in Subsection (i) of Section 1505, Article 5, Chapter 1 of Title 5 of the Guam Code Annotated, were reprogrammed and re-appropriated.

E. Budgetary Process

Legislation requires the Governor to present a proposed budget to the Legislature at the beginning of each annual session. The Legislature enacts the budget through passage of specific departmental appropriations. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget becomes the Territorial financial plan for the ensuing fiscal year. Supplemental appropriations for specific purposes are made throughout the year.

Government of Guam
 Tourist Attraction Fund
 (A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

E. Budgetary Process, continued

Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are generally evidenced by outstanding purchase orders, contracts, and intradepartmental work requests. Encumbrances outstanding at year end are reported within the fund balance classifications since they do not constitute expenditures or liabilities. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the Legislature as representing continuing appropriations. At September 30, 2019, significant encumbrances are summarized as follows:

Tourist Attraction Fund	Capital Projects Fund	Debt Service Fund	Total
\$ <u>1,010,572</u>	\$ <u>7,037,490</u>	\$ <u>---</u>	\$ <u>8,048,062</u>

F. Cash and Cash Equivalents

Cash and cash equivalents includes short-term investments in U.S. Treasury obligations and commercial paper with a maturity date within three months of the date acquired.

G. 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.

H. Receivables

Receivables are due from businesses residing on the island of Guam and are uncollateralized and non-interest bearing.

Government of Guam
 Tourist Attraction Fund
 (A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

I. Interfund Receivables/Payables

During the course of its operations, GovGuam’s General Fund records transactions between individual funds for goods provided or services rendered. 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. At September 30, 2019, interfund balances are as follows:

	<u>Tourist Attraction Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Due from General Fund	\$ <u>---</u>	\$ <u>---</u>	\$659,183	\$ <u>659,183</u>
Due to General Fund	\$ <u>6,763,555</u>	\$ <u>76,988</u>	\$ <u>---</u>	\$ <u>6,840,543</u>

J. Restricted Assets

The bond indenture relating to the Hotel Occupancy Tax Revenue Bonds, 2011 Series A, requires amounts to be restricted for capital projects and set aside for debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets.

K. Fund Balance

Governmental fund balances are classified as follows:

- 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 highest level of decision making authority and do not lapse at year-end.
- Unassigned - includes negative fund balances in other governmental funds.

Restricted/committed amounts are spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this.

A formal minimum fund balance policy has not been adopted.

Government of Guam
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Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

L. Interfund Transactions

Operating 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 one 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.

M. Management 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 liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. 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 the financial statements of the Tourist Attraction Fund and funds related to the Hotel Occupancy Tax Revenue Bonds, 2011 Series A, for the year ended September 30, 2018 from which summarized information was derived.

2. Deposits and Investments

The deposit and investment policies of GovGuam are governed by 5 GCA 21, Investments and Deposits, in conjunction with applicable bond indentures. The Director of Administration is responsible for the safekeeping of all monies paid into the Treasury of Guam. The Director of Administration invests any monies of GovGuam that are deemed not necessary for immediate use. Legally authorized investments include securities issued or guaranteed by the U.S. Treasury or agencies of the United States government; demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any eligible institution; corporate debt obligations, including commercial paper; certain money market funds; state and local government securities, including municipal bonds; and repurchase and investment agreements. With the exception of investments in U.S. government securities, which are explicitly or implicitly guaranteed by the United States government, all other investments must be rated Aa1/P-1 by Moody's.

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Notes to Financial Statements, continued

2. Deposits and Investments, continued

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.

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. Investments are held and administered by trustees in accordance with various bond indentures for the purpose of funding capital projects that benefit Guam's tourism industry. 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, 2019.

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, 2019, investments are classified as follows:

	Tourist Attraction <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	<u>Total</u>
Investments:				
Mutual Funds	\$ <u>5,193,578</u>	\$ <u>8,593,671</u>	\$ <u>12,080,000</u>	\$ <u>25,867,249</u>

Investments in mutual funds are measured at the Net Asset Value (NAV).

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Notes to Financial Statements, continued

3. Bonds Payable

On April 13, 2011, Hotel Occupancy Tax Revenue Bonds, 2011 Series A, with varying interest rates of 1% - 6.625% per annum were issued in the amount of \$90,665,000 to advance refund \$28,095,000 of outstanding 1997 Series A bonds. Of the net proceeds of \$88,547,831 (after payment of \$2,117,169 in underwriting fees, insurance, and other issuance costs), \$28,787,786 were placed in escrow, of which \$28,095,000 were used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the 1997 Series A limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements of GovGuam. This advance refunding was undertaken to extend the maturity date of outstanding debt 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 resulted in an economic gain of \$97,720.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,345,000	\$ 4,651,988	\$ 6,996,988
2021	2,480,000	4,516,200	6,996,200
2022	2,630,000	4,369,288	6,999,288
2023	2,790,000	4,209,975	6,999,975
2024	2,960,000	4,037,475	6,997,475
2025-2029	12,865,000	17,765,578	30,630,578
2030-2034	16,055,000	13,490,110	29,545,110
2035-2039	22,155,000	7,389,688	29,544,688
2040-2041	<u>11,085,000</u>	<u>732,387</u>	<u>11,817,387</u>
	<u>\$75,365,000</u>	<u>\$61,162,689</u>	<u>\$136,527,689</u>

Government of Guam
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Notes to Financial Statements, continued

3. Bonds Payable, continued

In accordance with the bond indentures, the depository has established trust accounts as follows:

- Construction Account - amounts held in this account and the interest earnings thereon do not constitute Revenues and are not pledged to the payment of the Bonds. Amounts in the Construction Account shall be used and withdrawn solely for the payment of Infrastructure Improvement Project Costs of such Infrastructure Improvement Projects, including by (1) direct payment, or (2) payment of any debt obligations issued by GovGuam to finance Infrastructure Improvement Project Costs, or (3) repayment of any advances made from any source for such Infrastructure Improvement Project Costs. The depository shall disburse moneys in the Construction Account for the purposes of the preceding sentence only upon Requisition of GovGuam stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper and lawful charge against said fund. Upon receipt of a Certificate of GovGuam that amounts in said fund are no longer required for the purpose of said fund, said amounts shall be transferred to the Revenue Fund. The Construction Account is accounted for within the Capital Projects Fund.

At September 30, 2019, \$7,936,432 of fund balance in the Capital Projects Fund is restricted for capital projects.

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

- Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the then current calendar month upon all bonds then outstanding, plus (2) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal payment date, would aggregate to the amount of the principal becoming due and payable on the outstanding serial bonds on such principal payment date, plus (3) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal payment date, would aggregate to the amount of mandatory sinking fund account payments required to be paid for the outstanding term bonds on such principal payment date.

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Notes to Financial Statements, continued

3. Bonds Payable, continued

Bond Reserve Fund - an amount, if any, needed to equal the least of (1) the maximum annual debt service, (2) 10% of the proceeds received from the sale of the bonds or (3) 125% of average annual debt service on the bonds or an amount as may be specified by supplemental indentures providing for the issuance of a series of bonds. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling due by their terms, and (3) the aggregate amount of all mandatory sinking fund payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund.

During the year ended September 30, 2019, payments for debt service totaled \$6,994,750, of which \$2,220,000 represents payment on principal. A summary of the change in bonds payable is as follows:

Bonds payable at October 1, 2018	\$77,585,000
Less principal repayment	<u>2,220,000</u>
Bonds payable at September 30, 2019	<u>\$75,365,000</u>

These bonds are recorded as a liability in the government-wide financial statements of GovGuam.

Tax revenues of the Tourist Attraction Fund have been pledged to repay bond principal and interest. Total debt service for the year ended September 30, 2019 amounted to \$6,994,750, which represents 16% of 2019 tax revenues collected. During the year ended September 30, 2019, total transfers from the Tourist Attraction Fund to the Debt Service Fund amounted to \$6,994,750.

At September 30, 2019, \$12,739,183 of fund balance in the Debt Service Fund is restricted for debt service purposes.

At September 30, 2019, GovGuam is of the opinion that it is in compliance with bond covenants outlined in the bond indenture.

Government of Guam
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Notes to Financial Statements, continued

4. Payments to Autonomous Agencies

Public Laws 34-42 authorize the general appropriation for operations of the Guam Visitors Bureau (GVB) as well as other miscellaneous appropriations to be administered by GVB. During the year ended September 30, 2019, total appropriations made to GVB from the Tourist Attraction Fund were as follows:

Operations:	
Marketing	\$14,500,216
General administration	3,600,000
Destination development	1,085,000
Visitor safety and satisfaction	950,000
Sports and events	850,000
Cultural heritage and community outreach	750,000
Research - GVB	<u>600,000</u>
	<u>\$22,335,216</u>

Public Law 32-068 created the Hotel Occupancy Tax (HOT) Surplus Fund authorizing the transfer of revenue collections in excess of the revenue budget. During the year ended September 30, 2019, revenue collections did not exceed the revenue budget.

Public Law 34-42 authorizes an appropriation to the Guam Community College (GCC) for the Lodging Management Program/Prostart Program in the amount of \$24,154. During the year ended September 30, 2019, total appropriations made to GCC for the Lodging Management Program/Prostart Program amounted to \$24,154.

Public Law 34-42 authorizes an appropriation to the University of Guam (UOG) for the operations and programs of the Guampedia Foundation in the amount of \$200,000. During the year ended September 30, 2019, total appropriations made to UOG for the Guampedia Foundation amounted to \$200,000.

5. Commitments

Public Law 30-228 authorizes the construction of the Guam Museum and certain other projects that benefit Guam's tourism industry in the amount of \$55,609,615. GovGuam has entered into certain contracts associated with these projects with capital-related expenditures of \$733,897 being incurred under these contracts during the year ended September 30, 2019. The remaining unliquidated contract amount of \$7,037,490 is recorded within restricted fund balance of the Capital Projects Fund in the accompanying financial statements.

Supplementary and Other Information

Government of Guam
 Tourist Attraction Fund
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Comparative Balance Sheets

September 30, 2019 and 2018

	Tourist Attraction Fund		Capital Project Fund		Debt Service Fund	
	2019	2018	2019	2018	2019	2018
Assets						
Investments	\$ 5,193,578	\$ 3,792,271	\$ ---	\$ ---	\$ ---	\$ ---
Restricted assets:						
Investments	---	---	8,593,671	10,149,612	12,080,000	12,526,664
Taxes receivable	3,122,747	3,483,270	---	---	---	---
Due from General Fund	---	---	---	---	659,183	---
Total assets	\$ 8,316,325	\$ 7,275,541	\$ 8,593,671	\$ 10,149,612	\$ 12,739,183	\$ 12,526,664
Liabilities						
Accounts payable	\$ 1,600	\$ 1,600	\$ 50,910	\$ 690,845	\$ ---	\$ ---
Payable to Guam Visitors Bureau	---	2,039,601	---	---	---	---
Retention payable	---	---	529,341	612,352	---	---
Accrued payroll and other	124,278	222,864	---	---	---	---
Due to General Fund	6,763,555	5,185,341	76,988	348,334	---	---
Total liabilities	6,889,433	7,449,406	657,239	1,651,531	---	---
Fund Balances						
Fund balances:						
Restricted for:						
Capital projects	---	---	7,936,432	8,498,081	---	---
Debt service	---	---	---	---	12,739,183	12,526,664
Unassigned	1,426,892	(173,865)	---	---	---	---
Total fund balances	1,426,892	(173,865)	7,936,432	8,498,081	12,739,183	12,526,664
Total liabilities and fund balances	\$ 8,316,325	\$ 7,275,541	\$ 8,593,671	\$ 10,149,612	\$ 12,739,183	\$ 12,526,664

Government of Guam
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Comparative Statements of Revenues, Expenditures by Function and Changes in Fund Balances

Years ended September 30, 2019 and 2018

	Tourist Attraction Fund		Capital Project Fund		Debt Service Fund	
	2019	2018	2019	2018	2019	2018
Revenue:						
Taxes	\$ 44,701,482	\$ 43,181,165	\$ ---	\$ ---	\$ ---	\$ ---
Use of money and property	<u>72,010</u>	<u>23,335</u>	<u>172,248</u>	<u>120,075</u>	<u>212,519</u>	<u>112,588</u>
Total revenues	<u>44,773,492</u>	<u>43,204,500</u>	<u>172,248</u>	<u>120,075</u>	<u>212,519</u>	<u>112,588</u>
Expenditures:						
Current:						
General government	178,533	180,742	---	---	---	---
Individual and collective rights	3,932,189	5,039,748	---	---	---	---
Protection of life and property	5,834,626	3,978,563	---	---	---	---
Environmental protection	86,983	64,956	---	---	---	---
Recreation	3,278,210	3,039,761	---	---	---	---
Economic development	308,074	366,033	---	---	---	---
Payments to Guam Visitors Bureau	22,335,216	24,785,216	---	---	---	---
Payments to University of Guam	200,000	200,000	---	---	---	---
Payments to Guam Community College	24,154	24,154	---	---	---	---
Capital projects	---	---	733,897	3,479,722	---	---
Debt service:						
Principal	---	---	---	---	2,220,000	2,110,000
Interest	---	---	---	---	<u>4,774,750</u>	<u>4,885,775</u>
Total expenditures	<u>36,177,985</u>	<u>37,679,173</u>	<u>733,897</u>	<u>3,479,722</u>	<u>6,994,750</u>	<u>6,995,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,595,507</u>	<u>5,525,327</u>	(<u>561,649</u>)	(<u>3,359,647</u>)	(<u>6,782,231</u>)	(<u>6,883,187</u>)
Other financing sources (uses):						
Operating transfers in	---	---	---	---	6,994,750	7,145,927
Operating transfers out	(<u>6,994,750</u>)	(<u>7,145,927</u>)	---	---	---	---
Total other financing sources (uses), net	(<u>6,994,750</u>)	(<u>7,145,927</u>)	---	---	<u>6,994,750</u>	<u>7,145,927</u>
Net change in fund balances	1,600,757	(<u>1,620,600</u>)	(<u>561,649</u>)	(<u>3,359,647</u>)	212,519	262,740
Fund balances at the beginning of the year	(<u>173,865</u>)	<u>1,446,735</u>	<u>8,498,081</u>	<u>11,857,728</u>	<u>12,526,664</u>	<u>12,263,924</u>
Fund balances at the end of the year	\$ <u>1,426,892</u>	\$ (<u>173,865</u>)	\$ <u>7,936,432</u>	\$ <u>8,498,081</u>	\$ <u>12,739,183</u>	\$ <u>12,526,664</u>

Government of Guam
Tourist Attraction Fund
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Comparative Statements of Revenues, Expenditures by Object and Changes in Fund Balances

Years ended September 30, 2019 and 2018

	Tourist Attraction Fund		Capital Project Fund		Debt Service Fund	
	2019	2018	2019	2018	2019	2018
Revenue:						
Taxes	\$ 44,701,482	\$ 43,181,165	\$ ---	\$ ---	\$ ---	\$ ---
Use of money and property	<u>72,010</u>	<u>23,335</u>	<u>172,248</u>	<u>120,075</u>	<u>212,519</u>	<u>112,588</u>
Total revenues	<u>44,773,492</u>	<u>43,204,500</u>	<u>172,248</u>	<u>120,075</u>	<u>212,519</u>	<u>112,588</u>
Expenditures:						
Salaries and wages - regular	4,101,212	5,346,778	---	---	---	---
Salaries and wages - overtime	---	500,823	---	---	---	---
Salaries and wages - fringe benefits	1,468,185	1,515,131	---	---	---	---
Travel	37,528	25,292	---	---	---	---
Contractual services	2,428,349	1,727,079	278,850	974,254	---	---
Building rent	594,068	351,649	---	---	---	---
Supplies	1,288,963	815,299	---	---	---	---
Equipment	37,328	98,076	---	---	---	---
Workers compensation benefits	11,008	---	---	---	---	---
Grants and subsidies	22,559,370	25,009,370	---	---	---	---
Utilities - power and water	2,599,874	1,628,044	---	---	---	---
Communications	503,736	72,829	---	---	---	---
Capital outlays	42,058	79,140	455,047	2,505,468	---	---
Principal retirement	---	---	---	---	2,220,000	2,110,000
Interest and fiscal charges	---	---	---	---	4,774,750	4,885,775
Miscellaneous	<u>506,306</u>	<u>509,663</u>	---	---	---	---
Total expenditures	<u>36,177,985</u>	<u>37,679,173</u>	<u>733,897</u>	<u>3,479,722</u>	<u>6,994,750</u>	<u>6,995,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,595,507</u>	<u>5,525,327</u>	(561,649)	(3,359,647)	(6,782,231)	(6,883,187)
Other financing sources (uses):						
Operating transfers in	---	---	---	---	6,994,750	7,145,927
Operating transfers out	(6,994,750)	(7,145,927)	---	---	---	---
Total other financing sources (uses), net	(6,994,750)	(7,145,927)	---	---	6,994,750	7,145,927
Net change in fund balances	1,600,757	(1,620,600)	(561,649)	(3,359,647)	212,519	262,740
Fund balances at the beginning of the year	(173,865)	<u>1,446,735</u>	<u>8,498,081</u>	<u>11,857,728</u>	<u>12,526,664</u>	<u>12,263,924</u>
Fund balances at the end of the year	\$ <u>1,426,892</u>	\$(<u>173,865</u>)	\$ <u>7,936,432</u>	\$ <u>8,498,081</u>	\$ <u>12,739,183</u>	\$ <u>12,526,664</u>

Government of Guam
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Schedule of Expenditures by Department by Object

Years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Office of I Maga'lhen Guahan:		
Office of Veteran's Affairs:		
Supplies	\$ ---	\$ 1,048
Department of Administration:		
Commission on Chamorro Language and the teaching of the History and Culture of the Indigenous People of Guam:		
Salaries and wages - regular	68,205	3,669
Salaries and wages - fringe benefits	21,917	1,112
Travel	6,544	17,703
Contractual services	26,513	76,628
Supplies	4,482	24,204
Equipment	6,515	9,593
Miscellaneous	5,280	4,428
	<u>139,456</u>	<u>137,337</u>
Division of Accounts:		
Contractual services	20,500	20,500
Principal retirement	2,220,000	2,110,000
Interest and fiscal charges	4,774,750	4,885,775
Miscellaneous	18,577	18,577
	<u>7,033,827</u>	<u>7,034,852</u>
Total Department of Administration	<u>7,173,283</u>	<u>7,172,189</u>
Department of Revenue and Taxation:		
Office of the Director:		
Contractual services	---	3,277
Guam Fire Department:		
Office of the Chief:		
Salaries and wages - overtime	---	500,499
Travel	---	3,487
Contractual services	327	140,509
Building rent	---	148,200
Supplies	295,708	---
Utilities - power and water	309,420	309,196
Communications	9,856	4,489
Miscellaneous	---	95,493
	<u>615,311</u>	<u>1,201,873</u>
Total Guam Fire Department	<u>615,311</u>	<u>1,201,873</u>
Guam Police Department:		
Tumon-Tamuning Precinct:		
Salaries and wages - regular	1,796,829	2,027,408
Salaries and wages - fringe benefits	559,358	671,177
Travel	27,657	---
Contractual Services	750,704	---
Building rent	501,965	---
Supplies	322,041	19,527
Equipment	---	18,079
Workers compensation benefits	11,008	---
Utilities - power and water	668,731	---
Communications	358,852	---
Capital outlays	---	40,500
Miscellaneous	222,170	---
	<u>5,219,315</u>	<u>2,776,691</u>
Total Guam Police Department	<u>5,219,315</u>	<u>2,776,691</u>
Department of Agriculture:		
Invasive Species:		
Salaries and wages - regular	32,295	67,186
Salaries and wages - overtime	---	153
Salaries and wages - fringe benefits	13,374	28,636
Contractual services	435	1,606
Supplies	---	2,515
Utilities - power and water	133,722	112,857
Communications	7,296	5,472
Miscellaneous	449	---
	<u>187,571</u>	<u>218,425</u>

Government of Guam
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Schedule of Expenditures by Department by Object, continued

Years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Department of Agriculture, continued		
Animal Control:		
Salaries and wages - regular	77,309	99,782
Salaries and wages - overtime	---	171
Salaries and wages - fringe benefits	35,768	39,146
Travel	3,327	4,102
Contractual services	---	827
Supplies	2,699	3,580
Miscellaneous	1,400	---
	<u>120,503</u>	<u>147,608</u>
Total Department of of Agriculture	<u>308,074</u>	<u>366,033</u>
Guam Environmental Protection Agency:		
Beach Monitoring:		
Salaries and wages - regular	48,089	30,087
Salaries and wages - fringe benefits	16,272	10,511
Supplies	22,622	24,359
	<u>86,983</u>	<u>64,957</u>
Department of Parks and Recreation:		
Office of the Director:		
Salaries and wages - regular	448,027	465,601
Salaries and wages - fringe benefits	138,012	160,598
Contractual services	35,878	78,092
Supplies	15,814	15,817
Utilities - power and water	413,594	9,063
Communications	26,559	34,130
	<u>1,077,884</u>	<u>763,301</u>
Maintenance and Repair of Public Restrooms:		
Salaries and wages - regular	292,803	---
Salaries and wages - fringe benefits	109,265	---
Contractual services	107,239	389,073
Supplies	---	25,165
Utilities - power and water	65,624	403,181
	<u>574,931</u>	<u>817,419</u>
Memorial Services:		
Salaries and wages - regular	---	22,400
Salaries and wages - fringe benefits	---	6,205
	<u>---</u>	<u>28,605</u>
Community Programs:		
Salaries and wages - regular	231,653	225,811
Salaries and wages - fringe benefits	83,490	79,965
	<u>315,143</u>	<u>305,776</u>
Pool and Beach:		
Salaries and wages - regular	196,372	234,234
Salaries and wages - fringe benefits	69,416	83,525
Contractual services	404,329	---
	<u>670,117</u>	<u>317,759</u>
Paseo Stadium:		
Salaries and wages - regular	73,330	66,890
Salaries and wages - fringe benefits	30,711	25,148
	<u>104,041</u>	<u>92,038</u>
Parks Administration and Planning:		
Salaries and wages - regular	15,644	50,091
Salaries and wages - fringe benefits	5,051	17,602
	<u>20,695</u>	<u>67,693</u>
Historic Preservation Division:		
Salaries and wages - regular	257,094	5,259
Salaries and wages - fringe benefits	88,105	2,153
Supplies	7,740	---
Contractual services	40,588	---
	<u>393,527</u>	<u>7,412</u>
Parks Maintenance:		
Salaries and wages - regular	---	366,973
Salaries and wages - fringe benefits	---	141,420
	<u>---</u>	<u>508,393</u>

Government of Guam
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Schedule of Expenditures by Department by Object, continued

Years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Department of Park and Recreation, continued		
Territorial Park Protection:		
Salaries and wages - regular	94,200	100,526
Salaries and wages - fringe benefits	<u>27,672</u>	<u>30,839</u>
	<u>121,872</u>	<u>131,365</u>
Total Department of Park and Recreation	<u>3,278,210</u>	<u>3,039,761</u>
Mayors' Council of Guam:		
Operations:		
Salaries and wages - regular	39,139	969,241
Salaries and wages - fringe benefits	129,636	692
Contractual services	14,736	8,203
Building rent	57,834	---
Supplies	15,140	---
Equipment	1,285	---
Utilities - power and water	949,286	544,380
Communications	65,363	---
Capital outlays	---	14,500
Miscellaneous	<u>6,331</u>	<u>---</u>
	<u>1,278,750</u>	<u>1,537,016</u>
Island-wide Village Beautification:		
Contractual services	82,210	123,406
Supplies	209,010	240,124
Equipment	15,516	27,714
Capital outlays	<u>6,999</u>	<u>---</u>
	<u>313,735</u>	<u>391,244</u>
Village Street Maintenance and Beautifications:		
Contractual services	196,590	287,667
Supplies	392,406	443,082
Equipment	14,012	34,488
Communications	32,708	28,738
Capital outlays	35,059	24,141
Miscellaneous	<u>69,620</u>	<u>81,605</u>
	<u>740,395</u>	<u>899,721</u>
Annual Massacre Memorial Event:		
Contractual services	1,000	21,709
Supplies	---	7,700
Miscellaneous	<u>---</u>	<u>1,646</u>
	<u>1,000</u>	<u>31,055</u>
Total Mayors' Council of Guam	<u>2,333,880</u>	<u>2,859,036</u>
Council on the Arts and Humanities:		
Operations:		
Salaries and wages - regular	---	100,168
Salaries and wages - fringe benefits	---	35,694
Supplies	---	3,885
Contractual services	14,593	---
Communications	3,102	---
Miscellaneous	<u>147,747</u>	<u>275,178</u>
	<u>165,442</u>	<u>414,925</u>
Guam Territorial Band:		
Miscellaneous	<u>33,982</u>	<u>32,733</u>
Total Council on the Arts and Humanities	<u>199,424</u>	<u>447,658</u>
Department of Chamorro Affairs:		
Office of the Director:		
Salaries and wages - regular	150,432	152,995
Salaries and wages - fringe benefits	45,759	53,294
Contractual services	8,723	33,785
Building rent	7,178	43,068
Supplies	1,301	4,293
Utilities - power and water	59,497	---
Miscellaneous	<u>750</u>	<u>---</u>
	<u>273,640</u>	<u>287,435</u>

Government of Guam
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Schedule of Expenditures by Department by Object, continued

Years ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Department of Chamorro Affairs, Continued		
Chamorro Village:		
Salaries and wages - regular	114,218	155,410
Salaries and wages - fringe benefits	40,055	56,327
	<u>154,273</u>	<u>211,737</u>
Hagatna Restoration and Redevelopment:		
Salaries and wages - regular	68,131	67,870
Salaries and wages - fringe benefits	21,971	22,749
Building rent	27,091	40,626
	<u>117,193</u>	<u>131,245</u>
Guam Museum:		
Salaries and wages - regular	97,442	135,177
Salaries and wages - fringe benefits	32,353	48,339
Contractual services	723,984	550,000
Building rent	---	119,755
Utilities - power and water	---	249,367
	<u>853,779</u>	<u>1,102,638</u>
Total Department of Chamorro Affairs	<u>1,398,885</u>	<u>1,733,055</u>
Restoration of Pale San Vitores Road:		
Contractual services	---	78,500
Guam Museum		
Contractual services	44,004	55,932
Capital outlays	56,173	1,071,877
Total Guam Museum	<u>100,177</u>	<u>1,127,809</u>
San Vitores Flooding:		
Contractual services	23,104	157,958
Capital outlays	125,237	517,067
Total San Vitores Flooding	<u>148,341</u>	<u>675,025</u>
Hagatna Master Plan:		
Contractual services	196,297	556,604
Capital outlays	176,000	176,000
Total Hagatna Master Plan	<u>372,297</u>	<u>732,604</u>
Improvement/Construction of Fisherman's Coop:		
Capital outlays	---	450,000
Tumon Bay Improvements:		
Contractual services	15,445	125,260
Capital outlays	97,637	290,524
Total Hagatna Master Plan	<u>113,082</u>	<u>415,784</u>
Guam Visitors Bureau:		
Grants and subsidies	<u>22,335,216</u>	<u>24,785,216</u>
University of Guam:		
Grants and subsidies	<u>200,000</u>	<u>200,000</u>
Guam Community College:		
Grants and subsidies	<u>24,154</u>	<u>24,154</u>
	<u>\$ 43,906,632</u>	<u>\$ 48,154,670</u>

Government of Guam
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Schedule of Construction Project Status

Year ended September 30, 2019

	Total Budget	Expenditures Year ended September 30, 2019	Cumulative Expenditures	Outstanding Encumbrances	Continuing Appropriations
Tumon Bay Capital Projects:					
Reconstruction of Pale San Vitores Road	\$ 3,476,119	\$ ---	\$ 3,421,749	\$ ---	\$ 54,370
Sub-Total	<u>3,476,119</u>	<u>---</u>	<u>3,421,749</u>	<u>---</u>	<u>54,370</u>
Development of the Guam and Chamorro Educational Facility:					
GEDA - RW Armstrong Consulting Fee	2,866,286	---	2,866,286	---	---
Sub-Total	<u>2,866,286</u>	<u>---</u>	<u>2,866,286</u>	<u>---</u>	<u>---</u>
GEDA Projects:					
Guam and Chamorro Educational Facility	26,863,130	100,177	19,725,284	182,313	6,955,533
Historic Hagatna Projects	1,389,855	---	1,367,837	---	22,018
Crosswalk from Skinner Plaza to Chamorro Village	198,409	---	42,483	---	155,926
Inarajan Community Center Restoration	836,618	---	836,502	---	116
Malesso Bell Tower Restoration and Rehabilitation	362,013	---	70,778	---	291,235
Design/Construction of Guam Farmer's Cooperative Association Facility and Dededo Flea Market Relocation	3,817,097	---	3,596,234	---	220,863
Design/Construction of Village Entrance Signs for 19 Municipalities	427,998	---	427,998	---	---
Tumon Bay Improvements	744,523	113,082	910,714	11,989	(178,180)
Pale San Vitores Road Streetlight Renovation	601	---	601	---	---
Primary or Supplemental Funding for Hagatna Master Plan Projects	6,076,732	372,297	1,339,901	4,715,147	21,684
Other HOT Bond projects	10,675,325	---	---	---	10,675,325
San Vitores Flooding	4,033,339	148,341	2,593,285	24,563	1,415,491
Historic Monument and Plaza Commemorating Ferdinand Magellan's visit to Umatac Bay	188,254	---	33,954	---	154,300
Improve Public Facilities Near Fish Eye Pier	128,821	---	128,821	---	---
Mangilao Public Market Improvements	52,466	---	52,466	---	---
Agana Bay Vicinity Streetlight Renovation	421	---	421	---	---
Restoration and Repair of Scenic Byways, Overlooks and Historic Sites	608,386	---	608,386	---	---
Design and Construction of Permanent Monument for Senator Angel Santos Park	201,599	---	201,599	---	---
Scenic and Informational Highway Signs	4,209	---	4,209	---	---
Hagatna Tennis Court Improvements	157,254	---	157,254	---	---
Hagatna Pool Improvements	145,748	---	145,748	---	---
Public Park at Faijai and Gognga	14,374	---	14,374	---	---
Nimitz Beach Improvements	268,929	---	268,929	---	---
Guam Fishermen's Cooperative	2,000,000	---	900,000	1,100,000	---
Dock Facility	1,003,478	---	---	1,003,478	---
Guam Preservation Trust Reimbursement	4,288,811	---	4,288,811	---	---
Sub-Total	<u>64,488,390</u>	<u>733,897</u>	<u>37,716,589</u>	<u>7,037,490</u>	<u>19,734,311</u>
	<u>\$ 70,830,795</u>	<u>\$ 733,897</u>	<u>\$ 44,004,624</u>	<u>\$ 7,037,490</u>	<u>\$ 19,788,681</u>