

**GOVERNMENT OF GUAM**

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**GENERAL PURPOSE FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION AND  
INDEPENDENT AUDITORS' REPORT**

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**YEAR ENDED SEPTEMBER 30, 2000**

# GOVERNMENT OF GUAM

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Carl T.C. Gutierrez  
Governor  
Government of Guam:

We have audited the accompanying general purpose financial statements of the Government of Guam, as set forth in Section II of the foregoing table of contents, as of and for the year ended September 30, 2000. These general purpose financial statements are the responsibility of the management of the Government of Guam. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Guam Housing Corporation, the Guam Rental Corporation, the Guam Power Authority, the Guam Housing and Urban Renewal Authority and the Guam Educational Telecommunications Corporation which represent 6.0%, 0.6%, 36.8%, 2.5% and 0.2%, respectively, of the total assets and 0.4%, 0.2%, 46.7%, 4.6% and 0.2%, respectively, of the total operating revenues of the Component Units - Proprietary Funds. 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 Component Units - Proprietary Funds, is based solely on the reports of the other auditors.

Except as discussed in the following paragraphs, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

The Department of Revenue and Taxation has taken the position that access to tax records and documents is to be restricted because of the confidentiality of that information. While we were able to access required data in a manner that would be acceptable to the Department of Revenue and Taxation, this data lacked details sufficient for us to perform procedures to satisfy ourselves as to the effectiveness of the systems surrounding tax related balances, nor could we perform other procedures to enable us to satisfy ourselves with respect to tax related balances in the accompanying general purpose financial statements. Also, we were unable to obtain written representations from the Department of Revenue and Taxation with respect to additional tax related liabilities, if any, which may be unrecorded. In addition, the amount required, if any, to adjust the provision for tax refunds could not be determined.

General fund expenditures recorded for public education only include amounts transferred from the general fund to the Department of Education (DOE) and not the actual expenditures incurred by DOE, due to the non-availability of financial information from that entity. Financial statements were not available for the prior or current financial presentation. In addition, P.L. 25-03 sect. 18, passed in fiscal year 1999 reverts control of the DOE to the executive branch of GovGuam as a line agency. We were unable to apply audit procedures to DOE balances due to the non-availability of financial information.

General fund continuing appropriations were not properly substantiated by supporting detailed schedules and therefore we were not able to apply audit procedures to satisfy ourselves as to the adequacy of the continuing appropriation account balance.

The General Fixed Assets Account Group has only recorded assets acquired during fiscal years 1987 and thereafter. Assets acquired prior to fiscal year 1987 and disposals since fiscal year 1987 have not been recorded. We were unable to ensure the physical presence of recorded assets and the Government has not performed a comprehensive inventory of its fixed assets or of its land holdings.

The General Long-Term Debt Account Group does not have an amount recorded as a long-term liability for the closure and post-closure costs of the local solid waste landfill as required by the Governmental Accounting Standards Board (GASB) Statement No. 18. No cost analysis associated with the closure and post-closure of the landfill is available and we were not able to satisfy ourselves with respect to the amount of the costs, if any, which should be recorded in the General Long-Term Debt Account Group.

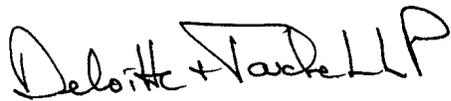
Our audit of the general purpose financial statements did not include the financial activities of the Tourist Attraction Fund which represent 13.3%, 41.7% and 53.8% of the total assets and 11.7%, 38.5% and 37.7% of the revenues of the Special Revenue Funds, the Debt Service Funds (Ltd. Obligation Infrastructure Improvement Bond) and the Capital Projects Fund (Infrastructure Improvement Bond Fund) – all Governmental Fund Types, and 18.1% of the notes payable and bonds payable in the General Long-Term Debt Account Group, the Port Authority of Guam (PAG), a component unit – proprietary fund, which represents 3.2% and 4.6% of the total assets and operating revenues of the Component Units – Proprietary Funds and the Guam Preservation Trust Fund which represents 7.8% and 82.3%, respectively, of total assets and revenues of the Fiduciary Fund Type - Expendable Trust Funds.

The general purpose financial statements referred to above do not include the Pension Trust Fund, the Guam Council on the Arts and Humanities Agency (CAHA), a special revenue fund and the Guam Visitors' Bureau (GVB), a component unit – proprietary fund which, in our opinion, should be included in order to conform with accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, except for the effects on the general purpose financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to access Revenue and Taxation records, had we been able to apply audit procedures to DOE balances, had we been able to apply audit procedures to satisfy ourselves as to the adequacy of the general fund continuing appropriation account balance, had we been able to assure ourselves as to the propriety of the General Fixed Assets Account Group, had we been able to determine the amount to be recorded for the closure and post-closure costs of the solid waste landfill in the General Long-Term Debt Account Group, had we audited the financial statements of the Tourist Attraction Fund, PAG and the Guam Preservation Trust Fund, as discussed in the third through eighth paragraphs above, and the omission of the Pension Trust Fund, CAHA and GVB as discussed in the ninth paragraph, such general purpose financial statements, as set forth in Section II of the table of contents, with the exception of the General Fixed Assets Account Group upon which we are unable to express an opinion because of the matters set forth in the sixth paragraph above, present fairly, in all material respects, the financial position of the Government of Guam, as of September 30, 2000, and the results of its operations and the cash flows of its Proprietary Fund Types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in Section III of the forgoing table of contents, which are also the responsibility of the management of the Government of Guam, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Government of Guam. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, except for the effect of the items described in the third through eighth paragraphs above and the omissions discussed in the ninth paragraph, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2001 on our consideration of the Government of Guam's (primary government only) internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

October 31, 2001

**GOVERNMENT OF GUAM**

Combined Balance Sheet  
All Fund Types, Account Groups and Discretely Presented Component Units  
September 30, 2000  
(With Comparative Totals As Of September 30, 1999)

ASSETS	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Higher Education Funds	Totals Primary Government (Memorandum Only)	Component Units Proprietary Funds	Totals Reporting Entity (Memorandum Only)	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Expendable Trust	Agency Fund	General Fixed Assets	General Long-Term Debt	College and University			2000	1999
Cash and equivalents	\$ 84,064,334	\$ 23,235,784	\$ 37,200,756	\$ 58,081,487	\$ 4,739,202	\$ 2,453,635	\$ 5,508,665	\$ -	\$ -	\$ -	\$ 1,429,806	\$ 216,713,669	\$ 38,944,262	\$ 255,657,931	\$ 232,495,670
Investments	-	-	37,192,362	-	-	-	-	-	-	-	15,286,638	52,479,000	9,214,401	61,693,401	66,030,194
Taxes receivable, net	86,739,434	36,958,607	-	-	-	-	-	-	-	-	-	123,698,041	-	123,698,041	121,631,196
Receivables, net	3,129,966	18,852,390	4,452,009	-	932,586	1,457	7,116,116	-	-	-	5,204,581	39,689,105	135,249,930	174,939,035	203,737,437
Receivables from federal agencies	791,324	52,511,532	-	-	-	-	-	-	-	-	920,980	54,223,836	33,686,178	87,910,014	25,853,588
Interfund receivables, net	89,681,569	41,696,725	9,281,841	39,825,950	-	595,401	8,855,079	-	-	-	-	189,936,565	-	189,936,565	122,857,124
Other receivables	-	-	-	-	-	-	-	-	-	-	2,938,875	2,938,875	-	2,938,875	806,250
Notes receivable	-	-	-	-	-	-	41,090	-	-	-	-	41,090	23,879	64,969	11,386
Inventories	-	13,009,652	-	-	-	9,642,892	-	-	-	-	684,934	23,337,478	48,936,603	72,274,081	61,293,051
Prepayments	-	-	-	-	-	-	111,868	-	-	-	712,642	824,510	6,750,218	7,574,728	3,285,146
Deposits and other assets	-	177,126	-	-	-	430,394	-	13,514,489	-	-	-	14,122,009	52,926,504	67,048,513	27,443,981
	<u>264,406,627</u>	<u>186,441,816</u>	<u>88,126,968</u>	<u>97,907,437</u>	<u>5,671,788</u>	<u>13,123,779</u>	<u>21,632,818</u>	<u>13,514,489</u>	<u>-</u>	<u>-</u>	<u>27,178,456</u>	<u>718,004,178</u>	<u>325,731,975</u>	<u>1,043,736,153</u>	<u>865,445,023</u>
Restricted assets (note 10)	-	-	-	-	-	-	-	-	-	-	3,107,393	3,107,393	230,163,937	233,271,330	249,526,903
Fixed assets (net, where applicable, of accumulated depreciation):															
Support assets	-	-	-	-	-	-	-	-	182,374,209	-	12,240,233	194,614,442	74,313,595	268,928,037	239,459,295
Capital leases and improvements	-	-	-	-	-	-	-	-	-	-	-	-	3,514,697	3,514,697	3,514,742
Building and improvements	-	-	-	-	-	-	-	-	128,660,889	-	89,421,250	218,082,139	235,763,254	453,845,393	325,077,396
Plant in service	-	-	-	-	-	-	-	-	-	-	-	-	1,427,657,114	1,427,657,114	1,401,990,042
	-	-	-	-	-	-	-	-	311,035,098	-	101,661,483	412,696,581	1,741,248,660	2,153,945,241	1,970,041,475
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	34,407,046	34,407,046	596,590,060	630,997,106	496,550,579
	-	-	-	-	-	-	-	-	311,035,098	-	67,254,437	378,289,535	1,144,658,600	1,522,948,135	1,473,490,896
Construction-in-progress	-	-	-	-	-	-	-	-	-	-	2,238,263	2,238,263	137,478,061	139,716,324	111,647,851
Land	-	-	-	-	-	-	-	-	8,273,639	-	2,589,112	10,862,751	27,697,499	38,560,250	24,870,747
Other	-	-	-	-	-	-	-	-	358,857	-	-	358,857	2,440,190	2,799,047	2,962,330
	-	-	-	-	-	-	-	-	319,667,594	-	72,081,812	391,749,406	1,312,274,350	1,704,023,756	1,612,971,824
Other debits:															
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	590,454,148	130,000	590,584,148	28,288,000	618,872,148	614,291,399
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	34,167,660	-	34,167,660	-	34,167,660	40,532,167
Total assets	<u>\$ 264,406,627</u>	<u>\$ 186,441,816</u>	<u>\$ 88,126,968</u>	<u>\$ 97,907,437</u>	<u>\$ 5,671,788</u>	<u>\$ 13,123,779</u>	<u>\$ 21,632,818</u>	<u>\$ 13,514,489</u>	<u>\$ 319,667,594</u>	<u>\$ 624,621,808</u>	<u>\$ 102,497,661</u>	<u>\$ 1,737,612,785</u>	<u>\$ 1,896,458,262</u>	<u>\$ 3,634,071,047</u>	<u>\$ 3,382,767,316</u>

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM**

Combined Balance Sheet, Continued  
 All Fund Types, Account Groups and Discretely Presented Component Units  
 September 30, 2000  
 (With Comparative Totals As Of September 30, 1999)

LIABILITIES AND FUND EQUITY (DEFICIENCY)	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Higher Education Funds	Totals Primary Government (Memorandum Only)	Component Units Proprietary Funds	Totals Reporting Entity (Memorandum Only)	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Expendable Trust	Agency Fund	General Fixed Assets	General Long-Term Debt	College and University			2000	1999
<b>Liabilities:</b>															
Bank overdraft	\$ 4,001,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,001,578	\$ -	\$ 4,001,578	\$ 707,753
Current portion of long-term debt (note 2)	-	-	-	-	-	-	-	-	-	-	-	-	22,453,954	22,453,954	13,828,075
Notes payable (note 2)	-	-	-	-	-	-	-	-	-	-	-	-	29,917,174	29,917,174	26,217,174
Notes payable and bonds payable (note 2)	-	-	-	-	-	-	-	-	-	-	-	-	859,700,956	1,276,191,253	1,295,896,271
Accounts payable	52,752,114	319,417	522,638	-	-	-	3,425,791	-	-	415,830,297	660,000	416,490,297	99,226,184	163,618,567	100,432,707
Accrued payroll and other	19,722,139	4,592,475	1,174,022	2,000	-	-	630,572	-	-	-	7,372,423	64,392,383	9,957,977	39,667,127	43,913,176
Interfund payables	30,950,629	79,409,094	10,882,573	61,667,595	5,192,715	1,102,109	731,850	-	-	-	3,587,942	29,709,150	189,936,565	189,936,565	124,834,040
Payable to federal agencies	-	10,147,287	-	-	-	-	-	-	-	-	-	10,147,287	-	8,586,723	18,048,613
Deferred revenue	130,193,218	50,939,961	3,442,130	-	-	-	6,108,770	-	-	-	-	195,311,862	6,993,865	202,305,727	195,986,266
Provision for tax refunds	95,823,388	10,636,465	-	-	-	-	5,192,014	-	-	-	1,939,815	113,591,682	-	113,591,682	109,679,198
Deposits and other liabilities	24,101,684	595,292	-	-	91,037	465,000	4,294,727	13,514,489	-	-	-	43,062,229	34,006,639	77,068,868	64,444,904
Vacation leave accrual	6,694,296	-	-	-	-	-	-	-	-	-	-	19,692,517	8,237,310	27,929,827	29,568,618
Contracts and leases	-	-	-	-	-	-	-	-	-	-	1,056,954	1,056,954	4,216,107	5,273,061	8,824,645
Accrued unfunded retirement liability (note 5)	-	-	-	-	-	-	-	-	-	195,793,290	-	195,793,290	63,300,705	259,093,995	245,344,133
<b>Total liabilities</b>	<b>364,239,046</b>	<b>156,639,991</b>	<b>16,021,363</b>	<b>61,669,595</b>	<b>5,283,752</b>	<b>1,567,109</b>	<b>20,383,724</b>	<b>13,514,489</b>	<b>-</b>	<b>624,621,808</b>	<b>19,244,917</b>	<b>1,283,185,794</b>	<b>1,146,597,594</b>	<b>2,429,783,388</b>	<b>2,277,725,573</b>
<b>Fund equity (deficiency):</b>															
Investment in general fixed assets	-	-	-	-	-	-	-	-	319,667,594	-	70,054,858	389,722,452	-	389,722,452	383,575,855
Contributed capital:															
Government of Guam	-	-	-	-	-	-	-	-	-	-	-	-	210,477,995	210,477,995	178,282,942
Federal government	-	-	-	-	-	8,212,794	-	-	-	-	-	8,212,794	171,549,178	179,761,972	163,448,706
In aid of construction	-	-	-	-	-	-	-	-	-	-	-	-	96,703,745	96,703,745	60,622,485
Other agencies	-	-	-	-	-	-	-	-	-	-	-	-	1,563,379	1,563,379	-
Retained earnings:															
Restricted	-	-	-	-	2,556,217	981,557	-	-	-	-	-	3,537,774	5,893,621	9,431,395	6,678,499
Unrestricted	-	-	-	-	(2,168,181)	2,362,319	-	-	-	-	-	194,138	263,672,750	263,866,888	253,564,805
Fund balances:															
Reserved for:															
Specific purposes	-	-	694,312	-	-	-	-	-	-	-	645,843	1,340,155	-	1,340,155	1,894,563
Debt service	11,730,566	-	-	34,167,660	-	-	-	-	-	-	130,000	46,028,226	-	46,028,226	38,190,845
Related assets (note 9)	48,858	13,918,930	-	2,070,182	-	-	200	-	-	-	-	16,038,170	-	16,038,170	14,627,460
Encumbrances	12,053,284	44,234,932	4,026,331	-	-	-	10,260	-	-	-	-	60,324,807	-	60,324,807	79,006,103
Continuing appropriations	8,665,562	69,682,261	50,769,182	-	-	-	194,936	-	-	-	-	129,311,941	-	129,311,941	158,153,618
Unreserved (deficit)	(132,330,689)	(98,034,298)	16,615,780	-	-	-	1,043,698	-	-	-	12,422,043	(200,283,466)	-	(200,283,466)	(233,004,138)
<b>Fund equity (deficiency)</b>	<b>(99,832,419)</b>	<b>29,801,825</b>	<b>72,105,605</b>	<b>36,237,842</b>	<b>388,036</b>	<b>11,556,670</b>	<b>1,249,094</b>	<b>-</b>	<b>319,667,594</b>	<b>-</b>	<b>83,252,744</b>	<b>454,426,991</b>	<b>749,860,668</b>	<b>1,204,287,659</b>	<b>1,105,041,743</b>
Commitments and contingencies (note 3)															
<b>Total liabilities and fund equity (deficiency)</b>	<b>\$ 264,406,627</b>	<b>\$ 186,441,816</b>	<b>\$ 88,126,968</b>	<b>\$ 97,907,437</b>	<b>\$ 5,671,788</b>	<b>\$ 13,123,779</b>	<b>\$ 21,632,818</b>	<b>\$ 13,514,489</b>	<b>\$ 319,667,594</b>	<b>\$ 624,621,808</b>	<b>\$ 102,497,661</b>	<b>\$ 1,737,612,785</b>	<b>\$ 1,896,458,262</b>	<b>\$ 3,634,071,047</b>	<b>\$ 3,382,767,316</b>

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM**

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)  
 All Governmental Fund Types and Expendable Trust Funds  
 Year Ended September 30, 2000  
 (With Comparative Totals For The Year Ended September 30, 1999)

	Governmental Fund Types				Fiduciary	Totals	
	General	Special Revenue	Capital Projects	Debt Service	Expendable Trust	Reporting Entity (Memorandum Only)	
						2000	1999
Revenues:							
Taxes	\$ 421,543,409	\$ 47,123,965	\$ -	\$ -	\$ -	\$ 468,667,374	\$ 451,867,739
Licenses, fees and permits	2,106,075	19,128,211	-	-	885,391	22,119,677	20,364,132
Use of money and property	2,301,461	1,742,821	6,204,466	2,161,091	4,328	12,414,167	21,178,453
Federal contributions	52,984,077	102,273,954	-	-	-	155,258,031	165,273,748
Other	1,615,406	3,531,377	-	-	245,041	5,391,824	5,926,657
<b>Total revenues</b>	<b>480,550,428</b>	<b>173,800,328</b>	<b>6,204,466</b>	<b>2,161,091</b>	<b>1,134,760</b>	<b>663,851,073</b>	<b>664,610,729</b>
Expenditures:							
General government	39,495,103	20,004,471	-	-	165,259	59,664,833	63,798,027
Protection of life and property	57,828,205	22,290,353	-	-	5,268,984	85,387,542	94,003,925
Public health	17,649,709	15,645,138	913,740	-	-	34,208,587	34,069,675
Community services	5,056,079	16,646,741	245,431	-	1,290,898	23,239,149	23,932,864
Recreation	4,569,199	1,092,102	406,108	-	-	6,067,409	15,031,202
Individual and collective rights	10,656,529	26,953,783	-	-	3,636,205	41,246,517	42,832,820
Transportation	2,779,300	31,554,269	1,075,263	-	-	35,408,832	34,840,244
Public education	165,000,972	3,528,166	664,161	-	-	169,193,299	154,487,172
Environmental protection	919,910	3,576,170	209,807	-	-	4,705,887	22,056,253
Economic development	4,289,191	7,517,911	3,328,939	-	-	15,136,041	20,627,546
Transfers to persons	22,242,616	44,957,168	-	-	-	67,199,784	59,697,551
Capital projects	4,359,598	-	2,916,611	-	-	7,276,209	2,400,289
Debt service:							
Principal retirement	-	-	3,000,000	23,605,000	-	26,605,000	29,180,000
Interest and fiscal charges	1,742,705	-	-	22,534,283	-	24,276,988	24,852,892
<b>Total expenditures</b>	<b>336,589,116</b>	<b>193,766,272</b>	<b>12,760,060</b>	<b>46,139,283</b>	<b>10,361,346</b>	<b>599,616,077</b>	<b>621,810,460</b>
Excess (deficiency) of revenues over (under) expenditures	143,961,312	(19,965,944)	(6,555,594)	(43,978,192)	(9,226,586)	64,234,996	42,800,269
Other financing sources (uses):							
Additions to long-term debt (note 2)	25,000,000	-	-	-	-	25,000,000	-
Transfers in (notes 4 and 7)	22,319,574	107,602,525	-	70,460,093	3,659,381	204,041,573	196,708,851
Transfers out (note 7)	(167,899,729)	(88,400,239)	-	(30,660,927)	(44,533)	(287,005,428)	(293,759,299)
Other sources	349,316	1,796,658	246,924	-	-	2,392,898	155,103
Other uses	(14,624,872)	(42,181)	(1,114)	(115,299)	(76,372)	(14,859,838)	(269,324)
<b>Total other financing sources (uses), net</b>	<b>(134,855,711)</b>	<b>20,956,763</b>	<b>245,810</b>	<b>39,683,867</b>	<b>3,538,476</b>	<b>(70,430,795)</b>	<b>(97,164,669)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	9,105,601	990,819	(6,309,784)	(4,294,325)	(5,688,110)	(6,195,799)	(54,364,400)
Fund balances (deficit) at beginning of year (note 6)	(108,938,020)	28,811,006	78,415,389	40,532,167	6,937,204	45,757,746	99,964,584
Fund balances (deficit) at end of year	\$ (99,832,419)	\$ 29,801,825	\$ 72,105,605	\$ 36,237,842	\$ 1,249,094	\$ 39,561,947	\$ 45,600,184

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM**

Statement of Revenues, Expenditures and Changes in Deficit  
Budget and Actual (Budgetary Basis)  
General Fund  
Year Ended September 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 398,867,633	\$ 421,543,409	\$ 22,675,776
Licenses, fees and permits	1,200,000	2,106,075	906,075
Use of money and property	2,000,000	2,301,461	301,461
Federal contributions	47,400,000	52,984,077	5,584,077
Other	1,400,000	1,615,406	215,406
Total revenues	450,867,633	480,550,428	29,682,795
<b>Expenditures - Budgetary Basis</b>			
General Government	39,900,149	39,495,103	405,046
Protection of Life and Property	60,716,313	57,828,205	2,888,108
Community services	5,703,093	5,056,079	647,014
Recreation	4,660,836	4,569,199	91,637
Public Health	44,187,037	17,649,709	26,537,328
Individual and Collective Rights	12,884,537	10,656,529	2,228,008
Transportation	3,771,087	2,779,300	991,787
Public Education	165,437,957	165,000,972	436,985
Environmental Protection	1,171,306	919,910	251,396
Economic Development	4,951,992	4,289,191	662,801
Transfers to persons	25,841,920	22,242,616	3,599,304
Capital Projects	5,184,022	4,359,598	824,424
Interest and fiscal charges	-	1,742,705	(1,742,705)
Total expenditures	374,410,249	336,589,116	37,821,133
Excess of revenues over expenditures	76,457,384	143,961,312	67,503,928
<b>Other financing sources (uses):</b>			
Addition to long term debt	20,000,000	25,000,000	5,000,000
Transfers in (notes 4 and 7)	-	22,319,574	22,319,574
Transfers out (note 7)	(161,742,941)	(167,899,729)	(6,156,788)
Other sources	-	349,316	349,316
Other uses	-	(14,624,872)	(14,624,872)
Total other financing sources (uses), net	(141,742,941)	(134,855,711)	6,887,230
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(65,285,557)	9,105,601	74,391,158
Deficit at beginning of year	(108,938,020)	(108,938,020)	-
Deficit at end of year	\$ (174,223,577)	\$ (99,832,419)	\$ 74,391,158

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Combined Statement of Revenues, Expenses and Changes in  
Fund Equity - All Proprietary Fund Types  
and Discretely Presented Component Units  
Year Ended September 30, 2000  
(With comparative totals for the year ended September 30, 1999)

	Proprietary Fund Types		Totals	Component	Totals	
	Enterprise	Internal Service	Primary Government (Memorandum Only)	Units Proprietary Funds	Reporting Entity (Memorandum Only)	
					2000	1999
Operating revenues:						
Charges for services	\$ -	\$ -	\$ -	\$ 424,826,897	\$ 424,826,897	\$ 369,230,100
Contributions	-	-	-	20,685,395	20,685,395	1,190,324
Licenses, fees and permits	-	-	-	674,394	674,394	615,743
Investment earnings and interest	-	26,622	26,622	1,968,603	1,995,225	2,150,376
Use of money and property	53,597	-	53,597	-	53,597	133,562
Rental charges	5,221,844	-	5,221,844	15,336,307	20,558,151	10,399,846
Other	-	1,720,898	1,720,898	11,677,758	13,398,656	10,432,363
<b>Total operating revenues</b>	<b>5,275,441</b>	<b>1,747,520</b>	<b>7,022,961</b>	<b>475,169,354</b>	<b>482,192,315</b>	<b>394,152,314</b>
Operating expenses:						
Production and operations	1,799,261	-	1,799,261	251,884,828	253,684,089	191,667,412
Depreciation and amortization	-	-	-	69,511,877	69,511,877	64,529,393
Maintenance	-	-	-	12,937,810	12,937,810	1,469,968
Beneficiary related	-	-	-	-	-	285,848
Professional fees	793,346	-	793,346	-	793,346	15,944
Utilities	64,182	-	64,182	-	64,182	64,464
Bad debts	1,864,900	-	1,864,900	15,395,770	17,260,670	10,611,050
Stevedoring and related	-	-	-	2,079,669	2,079,669	-
General and administrative	-	1,234,542	1,234,542	113,455,759	114,690,301	99,861,086
Interest	-	-	-	7,279,211	7,279,211	-
Other	3,427	20,182	23,609	-	23,609	4,309,895
<b>Total operating expenses</b>	<b>4,525,116</b>	<b>1,254,724</b>	<b>5,779,840</b>	<b>472,544,924</b>	<b>478,324,764</b>	<b>372,815,060</b>
<b>Operating income</b>	<b>750,325</b>	<b>492,796</b>	<b>1,243,121</b>	<b>2,624,430</b>	<b>3,867,551</b>	<b>21,337,254</b>
Nonoperating revenues (expenses):						
Contribution (to) from:						
General Fund (note 7)	(1,000,000)	-	(1,000,000)	502,616	(497,384)	(443,273)
Federal agencies	-	-	-	-	-	9,105
Other income (expenses), net	-	61,072	61,072	(12,610,246)	(12,549,174)	(35,037,460)
<b>Total nonoperating revenues (expenses), net</b>	<b>(1,000,000)</b>	<b>61,072</b>	<b>(938,928)</b>	<b>(12,107,630)</b>	<b>(13,046,558)</b>	<b>(35,471,628)</b>
<b>Net (loss) income</b>	<b>(249,675)</b>	<b>553,868</b>	<b>304,193</b>	<b>(9,483,200)</b>	<b>(9,179,007)</b>	<b>(14,134,374)</b>
Add depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital	-	-	-	6,827,791	6,827,791	7,854,745
<b>Beginning retained earnings (deficit) (note 6)</b>	<b>637,711</b>	<b>2,790,008</b>	<b>3,427,719</b>	<b>268,953,353</b>	<b>272,381,072</b>	<b>276,926,489</b>
Adjustments to beginning retained earnings:						
Correction of prior year errors (note 11)	-	-	-	3,268,427	3,268,427	(10,403,556)
<b>Ending retained earnings</b>	<b>388,036</b>	<b>3,343,876</b>	<b>3,731,912</b>	<b>269,566,371</b>	<b>273,298,283</b>	<b>260,243,304</b>
Beginning contributed capital	-	8,212,794	8,212,794	429,154,642	437,367,436	383,515,744
Adjustments to contributed capital	-	-	-	(28,666)	(28,666)	(28,666)
Contribution from (to):						
General Fund	-	-	-	24,185,199	24,185,199	10,873,995
Federal agencies	-	-	-	13,875,408	13,875,408	8,505,640
In-aid of construction	-	-	-	13,071,583	13,071,583	(512,580)
Other agencies	-	-	-	36,131	36,131	-
<b>Ending contributed capital</b>	<b>-</b>	<b>8,212,794</b>	<b>8,212,794</b>	<b>480,294,297</b>	<b>488,507,091</b>	<b>402,354,133</b>
<b>Fund equity at end of year</b>	<b>\$ 388,036</b>	<b>\$ 11,556,670</b>	<b>\$ 11,944,706</b>	<b>\$ 749,860,668</b>	<b>\$ 761,805,374</b>	<b>\$ 662,597,437</b>

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM**

Combined Statement of Cash Flows  
All Proprietary Fund Types and Discretely Presented Component Units  
Year Ended September 30, 2000  
(With Comparative Totals for the year Ended September 30, 1999)

	Proprietary Fund Types		Totals	Component	Totals	
	Enterprise	Internal Service	Primary Government (Memorandum Only)	Units Proprietary Funds	Reporting Entity (Memorandum Only) 2000	1999
<u>Increase (decrease) in cash and equivalents</u>						
Cash flows from operating activities:						
Operating income	\$ 750,325	\$ 492,796	\$ 1,243,121	\$ 2,624,430	\$ 3,867,551	\$ 21,337,254
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	-	-	-	69,511,877	69,511,877	64,529,393
Bad debt expense	1,864,900	-	1,864,900	15,395,770	17,260,670	10,611,052
Amortization of loan discount	-	-	-	9,497	9,497	10,102
Loss on investment	-	-	-	(1,457,377)	(1,457,377)	-
Extraordinary loss and other reconciling items	-	-	-	4,134,595	4,134,595	(7,311,571)
(Increase) decrease in assets:						
Accounts receivable	(2,559,638)	605,067	(1,954,571)	(37,545,070)	(39,499,641)	(21,166,429)
Inventory	-	631,193	631,193	(11,509,858)	(10,878,665)	(1,325,456)
Accrued interest and other	-	-	-	218,916	218,916	-
Prepaid expense	-	-	-	999,856	999,856	(605,656)
Notes receivable	-	-	-	(12,493)	(12,493)	3,363
Other assets	-	(19,594)	(19,594)	138,202	118,608	(39,224)
Other receivables	-	-	-	(1,085,442)	(1,085,442)	1,006,098
Due from other funds and governmental agencies	-	-	-	(41,174,592)	(41,174,592)	(640,333)
Due from federal agencies	-	-	-	(1,093,195)	(1,093,195)	-
Increase (decrease) in liabilities:						
Accrued payroll	-	-	-	799,824	799,824	(2,037,893)
Annual leave	-	-	-	(829,256)	(829,256)	386,828
Accounts payable	-	-	-	48,674,408	48,674,408	10,900,143
Accrued pension cost	-	-	-	575,382	575,382	(2,193,792)
Accrued expense and other liabilities	-	-	-	(10,237,125)	(10,237,125)	88,030
Customer and security deposits	-	-	-	(423,497)	(423,497)	161,170
Deferred revenue	-	-	-	(263,064)	(263,064)	(3,115,765)
Due to other funds and governmental agencies	4,643,177	(1,608,400)	3,034,777	40,796,911	43,831,688	(37,654)
Other liabilities	91,037	(10,000)	81,037	-	81,037	(75,000)
Due to federal agencies	-	-	-	23,766	23,766	-
Net cash provided by operating activities	<u>4,789,801</u>	<u>91,062</u>	<u>4,880,863</u>	<u>78,272,465</u>	<u>83,153,328</u>	<u>70,484,660</u>
Cash flows from noncapital financing activities:						
Proceeds from issuance of notes payable and bonds	-	-	-	203,031	203,031	868,274
Proceeds from short-term debt	-	-	-	3,700,000	3,700,000	-
Repayment of notes payable and short-term debt	-	-	-	(1,681,836)	(1,681,836)	(47,154,415)
Interest paid on notes payable and short-term debt	-	-	-	(4,019,699)	(4,019,699)	(4,733,293)
Operating grants received	-	-	-	6,860,028	6,860,028	3,277,224
Bank overdraft	-	-	-	-	-	(1,359,650)
Contributions (to) from	(1,000,000)	61,072	(938,928)	118,584	(820,344)	(474,988)
Net cash (used for) provided by noncapital financing activities	<u>(1,000,000)</u>	<u>61,072</u>	<u>(938,928)</u>	<u>5,180,108</u>	<u>4,241,180</u>	<u>(49,576,848)</u>
Cash flows from capital and related financing activities:						
Proceeds from issuance of notes payable and bonds	-	-	-	679,805	679,805	350,264,531
Principal paid on bonds and other long-term debt	-	-	-	(14,461,121)	(14,461,121)	(261,688,093)
Interest paid on bonds and other long-term debt	-	-	-	(42,077,231)	(42,077,231)	(46,337,055)
Fixed asset (purchases) disposal/sale	-	-	-	(55,594,372)	(55,594,372)	(82,659,184)
Fixed asset improvements	-	-	-	(1,722,675)	(1,722,675)	(1,801,051)
Contributions	-	-	-	8,481,937	8,481,937	19,499,533
Debt issuance cost	-	-	-	483,400	483,400	(19,979,788)
Capital lease payments	-	-	-	(396,194)	(396,194)	(1,589,184)
Operating grants	-	-	-	29,631	29,631	(38,890)
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,576,820)</u>	<u>(104,576,820)</u>	<u>(44,329,181)</u>
Cash flows from investing activities:						
Increase in bond reserve funds	-	-	-	548,490	548,490	(1,814,363)
Purchase of land held for development and resale	-	-	-	(8,033,836)	(8,033,836)	(351,918)
Proceeds from sale of investments	-	-	-	1,703,446	1,703,446	1,704,412
Purchase of investment securities	-	-	-	(239,427)	(239,427)	(1,243,840)
Interest and dividends on investments	-	-	-	15,241,714	15,241,714	11,889,144
Transfers from restricted fund	-	-	-	15,341,184	15,341,184	4,704,784
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,561,571</u>	<u>24,561,571</u>	<u>14,888,219</u>
Net increase (decrease) in cash and equivalents	3,789,801	152,134	3,941,935	3,437,324	7,379,259	(8,533,150)
Cash and equivalents at beginning of year	949,401	2,301,501	3,250,902	34,979,925	38,230,827	36,561,270
Restricted assets	-	-	-	527,013	527,013	(527,013)
Cash and equivalents at end of year	<u>\$ 4,739,202</u>	<u>\$ 2,453,635</u>	<u>\$ 7,192,837</u>	<u>\$ 38,944,262</u>	<u>\$ 46,137,099</u>	<u>\$ 27,501,107</u>

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM**

Combining Statement of Changes in Fund Balances  
Higher Education Funds  
Year Ended September 30, 2000

	UNIVERSITY OF GUAM					GUAM COMMUNITY COLLEGE			College and University (Memorandum Only)
	CURRENT		PLANT	LOAN	ENDOWMENT	CURRENT		PLANT	
	Restricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Restricted	Unrestricted	Unrestricted	
Revenues and other additions:									
Unrestricted current fund revenues	\$ -	\$ 42,035,739	\$ -	\$ -	\$ -	\$ -	\$ 11,253,553	\$ -	\$ 53,289,292
Government of Guam appropriations - restricted	2,738,015	-	-	-	-	2,176,283	50,000	-	4,964,298
Government of Guam contracts - restricted	1,557,346	-	-	-	-	2,308,340	-	-	3,865,686
Federal grants and contracts - restricted	8,687,052	-	-	4,082,649	-	404,502	-	-	13,174,203
Federal grants - unrestricted	-	-	-	-	-	-	-	554,589	554,589
Private gifts, grants and contracts - restricted	1,646,992	-	-	-	-	-	-	-	1,646,992
Other restricted receipts	335,798	-	-	14,007	-	-	-	-	349,805
Other sources	-	-	-	-	-	-	-	390,469	390,469
Endowment income	-	3,436,929	-	-	260	-	-	-	3,437,189
Recovery on student loans and miscellaneous receipts	-	-	-	325,383	-	-	-	-	325,383
Expended for plant facilities	-	-	2,198,730	-	-	-	-	-	2,198,730
Retirement of indebtedness	-	-	176,981	-	-	-	-	-	176,981
<b>Total revenues and other additions</b>	<b>14,965,203</b>	<b>45,472,668</b>	<b>2,375,711</b>	<b>4,422,039</b>	<b>260</b>	<b>4,889,125</b>	<b>11,303,553</b>	<b>945,058</b>	<b>84,373,617</b>
Expenditures and other deductions:									
Educational and general expenditures	16,813,589	36,476,674	-	-	-	4,999,445	11,122,744	-	69,412,452
Auxiliary enterprise expenditures	-	2,430,983	-	-	-	-	395,609	-	2,826,592
Loans awarded	-	-	-	4,616,807	-	-	-	-	4,616,807
Plant repairs and maintenance	-	-	64,941	-	-	-	-	645,623	710,564
Depreciation of plant facilities	-	-	1,826,625	-	-	-	-	314,563	2,141,188
Investment fees	-	-	-	-	82,746	-	-	-	82,746
Retirement of indebtedness	-	-	176,981	-	-	-	-	-	176,981
Interest on indebtedness	-	-	93,599	-	-	-	-	-	93,599
Disposal of plant facilities	-	-	1,036,546	-	-	-	-	-	1,036,546
<b>Total expenditures and other deductions</b>	<b>16,813,589</b>	<b>38,907,657</b>	<b>3,198,692</b>	<b>4,616,807</b>	<b>82,746</b>	<b>4,999,445</b>	<b>11,518,353</b>	<b>960,186</b>	<b>81,097,475</b>
Transfers among funds-additions/(deductions):									
Mandatory									
Principal and interest	-	(270,580)	270,580	-	-	-	-	-	-
Renewals and replacements	-	(185,920)	185,920	-	-	-	-	-	-
Government of Guam bonds (note 7)	-	(2,027,619)	-	-	-	-	-	-	(2,027,619)
Restricted fund	1,910,867	(1,910,867)	-	-	-	-	-	-	-
Non-mandatory transfers, net	(137,400)	(2,418,794)	1,168,634	-	1,387,560	-	(1,000,000)	1,000,000	-
<b>Total transfers</b>	<b>1,773,467</b>	<b>(6,813,780)</b>	<b>1,625,134</b>	<b>-</b>	<b>1,387,560</b>	<b>-</b>	<b>(1,000,000)</b>	<b>1,000,000</b>	<b>(2,027,619)</b>
Net increase (decrease) for the year	(74,919)	(248,769)	802,153	(194,768)	1,305,074	(110,320)	(1,214,800)	984,872	1,248,523
Beginning fund balance	152,529	(3,624,184)	66,851,696	1,070,144	10,925,001	570,312	3,023,005	3,035,718	82,004,221
Ending fund balance (deficit)	\$ 77,610	\$ (3,872,953)	\$ 67,653,849	\$ 875,376	\$ 12,230,075	\$ 459,992	\$ 1,808,205	\$ 4,020,590	\$ 83,252,744

See Accompanying Notes to Financial Statements.

GOVERNMENT OF GUAM

Combining Statement of Current Funds Revenues, Expenditures and Other Changes  
Higher Education Funds  
Year Ended September 30, 2000

	University of Guam		Guam Community College		College and University (Memorandum Only)
	Unrestricted	Restricted	Unrestricted	Restricted	
Revenues:					
Tuition and fees	\$ 10,196,269	\$ -	\$ 1,943,957	\$ -	\$ 12,140,226
Government of Guam appropriations	26,425,262	2,738,015	8,368,255	2,175,682	39,707,214
Federal grants and contracts	1,081,392	8,687,052	87,802	2,308,340	12,164,586
GovGuam grants and contracts	7,900	1,494,865	-	404,502	1,907,267
Private gifts, grants and contracts	235,658	1,646,992	-	-	1,882,650
Endowment Income	3,436,929	-	-	-	3,436,929
Sales, services and other sources	4,089,258	335,798	903,539	-	5,328,595
Total current revenue	<u>45,472,668</u>	<u>14,902,722</u>	<u>11,303,553</u>	<u>4,888,524</u>	<u>76,567,467</u>
Expenditures and mandatory transfers:					
Instruction	14,571,598	1,857,613	4,032,087	2,246,512	22,707,810
Research	1,736,190	4,295,196	-	-	6,031,386
Public service	119,119	4,855,921	-	-	4,975,040
Academic support	6,511,363	-	660,807	539,224	7,711,394
Student services	2,792,694	439,581	1,517,412	654,303	5,403,990
Institutional support	4,727,860	65,472	3,466,133	205,735	8,465,200
Operation and maintenance of plant	5,930,749	-	1,283,519	-	7,214,268
Scholarships and fellowship	87,101	5,299,806	112,066	1,226,984	6,725,957
Indirect cost	-	-	50,720	15,766	66,486
Restricted fund matching grants	1,910,867	(1,910,867)	-	-	-
Total educational and general	38,387,541	14,902,722	11,122,744	4,888,524	69,301,531
Auxiliary enterprise expenditures	2,430,983	-	395,609	-	2,826,592
Mandatory transfers:					
Principal and interest	270,580	-	-	-	270,580
Renewals and replacement	185,920	-	-	-	185,920
GovGuam bonds	2,027,619	-	-	-	2,027,619
Total expenditures and mandatory transfers	<u>43,302,643</u>	<u>14,902,722</u>	<u>11,518,353</u>	<u>4,888,524</u>	<u>74,612,242</u>
Other transfers and additions/ (deductions)					
Excess of restricted receipts over transfers	-	62,481	-	601	63,082
Transfer from restricted fund classifications to unrestricted funds	-	-	-	(110,921)	(110,921)
Net appreciation in fair value of investments	-	-	-	-	-
Non-mandatory transfer, net	(2,418,794)	(137,400)	(1,000,000)	-	(3,556,194)
	<u>(2,418,794)</u>	<u>(74,919)</u>	<u>(1,000,000)</u>	<u>(110,320)</u>	<u>(3,604,033)</u>
Net increase (decrease) in fund balances	\$ <u>(248,769)</u>	\$ <u>(74,919)</u>	\$ <u>(1,214,800)</u>	\$ <u>(110,320)</u>	\$ <u>(1,648,808)</u>

See accompanying notes to financial statements.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies

### A. Reporting Entity

The general purpose financial statements of the Government of Guam have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Government Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", requires that proprietary activities apply all applicable GASB pronouncements as well as Statements and Interpretations issued by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989. The Government of Guam has implemented GASB 20 and elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

As required by GAAP, the financial statements of the Government of Guam (GovGuam) present the government and its component units; entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in separate columns in the combined financial statements to emphasize that they are legally separate from the government.

#### 1. Blended Component Units

- (a) The Proprietary Fund Type – Enterprise Fund consists of the Chamorro Commercial Loan Fund (CCLF) and the Solid Waste Management Fund (SWMF). The CCLF makes loans to persons holding leases under the Chamorro Land Trust Act. The Chamorro Land Trust Commission oversees the activities of CCLF and consists of five members appointed by the Governor of the Government of Guam. CCLF is reported as a blended component unit - proprietary fund type, enterprise fund. The SWMF was created by P.L. 24-272 to provide a financing source for Government of Guam costs and expenses directly related to the closure and post-closure of the solid waste landfill. SWMF is reported as a blended component unit – proprietary fund type, enterprise fund.
- (b) The Higher Education Fund is comprised of the University of Guam (UOG) and the Guam Community College (GCC). UOG is governed by a nine member Board of Regents appointed by the Governor of Guam. GCC is governed by a nine member Board of Trustees which are appointed by the Governor. The Department of Education (DOE) was previously presented under this fund in fiscal year 1997. However, financial statements were not available for the fiscal year 1998 and 1999 and are not available for the current fiscal year 2000. In addition, P.L. 25-03 sect.18 reverts control of this agency back to the executive branch of GovGuam as a line agency. Due to the non-availability of the financial statements, DOE is not presented in the 2000 presentation as either a higher education fund or as a line agency of the general government.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### A. Reporting Entity, Continued

#### 1. Blended Component Units, Continued

(c) The Fiduciary Fund Type - Pension Trust Fund is comprised of the Government of Guam Retirement Fund System (the Fund). The Fund was enacted to provide retirement amenities and other benefits to the employees of the Government of Guam, who upon entry to service, are eligible for membership. The Fund is governed by a five member Board of Trustees appointed by the Governor of Guam. The Fund is not included in the 2000 presentation.

#### 2. Discretely Presented Component Units

(a) The Guam Waterworks Authority (GWA), formerly the Public Utility Agency of Guam (PUAG) is responsible for supervising the construction, maintenance operations and regulations of all water and sewerage services within the Government of Guam. GWA is established as a separate legal entity and is governed by an appointed Board of Directors. GWA is reported as a component unit – proprietary fund.

(b) The Guam International Airport Authority (GIAA) was created by Public Law 13-57 (as amended) as an autonomous instrumentality of the Government of Guam to own and operate the facilities of the Guam International Air Terminal. GIAA is governed by a seven member Board of Directors, all of whom are appointed by the Governor of the Government of Guam. The GIAA is reported as a component unit - proprietary fund.

(c) The Guam Housing Corporation was created by Public Law 8-80 to promote the general welfare of the Government of Guam by encouraging investment in and development of low-cost housing. The Corporation is principally engaged in financing homes for low and moderate income families. The Guam Housing Corporation is governed by a seven member Board of Directors, all of whom are appointed by the Governor of the Government of Guam. The Guam Housing Corporation is reported as a component unit - proprietary fund.

(d) The Port Authority of Guam (PAG) is responsible for the operation of seaport facilities of the Government of Guam. The PAG is governed by a five member Board of Directors, all of whom are appointed by the Governor of the Government of Guam.

(e) The Guam Power Authority (GPA) is responsible for the supervision of construction, maintenance of operations and regulations of all electrical utility services within the Government of Guam. GPA is governed by a five member Board of Directors appointed by the Governor of the Government of Guam. The GPA is reported as a component unit - proprietary fund.

(f) The Guam Housing and Urban Renewal Authority (GHURA) is primarily funded by federal funds and engages in the construction and rehabilitation of low-cost and low-income housing. Substantially all funding is provided by the U.S. Department of Housing and Urban Development (HUD).

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### A. Reporting Entity, Continued

#### 2. Discretely Presented Component Units, Continued

- (g) The Guam Rental Corporation was created by Public Law 8-80 to promote the general welfare of the inhabitants of the Government of Guam by encouraging and engaging in investment in development of low-cost housing. The Corporation is principally engaged in the ownership and rental of a housing complex known as Lada Gardens and Guma As-Atdas. The Guam Rental Corporation is governed by the Board of Directors of Guam Housing Corporation. The Guam Rental Corporation is reported as a component unit - proprietary fund.
- (h) The Guam Memorial Hospital Authority (GMHA) was created by Public Law 14-29 on July 26, 1977 and provides for control over and operations of Guam's hospital. The Authority is governed by a seven member Board of Trustees who are appointed by the Governor of the Government of Guam. The GMHA is reported as a component unit - proprietary fund.
- (i) The Guam Economic Development Authority (GEDA) was created to assist in the implementation of an integrated program for the economic development of Guam. GEDA is administered by a seven member Board of Directors who are appointed by the Governor of the Government of Guam. The GEDA is reported as a component unit - proprietary fund.
- (j) The Guam Telephone Authority (GTA) was created by Public Law 12-44 to operate local telecommunications and cellular operations in the Government of Guam and contracts out overseas services to Guam-based private telecommunications companies. The GTA is administered by a seven member Board of Directors who are appointed by the Governor of the Government of Guam. The GTA is reported as a component unit - proprietary fund.
- (k) The Guam Visitors Bureau (GVB) was created by Public Law 17-32 to promote the visitor industry program in Guam. The GVB is administered by a twelve member Board of Directors. Five members are appointed by the Governor of the Government of Guam, two by the Speaker of the Legislature, four elected by the general membership of GVB and one member appointed by the eleven members. The GVB is not included in the accompanying financial statements.
- (l) The Guam Mass Transit Authority (GMTA) was created by Public Law 15-92 in December 1979 for the purpose of primary public transportation services. The GMTA is administered by a five member Board of Directors who are appointed by the Governor of the Government of Guam. The GMTA is reported as a component unit - proprietary fund.
- (m) The Guam Educational Telecommunications Corporation (KGTF-TV) was established by Public Law 12-194 on January 2, 1975 to present educational television to the people of Guam. KGTF-TV is administered by a six member Board of Directors who are appointed by the Governor of the Government of Guam. The KGTF-TV is reported as a component unit - proprietary fund.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

Complete financial statements for each of the individual component units may be obtained at the units' administrative offices or at the web site of the Office of the Public Auditor – [www.guamopa.org](http://www.guamopa.org).

Guam International Airport Authority  
P.O. Box 8770  
Tamuning, GU 96931

Guam Housing Corporation  
P.O. Box 3457  
Agana, GU 96910

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

Guam Power Authority  
P.O. Box 2977  
Agana, GU 96910

Guam Rental Corporation  
P.O. Box 3457  
Agana, GU 96910

Guam Memorial Hospital Authority  
850 Governor Carlos G. Camacho Rd.  
Tamuning, GU 96911

Guam Mass Transit Authority  
236 East O'Brien Drive  
Agana, Guam 96910

Guam Economic Development Authority  
Suite 511, ITC Bldg.  
590 S. Marine Drive  
Tamuning, Guam 96911

Guam Telephone Authority  
P.O. Box 9008  
Tamuning, GU 96931

Guam Educational Telecommunications Corporation  
P.O. Box 21449  
GMF, GU 96921

Guam Visitors Bureau  
401 Pale San Vitores Road  
Tumon, GU 96911

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

University of Guam  
Financial Services Affairs  
UOG Station  
Mangilao, GU 96923

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

Guam Community College  
Sesame Street  
Mangilao, Guam 96923

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

The following entities are considered to be special revenue funds, expendable trust funds and enterprise funds of the Government of Guam, but are not included (as well as the related fund descriptions) in the accompanying general purpose financial statements due to absence of account balances and transactions, therefore, no material impact on the accompanying general purpose financial statements results from this noninclusion:

	<u>Fund</u>	<u>Fund Type</u>
Fund 210	Summer School Fund	Special Revenue
Fund 230	Vocational Rehab Revolving Fund	Special Revenue
Fund 231	GFD Capital Outlay Revolving Fund	Special Revenue
Fund 246	Guam Beautification Fund	Special Revenue
Fund 247	Municipal Litter Defacement Fund	Special Revenue
Fund 267	Public Transit Fund	Special Revenue
Fund 271	District Improvement Fund	Special Revenue
Fund 272	Land Acquisition Fund	Special Revenue
Fund 260	Controlled Substance Diversion Fund	Special Revenue
Fund 509	Off-Island Sports Fund	Expendable Trust
N/A	Tiyan Trust Fund	Expendable Trust
Fund 801	Chamorro Home Loan Fund	Enterprise
Fund 803	Chamorro Home Repair Fund	Enterprise
Fund 804	Chamorro Home Development Fund	Enterprise
Fund 805	Chamorro Education Assistance Fund	Enterprise
Fund 806	Chamorro Loan Guarantee	Enterprise

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### B. Measurement Focus and Basis of Accounting

GovGuam uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain GovGuam functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position and are not involved with the measurement of results of operations.

The accompanying general purpose financial statements have been prepared in conformity with GAAP to governments. Accordingly, they are structured into four broad categories of funds and a fifth type of accounting entity, account groups. The fund categories include governmental funds, proprietary funds, fiduciary funds and higher education funds. Account groups are presented for general fixed assets and general long-term debt.

The Governmental Funds include:

1. The General Fund accounts for all financial transactions not accounted for in any other fund;
2. The Special Revenue Funds account for specific revenues earmarked to finance particular programs and activities;
3. The Capital Projects Funds account for the acquisition or construction of major governmental general fixed assets acquired with bond issuance proceeds and with federal grant funds; and
4. The Debt Service Funds account for the accumulation of revenues for the payment of interest and principal on the 1995 General Obligation Bonds, Series A, the 1994 General Obligation Bonds, Series A, the 1993 General Obligation Bonds, Series A, the 1992 Limited Obligation Highway Bonds, Series A, the 1997 Limited Obligation Infrastructure Improvement Bonds and the 1989 Water System Revenue Bonds.

Governmental funds are presented on the modified accrual basis of accounting. In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. However, the Government of Guam has elected to record substantially all general fund tax revenues only when collected in cash due to difficulties in projecting when assessed taxes may ultimately be collected. Revenues from U.S. federal programs are recorded at the time that expenditures are recorded. Expenditures are recorded at the time liabilities are incurred, except that:

1. Inventories generally are considered expenditures at acquisition;
2. Prepayments usually are not recorded;
3. Interest and principal on long-term debt are recorded when due.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### B. Measurement Focus and Basis of Accounting, Continued

As more fully explained in Note 1.L., encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding at year end are reported as reservations of fund balance and remain as reservations of fund balance until expended or cancelled.

The Proprietary Fund Type – Enterprise Fund consists of the Chamorro Commercial Loan Fund and the Solid Waste Management Fund:

1. The Enterprise Funds account for the operations of Territorial agencies (which were designed to be self-sufficient) which render service to the general public on a user charge basis in a manner similar to a private business enterprise; and
2. The Internal Service Funds account for the operations of a self-sustaining Territorial agency rendering services to other Territorial agencies on a cost reimbursement basis. There are four Internal Service Funds operative in the Government of Guam. Stores of operating supplies for use by governmental agencies are controlled by the General Services Agency Fund and the State Agency Surplus Fund, while premiums are collected by, and death benefits paid out of, the Group Life Insurance Fund. The Agana Fractional Lot Fund is used to maintain deposits from the Government of Guam for condemnation proceedings held by the District Court of Guam.

The proprietary funds are accounted for on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Fiduciary Funds include:

1. The Expendable Trust Funds and the Pension Trust Fund are used to account for assets held by the Government as trustee. The Pension Trust Fund is accounted for on the accrual basis of accounting. The Pension Trust Fund is not included in the 2000 presentation. Expendable Trust Funds are accounted for on the modified accrual basis of accounting.
2. The Agency funds are normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

The Higher Education Fund, which is comprised of the University of Guam and the Guam Community College:

1. Current Funds are used to account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally-restricted purposes;
2. Fiduciary Funds are used to account for assets held by loan, endowment, life income and agency funds in which the universities act in a fiduciary capacity; and
3. Plant Funds are used to account for institutional property acquisition, renewal, replacement, debt service and investment.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### B. Measurement Focus and Basis of Accounting, Continued

The above higher education funds are accounted for on the accrual basis of accounting. However, for the Student Loan Fund of the University of Guam, the amount of outstanding loans are fully reserved in the year granted with repayments recognized as recoveries in the year received.

The Account Groups include:

1. The General Fixed Assets Account Group is designed to account for all fixed assets acquired or constructed for use by the Government, other than those accounted for in the proprietary, fiduciary and higher education funds. Management of the Government has elected not to record infrastructure assets in the General Fixed Assets Account Group. The Government does not capitalize interest contained in the General Fixed Assets Account Group and was unable to estimate the value of land transferred from the Federal Government.
2. The General Long-Term Debt Account Group is maintained to account for general long-term debt outstanding, accrued unfunded retirement benefits and accrued annual and compensatory leave, not otherwise recorded in proprietary, fiduciary and higher education funds. The long-term portion of accrued annual leave for governmental fund types is recorded in the General Long-Term Debt Account Group. The portion of accrued annual leave which is expected to utilize current financial resources has been recorded as a liability in the general fund.

### C. 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.

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. In fiscal year 2000, the Governor is authorized to transfer not more than 10% of the amounts appropriated, in or out of the object categories within a department or agency of the Executive Branch not to include the personnel services object category. The Governor is also authorized to transfer not more than 6% of the amounts appropriated, in or out of the object categories between a department or agency of the Executive Branch not to include the personnel services object category. The Governor is authorized to transfer no more than \$2,800,000, in total, from personnel categories within Executive Branch departments to cover any shortfalls except for overtime costs. The Governor shall report to the Guam Legislature all such transfers within twenty days of the end of each month. During the year ended September 30, 2000, there were no such transfers of prior year appropriations into 2000. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the Legislature as representing continuing appropriations.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### C. Budgetary Process, Continued

The Budget Act for Fiscal Year 2000, Public Law 25-72, and amended by Public Law 25-74 and 25-98, was approved for the executive branch. The Budget for the Legislative Branch was appropriated under separate legislation. Budgets for Special Revenue Funds are generally not submitted. Accordingly, a budget to actual presentation for Special Revenue Funds is not required or presented. Project length financial plans are adopted for capital projects funds.

The Government's annual budget has been prepared on a basis which differs from governmental GAAP. Actual amounts in the accompanying budgetary comparison statements are presented on a basis which excludes outstanding encumbrances as a budgetary expenditure. A reconciliation of the differences between the budgetary and GAAP basis is presented in Note 8.

### D. Cash and Equivalents

For purposes of reporting in the statement of cash flows, cash includes demand deposits with financial institutions and currency on hand. Cash equivalents are short-term time certificates of deposits with original maturities of less than three months.

### E. Deposits in Banks

Deposits in banks are required by local statute to be secured by qualified collateral in the amount of 120% or more of the deposit balance. However, the Government does not enforce the requirement on a consistent basis. Therefore, substantially all cash and equivalents of the Government of Guam are uncollateralized.

### F. Cash and Equivalents and Investments

In the proprietary, fiduciary and governmental fund types, except as noted in the following paragraph, investments primarily consist of time certificates of deposit whose maturity exceeds ninety days at the date of placement held in banks on Guam insured by the Federal Deposit Insurance Corporation (FDIC). Individual certificates, however, are in denominations and accounts exceeding insured coverage of \$100,000. Uninsured and uncollateralized deposits recorded in governmental funds are estimated to aggregate \$214,283,863 at September 30, 2000. FDIC insured and collateralized deposits of the component units-proprietary funds aggregate \$14,998,874 as of September 30, 2000, with the remaining balance being unsecured and uncollateralized.

Investments in the University of Guam, a higher education fund, exclusive of physical plant are recorded at market value; investments received by gift are recorded at market value at the date of acquisition. The University employs the share method of accounting for pooled investments and for proportionate distribution of income to each fund which participates in the pool. Investments held by the University consist of money market funds, U.S. Treasury and agency obligations, and common stocks. These investments are held in the name of the University.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### F. Investments, Continued

Investments in the Infrastructure Improvement Bonds (Capital Projects) represent U.S. Government Securities, carried at market value, adjusted for premium amortization or discount accumulation for the term of the applicable investment. Net unrealized gains and losses on investment securities are not recognized currently, but are recorded only upon disposition.

The investments for the Infrastructure Improvement Bond are classified as Category 2 investments of the three credit risk categories promulgated in Governmental Accounting Standards Board (GASB), Statement No. 3. All investments held by the Higher Education Fund have been classified as Category 2 investments. Investments of the component units - proprietary funds are classified as Category 1 investments. These credit risk categories are as follows:

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

### G. Receivables

Receivables in the Government's governmental and fiduciary funds primarily consist of taxes and federal revenues. Since few governmental fund revenues are susceptible to accrual prior to receipt, substantially all taxes, licenses, fees, permits and similar revenues are recognized on the cash basis. When taxes are measurable but collection will not occur in a timely manner, so as to be available to finance expenditures of the current period, these assessments are classified as deferred revenues within the accompanying general purpose financial statements. Although GAAP permit the recognition of property and other taxes which are assessed and due as of year-end and collectible within 60 days thereafter in current year revenues, the Government has chosen to record property and other taxes on a cash basis due to matters associated with obtaining data allowing the estimation of the amount to be collected within that time period. Deferred tax revenues aggregate \$148,004,953 as of September 30, 2000. These deferred tax revenues are recorded in the general fund and in the Territorial Education Facilities Fund - a special revenue fund. Allowances for uncollectible accounts as of September 30, 2000 (with comparative detail for 1999) are as follows:

	<u>2000</u>	<u>1999</u>
General Fund:		
Taxes	\$ 59,473,870	\$ 59,469,664
Other	<u>4,357,923</u>	<u>4,057,924</u>
	<u>\$ 63,831,793</u>	<u>\$ 63,527,588</u>
Special Revenue Funds	<u>\$ 16,305,302</u>	<u>\$ 16,305,302</u>
Component Units - Proprietary Funds	<u>\$ 69,766,342</u>	<u>\$ 61,405,450</u>
Higher Education Funds (Student Loans)	<u>\$ 13,707,094</u>	<u>\$ 14,454,151</u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

G. Receivables, Continued

The Government conducts virtually all of its business activity within the island of Guam. As of September 30, 2000, substantially all trade accounts receivable for the Government's proprietary funds are due from companies and individuals located within the island of Guam.

H. Interfund Transactions

The Government of Guam essentially has three types of potential interfund transactions:

1. The majority of the Government's financial operations are centrally administered, and this administration is facilitated by the use of a "pooled" cash account. For practical purposes, cash is primarily maintained in a series of bank accounts which are considered to be assets of the Government's general fund. As a result of this cash pooling practice, cash transactions normally include entries which adjust the relative balances of affected funds' interfund asset/liability accounts; each fund's interfund balance therefore represents a net interest in the Government's actual cash. The general fund, unless otherwise restricted by law, is the beneficiary of interest income derived from cash held in the general fund.
2. Operating appropriations/subsidies are accounted for as operating transfers in the funds involved.
3. Equity contributions are accounted for as transfers out by the general fund and as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital) by the recipient fund.

For all funds, with the exception of the component units - proprietary funds, the combining balance sheets separately classify interfund activity with the General Fund. The interfund activity with the General Fund was not available, or material, to the component units - proprietary funds.

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2000

NOTE 1 - Summary of Significant Accounting Policies, Continued

H. Interfund Transactions, Continued

	Interfund Receivable From:											
	General Fund	Federal Grants Assistance Fund	Tourist Attraction Fund	Territorial Education Fund	D.O.D. Contract Fund	Manpower Development Fund	Abandoned Vehicle and Streetlight Fund	Territorial Highway Fund	Village Streets Fund	Customs, Quarantine and Inspection Fund	Firefighters Equipment Replacement Fund	Workers' Compensation Fund
Interfund Payable To:												
General Fund	\$ -	\$ 41,703,598	\$ -	\$ 1,192,514	\$ 415,489	\$ 904,828	\$ -	\$ -	\$ 984,319	\$ 2,191,673	\$ 531,652	\$ 484,042
Federal Grants Assistance Fund	-	-	-	-	-	-	-	1,800,400	-	-	-	-
Territorial Highway Fund	10,468,206	51,019	-	-	-	-	846,558	-	-	-	-	-
Tourist Attraction Fund	-	-	-	-	-	-	-	-	-	-	-	-
CPF - L.O. Infrastructure Impr. Bond Series A '89	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax Rebate Fund	3,057,811	-	-	-	-	-	-	-	-	-	-	-
Typhoon Paka Fund	850,065	-	-	-	-	-	-	-	-	-	-	-
Income Tax Reserve Fund	5,093,641	-	-	-	-	-	-	-	-	-	-	-
PUAG Capital Projects Fund	948,460	-	-	-	-	-	-	-	-	-	-	-
DSF - L.O. Infrastructure Impr. Bond Series A '89	-	-	17,332,426	-	-	-	-	-	-	-	-	-
DSF- Highway L.O. Bond Series A 1992	-	-	-	-	-	-	-	3,814,532	-	-	-	-
DSF - G.O. Bond '94 Series A	2,070,174	-	-	-	-	-	-	-	-	-	-	-
DSF - G.O. Bond '95 Series A	-	-	-	-	-	-	-	-	-	-	-	-
DSF - Water System Revenue Bond '89	4,612,178	-	-	-	-	-	-	-	-	-	-	-
Abandoned Vehicle & Streetlight Fund	1,406,802	-	-	-	-	-	-	-	-	-	-	-
Village Streets Fund	-	-	-	-	-	-	50	517,133	-	-	-	-
Territorial Educational Facilities Fund	909,487	-	-	-	-	-	-	-	-	-	-	-
Board of Accountancy	505,777	225	-	-	-	-	-	-	-	-	-	-
Land Survey Fund	459,704	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Interfund Receivables	568,324	3,964,012	-	-	87,840	2,809	-	104,439	316,540	24,989	-	137,001
<b>Total</b>	<b>\$ 30,950,629</b>	<b>\$ 45,718,854</b>	<b>\$ 17,332,426</b>	<b>\$ 1,192,514</b>	<b>\$ 503,329</b>	<b>\$ 907,637</b>	<b>\$ 846,608</b>	<b>\$ 4,436,104</b>	<b>\$ 3,101,259</b>	<b>\$ 2,216,662</b>	<b>\$ 531,652</b>	<b>\$ 621,043</b>

(Continued)

	CPF Infrastructure Improvement Bond Series A '89	CPF 1992 Series A Highway Bond Issue	DSF Highway L.O. Bond Series A '92	DSF L.O. Infrastructure Improvement Bond Series A '89	DSF Water System Revenue Bonds Series A '89	DSF G.O. Bond Series A '95	GSA Inventory Revolving Fund	Chamorro Commercial Loan Fund	Solid Waste Operations Fund	Miscellaneous Interfund Payables	Total
Interfund Payable To:											
General Fund	\$ 2,411,856	\$ 848,655	\$ 21,291,180	\$ 3,505,769	\$ -	\$ 4,787,950	\$ 764,353	\$ 1,087,488	\$ 4,081,051	\$ 2,495,152	\$ 89,681,569
Federal Grants Assistance Fund	-	-	-	-	-	-	-	-	-	938,906	2,739,306
Territorial Highway Fund	-	-	-	-	-	-	-	-	-	247,711	11,613,494
Tourist Attraction Fund	-	-	-	19,193,253	-	-	-	-	-	394,022	19,587,275
CPF - L.O. Infrastructure Impr. Bond Series A '89	-	-	-	8,264,233	-	-	-	-	-	-	8,264,233
Income Tax Rebate Fund	-	-	-	-	-	-	337,756	-	-	24,190	3,419,757
Typhoon Paka Fund	-	-	-	-	-	-	-	-	-	187	850,252
Income Tax Reserve Fund	-	-	-	-	-	-	-	-	-	41	5,093,682
PUAG Capital Projects Fund	-	-	-	-	-	-	-	-	-	-	948,460
DSF - L.O. Infrastructure Impr. Bond Series A '89	7,386,029	-	-	-	-	-	-	-	-	(1,567)	24,716,888
DSF- Highway L.O. Bond Series A 1992	-	-	-	-	-	-	-	-	-	-	3,814,532
DSF - G.O. Bond '94 Series A	-	-	-	-	-	-	-	-	-	-	2,070,174
DSF - G.O. Bond '95 Series A	-	-	-	-	4,612,178	-	-	-	-	-	4,612,178
DSF - Water System Revenue Bond '89	-	-	-	-	-	-	-	-	-	-	4,612,178
Abandoned Vehicle & Streetlight Fund	-	-	-	-	-	-	-	-	-	-	1,406,802
Village Streets Fund	-	-	-	-	-	-	-	-	-	(50)	517,133
Territorial Educational Facilities Fund	-	-	-	-	-	-	-	-	-	31	909,518
Board of Accountancy	-	-	-	-	-	-	-	-	-	-	506,002
Land Survey Fund	-	-	-	-	-	-	-	-	-	-	459,704
Miscellaneous Interfund Receivables	-	-	-	-	-	-	-	16,383	7,793	(1,116,702)	4,113,428
<b>Total</b>	<b>\$ 9,797,885</b>	<b>\$ 848,655</b>	<b>\$ 21,291,180</b>	<b>\$ 30,963,255</b>	<b>\$ 4,612,178</b>	<b>\$ 4,787,950</b>	<b>\$ 1,102,109</b>	<b>\$ 1,103,871</b>	<b>\$ 4,088,844</b>	<b>\$ 2,981,921</b>	<b>\$ 189,936,565</b>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### I. Inventories

Inventories of materials and supplies are determined by physical count and are valued at the lower of cost (principally average cost) or market.

### J. Fixed Assets and Depreciation

Fixed assets utilized for general governmental operations are carried in the General Fixed Assets Account Group. However, public domain fixed assets (including roads, bridges, and other structures) are excluded in accordance with the Government's capitalization policy. General fixed assets are recorded at cost and a provision for depreciation is not recognized.

As a result of the absence of adequate records and documentation pertaining to general fixed assets acquired in prior years, management has elected to present only assets acquired subsequent to 1986 in the General Fixed Assets Account Group. Disposals of fixed assets have not been recorded in the General Fixed Assets Account Group. Accordingly, the accompanying financial statements do not include a statement of changes in fixed assets. The Government of Guam plans to perform a comprehensive inventory and costing of all general fixed assets, and management anticipates that sufficient records will be available in a subsequent period to meet financial reporting requirements.

Proprietary Fund Type - Enterprise, Internal Service Fund and Component Units fixed assets are stated at cost. Donated assets are recorded at their fair market value at the date of donation. Purchased and constructed fixed assets are stated at historical cost or estimated historical cost. The assets are depreciated principally on a straight-line basis over estimated useful lives ranging from 7 to 40 years for Structures and Improvements and from 3 to 20 years for Machinery and Equipment. Proprietary fund - component units follow the GAAP of capitalizing interest on construction activities. During the year ended September 30, 2000, proprietary funds - component units reported \$ 1,232,028 of interest that was so capitalized.

Generally, Higher Education Fund fixed assets are stated at cost or estimated cost and are depreciated over the estimated useful lives of 5 to 50 years for the respective assets on a straight line basis.

### K. Restricted Assets

Certain funds under the Government's Component Units - Proprietary Funds and Higher Education Funds are required to be set aside for various purposes. These amounts are reported as restricted assets.

### L. Fund Balance Reserves and Designations

The Government's fund balance reserves represent those portions of fund balance (1) not appropriable for expenditure or (2) legally segregated for a specific future use. In the accompanying Combined Balance Sheet, reserves for related assets (Note 9) such as inventories and long-term receivables are examples of the former. As further defined below, reserves for encumbrances and continuing appropriations are examples of the latter.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (1) Summary of Significant Accounting Policies, Continued

### L. Fund Balance Reserves and Designations, Continued

#### Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are generally evidenced by outstanding purchase orders, contracts, and interdepartmental work requests. Encumbrances outstanding at year end are reported as a reservation of fund balance since they do not constitute expenditures or liabilities.

#### Continuing Appropriations

A continuing appropriation is an appropriation which, once established, is automatically renewed without further legislative action, period after period, until altered or revoked. Continuing appropriations at year-end are reported as a reservation of fund balance since fund equity has been designated for a specific future use.

### M. Governmental Operations

Governmental operations of the Guam Legislature and the Superior Court of Guam are not incorporated within the General Fund activity. Rather, by law, their operations are accounted for as Special Revenue Funds. The General Fund accounts for appropriations to the Legislature and the Superior Court of Guam as transfers out.

### N. Capital Projects Funds

The use of the Capital Projects Funds was initiated as of September 30, 1983, and is utilized for funding derived primarily from appropriations from the U.S. Government and through issuance of bonds. Capital expenditures related to projects funded with local revenues are reported in the fund where appropriated.

### O. Accrued Annual Leave

Employees are credited with vacation at rates of 104, 156 or 208 hours per fiscal 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 three years of service (3 years of service accrue 4 hours)
2. Three fourths day (6 hours) for each full bi-weekly pay period except that the accrual for the last full bi-weekly pay period in the year shall be one and one-fourth day (10 hours) in the case of employees with three but less than fifteen years of service (3-15 years of service accrue 6 hours, except for last full pay period where accrual will be 10 hours).
3. One day (8 hours) for each bi-weekly pay period in the case of employees with fifteen or more years of service (15 years of service accrue 8 hours).

Accumulation of such vacation credits is limited to 480 hours at fiscal year-end and is convertible to pay upon termination of employment. Annual leave which is expected to be paid out within the next fiscal year is accrued in the General Fund to the extent of available funds within the related appropriation account. Accrued annual leave in excess of this amount is included in the General Long-Term Debt Account Group.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

P. Fund Deficits

The following funds have deficit fund balances as of September 30, 2000:

<u>Fund Type</u>	<u>Fund</u>	<u>Deficit</u>
Special Revenue - Governmental Funds	Territorial Highway Fund	\$ <u>(1,645,868)</u>
Special Revenue – Governmental Funds	DOC Revolving Fund	\$ <u>(623,061)</u>
Special Revenue – Governmental Funds	Village Streets Fund	\$ <u>(87,784)</u>
Special Revenue – Governmental Funds	Manpower Development Fund	\$ <u>(106,086)</u>
Special Revenue – Governmental Funds	Taguag Memorial Cemetery	\$ <u>(37,214)</u>
Special Revenue – Governmental Funds	Komitea Para Tiyan	\$ <u>(145,875)</u>
Special Revenue – Governmental Funds	Carrier Off-Duty Services	\$ <u>(44,345)</u>
Enterprise – Proprietary Funds	Chamorro Commercial Loan	\$ <u>(168,835)</u>
Component Units – Proprietary Fund	Guam Waterworks Authority (GWA)	\$ <u>(24,242,214)</u>
Component Units - Proprietary Fund	Guam Economic Development Authority (GEDA)	\$ <u>(2,740,163)</u>
Component Units – Proprietary Fund	Guam Housing and Urban Renewal Authority (GHURA)	\$ <u>(6,899,344)</u>
Internal Service - Proprietary Fund	Group Life Insurance Fund	\$ <u>(263,323)</u>
Expendable Trust - Fiduciary Funds	Workers' Compensation	\$ <u>(621,043)</u>
Higher Education Funds	University of Guam Current Funds Unrestricted	\$ <u>(3,872,953)</u>

However, various entities of the Component Units – Proprietary Funds, listed above have contributed capital which may be used to offset their respective fund deficits.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

Q. Totals - Memorandum Only

The "Total - Memorandum Only" columns represent an aggregate of the individual combined financial statements. The total column is presented for overview informational purposes and does not represent consolidated financial information.

R. Reclassifications

Certain items in the 1999 balance sheets have been reclassified to conform with the 2000 presentation.

S. 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 asset 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.

(2) Long-Term Debt

Component Units-Proprietary Funds:

Guam International Airport Authority:

General Revenue Bonds, Series 1993 (original issue of \$240,015,000), varying interest rates at 5.4% - 6.7%, payable semiannually in October and April, principal and mandatory sinking fund payments due in varying annual installments of \$405,000 due in October 1994, and increasing to \$17,800,000 by October 2023. \$ 224,690,000

Guam Rental Corporation:

Note payable to Guam Housing Corporation (a component unit - proprietary fund), 3%, payable in monthly installments of \$6,675 including interest, to the year 2010, collateralized by real property and equipment. 666,378

Guam Telephone Authority:

Revenue bonds to Rural Electrification Administration, Series 1, 2, 3, 4 and 5, at 5%, due in equal amounts of semi-annual installments, including interest, ranging from annual amounts of \$324,000 to \$3,114,000 through 2025. 81,151,134

Note payable to Rural Telephone Bank, varying interest at 5.56% to 9.5%, due in semi-annual installments, including interest, ranging from annual amounts of \$24,000 to \$354,000 through 2025. 16,946,831

Notes payable to Federal Financing Bank, varying interest at 5.621% to 7.887%, payable in quarterly installments with interest in annual amounts ranging from \$1,200 to \$622,000 through 2014. 20,363,840

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### Component Units-Proprietary Funds, Continued:

#### Guam Power Authority:

1993 Series, interest at varying rates from 3.90% to 5.25% payable semiannually in October and April, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of \$1,725,000 in October 1996, and increasing to \$6,535,000 in October 2023. 92,670,000

1999 Series, interest at varying rates from 3.90% to 5.25% payable semiannually in October and April, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of \$2,950,000 in October 2000, and increasing to \$26,110,000 in October 2034. 349,178,601

MDI Guam non-interest bearing note payable in exchange for funds received for the construction of Manenggon Hills substation. The note is being repaid by deducting 80% of MDI's non-fuel charges from future power billings. 1,672,950

IBM interest bearing notes payable in exchange for an accounting operating system acquired through a financing arrangement. 3,346,030

All gross revenues of GPA have been pledged to repay the 1993 and 1999 Series bond principal and interest. Discounts associated with the 1993 and 1999 bond series are being amortized using the interest method over the lives of the bonds.

#### Guam Housing Corporation:

Note payable to a bank in monthly installments of \$95,000, including interest at 9.625% per annum, due 2005. 2,483,029

Note payable to a bank, 8% interest, principal and interest payable in monthly installments of \$18,639, due 2003. 1,084,369

Note payable to a bank at 7% interest, principal and interest payable in monthly installments equivalent to payments received from collateralized Farmer's Home Administration mortgage loans, due 2003. 375,346

Note payable to Federal Home Loan Bank, 6.99% interest, payable in monthly installments of \$41,667, plus interest, principal due 2011. 5,247,126

Notes payable to Federal Home Loan Bank of Seattle, interest at varying rates from 6.6% to 6.83%, interest payable monthly, principal due 2017. 4,200,000

Note payable to Federal Home Loan Bank of Seattle, 6.16% interest, interest payable monthly, principal due 2008. 1,475,388

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(2) Long-Term Debt, Continued

Component Units-Proprietary Funds, Continued:

Guam Housing Corporation, Continued:

Notes payable to Federal Home Loan Bank of Seattle, interest at varying rates from 5.670% to 6.09%, interest payable monthly, principal due 2003. 3,895,567

Note payable to Government of Guam Special Revenue Fund (Guam Housing Corporation Revolving Fund), 4% interest, payable in monthly installments of \$107,258, due 2011 through 2017. 13,650,013

Under the note agreements with the banks, the borrowings are collateralized by mortgage loans made by the Corporation from the proceeds of the borrowings. As of September 30, 2000, the Corporation has pledged as collateral for this borrowing approximately \$33,177,155 of related outstanding mortgage loans.

The Corporation is of the opinion it has complied with the covenants of its loan agreements with the banks which provide for collateral loan ratios, monthly delinquency reports on all loans and periodic submission of financial statements, among other requirements. The Corporation has defaulted on its loan with the Government of Guam as monthly payments have not been made since November 1999. In April 2001 subsequent to the balance sheet date, pursuant to Section 6 of Guam Public law 20-210, the Corporation was declared in default on its Government of Guam Revolving Loan Fund (“the Fund”) note payable to the Government of Guam that totaled \$13,650,013 as of September 30, 2000. The Corporation has not made monthly payments to the Fund since November 1999 and as such, exceeded the 90-day period after such payments becomes due for making such payments which approximated \$517,000 as of September 30, 2000. Accordingly, pursuant to the authority vested in the Governor of Guam as provided in Section 6 of Public Law 20-210, those amounts payable to the Fund were deferred for the period covering November 1999 to January 2004. Additionally, the Governor of Guam directed the Government of Guam to amend the existing loan agreement to provide for the repayment of the Corporation’s obligation to the Fund to recommence on January 1, 2004.

Single Family Mortgage Revenue Bonds 1998 Series A, varying interest rates at 4.25% to 5.25%, payable semiannually in March and September, principal payments due in varying semiannual installments of \$225,000 due in March 2002, and increasing to \$630,000 by September 2013. 10,965,000

Single Family Mortgage Revenue Bonds 1998 Series A, 5.35% interest, payable semiannually in March and September, principal and mandatory sinking fund payments due in varying semiannual installments of \$640,000 due in March 2014, and increasing to \$815,000 by 2018. 7,260,000

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### Component Units-Proprietary Funds, Continued:

#### Guam Housing Corporation, Continued:

Single Family Mortgage Revenue Bonds 1998 Series A, 4.7% interest, payable semiannually in March and September, principal and mandatory sinking fund payments due in varying semiannual installments of \$930,000 due in March 2019, and increasing to \$1,025,000 by September 2021. 5,875,000

Single Family Mortgage Revenue Bonds 1998 Series A, 5.75% interest, payable semiannually in March and September, principal and mandatory sinking fund payments due in varying semiannual installments of \$975,000 due in March 2022, and increasing to \$1,660,000 by September 2031. 25,900,000

#### Guam Memorial Hospital Authority (GMHA):

Promissory note payable to a bank in monthly installments of \$292,260 including interest at a variable rate based on the bank's index rate less one half percentage point (9% and 8.25% at September 30, 2000 and 1999, respectively), due in 2002 with an extension of the promissory note for seven additional years, collateralized by a pledge and assignment of medical services revenue and a property mortgage on the hospital facility and guaranteed by the Government of Guam and a pledge of Government of Guam Section 30 revenues, subordinate to certain Government of Guam bond issuances. 22,538,053

Balance due on several capital leases of computer hardware and software with a computer manufacturer, payable in total monthly installments of \$10,210 including interest at effective rates ranging from 6.7% to 7.6%, collateralized by the computer hardware and software, with a bargain purchase option at the end of the lease. 270,901

Promissory note payable to a medical equipment vendor, payable in quarterly installments of \$60,195 including interest at the prime rate plus 2% (10.25% and 10% at September 30, 2000 and 1999, respectively), due December 18, 2001. 51,903

Promissory note payable to a medical equipment vendor, payable in monthly installments of \$7,026 including interest at the rate of 11.5%, due June 15, 2001. 60,308

Promissory note payable to a medical equipment vendor, payable in monthly installments of \$7,026 including interest at the rate of 11.5%, due June 15, 2001. 8,122,477

#### Guam Economic Development Authority:

Note payable to the Guam Development Fund Act (GDFA), 4.5% interest, payable in monthly installment of \$8,785 including interest, collateralized by real property with final payment due in 2019. 1,190,518

Line of credit with the GDFA, 5% interest, principal and interest due in 2001, collateralized by a dry-dock. 1,103,876

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### Component Units-Proprietary Funds, Continued:

#### Guam Waterworks Authority:

Balance against a \$3.5 million credit line with IBM Credit Corporation relating to installation of accounting and operating systems, payable in equal monthly installments of \$49,425 until 2003, including interest ranging from 5.25% to 7.62%. 2,302,553

#### Guam Housing and Urban Renewal Authority

Due to Farmers' Home Administration, interest at 6%, principal and interest thereon payable at \$10,540 per month, maturing in April 2030. Collateralized by restricted cash. 1,720,089

Total	910,457,280
Less current maturities	(22,453,954)
Less: unamortized bank discount	(7,192,017)
loss on defeasance (which is an irrevocable placement of assets to a trustee, pledged for repayment of future debt requirements).	<u>(21,110,353)</u>
Total long-term debt - component units - proprietary funds	\$ <u>859,700,956</u>

The annual requirements to amortize all debt of the proprietary funds - component units outstanding as of September 30, 2000, including interest payments, for those entities whose audit reports include such, are as follows:

2001	\$ 22,453,954
2002	21,842,802
2003	31,402,815
2004	22,024,097
2005	21,067,654
Thereafter	<u>791,665,958</u>
	\$ <u>910,457,280</u>

#### Higher Education Funds:

##### University of Guam:

University of Guam Dormitory and Student Union Revenue Bonds of 1968, interest at 6% per annum, payable semi-annually in April and October. The bonds mature in varying dates with annual amounts from \$30,000 to \$90,000 through October 2008. \$ 660,000

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### General Long-Term Debt Account Group:

#### General Obligation Bonds:

On December 21, 1989, the Government of Guam issued general obligation Water System Revenue Bonds, Series 1989 in the amount of \$49,190,000. The bonds have been issued for the purpose of expanding and improving the existing water system of the Government operated by the Public Utility Agency of Guam, now the Guam Waterworks Authority. The bonds mature in annual installments of \$1,260,000 to \$4,310,000 through July 1, 2009. Interest is payable semi-annually on January 1 and July 1, in each year, ranging from 5.9% to 7.0%. 30,060,000

On September 15, 1993, the Government of Guam issued general obligation bonds 1993 Series A in the amount of \$175,000,000. The bonds have been issued for the purpose of implementing capital projects. The serial bonds mature in annual installments of \$2,490,000 to \$7,195,000 through November 15, 2008, the term bonds mature in installments of \$42,150,000 in 2013 and \$54,785,000 in 2018. Interest ranging from 3% to 5.4% is payable semi-annually on May 15 and November 15 in each year. 150,705,000

On June 22, 1995, the Government of Guam issued general obligation bonds 1995 series A in the amount of \$115,000,000. The bonds have been issued for the purpose of implementing certain capital projects and payment of certain general fund expenditures. The bonds mature in annual installments of \$5,650,000 to \$16,875,000 through September 1, 2005 and \$2,085,006 in 2006. Interest is payable semi-annually on March 1 and September 1 in each year, ranging from 4.6% to 6.0%. 77,865,000

Special Revenue Bonds - Territorial Highway Fund: On June 1, 1992, the Government of Guam issued limited obligation Highway Bonds, 1992 Series A in the amount of \$68,500,000. The bonds are collateralized by a first lien and pledge of certain revenues as defined under the bond indenture. The bonds mature annually on May 1, 1993 through May 1, 2003, with a term bond maturity on May 1, 2012. Interest is payable semi-annually on May 1 and November 1, in each year, ranging from 3% to 6.3%. 49,830,000

Special Revenue Bonds - Tourist Attraction Fund: The Government of Guam Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, were dated December 1, 1997 and were issued in fully registered form, in denominations of \$5,000 or multiples thereof in the aggregate principal amount of \$76,275,000. The bonds mature annually on November 1, 1999 through November 1, 2012, and subsequently on November 1, 2012 and 2017 (term bonds). Interest on the bonds is payable semi-annually on May and November of each year. 75,375,000

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(2) Long-Term Debt, Continued

General Long-Term Debt Account Group, Continued:

Special Revenue Notes Payable - Judicial Building Fund: On September 21, 1988, the Government issued a promissory note payable to the Farmers Home Administration in the amount of \$11,000,000. Advances totaling \$11,000,000 were received against this note. Interest at 7.75% is to be paid on September 1, 1989 and September 1, 1990, with quarterly payments of \$225,390 including interest commencing December 1, 1990 through September 2028. The note is collateralized by real property. 6,995,297

General Fund Notes Payable: On July 11, 2000 the Government entered into a loan agreement with a local bank to finance the Voluntary Separation with Compensation Early Retirement Incentive program totaling \$25,000,000. Principal is payable annually commencing October 2000 and maturing in October 2009. Interest is based on the banks' index rate and varies from 8.27% to 9%, payable monthly. The note is collateralized by the pledge and assignments of Section 30 revenues. 25,000,000

Total general long-term debt account group \$ 415,830,297

The annual requirement to amortize all debt of the governmental fund types outstanding as of September 30, 2000, is as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Special</u> <u>Revenue</u> <u>Bonds</u>	<u>Interest</u> <u>Payable</u> <u>On Term Debt</u>	<u>Notes</u> <u>Payable</u>	<u>Total</u>
2001	\$ 20,990,000	\$ 6,495,000	\$ 23,213,863	\$ 2,608,815	\$ 53,307,678
2002	22,130,000	6,825,000	21,520,298	2,617,496	53,092,794
2003	23,365,000	7,190,000	19,708,038	2,626,870	52,889,908
2004	24,675,000	7,570,000	17,781,006	2,636,992	52,662,998
2005	26,365,000	7,990,000	15,730,189	2,647,921	52,733,110
Thereafter	<u>141,105,000</u>	<u>89,135,000</u>	<u>86,995,096</u>	<u>18,857,203</u>	<u>336,092,299</u>
	<u>\$ 258,630,000</u>	<u>\$ 125,205,000</u>	<u>\$ 184,948,490</u>	<u>\$ 31,995,297</u>	<u>\$ 600,778,787</u>

As of September 30, 2000, \$36,237,842 is available in the Debt Service Funds to service the General Obligation and Special Revenue Bonds. There are a number of limitations and restrictions placed on the bonds as specified below:

Indentures to the 1992 Series A Bonds (Special Revenue Bonds)

The 1992 Series A bonds are limited obligations of the Government of Guam payable entirely from a first lien and pledge of revenues. Revenues are defined in the bond indenture as all amounts received from the imposition of vehicle registration fees, license fees and certain penalties, and from taxes on the sale of gasoline, aviation and diesel fuels. The Government of Guam has pledged to maintain these revenues at a level sufficient to equal annual budgeted highway maintenance and operating expenses plus 1.2 times the aggregate debt service becoming due within the next fiscal year.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### Indentures to the 1992 Series A Bonds (Special Revenue Bonds), Continued

In accordance with the bond indenture, the depository has established a trust account to be known as the "Construction Fund". Amounts deposited therein are used to (1) implement highway capital improvement projects based on Public Law 21-110 signed by the Governor on June 1, 1992, (2) pay the costs of bond issuance, and (3) pay the principal and interest on the bonds should other sources be insufficient. The "Construction Fund" account is accounted for within the Highway Bond Projects Capital Projects Fund.

All pledged revenues are to be deposited into a special account entitled the "Revenue Fund". In addition, all interest and other profit derived from investments, except those in the "Construction Fund," are to be transferred monthly to the "Revenue Fund". Transactions of the "Revenue Fund" account are accounted for in the Debt Service Fund. On the fifth day of each month following the month the revenues are deposited, the depository/trustee is to deposit into the following funds 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 next succeeding calendar month upon all then outstanding bonds, plus (2) an amount which, if paid in equal monthly installments in each month prior to the next May 1, would aggregate to the amount of principal then becoming due and payable on the outstanding serial bonds on such May 1, plus (3) an amount which, if paid in equal monthly installments in each month prior to the next May 1, would aggregate to the amount of the mandatory sinking fund payments required to be paid for outstanding term bonds on such May 1. Amounts in the Bond Fund are to be used to pay bond interest and the principal of the serial and term bonds. Funds in this account are accounted for within the Debt Service Fund.

Bond Reserve Fund - an amount, if any, needed to equal the maximum annual debt service. 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. Funds in this account are accounted for within the Debt Service Fund.

Maintenance and Operation Fund - the amount of maintenance and operation expenses budgeted by the Government of Guam to be paid during the next succeeding calendar month. Amounts in the Maintenance and Operation Fund are to be used for the purpose of paying Government of Guam highway maintenance and operation costs. This account is a component of the Debt Service Fund.

Maintenance and Operation Reserve Fund - an amount to increase the balance therein equal to 1.5% of the original aggregate principal amount of bonds of each series having bonds outstanding. Amounts in the Maintenance and Operation Reserve Fund are to be used to pay Government of Guam highway maintenance and operation expenses should amounts in the Maintenance and Operation Fund be insufficient. Accounting for this Fund is performed within the Debt Service Fund.

Surplus Fund - the balance remaining in the revenue fund after all of the foregoing deposits. Amounts in the Surplus Fund are to be used for the purpose of paying other costs and expenses budgeted by the Government of Guam. Transactions to and from the Surplus Fund are accounted for in the Debt Service Fund.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### Indentures to the 1997 Series A Bonds (Special Revenue Bonds), Continued

Defeased Debt of Special Revenue Funds - on December 1, 1997, the Government of Guam issued 1997 Series A Limited Obligation Infrastructure Improvement Bonds (1997 Bonds) of \$76,275,000 with variable interest rates of 4.75% to 5.5% to refund outstanding term bonds of the Government's 1989 Series A Limited Obligation Infrastructure Improvement Bonds (1989 Bonds) with variable interest rates of 6.85% to 7.1% and a total principal outstanding of \$19,870,000. The 1989 Bonds mature on November 15, 2009, and are callable on November 15, 1999. The \$20,375,313 of proceeds of refunding bonds was transferred to an escrow agent who had used the proceeds to purchase U.S. Government securities which are to be held by the escrow agent in an irrevocable trust to provide debt service payments until the 1989 Bonds are called on November 15, 1999. The effects of the transfer was reported as an "other financing use - payment to refunded bond escrow agent" in the Debt Service Fund. The advance refunding met the requirements of an in-substance defeasance and the 1989 Bonds were removed from the Government's General Long-Term Debt Account Group. As a result of the advance refunding, the Government reduced its debt service requirements on the 1989 Bonds by \$8,029,899 which resulted in an economic gain (difference between the present rate of the debt service payments of the old and new debt) of \$1,500,000.

The 1997 Series A bonds are limited obligations of the Government of Guam payable entirely from a first lien and pledge of revenues. Revenues are defined in the bond indenture as all amounts received from the imposition of hotel occupancy taxes. The Government of Guam has pledged to maintain these revenues at a level sufficient to equal the sum of 1.25 times the aggregate debt service becoming due within the next fiscal year; plus amounts required to be deposited pursuant to the tax certificate for the bonds and amounts required to meet the bond reserve fund requirement.

In accordance with the bond indenture, the depository has established a trust account known as the "Construction Fund." Amounts deposited therein are used to (1) implement capital improvement projects prescribed in Public Law 29-137, adopted on January 2, 1997, (2) pay the cost of bond issuance and letter of credit fees and (3) pay the principal and interest on the bonds should other sources be insufficient.

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

### Indentures to General Obligation Bonds:

- Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the next succeeding 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 date, would aggregate to the amount of principal then 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 date, would aggregate to the amount of the mandatory sinking fund payments required to be paid for the outstanding term bonds on such principal payment date.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

### Indentures to General Obligation Bonds, Continued:

- Rebate Fund - an amount, if any, needed to be deposited therein pursuant to the rebate certificate with respect to the 1997 Series A Bonds.
- Bond Reserve Fund - an amount, if any, needed to equal to the lesser of (1) the maximum annual debt service, (2) 10% of the proceeds received from the sale of the bonds and (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 payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund.
- Bond Expense Fund - an amount equal to the amount of bond expenses estimated by the trustee to be due and payable during the next succeeding calendar month.

The General Obligation Bonds constitute the valid and legally binding general obligation of the Government of Guam, and the Government pledges its full faith and credit for the punctual payment of principal and interest on the bonds. Additionally, certain revenues are specifically pledged to secure the payment of said principal and interest. As defined by the terms of the bond indenture, these revenues include the following: (1) all amounts received by the Government as proceeds of Federal income taxes derived from Guam ("Section 30" monies); (2) customs duties collected by the Government 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 established pursuant to the bond indenture.

General Obligation Water System Revenue Bonds 1989 Series - The bond was issued on December 21, 1989 for the purpose of expanding and improving the existing water system of the Government of Guam operated by Guam Waterworks Authority (formerly the Public Utility Agency of Guam). In accordance with the bond indenture the Government of Guam may (1) not sell, lease or otherwise dispose of the water system or any part thereof essential to the proper operation of the water system, (2) not acquire, construct, maintain, operate or permit any other entity to compete with the water system, (3) maintain the water system in good condition and (4) pay any and all lawful claims, which if unpaid might become a lien on water system revenues.

General Obligation Bonds 1993 Series A - This bond was issued on September 15, 1993 for the purpose of implementing certain Capital Projects comprised of new or renovated educational facilities. In accordance with the bond indenture, the Depository established a Construction Fund, the amounts therein to be used solely for (1) the purpose of implementing capital projects pursuant to the Act, (2) the payment of costs of issuance, and (3) the payment of principal and interest on the bonds. On or before the fifth day of each calendar month, the Government deposits into a 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 is required to be transferred to the Bond Fund.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (2) Long-Term Debt, Continued

General Obligation Bonds 1994 Series A - This bond was issued on August 15, 1994 for the purpose of discharging the Government of Guam's obligation to pay refunds owed to taxpayers who have filed their income tax forms with the Government. Final payment for principal and interest occurred on August 15, 1999. Therefore no further obligation with regard to the bond covenants exist for this debt service fund as of September 30, 2000. However, an interfund receivable balance with the general fund and a corresponding credit to reserve for related assets is recorded in this fund until a final decision is made on the disposition of the fund balance.

General Obligation Bond 1995 Series A - This bond was issued on June 1, 1995 for the purpose of discharging obligations for income tax refunds, supplemental retirement benefits, transfer payments to government agencies and to vendors to the extent obligations were incurred or previously obligated by the Government prior to May 15, 1995 and to pay the costs of issuance of such borrowing. The Depository has established a Bond Fund to be used solely (1) to pay General Fund expenses pursuant to the indenture, (2) to pay costs of issuance, and (3) to be held as a reserve for the payment of principal of and interest on the Bonds. The amount in the Bond Fund as of September 30, 2000 is \$3,919,262.

Public Law 22-19 has authorized the creation of the Territorial Education Facilities Fund which requires that all real property tax revenues received shall be deposited into this fund. While such deposits are not pledged, these shall be used to pay the principal and interest on bonds issued for Capital Improvement Projects provided for under the General Obligation Bonds 1993 Series A indenture.

Public Law 23-14 was created to authorize the Governor of Guam to issue general bonds for the purposes of constructing and refurbishing territorial educational facilities, paying certain General Fund expenses, and creating a funding source for repayment of such bonds.

Management of the Government of Guam believes that it is in compliance with all significant limitations and restrictions of the bond indentures as of September 30, 2000.

Component Units - Proprietary Fund debt is primarily being retired from sources of that fund. The notes and bonds specified above are not obligations of the Government of Guam. Those notes and bonds are collateralized by pledges of resources to which they relate.

### Short-Term Notes Payable

Short-term notes payable are recorded in the Component Units - Proprietary Funds as follows:

#### Guam Power Authority

Balance against a \$15 million credit facility, thirty day notes payable at maturity, collateralized by a financing statement against receivables with the Bank as lienholder subordinate to the bondholders under GPA's bond issues, interest between 7.56875% and 7.71625%.	\$ 9,917,174
Tax exempt commercial paper notes, varying interest from 3.0% to 3.2%, rolled over maturity date from June 9, 2000 through August 14, 2000, collateralized by pledge of revenues subordinate to the bondholders under GPA's bond issues. The notes provide \$20 million for working capital and \$45 million for capital projects.	<u>20,000,000</u>
	\$ <u>29,917,174</u>

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2000

(3) Commitments and Contingencies

A. Sick Leave

It is the policy of the Government of Guam 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, 2000. The estimated accumulated amount of unused sick leave at September 30, 2000, is \$33,804,741. Sick leave balances are only available for the line departments of the executive branch.

B. Leases

The component units - proprietary funds have entered into various operating leases for buildings. Substantially all leases terminate annually at the end of the Government's fiscal year (September 30). It is expected that in the normal course of business, these leases will be replaced by similar ones. Expenditures for component units - proprietary funds' rent under leases for the year ended September 30, 2000, and projected expenditures thereafter are as follows:

2001	\$ 2,505,497
2002	2,504,497
2003	1,253,000
2004	1,290,000
2005	1,290,000
Thereafter	<u>10,051,100</u>
	<u>\$ 18,894,094</u>

C. Federal Grants

The Government has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Questioned costs for the 2000 and prior year audits aggregate to a material amount. If the 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 general purpose financial statements.

Audits of federal program funds are also performed by various federal agencies. If the audit results 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 this matter has been recorded in the accompanying general purpose 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 general purpose financial statements, as it is not possible to predict a reasonable estimation of these fines and penalties.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (3) Commitments and Contingencies, Continued

### D. Litigation

The Government of Guam is unable to assess the actual claims outstanding as of the year ended September 30, 2000. The Attorney General is of the opinion that the Government's maximum liability in total for these cases is material to the financial statements as of September 30, 2000. However, it is not possible to predict a reasonable estimation of these claims to be paid through the claims process, as set forth in footnote 3E below, and therefore, no provision for any liability that may result has been made in the accompanying general purpose financial statements.

### E. Self-Insurance

The Government of Guam 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 (an expendable trust fund) and then valid claims are paid out against the appropriated amount. The Government of Guam has not experienced material prior year losses as a result of this policy.

### F. 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, 2000, approximately \$13,514,489 was held by the Government of Guam in bonds as security against possible claims.

### G. Food Stamp Program Inventory

The Department of Public Health and Social Services administers the Food Stamp Program on behalf of the U.S. Department of Agriculture's Food and Nutrition Service (FNS). The stated objectives of the Food Stamp Program are to:

1. Improve the diets of low income households by supplementing their food purchasing ability, and
2. Promote the distribution of the nation's agricultural abundance in a beneficial manner, thereby strengthening the agricultural economy.

The Government of Guam implemented GASB 24 which requires food stamp benefits to be reported as assets (inventories) offset by deferred revenue. Food stamp benefits distributed are recognized as expenditures. Food stamp activities are accounted for in the Special Revenue Funds - Federal Grant Fund.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (3) Commitments and Contingencies, Continued

### G. Food Stamp Program Inventory, Continued

The Department issues prenumbered "Authorization to Purchase" (ATP) cards to eligible individuals. The individuals use ATP's to obtain food stamp coupons from the Department's distribution agent. The coupons are used to purchase food in participating stores, and redemption of the coupons is performed by FNS directly with such stores. The book value of coupons held in custody by the Department's agent at September 30, 2000 is \$13,009,652.

### H. Medicare

The Government of Guam does not withhold or remit funds to the U.S. Social Security System for the health insurance component. The Government has since reevaluated this position and has commenced withholding such amount from its employees beginning in October 1998. If the Government is found to be liable for prior year nonpayment's an indeterminate liability could result. Therefore, no liability for any amount, which may ultimately arise from this matter, has been recorded in the accompanying general purpose financial statements.

### I. Closure of Landfill

The Department of Public Works (a line agency of the Government of Guam) has not provided a detailed study regarding the closure and post-closure costs of the local solid waste landfill. The Guam Legislature appropriated an amount for the closure of the landfill in fiscal year 1998 of \$4,000,000 under P.L. 24-139; however, no detail breakdown of the costs associated with the closure and post-closure of the landfill has been provided. Therefore, no liability for any amount has been recorded in the accompanying general purpose financial statements.

### J. Going Concern

As shown in the accompanying component units – proprietary funds financial statements, the Guam Housing Corporation has sustained a loss from operations and recurring negative cash flows, and as of September 30, 2000, the Corporation's current liabilities exceeded its current assets by approximately \$5,300,000 and may not be able to meet its obligations as they become due. Delinquent loans receivable approximate \$10,100,000 as of September 30, 2000. The Corporation defaulted on its note payable to the Government of Guam and has been in arrears since November 1999, which approximates \$517,000 as of September 30, 2000. Pursuant to the Bond Indenture, the Corporation's \$50,000,000 mortgage revenue bonds are subject to non-origination call or redemption if such bond proceeds are not fully expended no later than November 1, 2001. As of September 30, 2000, the Corporation had originated loans totaling \$2,164,475, for which the Trustee had not disbursed such monies from the Program Fund for the acquisition of Mortgage-Backed Securities. These factors raise substantial doubt about the Corporation's ability to continue as a going concern.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (3) Commitments and Contingencies, Continued

### J. Going Concern, Continued

The Corporation's Board of Directors has adopted and management has instituted a recovery plan and cost reduction program that includes a reduction of labor and fringe costs, obtaining additional working capital and restructuring existing bank and credit agreements. The Corporation is conducting a comprehensive review of its loan portfolio and is increasing borrowers to refinance, re-amortize and set-up payment plans for outstanding loans receivable. The Corporation is negotiating a new loan agreement with Government of Guam, and those amounts payable to the Government of Guam were deferred until January 2004. The Corporation expects to generate additional cash needed through the sale of its foreclosed properties held for sale and through the refinancing of existing loans and notes payable to financial institutions. However, there can be no assurance that the Corporation will be successful in achieving its objectives. The financial statements do not include any adjustments that might be necessary if the Corporation is unable to continue as a going concern.

Subsidy transfers from the Government of Guam General Fund to GMHA were \$9,453,997 and \$0 for the years ended September 30, 2000 and 1999, respectively. In addition, GMHA recorded other revenue of \$3,235,323 resulting from the forgiveness of accrued penalties and interest on past due withholding taxes under a tax amnesty program.

GMHA has recorded operating expenses in excess of operating revenues in both 1999 and 2000. This condition raises substantial doubt about GMHA's ability to continue as a going concern without continuing subsidies from the Government of Guam.

The independent auditor's for the Guam Power Authority in their report dated March 23, 2001 expressed a contingency on the ultimate collection of the receivables due from Government of Guam agencies, that such cannot be presently determined.

## (4) Transfers into the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Expendable Trust Funds

Included within transfers in to the General Fund, Special Revenue Funds, Debt Service Funds and Expendable Trust Funds during the year ended September 30, 2000 (with comparative totals for the year ended September 30, 1999), are the following:

	<u>2000</u>	<u>1999</u>
General Fund:		
Territorial Education Facilities Fund	\$ 16,073,895	\$ 17,371,097
Guam International Airport Authority	-	3,261,257
Guam Housing Corporation Revolving Fund	214,517	2,253,405
University of Guam	2,123,515	2,027,362
Village Streets Fund	200,000	-
GSA Revolving Fund	-	863,447
Supreme Court of Guam	-	500,000
Solid Waste Management Fund	1,000,000	-
DPW Building & Design	360,980	498,027
Police Services	301,128	416,441
Abandoned Vehicle & Streetlights Fund	-	383,614
Residential Treatment Fund	73,372	-
Health Professional Licensure Fund	88,351	110,258
Parks Fund	79,005	-

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(4) Transfers into the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Expendable Trust Funds, Continued

	<u>2000</u>	<u>1999</u>
General Fund, Continued:		
Guam Contractor's License Fund	46,741	-
Aquaculture Development & Training Fund	55,140	-
Veteran's Bonus Fund	420,026	352,092
Firefighter Equipment Replacement Fund	49,000	-
Public Service Recovery Fund	50,553	804,764
CAHA, CET, CEF Fund	43,410	-
Program Development Fund	-	596,132
Land for the Landless Fund	51,743	494,888
Public Defender Services Corp.	-	273,610
Criminal Injuries Compensation Fund	-	256,295
Typhoon Paka Emergency Fund	-	234,845
Recreation Revolving Fund	-	113,843
Housing Revolving Fund	396,687	104,824
PEALS Fund	106,879	82,565
Overtime Fund	199,264	-
Criminal Injuries Fund	44,533	-
1999 SPG Revolving Fund	-	71,302
Chamorro Heritage Institute	-	61,230
Printing Revolving Fund	-	55,766
Health & Human Services Fund	104,860	52,232
Guam Visitors' Bureau	47,437	-
Other various Funds	<u>188,538</u>	<u>205,719</u>
	<u>\$ 22,319,574</u>	<u>\$ 31,445,015</u>
Special Revenue Funds:		
Federal Grants Assistance	\$ 44,783,877	\$ 37,394,627
Tourist Attraction Fund	19,193,253	14,969,501
Superior Court Operations Fund	16,120,513	18,380,478
Guam Legislature	7,720,000	10,800,000
Territorial Highway Fund	11,467,674	9,008,809
Public Defender Service Corporation	2,412,478	2,571,528
1999 SPG Revolving Fund	-	1,500,000
Off-Island Travel Fund	289,914	-
Firefighter Equipment Fund	-	600,000
Public Service Recovery Fund	-	595,263
Abandoned Vehicle & Streetlight Fund	1,405,925	517,133
Overtime Fund	2,273,892	-
Supreme Court of Guam	<u>1,934,999</u>	<u>-</u>
	<u>\$ 107,602,525</u>	<u>\$ 96,337,339</u>

## GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(4) Transfers into the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Expendable Trust Funds, Continued

	<u>2000</u>	<u>1999</u>
Debt Service Funds:		
L.O. Infrastructure Improvement Bonds, 1989 Series A	\$ -	\$ 18,879,889
L.O. Infrastructure Improvement Bonds, 1997 Series A	20,229,906	-
General Obligation Bonds, 1995 Series A	17,999,592	12,496,982
L.O. Highway Bond, 1992 Series A	14,818,419	14,373,247
General Obligation Bonds, 1993 Series A	12,799,998	12,949,547
General Obligation Bonds, 1994 Series A	-	14,075,324
Water System Revenue Bonds Series 1989	<u>4,612,178</u>	<u>-</u>
	\$ <u>70,460,093</u>	\$ <u>72,774,989</u>
Expendable Trust Funds:		
Community Development Fund	\$ -	\$ 2,708,025
Government Claims Fund	289,914	-
Workmen's Compensation Fund	966,380	1,641,536
Off-Island Treatment Fund	1,352,932	-
Superior Court Trust Fund	<u>1,050,155</u>	<u>2,129,273</u>
	\$ <u>3,659,381</u>	\$ <u>6,478,834</u>

(5) Unfunded Retirement Fund Contribution

As of the fiscal year ended September 30, 1994, the Government of Guam Retirement Plan is a defined benefit (DB), cost sharing multi-employer contributory pension plan established and administered by the Government of Guam. Membership in the Plan is mandatory for all full-time employees, except for those compensated on a fee basis, independent contractors, and persons aged 60 or over upon employment. The Plan is administered by the Government of Guam Retirement Fund to which all funds and agencies, including component units, as well as employees who are members of the Plan, contribute a fixed percentage of the payroll. Most employees may retire with full benefits at age 60 with at least 10 years of service, or after 25 years of service, regardless of age. Vesting of benefits is optional for employees with 3 to 19 years of service, but is mandatory for employees with 20 or more years of service.

On September 30, 1995, the Government of Guam Retirement Fund Defined Contribution (DC) Plan was established. All employees hired after September 30, 1995 will be participants in the DC plan. The Government of Guam Retirement Fund Defined Benefit (DB) plan will become a closed group.

Participants of the DB plan with less than twenty years of service at September 30, 1995 will have the option to transfer to the DC plan. Participants with over twenty years of service will not have an option to transfer. Transferring employees will have their employee contribution balances with interest transferred to the DC plan. Once participants have elected to transfer, they are no longer eligible for DB plan benefits nor are they allowed to transfer back to the DB plan.

The assumption regarding employees who will elect to transfer is:

1. 6% of participants with less than five years of service as of September 30, 1995 and still active members of the DB plan as of September 30, 1998 will elect to transfer.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

## (5) Unfunded Retirement Fund Contribution, Continued

2. 3% of participants with between five and twenty years of service as of September 30, 1995 and still active members of the DB plan as of September 30, 1998 will elect to transfer.

The window period for election is the two year period ending September 30, 1999; therefore, all transfers are assumed to occur prior to September 30, 1999. However, Public Law 25-19 extended the opportunity to transfer to the DC plan to December 31, 1999 and provided an additional incentive to do so. The incentive is an additional transfer of assets from the DB plan to the DC plan equal to 5% of such member's pay for each year of service, with a maximum transfer of 25% of pay. This incentive is applied retroactively to include members who transferred to the DC plan prior to Public Law 25-19.

The latest actuary's report indicates that the Plan has 8,382 active members, 3,841 service retirees, 524 disability retirees, 1,014 spouse pensioners and 275 child pensioners.

The Plan utilizes the actuarial cost method termed "entry age normal" with an assumed rate of return of 8% and an assumed salary scale increase of 5 1/2% per annum. The most recent actuarial valuation performed as of September 30, 1999, did not provide a breakdown of actuarial present value of vested and non-vested accumulated plan benefits by sponsor or net assets available for benefits by sponsor.

According to the latest actuary's report, the actuarial value of benefits (vested and non-vested) for employees of all funds and agencies participating in the Retirement Plan at September 30, 1999 is \$2,096,616,994. This represents an increase of \$325,765,493 over the previous actuarial valuation performed as of September 30, 1998. The latest actuarial valuation also determined that the Retirement Fund has an unfunded accrued liability which increased from \$483,694,372 at September 30, 1998, to \$750,412,333 at September 30, 1999.

The total (memorandum only) accrued liability on the balance sheet of \$259,093,995 represents only that portion of the total unfunded liability accrued by the component units enterprise funds, college and university funds and the General Fund, and unpaid to the Retirement Fund as of September 2000. This liability, which is also a deferred obligation of the participating funds and agencies, resulted primarily from changes in plan provisions or actuarial assumptions, and gains and losses that occur when actual experience differs from the actuarial assumptions, with only a minor change (increase) in the statutory contribution rate to the Retirement Fund for the employer of 5.31%. Hence, the actuarial survey concluded that government contribution levels be changed from their current levels to the September 30, 1999 rate levels normal annual contributions to make up for the lack of adequate contributions in past years. Based on the actuarial valuation performed as of September 30, 1999, it is estimated that for the fiscal year ended September 30, 2000, the minimum employer contribution rate is changed to 23.91% of covered payroll, plus the statutory employee contribution rate of 9.5% of covered payroll which is necessary to fund current retirement costs, to amortize the unfunded liability over 13 years, and to provide for interest on the unfunded accrued liability. The statutory employer contribution rate is 18.69% for both the DB and DC plan. For the DC plan, the difference of 13.6% over the defined contribution rate of 5% is contributed to assist in amortizing the unfunded liability.

In addition, as the result of Public Law 21-03, the University of Guam's and the Guam Community College's unfunded pension liability is now included in the General Long-Term Debt Account group.

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(6) Reconciliation of Retained Earnings, Beginning of Year

Governmental Fund Types – Special Revenue – The Guam Legislature Operations fund and the Supreme Court of Guam was not previously presented in the prior 1999 general purpose financial statements; however, such financial statements are available for the current year and is therefore presented in the accompanying financial statements.

Component Units - Proprietary Funds - The Guam Housing & Urban Renewal Authority (GHURA), and the Port Authority of Guam (PAG) was not previously presented in the prior 1999 general purpose financial statements; however, such financial statements are available for the current year and are therefore presented in the accompanying financial statements.

Accordingly, the retained earnings, beginning of year, for these fund types do not reconcile to the 1999 ending retained earnings. The following is a reconciliation of retained earnings, beginning of year, to reflect these adjustments:

	<u>Special Revenue Funds</u>	<u>Component Units Proprietary Funds</u>
Ending fund balance retained earnings at September 30, 1999	\$ 28,653,444	\$ 256,815,585
Guam Legislature Operations Fund	268,555	-
Supreme Court of Guam	(110,993)	
Port Authority of Guam	-	15,310,402
Guam Housing & Urban Renewal Authority	<u>-</u>	<u>(3,172,634)</u>
Beginning retained earnings at September 30, 2000	\$ <u>28,811,006</u>	\$ <u>268,953,353</u>

(7) Interfund Transfers

A. Transfers between governmental fund types are normally recorded on a cash basis. Differences may occur between transfers out as recorded by the General Fund and transfers in as recorded by certain component units - proprietary funds due to timing differences which result from the General Fund recording transfers on a cash basis and certain component units - proprietary funds recording transfers when funds are appropriated by the Legislature.

GOVERNMENT OF GUAM

Notes To Financial Statements  
September 30, 2000

NOTE 7 - Interfund Transfers, Continued

B. Schedule of Interfund Transfers

Transfers out of:

	Special Revenue Funds										
	General Fund	Tourist Attraction	Territorial Education Facilities	Territorial Highway	DOC Inmates Revolving Fund	Village Streets Fund	Housing Revolving Fund	Manpower Development Fund	Health & Human Services Fund	Superior Court Operations Fund	Federal Grants Assistance Fund
Transfers in to:											
General Fund	\$ -	\$ -	\$ 16,073,895	\$ -	\$ -	\$ 200,000	\$ 396,687	\$ -	\$ 104,860	\$ -	\$ -
Federal Grants Assistance Fund	42,090,532	2,395	-	-	890,950	1,800,000	-	-	-	-	-
Abandoned Vehicle & Streetlights Fund	1,405,925	-	-	-	-	-	-	-	-	-	-
Tourist Attraction Fund	-	-	-	-	-	-	-	-	-	-	-
Territorial Highway Fund	-	-	-	-	-	-	-	-	-	-	-
Public Defender Service Corporation	2,372,370	-	-	-	-	-	-	-	-	-	-
Superior Court Operations Fund	15,998,202	-	-	-	-	-	-	-	-	-	101,885
Overtime Fund	2,273,892	-	-	-	-	-	-	-	-	-	-
Guam Legislature	8,085,013	-	-	-	-	-	-	-	-	-	-
L.O. Highway Bond, 1992 Series A, Debt Service	-	-	-	14,818,419	-	-	-	-	-	-	-
L.O. Infrastructure Improvement Bonds, 1997 Series A, Debt Service	-	20,229,906	-	-	-	-	-	-	-	-	-
Water System Revenue Bonds, 1989 Series A, Capital Projects	4,612,178	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds, 1993 Series A, Debt Service	12,799,998	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds, 1995 Series A, Debt Service	17,999,592	-	-	-	-	-	-	-	-	-	-
Superior Court Trust Fund	-	-	-	-	-	-	-	-	-	1,050,155	-
Workmen's Compensation Fund	966,380	-	-	-	-	-	-	-	-	-	-
Off-Island Residential Treatment Fund	1,352,932	-	-	-	-	-	-	-	-	-	-
Supreme Court of Guam	1,889,411	-	-	-	-	-	-	-	-	-	-
Miscellaneous Transfers in	-	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental and Expendable Trust Funds Transfers In</b>	<b>111,846,425</b>	<b>20,232,301</b>	<b>16,073,895</b>	<b>14,818,419</b>	<b>890,950</b>	<b>2,000,000</b>	<b>396,687</b>	<b>-</b>	<b>104,860</b>	<b>1,050,155</b>	<b>101,885</b>
University of Guam	32,662,855	-	-	-	-	-	-	-	-	-	71,799
Guam Community College	9,292,330	-	-	-	-	-	-	902,208	-	-	-
Guam Visitors' Bureau	-	14,652,329	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	7,786,542	-	-	-	-	-	-	-	1,700,000	-	4,967
Office of the Public Auditor	743,192	-	-	-	-	-	-	-	-	-	-
Guam Mass Transit Authority	94,000	-	-	3,312,244	-	-	-	-	-	-	-
Chamorro Land Trust Commission	41,481	-	-	-	-	-	-	-	-	-	-
Sanctuary, Inc.	386,552	-	-	-	-	-	-	-	-	-	-
Komitea Para Tiyan Fund	4,326,754	-	-	-	-	-	-	-	-	-	-
Census 2000	-	-	-	-	-	-	-	-	-	-	5,134,888
Miscellaneous Transfers in	719,598	(1)	-	1	-	-	-	-	-	-	4,746,008
<b>Total Transfers Out</b>	<b>\$ 167,899,729</b>	<b>\$ 34,884,629</b>	<b>\$ 16,073,895</b>	<b>\$ 18,130,664</b>	<b>\$ 890,950</b>	<b>\$ 2,000,000</b>	<b>\$ 396,687</b>	<b>\$ 902,208</b>	<b>\$ 1,804,860</b>	<b>\$ 1,050,155</b>	<b>\$ 10,059,547</b>

	Special Revenue Funds					Debt Service Funds			Enterprise Funds	Higher Education Funds	TOTAL		
	Veterans' Bonus Fund	Police Services Fund	Guam Housing Corporation Revolving Fund	DPW Building and Design	Miscellaneous	Total	Limited Obligation Highway Bonds 1992, Series A Debt Service	Limited Obligation Infrastructure Improvement		Solid Waste Management Fund		University of Guam	Miscellaneous Transfers
								1989, Series A Debt Service	Total				
Transfers in to:													
General Fund	\$ 420,026	\$ 301,128	\$ 214,517	\$ 360,980	\$ 909,993	\$ 18,982,086	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 2,123,515	\$ 213,973	\$ 22,319,574
Federal Grants Assistance Fund	-	-	-	-	-	2,693,345	-	-	-	-	-	-	44,783,877
Abandoned Vehicle & Streetlights Fund	-	-	-	-	-	-	-	-	-	-	-	-	1,405,925
Tourist Attraction Fund	-	-	-	-	-	-	-	19,193,253	19,193,253	-	-	-	19,193,253
Territorial Highway Fund	-	-	-	-	-	-	11,467,674	-	11,467,674	-	-	-	11,467,674
Public Defender Service Corporation	-	-	-	-	-	-	-	-	-	-	-	40,108	2,412,478
Superior Court Operations Fund	-	-	-	-	-	101,885	-	-	-	-	-	20,426	16,120,513
Overtime Fund	-	-	-	-	-	-	-	-	-	-	-	-	2,273,892
Guam Legislature	-	-	-	-	-	-	-	-	-	-	-	(365,013)	7,720,000
L.O. Highway Bond, 1992 Series A, Debt Service	-	-	-	-	-	14,818,419	-	-	-	-	-	-	14,818,419
L.O. Infrastructure Improvement Bonds, 1997 Series A, Debt Service	-	-	-	-	-	20,229,906	-	-	-	-	-	-	20,229,906
Water System Revenue Bonds, 1989 Series A, Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	4,612,178
General Obligation Bonds, 1993 Series A, Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	12,799,998
General Obligation Bonds, 1995 Series A, Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	17,999,592
Superior Court Trust Fund	-	-	-	-	-	1,050,155	-	-	-	-	-	-	1,050,155
Workmen's Compensation Fund	-	-	-	-	-	-	-	-	-	-	-	-	966,380
Off-Island Residential Treatment Fund	-	-	-	-	-	-	-	-	-	-	-	-	1,352,932
Supreme Court of Guam	-	-	-	-	-	-	-	-	-	-	-	45,588	1,934,999
Miscellaneous Transfers in	-	-	-	-	-	-	-	-	-	-	-	579,828	579,828
<b>Total Governmental and Expendable Trust Funds Transfers In</b>	<b>420,026</b>	<b>301,128</b>	<b>214,517</b>	<b>360,980</b>	<b>909,993</b>	<b>57,875,796</b>	<b>11,467,674</b>	<b>19,193,253</b>	<b>30,660,927</b>	<b>1,000,000</b>	<b>2,123,515</b>	<b>534,910</b>	<b>204,041,573</b>
University of Guam	-	-	-	-	-	71,799	-	-	-	-	-	-	32,734,654
Guam Community College	-	-	-	-	-	902,208	-	-	-	-	-	-	10,194,538
Guam Visitors' Bureau	-	-	-	-	-	14,652,329	-	-	-	-	-	-	14,652,329
Guam Memorial Hospital Authority	-	-	-	-	-	1,704,967	-	-	-	-	-	-	9,491,509
Office of the Public Auditor	-	-	-	-	-	-	-	-	-	-	-	-	743,192
Guam Mass Transit Authority	-	-	-	-	-	3,312,244	-	-	-	-	-	-	3,406,244
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	-	-	-	41,481
Sanctuary, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	386,552
Komitea Para Tiyan Fund	-	-	-	-	-	-	-	-	-	-	-	(4,326,754)	-
Census 2000	-	-	-	-	-	5,134,888	-	-	-	-	-	-	5,134,888
Miscellaneous Transfers in	-	-	-	-	-	4,746,008	-	-	-	-	(95,896)	808,758	6,178,468
<b>Total Transfers Out</b>	<b>\$ 420,026</b>	<b>\$ 301,128</b>	<b>\$ 214,517</b>	<b>\$ 360,980</b>	<b>\$ 909,993</b>	<b>\$ 88,400,239</b>	<b>\$ 11,467,674</b>	<b>\$ 19,193,253</b>	<b>\$ 30,660,927</b>	<b>\$ 1,000,000</b>	<b>\$ 2,027,619</b>	<b>\$ (2,983,086)</b>	<b>\$ 287,005,428</b>

**GOVERNMENT OF GUAM**

Notes to Financial Statements  
September 30, 2000

NOTE ( Reconciliation-Budgetary Basis To Accounting Principles Generally Accepted  
in the United States of America (GAAP) Basis

Differences between the budgetary and GAAP basis of accounting for the following  
fund balances are shown below:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Fund (deficit) - beginning of year	\$ (142,555,207)	\$ (124,614,728)
Fund balances of funds not included in the current year:		
Guam Legislature Operations	-	268,555
Supreme Court of Guam	-	(110,993)
Excess (deficiency) of revenues and other sources over (under) budgetary expenditures and other uses	9,105,601	990,819
Change in encumbrances	4,898,954	9,868,166
Change in continuing appropriations	7,950,529	14,904,411
Change in debt service	(11,730,566)	-
Change in related assets	<u>-</u>	<u>659,472</u>
Fund deficit - end of year	\$ <u><u>(132,330,689)</u></u>	\$ <u><u>(98,034,298)</u></u>

# GOVERNMENT OF GUAM

Notes to Financial Statements  
September 30, 2000

(9) Reserves For Related Assets

Reserves for related assets consist of the following:

General Fund (Miscellaneous)	\$ <u>48,858</u>
Special Revenue Funds:	
Guam Housing Corporation Revolving Fund (Loans)	13,725,084
Farmers and Fisherman Loan Fund (Loans)	128,115
Territorial Educational Facilities Fund (Loans)	49,795
Farmers' Small Loan Revolving Fund (Loans)	15,686
Superior Court Operations (Miscellaneous)	<u>250</u>
	\$ <u>13,918,930</u>
Debt Service Funds:	
General Obligation Bonds Series A 1994 (Receivables)	\$ <u>2,070,182</u>
Trust Funds:	
Superior Court Trust Fund	\$ <u>200</u>

(10) Restricted Assets

As of September 30, 2000, restricted assets are generally as follows:

Component Units - Proprietary Funds

Guam International Airport Authority - Cash and investments held by trustees	\$ 96,568,638
Guam Housing Corporation - Borrower deposits and cash and investments held by trustees	52,489,473
Guam Power Authority - Bond reserve funds held by a trustee	77,399,340
Guam Educational Telecommunications Corporation	498,811
Guam Waterworks Authority - Savings and time certificate of deposits for expanding, upgrading or repairing water and wastewater facilities	<u>3,207,675</u>
	\$ <u>230,163,937</u>
<u>Higher Education Funds - Current Funds Restricted</u>	\$ <u>3,107,393</u>

(11) Correction of Prior Year Errors

Correction of prior year errors for the component units - proprietary funds relate to the Guam Memorial Hospital Authority, which primarily involve the reconciliation of beginning retained earnings.

**GOVERNMENT OF GUAM**

General Fund  
Balance Sheet  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash and equivalents	\$ <u>84,064,334</u>	\$ <u>30,539,670</u>
Receivables:		
Income taxes	95,212,518	103,744,560
Gross receipts taxes	51,000,786	49,845,579
Reserve for uncollectible taxes	<u>(59,473,870)</u>	<u>(59,469,664)</u>
Net tax receivables	<u>86,739,434</u>	<u>94,120,475</u>
Receivable from Federal Agencies	<u>791,324</u>	<u>791,324</u>
Other receivables, net	<u>3,129,966</u>	<u>1,516,092</u>
Interfund receivables, net	<u>89,681,569</u>	<u>85,802,756</u>
Total assets	\$ <u>264,406,627</u>	\$ <u>212,770,317</u>
<u>LIABILITIES AND FUND BALANCE (DEFICIT)</u>		
Liabilities:		
Bank overdraft	\$ 4,001,578	\$ 707,753
Accounts payable	52,752,114	34,323,362
Accrued payroll and other	19,722,139	20,556,016
Interfund payables	30,950,629	24,851,218
Deferred tax revenue	88,073,588	94,120,475
Deferred federal revenue	42,119,630	37,059,601
Provision for tax refunds	95,823,388	93,476,654
Deposits and other liabilities	24,101,684	9,243,850
Vacation leave accrual	<u>6,694,296</u>	<u>7,369,408</u>
Total liabilities	<u>364,239,046</u>	<u>321,708,337</u>
Fund balance (deficit):		
Reserved for:		
Debt service	11,730,566	-
Related assets	48,858	48,858
Encumbrances	12,053,284	16,952,238
Continuing appropriations	8,665,562	16,616,091
Deficit	<u>(132,330,689)</u>	<u>(142,555,207)</u>
Total fund balance (deficit)	<u>(99,832,419)</u>	<u>(108,938,020)</u>
Total liabilities and fund balance (deficit)	\$ <u>264,406,627</u>	\$ <u>212,770,317</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

General Fund  
Schedule of Revenues By Source  
Year Ended September 30, 2000  
(With Comparative Totals for the Year Ended September 30, 1999)

	<u>2000</u>	<u>1999</u>
Revenues:		
Taxes:		
Income	\$ 271,041,147	\$ 250,377,891
Gross receipts	146,488,598	148,963,676
Other	<u>4,013,664</u>	<u>6,486,003</u>
	421,543,409	405,827,570
Section 30 Funds	51,217,063	48,642,730
Licenses, fees and permits	2,106,075	1,885,380
Use of money and property	2,301,461	1,617,977
Federal contributions	1,767,014	9,849,935
Other	<u>1,615,406</u>	<u>1,564,233</u>
Total revenues	\$ <u>480,550,428</u>	\$ <u>469,387,825</u>

See Accompanying Independent Auditors' Report.

# GOVERNMENT OF GUAM

General Fund  
Schedule of Expenditures By Function and Department  
Year Ended September 30, 2000  
(With Comparative Totals for the Year Ended September 30, 1999)

	<u>2000</u>	<u>1999</u>
General Government:		
Governor's Office	\$ 7,734,789	\$ 10,370,915
Bureau of Budget and Management Research	1,248,010	1,519,833
Administration	8,564,929	10,319,043
Revenue and Taxation	7,760,628	13,060,576
Public Works	10,458,719	14,440,866
Civil Service Commission	1,078,482	1,231,516
Land Management	<u>2,649,546</u>	<u>2,409,649</u>
Total	<u>39,495,103</u>	<u>53,352,398</u>
Protection of life and property:		
Law	3,879,395	5,918,172
Guam Police Department	18,083,706	26,155,861
Guam Fire Department	18,314,416	20,618,407
Corrections	13,976,940	16,630,105
Youth Affairs	3,075,380	3,858,162
Chief Medical Examiner	297,934	309,317
Civil Defense Agency	200,434	1,113,817
Customs and Quarantine	<u>-</u>	<u>31,500</u>
Total	<u>57,828,205</u>	<u>74,635,341</u>
Public Health:		
Public Health and Social Services	12,328,268	16,402,814
Mental Health and Substance Abuse	<u>5,321,441</u>	<u>6,233,884</u>
Total	<u>17,649,709</u>	<u>22,636,698</u>
Community Services:		
Public Health and Social Services	2,493,166	2,674,142
Library and Museum	778,048	1,154,083
CAHA	70,163	3,848
Vocational Rehabilitation	<u>1,714,702</u>	<u>2,145,865</u>
Total	<u>5,056,079</u>	<u>5,977,938</u>
Recreation:		
Parks and Recreation	<u>4,569,199</u>	<u>3,253,705</u>
Total	<u>4,569,199</u>	<u>3,253,705</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

General Fund  
 Schedule of Expenditures By Function And Department, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	<u>2000</u>	<u>1999</u>
Individual and Collective Rights:		
Labor	2,102,284	2,544,058
Election Commission	763,692	701,200
Mayors' Council	6,066,719	4,037,228
Guam Veterans Affairs	-	245,765
Human Resources Development	55,214	173,956
Military Affairs	562,199	704,826
Chamoru Affairs/Guam Museum	695,831	-
Commission on Self-Determination	<u>410,590</u>	<u>505,420</u>
Total	<u>10,656,529</u>	<u>8,912,453</u>
Transportation:		
Public Works	<u>2,779,300</u>	<u>2,782,326</u>
Total	<u>2,779,300</u>	<u>2,782,326</u>
Public Education:		
Public Works	5,569,965	6,772,634
Guam Educational Tele. Corp.	790,293	419,471
Education	158,602,980	131,522,295
Chamorro Language Commission	<u>37,734</u>	<u>155,393</u>
Total	<u>165,000,972</u>	<u>138,869,793</u>
Environmental Protection:		
Public Works	898,040	3,331,425
Guam Environmental Protection Agency	<u>21,870</u>	<u>149,309</u>
Total	<u>919,910</u>	<u>3,480,734</u>
Economic Development:		
Commerce	1,710,681	1,850,800
Agriculture	1,834,404	2,535,430
Bureau of Planning	<u>744,106</u>	<u>1,265,663</u>
Total	<u>4,289,191</u>	<u>5,651,893</u>
Transfers To Persons	<u>22,242,616</u>	<u>22,004,070</u>
Capital Projects	<u>4,359,598</u>	<u>-</u>
Debt Service:		
Interest and fiscal charges	<u>1,742,705</u>	<u>692,318</u>
Total expenditures	\$ <u>336,589,116</u>	\$ <u>342,249,667</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

Special Revenue Funds  
September 30, 2000

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. A brief discussion of the Government's Special Revenue Funds as of September 30, 2000, follows.

Federal Grants Assistance Fund - This fund accounts for all activities of special federal assistance grants and contracts utilized by the Government of Guam to finance general government operations. This fund does not account for any special federal assistance for construction-type grants. Instead, such activity is encompassed within the Capital Projects Fund.

Notary Public Revolving Fund - This fund was established under Public Law 23-81 to account for all funds generated from fees for application, authentication, copying and other government fees required by the notary program. The funds shall be used by the Attorney General for the purpose of overseeing the notary program, including personnel costs for training, notary educational programs and conferences, and any administrative and equipment costs.

Stripperwell Fund - This fund was established 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.

Exxon Fuel Overcharge Fund - This fund was established 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.

Southern Community Health Center - This fund was established 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.

D.O.D. Contract Fund - This fund was established 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.

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.

Abandoned Vehicle and Streetlight Fund - This fund is maintained to defray the cost of street lights and to fund the removal of abandoned vehicles. Funding of these programs is provided from a five dollar annual vehicle registration fee and local appropriations.

Wildlife Conservation Fund - This fund was established 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.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Special Revenue Funds, Continued September 30, 2000

Territorial Educational Facilities Fund (TEF) - TEF was established by P.L. 22-19 (as amended by P.L. 23-14) to account for all real property tax revenues received by or on behalf of the Government of Guam. These revenues are used for the debt service payments of the General Obligation Bonds, 1993 Series A and 1995 Series A. Such real property tax collections are not pledged to the payment of the general obligation bonds.

Tourist Attraction Fund - This fund was established to finance the improvement of the physical facilities of Guam's parks and recreation areas. Financing is provided by the imposition of a 10 percent tax on lodging provided to transients.

Veterans' Bonus Fund - This fund is maintained to pay benefits to Guam's veterans and Civil Scouts whose service was inadequately recognized. Funding is provided both from Government contributions and taxes imposed on greyhound racing. Revenue provided under this fund is appropriated under P.L. 20-196 to the University of Guam as an additional source of funding to prevent any proposed tuition increase.

Territorial Highway Fund - This fund was established 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.

Land for the Landless Fund - This fund was created to maintain funds acquired from the sale of lands sold by the Government of Guam to individuals. The Director of Administration shall administer this fund. Expenditures from this fund shall only be authorized by the Provider of Public Works and may only be used for the installation and maintenance of infrastructure within the various subdivisions under the program.

Plant Nursery Revolving Fund - This fund was created under Executive Order 75-39 on September 3, 1975. Legislative authority for the fund is found under Section 6112(a) of the Government Code of Guam. The fund is established for the purchase and sale of seedlings and comes under the cognizance and jurisdiction of the Director of Agriculture. Original funding was provided by the General Fund under P.L. 13-27 and 13-37.

Parks Fund - This fund was established by P.L. 16-44 for the development, improvement and maintenance of the Guam Territorial Park System. Expenditures are authorized and made by appropriations from the Legislature.

Contractors' License Board Fund - This fund was established to protect the public by licensing the contractors of Guam. Revenues are derived from both license fees and local appropriations.

DOC Inmates Revolving Fund - The fund was established 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.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Special Revenue Funds, Continued September 30, 2000

Professional Engineers', Architects' and Surveyors' Fund - This fund was established 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.

Typhoon Paka Emergency Fund – This fund was created under P.L. 24-117 to respond to the emergency needs of the people of Guam in the wake of the devastation of Supertyphoon Paka. This act appropriated funds that was considered necessary to meet the emergency recovery needs of Guam resulting from Supertyphoon Paka which struck the island on December 16, 1997.

Safe Streets Fund - This fund was established under Public Law 22-41 and created within the Superior Court of Guam. This fund shall be maintained separate and apart from the other funds of the Superior Court. All fines collected for any of the acts made unlawful under Subsections 18102, 18109, 18111, 18120, and 18121 of Title 16, Guam Code Annotated and for which punishment is prescribed, shall be deposited into this fund. Upon the accumulation of \$300,000 in the fund and upon notification from the Administrative Director of the Superior Court, the Director of the Department of Corrections may encumber and draw down money for the purpose of designing and constructing minimum security facilities for use primarily to incarcerate those persons convicted of misdemeanors and persons convicted of acts unlawful under Article 1 of Chapter 18 of Title 16, Guam Code Annotated.

Individuals with Disabilities Disaster Recovery Fund – This fund was established by Public Law 24-172 to mitigate damages and losses of medical equipment, medical supplies and medications to individuals with disabilities and other patients under the care of a licensed physician. Funding is provided primarily through General Fund appropriations.

Chamorro Language Commission Fund – This fund was established to finance the activities of the Chamorro Language Commission. These include the study of antecedents, describing good grammar and usages for the Chamorro language and also to prepare a Chamorro-English dictionary. Funding is provided principally from local appropriations.

Printing Revolving Fund - This fund is maintained to collect all monies received as payment for publications and publication services provided by the compiler of laws and to pay all costs associated with the printing and publishing of local laws. Funding was provided by local appropriation however, when activities begin, funding will also be provided from publication charges.

Land Survey Fund - The Land Survey Revolving Fund was established 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 established by the Bureau of Budget and Management Research.

Litter Control Revolving Fund - This fund was established by P.L. 17-87. The administrator of the Guam Environmental Protection Agency is responsible for the Fund's activities. All fines, assessments, bail forfeitures and other funds collected from violation of Territorial litter laws are deposited into this Fund. Expenditures made from the Fund are authorized for enforcement of the litter laws, educational programs, and clean-up of public areas. The requirements of the fund are described in Section 51204, 10 GCA Chapter 51, Article 2.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Special Revenue Funds, Continued September 30, 2000

Recreation Revolving Fund - This fund was established by Executive Order 76-30 for the purpose of implementing the recreational sports program established by the Department of Parks and Recreation. Revenues are generated from registration fees of team participants. Expenditures are authorized for the purchase of trophies, awards, and fees paid to umpires and referees.

GSA Liquidated Damages Fund - This fund was established by Executive Order 86-24 for the purchase of materials and other equipment necessary to support the procurement process. Revenue for this fund is provided by photocopying charges for bid documents and liquidated damages assessed vendors for delay or failure in the delivery of items ordered or in the performance of specific services.

Village Streets Fund - This fund was created by P.L. 23-128. This Fund shall be used exclusively for the purpose of payment to vendors for village road planning, design, construction, reconstruction, improvement, repair and maintenance services, the acquisition of rights of way, or to service debt payments of revenue bonds which may be issued to fund the construction, repair and maintenance of secondary and tertiary roads.

Manpower Development Fund - This fund was established by P.L. 18-48 to enhance manpower training programs. The fund receives revenues from registration fees of non-immigrant workers.

Customs, Agriculture, and Quarantine Inspection Services Fund - This fund was established 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.

Guam Housing Corporation Revolving Fund - This fund was established by Public Law 20-210 to provide a low interest government loan to the Guam Housing Corporation (GHC) in order for the GHC to extend low interest mortgage loans to low and moderate income families and individuals. The loans shall be used for the purpose of construction of a home under the GHC lending programs. All payments of principal and interest received by GHC as payment of the loan shall be deposited in the Fund.

DPW Building and Design Fund - This fund was established by Public Law 20-221 to be used for review and building inspection operational expenditures. Any fees collected from the plan review and building inspection shall be deposited to the special fund.

Accessible Parking Fund - The fund was established by P.L. 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.

Government House Revolving Fund - This fund was established by Executive Order 87-008. Its purpose is to account for the fees charged and related expenditures made for the use of the Government House for public functions held.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Special Revenue Funds, Continued September 30, 2000

Aquaculture Development and Training Fund - This fund was established by Executive Order 88-023 to cover the costs associated with production relating to the Aquaculture Development and Training Center. Revenues for this fund are generated from the sale of the Center's products, leased equipment and facilities and service fees. The fund is administered by the Department of Commerce.

Health Professional Licensure Fund - This fund was established under Public Law 21-33 to defray the cost of obtaining standardized examination materials and services for the healing arts and cosmetology licenser and the cost of proctoring examination at the testing site.

Air Pollution Control Fund – This fund was established under 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.

Farmers' and Fisherman's Loan Revolving Fund - This fund was established under P.L. 20-105 to grant loans to Farmers and Fishermen not to exceed \$50,000 and not to exceed 4% interest per annum per individual. The loans shall be used for improvement of farm lands and farming and fishing operating expenditures. Payments of principal and interest on the loans shall be deposited to the Fund.

Guam Museum Fund - This fund was established by Public Law 21-118 to provide benefits to Museum facility expansion and improvements. All revenues and other property of the Guam Museum are exempt from taxation by the Government of Guam. All donations to the Museum shall be tax deductible to the donors. The Board of Trustees of the Museum shall administer this fund.

Guam Environmental Trust Fund - This fund was established through Public Law 21-10. The fund is administered by the Guam Environment Protection Agency and was established 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.

Drivers' Education Fund - This fund was established under 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.

Consumer Protection Fund - The Consumer Protection Fund was established by Public Law 21-18 to account for civil penalties collected under the Deceptive Trade - Practices Consumer Protection Act.

Autonomous Agency Infrastructure Collections Fund - This fund, created by P.L. 24-14, was established to ensure the health and public safety of the people of Guam and public works. The revenues are derived from the operating surpluses generated by autonomous agencies.

Farmers' Small Loan Revolving Fund - This fund was established by local appropriation for the purpose of making low interest loans to local farmers and fishermen.

Controlled Substance Diversion Fund – This fund was established under Public Law 24-149. Monies collected from fees shall be utilized to monitor controlled substance, through acquisition of equipment and supplies, entering into contracts, and training fund administrators.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Special Revenue Funds, Continued September 30, 2000

Taguag Memorial Cemetery Fund - The Taguag Memorial Cemetery Fund was established through Executive Order 85-7. Revenues in this fund are comprised exclusively by cemetery plot fees. Funds are used to pay for the cost of opening and closing graves and general maintenance of the grounds.

1999 SPG Revolving Fund – This fund was established under Public Law 25-01 for planning, conducting and hosting the 1999 South Pacific Games. Disbursement of funds shall take a majority vote of the SPG Commission.

Police Services Fund - This fund was established by P.L. 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.

Firefighter Equipment Replacement Fund – This fund was established under Public Law 25-03 as a receiving account for all funds (local, Federal or donated) provided for the purpose of replacing essential fire fighting equipment for the Guam Fire Department.

Public Defender Service Corporation (PDSC) - PDSC was established to provide legal service to indigents in civil and criminal matters, under P.L. 11-128 as amended. PDSC is governed by a board of trustees, whose members are set by law. Funding is provided through General Fund appropriations.

CAHA, OET and CEF - This fund was established by Public Law 22-060 to provide off-island travel assistance to eligible organizations, schools and individuals participating in the performing arts and humanities competitions.

Superior Court Operations Fund - During 1984, the Superior Court of Guam was legally established as a separate special revenue fund. Funding is provided primarily through General Fund appropriations.

Board of Accountancy Fund - This fund was established for the purpose of regulating aspects of the practice of public accountancy. The Guam Code Annotated Title 22, Subsection 35104(d) states that “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.

Dededo Buffer Strip Revolving Fund - This fund was established as a result of the re-enactment of Section 68901(1) of Title 21 of the Guam Code Annotated as amended by P.L. 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.

Public Service Recovery Fund – This fund was created by Executive Order 98-12 to expend funds for the following purposes: 1) for equipment related directly to public service; 2) for contracts directly related to public service; 3) for facilities and infrastructure repair, improvement and development that are for the public’s use and benefit, whether or not a facility or infrastructure repair is subject to user fees or rates; and 4) for reimbursement to autonomous agencies for costs incurred from fiscal year 1994 and thereafter.

See Accompanying Independent Auditors’ Report.

## GOVERNMENT OF GUAM

### Special Revenue Funds, Continued September 30, 2000

Health and Human Services Fund – This fund was established by P.L. 24-174 for settlements received from the tobacco industry.

Komitea Para Tiyan – This fund was established by Public Law 23-46 for the purpose of collecting proceeds from lease fees or rental of equipment and facilities within NAS. Money collected shall be used only for payment of utility expenses incurred by the common areas of Tiyan and not only for utility expenses incurred by any department or agency.

Off-Island Travel Fund – This fund was created by Public Law 25-98 Section 24, for the purpose of paying for off-island travel expenses incurred within the Executive Branch agencies, and who are directly supported by the General Fund. The fund does not support off-island travel expenses incurred by autonomous agencies. Disbursements of the fund is determined by the Governor.

Overtime Fund – This fund was created by Public Law 25-98 Section 23, for the purpose of paying for overtime expenses incurred within the Executive Branch agencies, and who are directly supported by the General Fund. The fund does not support overtime expenses incurred by the autonomous agencies. Disbursements of overtime fund is determined by the Governor.

Enhanced 911 Emergency Reporting System Fund – This fund was established 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 an enhanced “911” equipment and system.

Carrier Off-Duty Services Revolving Fund – This fund was established 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 on Sundays, holidays, or between the hours of 5:00 p.m. of any other day and 6:00 a.m. of the following day when services are required.

Rabies Prevention Fund – This fund was established by Public Law 24-216 to maintain, enhance and secure the prevention of rabies on Guam. Revenues are derived from issuance of entry permit for any dog or cat imported into Guam.

Coastal Zone Management Fund – The fund was established by Executive Order 93-04 to defray costs for the Eleventh Pacific Basin Coastal Zone Management Conference hosted by the Bureau of Planning. Revenues are generated from the registration fees from participants of the conference.

Guam Legislature Operations Fund - The Guam Legislature was created by the Organic Act of Guam, as amended. It is a unicameral body of 21 members elected bi-annually. It meets in two regular year-round sessions. Funding is provided through General Fund appropriations

Supreme Court of Guam – The fund was established by Public Law 21-147 as an independent judicial branch of the Government of Guam. The Supreme Court of Guam was established to determine the appropriate procedures for reviewing decisions rendered by the Superior Court of Guam. Funding is provided primarily through Government of Guam General Fund appropriations.

See Accompanying Independent Auditors’ Report.

GOVERNMENT OF GUAM  
Special Revenue Funds  
Combining Balance Sheet  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	Federal Grants	Notary Public Revolving	StripperWell Overcharge	Exxon Fuel Overcharge	Southern Community Health Center	D.O.D. Contract	Housing Revolving	Abandoned Vehicle and Streetlight	Wildlife Conservation	Territorial Educational Facilities
<b>ASSETS</b>										
Cash and equivalents	\$ 1,806,190	\$ -	\$ 705,850	\$ 1,523,689	\$ -	\$ 2,178,828	\$ -	\$ -	\$ -	\$ 282,997
Taxes receivable, net	-	-	-	-	-	-	-	-	-	17,811,734
Receivables, net	-	-	-	-	-	-	449,055	-	-	49,795
Receivables from federal agencies	51,485,153	-	-	-	205,715	-	-	-	-	-
Interfund receivables, net	2,739,306	-	-	-	353,522	-	-	1,406,802	159,067	909,518
Inventories	13,009,652	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-
	<u>69,040,301</u>	<u>-</u>	<u>705,850</u>	<u>1,523,689</u>	<u>559,237</u>	<u>2,178,828</u>	<u>449,055</u>	<u>1,406,802</u>	<u>159,067</u>	<u>19,054,044</u>
Restricted assets	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 69,040,301</u>	<u>\$ -</u>	<u>\$ 705,850</u>	<u>\$ 1,523,689</u>	<u>\$ 559,237</u>	<u>\$ 2,178,828</u>	<u>\$ 449,055</u>	<u>\$ 1,406,802</u>	<u>\$ 159,067</u>	<u>\$ 19,054,044</u>
<b>LIABILITIES AND FUND EQUITY</b>										
Accounts payable	\$ 30,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-
Interfund payables	45,718,854	-	157,199	366,930	11,750	503,329	441,018	846,608	-	1,192,514
Payable to federal agencies	10,147,287	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-
Deferred revenue	13,009,652	-	-	-	-	402,139	-	-	-	17,811,735
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	335,814	7,719	-	-	-
Total liabilities	<u>68,905,816</u>	<u>-</u>	<u>157,199</u>	<u>366,930</u>	<u>11,750</u>	<u>1,241,282</u>	<u>448,737</u>	<u>846,608</u>	<u>-</u>	<u>19,004,249</u>
Fund equity:										
Contributed capital:										
Fund balances										
Reserved for:										
Related assets	-	-	-	-	-	-	-	-	-	49,795
Encumbrances	40,322,578	-	6,565	124,101	207,360	268,585	318	-	9,766	-
Continuing appropriations	64,369,034	-	-	-	276,069	786,198	-	-	107,131	-
Unreserved (deficit)	<u>(104,557,127)</u>	<u>-</u>	<u>542,086</u>	<u>1,032,658</u>	<u>64,058</u>	<u>(117,237)</u>	<u>-</u>	<u>560,194</u>	<u>42,170</u>	<u>-</u>
Total fund equity	<u>134,485</u>	<u>-</u>	<u>548,651</u>	<u>1,156,759</u>	<u>547,487</u>	<u>937,546</u>	<u>318</u>	<u>560,194</u>	<u>159,067</u>	<u>49,795</u>
Total liabilities and fund equity	<u>\$ 69,040,301</u>	<u>\$ -</u>	<u>\$ 705,850</u>	<u>\$ 1,523,689</u>	<u>\$ 559,237</u>	<u>\$ 2,178,828</u>	<u>\$ 449,055</u>	<u>\$ 1,406,802</u>	<u>\$ 159,067</u>	<u>\$ 19,054,044</u>

GOVERNMENT OF GUAM  
Special Revenue Funds  
Combining Balance Sheet, Continued  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	Tourist Attraction	Veterans' Bonus	Territorial Highway	Land for the Landless	Plant Nursery Revolving	Parks	Contractors' License Board	DOC Revolving	Professional Engineers' Architects' and Surveyors'	Typhoon Paka Emergency	Safe Streets Act Fund
<b>ASSETS</b>											
Cash and equivalents	\$ 5,107,096	\$ -	\$ 2,496,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable, net	172,363	76,800	18,897,710	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	125,720	-	-	-	232,061	-	-	-
Receivables from federal agencies	-	-	-	-	-	-	-	-	-	-	-
Interfund receivables, net	19,587,275	-	11,613,494	-	7,367	-	12,628	75,994	7,727	850,252	263,562
Inventories	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
	<u>24,866,734</u>	<u>76,800</u>	<u>33,007,544</u>	<u>125,720</u>	<u>7,367</u>	<u>-</u>	<u>12,628</u>	<u>308,055</u>	<u>7,727</u>	<u>850,252</u>	<u>263,562</u>
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 24,866,734</u>	<u>\$ 76,800</u>	<u>\$ 33,007,544</u>	<u>\$ 125,720</u>	<u>\$ 7,367</u>	<u>\$ -</u>	<u>\$ 12,628</u>	<u>\$ 308,055</u>	<u>\$ 7,727</u>	<u>\$ 850,252</u>	<u>\$ 263,562</u>
<b>LIABILITIES AND FUND EQUITY</b>											
Accounts payable	\$ 16,187	\$ -	\$ 19,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	2,109,138	-	290,267	-	-	-	-	-	-	-	-
Interfund payables	17,332,426	-	4,436,104	-	-	-	975	931,116	713	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	178,139	76,800	19,271,526	125,720	-	-	-	-	-	-	-
Provision for tax refunds	-	-	10,636,465	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>19,635,890</u>	<u>76,800</u>	<u>34,653,412</u>	<u>125,720</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>931,116</u>	<u>713</u>	<u>-</u>	<u>-</u>
Fund equity:											
Contributed capital:											
Fund balances											
Reserved for:											
Related assets	-	-	-	-	-	-	-	-	-	-	-
Encumbrances	94,296	-	726,139	-	-	-	11,653	309,133	7,014	850,140	7,935
Continuing appropriations	70,307	-	292,351	-	7,367	-	-	-	-	-	255,627
Unreserved (deficit)	5,066,241	-	(2,664,358)	-	-	-	-	(932,194)	-	112	-
Total fund equity	<u>5,230,844</u>	<u>-</u>	<u>(1,645,868)</u>	<u>-</u>	<u>7,367</u>	<u>-</u>	<u>11,653</u>	<u>(623,061)</u>	<u>7,014</u>	<u>850,252</u>	<u>263,562</u>
Total liabilities and fund equity	<u>\$ 24,866,734</u>	<u>\$ 76,800</u>	<u>\$ 33,007,544</u>	<u>\$ 125,720</u>	<u>\$ 7,367</u>	<u>\$ -</u>	<u>\$ 12,628</u>	<u>\$ 308,055</u>	<u>\$ 7,727</u>	<u>\$ 850,252</u>	<u>\$ 263,562</u>

GOVERNMENT OF GUAM  
Special Revenue Funds  
Combining Balance Sheet, Continued  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	Individuals w/ Disabilities Disaster Recovery	Chamorro Language Commission	Printing Revolving	Land Survey Revolving	Litter Control Revolving	Recreation Revolving	General Services Agency	Village Streets	Manpower Development	Customs, Agriculture and Quarantine Inspection	Guam Housing Corporation Revolving
<b>ASSETS</b>											
Cash and equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,496,342	\$ 912,597	\$ 2,449,147	\$ -
Taxes receivable, net	-	-	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	-	-	-	-	2,709,872	13,725,084
Receivables from federal agencies	-	-	-	-	-	-	-	-	-	-	-
Interfund receivables, net	100,000	2,936	-	459,704	10,336	47,252	33,778	517,133	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
	<u>100,000</u>	<u>2,936</u>	<u>-</u>	<u>459,704</u>	<u>10,336</u>	<u>47,252</u>	<u>33,778</u>	<u>3,013,475</u>	<u>912,597</u>	<u>5,159,019</u>	<u>13,725,084</u>
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 100,000</u>	<u>\$ 2,936</u>	<u>\$ -</u>	<u>\$ 459,704</u>	<u>\$ 10,336</u>	<u>\$ 47,252</u>	<u>\$ 33,778</u>	<u>\$ 3,013,475</u>	<u>\$ 912,597</u>	<u>\$ 5,159,019</u>	<u>\$ 13,725,084</u>
<b>LIABILITIES AND FUND EQUITY</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-	-
Interfund payables	-	-	-	10,237	-	6,690	16,386	3,101,259	907,637	2,216,662	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	64,250	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	2,936	-	-	-	-	-	-	46,796	36,829	-
Total liabilities	<u>-</u>	<u>2,936</u>	<u>-</u>	<u>10,237</u>	<u>-</u>	<u>6,690</u>	<u>16,386</u>	<u>3,101,259</u>	<u>1,018,683</u>	<u>2,253,491</u>	<u>-</u>
Fund equity:											
Contributed capital:											
Fund balances											
Reserved for:											
Related assets	-	-	-	-	-	-	-	-	-	-	13,725,084
Encumbrances	-	-	-	131,694	6,436	9,753	1,122	808	14,112	47,336	-
Continuing appropriations	-	-	-	80,409	3,900	41,884	16,270	71,519	-	1,735,555	-
Unreserved (deficit)	100,000	-	-	237,364	-	(11,075)	-	(160,111)	(120,198)	1,122,637	-
Total fund equity	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>449,467</u>	<u>10,336</u>	<u>40,562</u>	<u>17,392</u>	<u>(87,784)</u>	<u>(106,086)</u>	<u>2,905,528</u>	<u>13,725,084</u>
Total liabilities and fund equity	<u>\$ 100,000</u>	<u>\$ 2,936</u>	<u>\$ -</u>	<u>\$ 459,704</u>	<u>\$ 10,336</u>	<u>\$ 47,252</u>	<u>\$ 33,778</u>	<u>\$ 3,013,475</u>	<u>\$ 912,597</u>	<u>\$ 5,159,019</u>	<u>\$ 13,725,084</u>

GOVERNMENT OF GUAM  
Special Revenue Funds  
Combining Balance Sheet, Continued  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	DPW Building and Design	Accessible Parking	Government House Revolving	Aquaculture Development and Training	Health Professional Licensure	Air Pollution Control Fund	Farmers' and Fishermen's Loan Revolving	Guam Museum Fund	Guam Environmental Trust	Drivers' Education	Consumer Protection	Autonomous Agency Infrastructure Collections Fund
<b>ASSETS</b>												
Cash and equivalents	\$ -	\$ -	\$ 1,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable, net	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	100	-	-	-	128,115	-	-	-	-	-
Receivables from federal agencies	-	-	-	-	-	-	-	-	-	-	-	-
Interfund receivables, net	-	4,381	15,331	35,232	-	36,417	-	-	404,737	154,037	5,480	460
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>4,381</u>	<u>16,962</u>	<u>35,232</u>	<u>-</u>	<u>36,417</u>	<u>128,115</u>	<u>-</u>	<u>404,737</u>	<u>154,037</u>	<u>5,480</u>	<u>460</u>
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 4,381</u>	<u>\$ 16,962</u>	<u>\$ 35,232</u>	<u>\$ -</u>	<u>\$ 36,417</u>	<u>\$ 128,115</u>	<u>\$ -</u>	<u>\$ 404,737</u>	<u>\$ 154,037</u>	<u>\$ 5,480</u>	<u>\$ 460</u>
<b>LIABILITIES AND FUND EQUITY</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-	-	-
Interfund payables	-	-	-	13	-	-	-	-	-	-	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	154,017	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,017</u>	<u>-</u>	<u>-</u>
Fund equity:												
Contributed capital:												
Fund balances												
Reserved for:												
Related assets	-	-	-	-	-	-	128,115	-	-	-	-	-
Encumbrances	-	-	5,826	4,849	-	-	-	-	-	-	635	-
Continuing appropriations	-	5,050	11,136	30,370	-	-	-	-	-	-	5,345	-
Unreserved (deficit)	-	(669)	-	-	-	36,417	-	-	404,737	20	(500)	460
Total fund equity	<u>-</u>	<u>4,381</u>	<u>16,962</u>	<u>35,219</u>	<u>-</u>	<u>36,417</u>	<u>128,115</u>	<u>-</u>	<u>404,737</u>	<u>20</u>	<u>5,480</u>	<u>460</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 4,381</u>	<u>\$ 16,962</u>	<u>\$ 35,232</u>	<u>\$ -</u>	<u>\$ 36,417</u>	<u>\$ 128,115</u>	<u>\$ -</u>	<u>\$ 404,737</u>	<u>\$ 154,037</u>	<u>\$ 5,480</u>	<u>\$ 460</u>

GOVERNMENT OF GUAM  
Special Revenue Funds  
Combining Balance Sheet, Continued  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	Farmers Small Loan Revolving	Controlled Substance Diversion Fund	Taguag Memorial Cemetery	1999 SPG Revolving	Police Services	Firefighter Equipment Replacement Fund	Public Defender	CAHA OET/CEF	Superior Court Operations	Board of Accountancy	Dededo Buffer Strip Revolving	Public Service Recovery	Health & Human Services
<b>ASSETS</b>													
Cash and equivalents	\$ -	\$ -	\$ -	\$ 88,886	\$ -	\$ -	\$ 541,247	\$ -	\$ 1,851,751	\$ -	\$ -	\$ -	\$ 157,092
Taxes receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables, net	15,686	-	-	-	-	-	-	-	1,370,195	-	-	12,445	-
Receivables from federal agencies	-	-	-	-	-	-	-	-	820,664	-	-	-	-
Interfund receivables, net	746	-	-	-	-	551,000	-	-	-	506,002	105,044	134,890	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	84,990	-	-	-	-	88,242	-	-	-	-
	<u>16,432</u>	<u>-</u>	<u>-</u>	<u>173,876</u>	<u>-</u>	<u>551,000</u>	<u>541,247</u>	<u>-</u>	<u>4,130,852</u>	<u>506,002</u>	<u>105,044</u>	<u>147,335</u>	<u>157,092</u>
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 16,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,876</u>	<u>\$ -</u>	<u>\$ 551,000</u>	<u>\$ 541,247</u>	<u>\$ -</u>	<u>\$ 4,130,852</u>	<u>\$ 506,002</u>	<u>\$ 105,044</u>	<u>\$ 147,335</u>	<u>\$ 157,092</u>
<b>LIABILITIES AND FUND EQUITY</b>													
Accounts payable	\$ 221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,117	\$ -	\$ 243,261	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-	207,745	-	1,985,325	-	-	-	-
Interfund payables	-	-	37,214	172,465	-	531,652	-	-	-	1,034	-	-	157,092
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	10,956	-	-	-	-	-	-
Total liabilities	<u>221</u>	<u>-</u>	<u>37,214</u>	<u>172,465</u>	<u>-</u>	<u>531,652</u>	<u>222,818</u>	<u>-</u>	<u>2,228,586</u>	<u>1,034</u>	<u>-</u>	<u>-</u>	<u>157,092</u>
Fund equity:													
Contributed capital:													
Fund balances													
Reserved for:													
Related assets	15,686	-	-	-	-	-	-	-	250	-	-	-	-
Encumbrances	-	-	-	1,411	-	-	6,282	-	899,519	147,503	-	12,063	-
Continuing appropriations	-	-	30,088	-	-	19,348	6,550	-	1,002,497	230,160	-	135,272	-
Unreserved (deficit)	525	-	(67,302)	-	-	-	305,597	-	-	127,305	105,044	-	-
Total fund equity	<u>16,211</u>	<u>-</u>	<u>(37,214)</u>	<u>1,411</u>	<u>-</u>	<u>19,348</u>	<u>318,429</u>	<u>-</u>	<u>1,902,266</u>	<u>504,968</u>	<u>105,044</u>	<u>147,335</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 16,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,876</u>	<u>\$ -</u>	<u>\$ 551,000</u>	<u>\$ 541,247</u>	<u>\$ -</u>	<u>\$ 4,130,852</u>	<u>\$ 506,002</u>	<u>\$ 105,044</u>	<u>\$ 147,335</u>	<u>\$ 157,092</u>

GOVERNMENT OF GUAM  
Special Revenue Funds  
Combining Balance Sheet, Continued  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	Komitea	Off-Island	Overtime	Enhanced 911	Carrier	Rabies	Coastal Zone	Guam	Supreme	Totals	
	Para Tiyan	Travel		Emergency	Off-duty			Prevention		Management	Legislature
<b>ASSETS</b>											
Cash and equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,344	\$ 385,857	\$ 23,235,784	\$ 27,866,735
Taxes receivable, net	-	-	-	-	-	-	-	-	-	36,958,607	27,510,721
Receivables, net	-	-	-	-	-	-	-	34,262	-	18,852,390	18,417,326
Receivables from federal agencies	-	-	-	-	-	-	-	-	-	52,511,532	20,291,346
Interfund receivables, net	-	20,560	120,997	366,284	-	77,161	313	-	-	41,696,725	23,856,023
Inventories	-	-	-	-	-	-	-	-	-	13,009,652	13,394,257
Deposits and other assets	-	-	-	-	-	-	-	3,894	-	177,126	80,910
	<u>-</u>	<u>20,560</u>	<u>120,997</u>	<u>366,284</u>	<u>-</u>	<u>77,161</u>	<u>313</u>	<u>288,500</u>	<u>385,857</u>	<u>186,441,816</u>	<u>131,417,318</u>
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ <u>-</u>	\$ <u>20,560</u>	\$ <u>120,997</u>	\$ <u>366,284</u>	\$ <u>-</u>	\$ <u>77,161</u>	\$ <u>313</u>	\$ <u>288,500</u>	\$ <u>385,857</u>	\$ <u>186,441,816</u>	\$ <u>131,417,318</u>
<b>LIABILITIES AND FUND EQUITY</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,558	\$ -	\$ 319,417	\$ 1,382,714
Accrued payroll and other	-	-	-	-	-	-	-	-	-	4,592,475	5,237,875
Interfund payables	145,875	-	120,997	-	44,345	-	-	-	-	79,409,094	31,347,698
Payable to federal agencies	-	-	-	-	-	-	-	-	-	10,147,287	9,163,469
Notes payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	50,939,961	44,423,569
Provision for tax refunds	-	-	-	-	-	-	-	-	-	10,636,465	11,010,280
Deposits and other liabilities	-	-	-	-	-	-	-	225	-	595,292	198,269
Total liabilities	<u>145,875</u>	<u>-</u>	<u>120,997</u>	<u>-</u>	<u>44,345</u>	<u>-</u>	<u>-</u>	<u>6,783</u>	<u>-</u>	<u>156,639,991</u>	<u>102,763,874</u>
Fund equity:											
Contributed capital:											
Fund balances											
Reserved for:											
Related assets	-	-	-	-	-	-	-	-	-	13,918,930	14,578,402
Encumbrances	-	-	-	-	-	-	-	-	-	44,234,932	54,103,098
Continuing appropriations	-	20,560	72,264	-	-	-	-	-	-	69,682,261	84,586,672
Unreserved (deficit)	<u>(145,875)</u>	<u>-</u>	<u>(72,264)</u>	<u>366,284</u>	<u>(44,345)</u>	<u>77,161</u>	<u>313</u>	<u>281,717</u>	<u>385,857</u>	<u>(98,034,298)</u>	<u>(124,614,728)</u>
Total fund equity	<u>(145,875)</u>	<u>20,560</u>	<u>-</u>	<u>366,284</u>	<u>(44,345)</u>	<u>77,161</u>	<u>313</u>	<u>281,717</u>	<u>385,857</u>	<u>29,801,825</u>	<u>28,653,444</u>
Total liabilities and fund equity	\$ <u>-</u>	\$ <u>20,560</u>	\$ <u>120,997</u>	\$ <u>366,284</u>	\$ <u>-</u>	\$ <u>77,161</u>	\$ <u>313</u>	\$ <u>288,500</u>	\$ <u>385,857</u>	\$ <u>186,441,816</u>	\$ <u>131,417,318</u>

**GOVERNMENT OF GUAM**

Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	<u>Federal Grants</u>	<u>Notary Public Revolving</u>	<u>StripperWell Overcharge</u>	<u>Exxon Fuel Overcharge</u>	<u>Southern Community Health Center</u>	<u>D.O.D. Contract</u>	<u>Housing Revolving</u>	<u>Abandoned Vehicle and Streetlight</u>	<u>Wildlife Conservation</u>	<u>Territorial Educational Facilities</u>
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,900,231
Licenses, fees and permits	-	9,124	-	-	846,836	-	-	996,980	42,170	-
Use of money and property	67,255	-	65,291	78,446	-	101,297	493,953	-	-	-
Federal contributions	97,690,372	-	-	-	11,369	2,869,888	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	183,209
<b>Total revenues</b>	<b>97,757,627</b>	<b>9,124</b>	<b>65,291</b>	<b>78,446</b>	<b>858,205</b>	<b>2,971,185</b>	<b>493,953</b>	<b>996,980</b>	<b>42,170</b>	<b>16,083,440</b>
Expenditures:										
General government	7,981,580	-	-	-	-	-	97,749	-	-	-
Protection of life and property	9,281,030	-	-	-	-	-	-	-	-	-
Public health	14,892,803	-	-	-	752,335	-	-	-	-	-
Community services	14,172,833	-	-	-	-	-	-	2,472,775	-	-
Recreation	248,230	-	-	-	-	-	-	-	-	-
Individual and collective rights	4,744,076	-	-	-	-	-	-	-	-	-
Transportation	23,542,627	-	-	-	-	-	-	-	-	-
Public education	2,029,255	-	-	-	-	1,409,273	-	-	-	-
Environmental protection	3,084,598	-	142,643	250,592	-	-	-	-	98,337	-
Economic development	7,480,148	-	-	-	-	-	-	-	-	-
Transfers to persons	44,957,168	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>132,414,348</b>	<b>-</b>	<b>142,643</b>	<b>250,592</b>	<b>752,335</b>	<b>1,409,273</b>	<b>97,749</b>	<b>2,472,775</b>	<b>98,337</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(34,656,721)</b>	<b>9,124</b>	<b>(77,352)</b>	<b>(172,146)</b>	<b>105,870</b>	<b>1,561,912</b>	<b>396,204</b>	<b>(1,475,795)</b>	<b>(56,167)</b>	<b>16,083,440</b>
Other financing sources (uses):										
Transfers in	44,783,877	-	-	-	-	-	-	1,405,925	-	-
Transfers out	(10,059,547)	(9,124)	-	-	-	-	(396,687)	-	-	(16,073,895)
Other sources	-	-	-	-	-	-	-	-	-	-
Other uses	(355)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses), net</b>	<b>34,723,975</b>	<b>(9,124)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(396,687)</b>	<b>1,405,925</b>	<b>-</b>	<b>(16,073,895)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	67,254	-	(77,352)	(172,146)	105,870	1,561,912	(483)	(69,870)	(56,167)	9,545
Fund balances at beginning of year	67,231	-	626,003	1,328,905	441,617	(624,366)	801	630,064	215,234	40,250
Fund balances at end of year	\$ <u>134,485</u>	\$ <u>-</u>	\$ <u>548,651</u>	\$ <u>1,156,759</u>	\$ <u>547,487</u>	\$ <u>937,546</u>	\$ <u>318</u>	\$ <u>560,194</u>	\$ <u>159,067</u>	\$ <u>49,795</u>

**GOVERNMENT OF GUAM**

Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	<u>Tourist Attraction</u>	<u>Veterans' Bonus</u>	<u>Territorial Highway</u>	<u>Land for the Landless</u>	<u>Plant Nursery Revolving</u>	<u>Parks</u>	<u>Contractors' License Board</u>	<u>DOC Revolving</u>	<u>Professional Engineers' and Surveyors'</u>	<u>Typhoon Paka Emergency</u>	<u>Safe Streets Act Fund</u>
Revenues:											
Taxes	\$ 20,229,906	\$ 645,026	\$ 10,348,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	-	-	4,470,397	-	-	75,824	354,888	-	159,553	-	88,700
Use of money and property	183,448	-	123,059	51,743	-	-	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	18,852	-	-	2,486,982	-	-	-
<b>Total revenues</b>	<b>20,413,354</b>	<b>645,026</b>	<b>14,942,258</b>	<b>51,743</b>	<b>18,852</b>	<b>75,824</b>	<b>354,888</b>	<b>2,486,982</b>	<b>159,553</b>	<b>-</b>	<b>88,700</b>
Expenditures:											
General government	-	300,000	17,000	-	-	-	-	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	2,862,628	-	(111)	14,624
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-
Recreation	653,438	-	-	-	-	100	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	307,212	-	56,234	-	-
Transportation	-	-	8,003,737	-	-	-	-	-	-	-	-
Public education	89,638	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Transfers to persons	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>743,076</b>	<b>300,000</b>	<b>8,020,737</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>307,212</b>	<b>2,862,628</b>	<b>56,234</b>	<b>(111)</b>	<b>14,624</b>
Excess (deficiency) of revenues over (under) expenditures	19,670,278	345,026	6,921,521	51,743	18,852	75,724	47,676	(375,646)	103,319	111	74,076
Other financing sources (uses):											
Transfers in	19,193,253	-	11,467,674	-	-	-	-	-	-	-	-
Transfers out	(34,884,629)	(420,026)	(18,130,664)	(51,743)	(18,852)	(79,005)	(46,741)	(890,950)	(106,879)	(11,676)	(700)
Other sources	-	-	-	-	-	-	-	-	-	-	-
Other uses	-	-	(28,096)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses), net</b>	<b>(15,691,376)</b>	<b>(420,026)</b>	<b>(6,691,086)</b>	<b>(51,743)</b>	<b>(18,852)</b>	<b>(79,005)</b>	<b>(46,741)</b>	<b>(890,950)</b>	<b>(106,879)</b>	<b>(11,676)</b>	<b>(700)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,978,902	(75,000)	230,435	-	-	(3,281)	935	(1,266,596)	(3,560)	(11,565)	73,376
Fund balances at beginning of year	1,251,942	75,000	(1,876,303)	-	7,367	3,281	10,718	643,535	10,574	861,817	190,186
<b>Fund balances at end of year</b>	<b>\$ 5,230,844</b>	<b>\$ -</b>	<b>\$ (1,645,868)</b>	<b>\$ -</b>	<b>\$ 7,367</b>	<b>\$ -</b>	<b>\$ 11,653</b>	<b>\$ (623,061)</b>	<b>\$ 7,014</b>	<b>\$ 850,252</b>	<b>\$ 263,562</b>

**GOVERNMENT OF GUAM**

Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	Individuals w/ Disabilities Disaster Recovery	Chamorro Language Commission	Printing Revolving	Land Survey Revolving	Litter Control Revolving	Recreation Revolving	General Services Agency	Village Streets	Manpower Development	Customs, Agriculture and Quarantine Inspection	Guam Housing Corporation Revolving
<b>Revenues:</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	-	-	-	562,050	-	102,718	-	-	229,707	8,997,622	-
Use of money and property	-	-	-	95,231	-	-	-	123,058	-	97,847	92,113
Federal contributions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	9,315	-	9,205	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>9,315</b>	<b>657,281</b>	<b>9,205</b>	<b>102,718</b>	<b>-</b>	<b>123,058</b>	<b>229,707</b>	<b>9,095,469</b>	<b>92,113</b>
<b>Expenditures:</b>											
General government	-	-	-	165,692	-	-	41,444	-	-	-	-
Protection of life and property	-	-	-	-	3,210	-	-	-	-	9,475,663	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	140,605	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	559,355	10,131	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Transfers to persons	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,692</b>	<b>3,210</b>	<b>140,605</b>	<b>41,444</b>	<b>559,355</b>	<b>10,131</b>	<b>9,475,663</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>9,315</b>	<b>491,589</b>	<b>5,995</b>	<b>(37,887)</b>	<b>(41,444)</b>	<b>(436,297)</b>	<b>219,576</b>	<b>(380,194)</b>	<b>92,113</b>
<b>Other financing sources (uses):</b>											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(9,315)	-	(17,742)	-	-	(2,000,000)	(902,208)	-	(214,517)
Other sources	-	-	-	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	(11,095)	-	-	-
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>-</b>	<b>(9,315)</b>	<b>-</b>	<b>(17,742)</b>	<b>-</b>	<b>-</b>	<b>(2,011,095)</b>	<b>(902,208)</b>	<b>-</b>	<b>(214,517)</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491,589</b>	<b>(11,747)</b>	<b>(37,887)</b>	<b>(41,444)</b>	<b>(2,447,392)</b>	<b>(682,632)</b>	<b>(380,194)</b>	<b>(122,404)</b>
Fund balances at beginning of year	100,000	-	-	(42,122)	22,083	78,449	58,836	2,359,608	576,546	3,285,722	13,847,488
Fund balances at end of year	\$ 100,000	\$ -	\$ -	\$ 449,467	\$ 10,336	\$ 40,562	\$ 17,392	\$ (87,784)	\$ (106,086)	\$ 2,905,528	\$ 13,725,084

**GOVERNMENT OF GUAM**

Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	DPW Building and Design	Accessible Parking	Government House Revolving	Aquaculture Development and Training	Health Professional Licensure	Air Pollution Control Fund	Farmers' and Fishermen's Loan Revolving	Guam Museum Fund	Guam Environmental Trust	Drivers' Education	Consumer Protection	Autonomous Agency Infrastructure Collections Fund
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	385,620	-	14,001	-	88,351	-	-	4,726	201,397	20	500	-
Use of money and property	-	-	-	79,495	-	1,000	1,695	-	-	-	-	-
Federal contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	33,767	-	-	-	-	-	-
<b>Total revenues</b>	<b>385,620</b>	<b>-</b>	<b>14,001</b>	<b>79,495</b>	<b>88,351</b>	<b>34,767</b>	<b>1,695</b>	<b>4,726</b>	<b>201,397</b>	<b>20</b>	<b>500</b>	<b>-</b>
Expenditures:												
General government	24,640	-	680	-	-	-	-	-	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-	87,585	-	442	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	1,133	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	37,763	-	-	-	-	-	-	-	-
Transfers to persons	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>24,640</b>	<b>1,133</b>	<b>680</b>	<b>37,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,585</b>	<b>-</b>	<b>442</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	<b>360,980</b>	<b>(1,133)</b>	<b>13,321</b>	<b>41,732</b>	<b>88,351</b>	<b>34,767</b>	<b>1,695</b>	<b>4,726</b>	<b>113,812</b>	<b>20</b>	<b>58</b>	<b>-</b>
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(360,980)	-	(14,001)	(55,140)	(88,351)	-	(4,429)	(4,726)	-	-	(500)	-
Other sources	-	-	-	-	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses), net</b>	<b>(360,980)</b>	<b>-</b>	<b>(14,001)</b>	<b>(55,140)</b>	<b>(88,351)</b>	<b>-</b>	<b>(4,429)</b>	<b>(4,726)</b>	<b>-</b>	<b>-</b>	<b>(500)</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>-</b>	<b>(1,133)</b>	<b>(680)</b>	<b>(13,408)</b>	<b>-</b>	<b>34,767</b>	<b>(2,734)</b>	<b>-</b>	<b>113,812</b>	<b>20</b>	<b>(442)</b>	<b>-</b>
Fund balances at beginning of year	-	5,514	17,642	48,627	-	1,650	130,849	-	290,925	-	5,922	460
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ 4,381</b>	<b>\$ 16,962</b>	<b>\$ 35,219</b>	<b>\$ -</b>	<b>\$ 36,417</b>	<b>\$ 128,115</b>	<b>\$ -</b>	<b>\$ 404,737</b>	<b>\$ 20</b>	<b>\$ 5,480</b>	<b>\$ 460</b>

**GOVERNMENT OF GUAM**

Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	Farmers Small Loan Revolving	Controlled Substance Diversion Fund	Taguag Memorial Cemetery	1999 SPG Revolving	Police Services	Firefighter Equipment Replacement Fund	Public Defender	CAHA OET/CEF	Superior Court Operations	Board of Accountancy	Dededo Buffer Strip Revolving	Public Service Recovery	Health & Human Services
<b>Revenues:</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	-	-	18,100	-	301,128	-	-	-	-	644,110	-	-	-
Use of money and property	262	-	-	2,535	-	-	-	-	-	-	1,686	50,552	32,855
Federal contributions	-	-	-	-	-	-	42,331	-	1,659,994	-	-	-	-
Other	-	-	-	-	-	-	-	-	40,320	-	-	-	-
<b>Total revenues</b>	<b>262</b>	<b>-</b>	<b>18,100</b>	<b>2,535</b>	<b>301,128</b>	<b>-</b>	<b>42,331</b>	<b>-</b>	<b>1,700,314</b>	<b>644,110</b>	<b>1,686</b>	<b>50,552</b>	<b>32,855</b>
<b>Expenditures:</b>													
General government	-	-	-	-	-	-	-	-	-	361,686	-	-	-
Protection of life and property	-	-	-	-	-	531,652	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	49,571	158	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	2,279,748	-	17,525,810	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	7,905	-
Public education	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to persons	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>49,571</b>	<b>158</b>	<b>-</b>	<b>531,652</b>	<b>2,279,748</b>	<b>-</b>	<b>17,525,810</b>	<b>361,686</b>	<b>-</b>	<b>7,905</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	262	-	(31,471)	2,377	301,128	(531,652)	#####	-	#####	282,424	1,686	42,647	32,855
<b>Other financing sources (uses):</b>													
Transfers in	-	-	-	-	-	-	2,412,478	-	16,120,513	-	-	-	-
Transfers out	-	-	-	-	(301,128)	(49,000)	(48,842)	(43,410)	(1,050,155)	-	-	(50,553)	(1,804,860)
Other sources	-	-	-	-	-	-	24,653	-	-	-	-	-	1,772,005
Other uses	-	-	-	(2,635)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,635)</b>	<b>(301,128)</b>	<b>(49,000)</b>	<b>2,388,289</b>	<b>(43,410)</b>	<b>15,070,358</b>	<b>-</b>	<b>-</b>	<b>(50,553)</b>	<b>(32,855)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	262	-	(31,471)	(258)	-	(580,652)	150,872	(43,410)	(755,138)	282,424	1,686	(7,906)	-
Fund balances at beginning of year	15,949	-	(5,743)	1,669	-	600,000	167,557	43,410	2,657,404	222,544	103,358	155,241	-
Fund balances at end of year	\$ 16,211	\$ -	\$ (37,214)	\$ 1,411	\$ -	\$ 19,348	\$ 318,429	\$ -	\$ 1,902,266	\$ 504,968	\$ 105,044	\$ 147,335	\$ -

**GOVERNMENT OF GUAM**

Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued  
Year Ended September 30, 2000  
(With Comparative Totals for the Year Ended September 30, 1999)

	Komitea Para Tiyán	Off-Island Travel	Overtime	Enhanced 911 Emergency	Carrier Off-duty Services	Rabies Prevention	Coastal Zone Management	Guam Legislature	Supreme Court	Totals	
										2000	1999
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,123,965	\$ 46,040,169
Licenses, fees and permits	-	-	-	399,914	56,614	77,161	-	-	-	19,128,211	17,648,372
Use of money and property	-	-	-	-	-	-	-	-	-	1,742,821	2,525,088
Federal contributions	-	-	-	-	-	-	-	-	-	102,273,954	102,972,200
Other	-	-	-	-	-	-	313	716,346	33,068	3,531,377	3,888,422
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>399,914</b>	<b>56,614</b>	<b>77,161</b>	<b>313</b>	<b>716,346</b>	<b>33,068</b>	<b>173,800,328</b>	<b>173,074,251</b>
Expenditures:											
General government	145,875	269,354	2,074,628	-	100,959	-	-	8,423,184	-	20,004,471	10,337,467
Protection of life and property	-	-	-	33,630	-	-	-	-	-	22,290,353	18,823,286
Public health	-	-	-	-	-	-	-	-	-	15,645,138	9,548,519
Community services	-	-	-	-	-	-	-	-	-	16,646,741	17,954,669
Recreation	-	-	-	-	-	-	-	-	-	1,092,102	9,515,823
Individual and collective rights	-	-	-	-	-	-	-	-	1,471,217	26,953,783	26,550,763
Transportation	-	-	-	-	-	-	-	-	-	31,554,269	22,331,999
Public education	-	-	-	-	-	-	-	-	-	3,528,166	6,035,887
Environmental protection	-	-	-	-	-	-	-	-	-	3,576,170	16,810,926
Economic development	-	-	-	-	-	-	-	-	-	7,517,911	6,100,802
Transfers to persons	-	-	-	-	-	-	-	-	-	44,957,168	37,693,481
<b>Total expenditures</b>	<b>145,875</b>	<b>269,354</b>	<b>2,074,628</b>	<b>33,630</b>	<b>100,959</b>	<b>-</b>	<b>-</b>	<b>8,423,184</b>	<b>1,471,217</b>	<b>193,766,272</b>	<b>181,703,622</b>
Excess (deficiency) of revenues over (under) expenditures	(145,875)	(269,354)	(2,074,628)	366,284	(44,345)	77,161	313	(7,706,838)	(1,438,149)	(19,965,944)	(8,629,371)
Other financing sources (uses):											
Transfers in	-	289,914	2,273,892	-	-	-	-	7,720,000	1,934,999	107,602,525	85,537,339
Transfers out	-	-	(199,264)	-	-	-	-	-	-	(88,400,239)	(95,311,124)
Other sources	-	-	-	-	-	-	-	-	-	1,796,658	89,356
Other uses	-	-	-	-	-	-	-	-	-	(42,181)	(23,299)
<b>Total other financing sources (uses), net</b>	<b>-</b>	<b>289,914</b>	<b>2,074,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,720,000</b>	<b>1,934,999</b>	<b>20,956,763</b>	<b>(9,707,728)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(145,875)	20,560	-	366,284	(44,345)	77,161	313	13,162	496,850	990,819	(18,337,099)
Fund balances at beginning of year	-	-	-	-	-	-	-	268,555	(110,993)	28,811,006	46,990,543
<b>Fund balances at end of year</b>	<b>\$ (145,875)</b>	<b>\$ 20,560</b>	<b>\$ -</b>	<b>\$ 366,284</b>	<b>\$ (44,345)</b>	<b>\$ 77,161</b>	<b>\$ 313</b>	<b>\$ 281,717</b>	<b>\$ 385,857</b>	<b>\$ 29,801,825</b>	<b>\$ 28,653,444</b>

**GOVERNMENT OF GUAM**

Capital Projects Funds  
Combining Balance Sheet  
September 30, 2000  
(With comparative totals as of September 30, 1999)

	1992 Series A Highway Bond Issue	Infrastructure Improvement Bond	Water Revenue Bond	PUAG Capital Projects	General Obligation Bond Series A 1993	Judicial Building	Totals	
							2000	1999
<b><u>ASSETS:</u></b>								
Cash and equivalents	\$ 23,790,388	\$ 2,065,204	\$ 2,766,971	\$ 10,272	\$ 4,565,946	\$ 4,001,975	\$ 37,200,756	\$ 41,155,773
Investments	-	36,191,644	-	-	-	1,000,718	37,192,362	46,436,381
Receivables, net	101,237	879,463	-	29,180	-	3,442,129	4,452,009	3,797,185
Interfund receivables, net	-	8,264,233	69,148	948,460	-	-	9,281,841	1,362,343
Deposits and other assets	-	-	-	-	-	-	-	5,656
	<u>23,891,625</u>	<u>47,400,544</u>	<u>2,836,119</u>	<u>987,912</u>	<u>4,565,946</u>	<u>8,444,822</u>	<u>88,126,968</u>	<u>92,757,338</u>
Total assets	\$ <u>23,891,625</u>	\$ <u>47,400,544</u>	\$ <u>2,836,119</u>	\$ <u>987,912</u>	\$ <u>4,565,946</u>	\$ <u>8,444,822</u>	\$ <u>88,126,968</u>	\$ <u>92,757,338</u>
<b><u>LIABILITIES AND FUND EQUITY:</u></b>								
Accounts payable	\$ 229,607	\$ 89,464	\$ 198,267	\$ -	\$ 5,300	\$ -	\$ 522,638	\$ 1,330,935
Accrued payroll and other	-	246,292	226,742	-	2,763	698,225	1,174,022	6,555,207
Interfund payables	848,655	9,797,885	-	-	236,033	-	10,882,573	3,685,543
Deferred revenue	-	-	-	-	-	3,442,130	3,442,130	2,770,264
	<u>1,078,262</u>	<u>10,133,641</u>	<u>425,009</u>	<u>-</u>	<u>244,096</u>	<u>4,140,355</u>	<u>16,021,363</u>	<u>14,341,949</u>
Total liabilities	\$ <u>1,078,262</u>	\$ <u>10,133,641</u>	\$ <u>425,009</u>	\$ <u>-</u>	\$ <u>244,096</u>	\$ <u>4,140,355</u>	\$ <u>16,021,363</u>	\$ <u>14,341,949</u>
<b>FUND EQUITY:</b>								
Fund balances:								
Reserved for:								
Specific purposes	-	694,312	-	-	-	-	694,312	694,313
Encumbrances	822,403	1,946,932	188,765	39,452	561,982	466,797	4,026,331	7,918,000
Continuing appropriations	14,956,609	30,330,818	1,168,950	948,460	3,364,345	-	50,769,182	55,873,681
Unreserved (deficit)	7,034,351	4,294,841	1,053,395	-	395,523	3,837,670	16,615,780	13,929,395
	<u>22,813,363</u>	<u>37,266,903</u>	<u>2,411,110</u>	<u>987,912</u>	<u>4,321,850</u>	<u>4,304,467</u>	<u>72,105,605</u>	<u>78,415,389</u>
Total fund equity	\$ <u>22,813,363</u>	\$ <u>37,266,903</u>	\$ <u>2,411,110</u>	\$ <u>987,912</u>	\$ <u>4,321,850</u>	\$ <u>4,304,467</u>	\$ <u>72,105,605</u>	\$ <u>78,415,389</u>
Total liabilities and fund balance	\$ <u>23,891,625</u>	\$ <u>47,400,544</u>	\$ <u>2,836,119</u>	\$ <u>987,912</u>	\$ <u>4,565,946</u>	\$ <u>8,444,822</u>	\$ <u>88,126,968</u>	\$ <u>92,757,338</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Capital Projects Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended September 30, 2000  
 (With comparative totals for the Year Ended September 30, 1999)

	1992	Infrastructure Improvement Bond	Water Revenue Bond	PUAG Capital Projects	General	Judicial Building	Totals	
	Series A Highway Bond Issue				Obligation Bond Series A 1993		2000	1999
<b>Revenues:</b>								
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,800
Use of money and property	1,216,842	2,338,752	123,270	-	253,951	2,271,651	6,204,466	7,337,546
Federal contribution	-	-	-	-	-	-	-	3,808,883
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>1,216,842</u>	<u>2,338,752</u>	<u>123,270</u>	<u>-</u>	<u>253,951</u>	<u>2,271,651</u>	<u>6,204,466</u>	<u>11,171,229</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	36,825
Public health	-	913,740	-	-	-	-	913,740	1,884,458
Community services	-	245,431	-	-	-	-	245,431	-
Recreation	-	406,108	-	-	-	-	406,108	2,261,674
Transportation	-	1,075,263	-	-	-	-	1,075,263	9,725,919
Public education	-	-	-	-	664,161	-	664,161	9,581,492
Environmental protection	-	-	209,807	-	-	-	209,807	1,764,593
Economic development	-	3,328,939	-	-	-	-	3,328,939	8,874,851
Capital projects	1,251,531	-	-	-	-	1,665,080	2,916,611	2,400,289
Debt service:								
Principal retirement	-	-	-	-	-	3,000,000	3,000,000	-
<b>Total expenditures</b>	<u>1,251,531</u>	<u>5,969,481</u>	<u>209,807</u>	<u>-</u>	<u>664,161</u>	<u>4,665,080</u>	<u>12,760,060</u>	<u>36,530,101</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(34,689)</u>	<u>(3,630,729)</u>	<u>(86,537)</u>	<u>-</u>	<u>(410,210)</u>	<u>(2,393,429)</u>	<u>(6,555,594)</u>	<u>(25,358,872)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	472,674
Transfers out	-	-	-	-	-	-	-	(472,674)
Other sources	-	246,924	-	-	-	-	246,924	39,452
Other uses	-	(927)	-	-	(187)	-	(1,114)	(28,929)
<b>Total other financing sources (uses), net</b>	<u>-</u>	<u>245,997</u>	<u>-</u>	<u>-</u>	<u>(187)</u>	<u>-</u>	<u>245,810</u>	<u>10,523</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(34,689)</u>	<u>(3,384,732)</u>	<u>(86,537)</u>	<u>-</u>	<u>(410,397)</u>	<u>(2,393,429)</u>	<u>(6,309,784)</u>	<u>(25,348,349)</u>
Fund balances at beginning of year	22,848,052	40,651,635	2,497,647	987,912	4,732,247	6,697,896	78,415,389	103,763,738
<b>Fund balances at end of year</b>	<u>\$ 22,813,363</u>	<u>\$ 37,266,903</u>	<u>\$ 2,411,110</u>	<u>\$ 987,912</u>	<u>\$ 4,321,850</u>	<u>\$ 4,304,467</u>	<u>\$ 72,105,605</u>	<u>\$ 78,415,389</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Debt Service Funds  
Combining Balance Sheet  
September 30, 2000

(With comparative totals as of September 30, 1999)

	Highway Limited Obligation Series 1992	Ltd. Obligation Infrastructure Improvement Bonds	Water System Revenue Bonds Series 1989	General Obligation Bond Series A 1993	General Obligation Bond Series A 1994	General Obligation Bond Series A 1995	Totals	
							2000	1999
<b>ASSETS</b>								
Cash and equivalents	\$ 28,038,653	\$ 16,155,099	\$ 424,893	\$ 9,367,800	\$ 8	\$ 4,095,034	\$ 58,081,487	\$ 95,020,174
Investments	-	-	-	-	-	-	-	1,716,870
Receivables, net	-	-	-	-	-	-	-	67,026
Interfund receivables, net	3,814,532	24,716,888	4,612,178	-	2,070,174	4,612,178	39,825,950	3,528,632
Total assets	<u>\$ 31,853,185</u>	<u>\$ 40,871,987</u>	<u>\$ 5,037,071</u>	<u>\$ 9,367,800</u>	<u>\$ 2,070,182</u>	<u>\$ 8,707,212</u>	<u>\$ 97,907,437</u>	<u>\$ 100,332,702</u>
<b>LIABILITIES AND FUND EQUITY</b>								
Accrued payroll and other	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 6,505
Interfund payables	21,291,180	30,963,255	4,612,178	13,032	-	4,787,950	61,667,595	59,794,030
Total liabilities	<u>21,291,180</u>	<u>30,963,255</u>	<u>4,614,178</u>	<u>13,032</u>	<u>-</u>	<u>4,787,950</u>	<u>61,669,595</u>	<u>59,800,535</u>
Fund Equity:								
Fund balance reserved for:								
Debt service	10,562,005	9,908,732	422,893	9,354,768	-	3,919,262	34,167,660	38,095,845
Related assets	-	-	-	-	2,070,182	-	2,070,182	-
Unreserved	-	-	-	-	-	-	-	2,436,322
Total fund equity	<u>10,562,005</u>	<u>9,908,732</u>	<u>422,893</u>	<u>9,354,768</u>	<u>2,070,182</u>	<u>3,919,262</u>	<u>36,237,842</u>	<u>40,532,167</u>
Total liabilities and fund equity	<u>\$ 31,853,185</u>	<u>\$ 40,871,987</u>	<u>\$ 5,037,071</u>	<u>\$ 9,367,800</u>	<u>\$ 2,070,182</u>	<u>\$ 8,707,212</u>	<u>\$ 97,907,437</u>	<u>\$ 100,332,702</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Debt Service Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended September 30, 2000  
 (With comparative totals for the Year Ended September 30, 1999)

	Highway Limited Obligation Series 1992	Ltd. Obligation Infrastructure Improvement Bonds	Water System Revenue Bonds Series 1989	General Obligation Bond Series A 1993	General Obligation Bond Series A 1994	General Obligation Bond Series A 1995	Totals	
							2000	1999
Revenues:								
Use of money and property	\$ 889,220	\$ 832,477	\$ 160,089	\$ 131,522	\$ 7,082	\$ 140,701	\$ 2,161,091	\$ 9,648,194
Total revenues	<u>889,220</u>	<u>832,477</u>	<u>160,089</u>	<u>131,522</u>	<u>7,082</u>	<u>140,701</u>	<u>2,161,091</u>	<u>9,648,194</u>
Expenditures:								
Debt service:								
Principal retirement	2,780,000	900,000	2,345,000	4,720,000	-	12,860,000	23,605,000	29,180,000
Interest and fiscal charges	3,248,885	3,909,676	2,267,178	7,968,850	-	5,139,694	22,534,283	24,160,574
Total expenditures	<u>6,028,885</u>	<u>4,809,676</u>	<u>4,612,178</u>	<u>12,688,850</u>	<u>-</u>	<u>17,999,694</u>	<u>46,139,283</u>	<u>53,340,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,139,665)</u>	<u>(3,977,199)</u>	<u>(4,452,089)</u>	<u>(12,557,328)</u>	<u>7,082</u>	<u>(17,858,993)</u>	<u>(43,978,192)</u>	<u>(43,692,380)</u>
Other financing sources (uses):								
Transfers in	14,818,419	20,229,906	4,612,178	12,799,998	-	17,999,592	70,460,093	72,774,989
Transfers out	(11,467,674)	(19,193,253)	-	-	-	-	(30,660,927)	(23,978,310)
Other uses	(34,469)	(41,692)	(18,745)	(15,749)	-	(4,644)	(115,299)	(77,975)
Total other financing sources (uses), net	<u>3,316,276</u>	<u>994,961</u>	<u>4,593,433</u>	<u>12,784,249</u>	<u>-</u>	<u>17,994,948</u>	<u>39,683,867</u>	<u>48,718,704</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,823,389)</u>	<u>(2,982,238)</u>	<u>141,344</u>	<u>226,921</u>	<u>7,082</u>	<u>135,955</u>	<u>(4,294,325)</u>	<u>5,026,324</u>
Fund balances at beginning of year	<u>12,385,394</u>	<u>12,890,970</u>	<u>281,549</u>	<u>9,127,847</u>	<u>2,063,100</u>	<u>3,783,307</u>	<u>40,532,167</u>	<u>35,505,843</u>
Fund balances at end of year	<u>\$ 10,562,005</u>	<u>\$ 9,908,732</u>	<u>\$ 422,893</u>	<u>\$ 9,354,768</u>	<u>\$ 2,070,182</u>	<u>\$ 3,919,262</u>	<u>\$ 36,237,842</u>	<u>\$ 40,532,167</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

Enterprise Funds  
September 30, 2000

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes. The government's enterprise operations are described below:

Chamorro Commercial Loan Fund - Established in 1993 by Public Law 21-148, the Chamorro Commercial Loan Fund is created through the authority of the Chamorro Land Trust Commission. Loans are to be made available to Chamorro Land Trust lessees or by organizations formed and controlled by lessees for the development of theaters, garages, service stations, markets, stores and other mercantile establishments.

Solid Waste Management Fund - The fund was established in 1998 by Public Law 24-272, to account for all tipping, user and other fees collected in conjunction with the disposal of solid waste. The tipping and user fees are intended to provide a financing source for the Government of Guam's cost and expenses directly related to the closure of the existing solid waste landfill, the development, design, construction, operation and final closure of a new sanitary landfill, as well as other solid waste management facilities that are contracted or may be established by this Act in accordance with the plan and annual fiscal year appropriation for the Division of Solid Waste Management of the Department of Public Works.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Enterprise Funds  
Combining Balance Sheet  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

<u>ASSETS</u>	<u>Chamorro Commercial Loan Fund</u>	<u>Solid Waste Management Fund</u>	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
Cash and equivalents	\$ 928,402	\$ 3,810,800	\$ 4,739,202	\$ 949,401
Other receivables, net	6,634	925,952	932,586	237,848
	<u>935,036</u>	<u>4,736,752</u>	<u>5,671,788</u>	<u>1,187,249</u>
Total assets	<u>\$ 935,036</u>	<u>\$ 4,736,752</u>	<u>\$ 5,671,788</u>	<u>\$ 1,187,249</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Interfund payables	\$ 1,103,871	\$ 4,088,844	\$ 5,192,715	\$ 549,538
Deposits and other liabilities	<u>-</u>	<u>91,037</u>	<u>91,037</u>	<u>-</u>
Total liabilities	<u>1,103,871</u>	<u>4,179,881</u>	<u>5,283,752</u>	<u>549,538</u>
Fund equity:				
Retained earnings:				
Restricted	512,253	2,043,964	2,556,217	429,660
Unrestricted	<u>(681,088)</u>	<u>(1,487,093)</u>	<u>(2,168,181)</u>	<u>208,051</u>
Total fund equity	<u>(168,835)</u>	<u>556,871</u>	<u>388,036</u>	<u>637,711</u>
Total liabilities and fund equity	<u>\$ 935,036</u>	<u>\$ 4,736,752</u>	<u>\$ 5,671,788</u>	<u>\$ 1,187,249</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Enterprise Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Equity  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	Chamorro Commercial Loan Fund	Solid Waste Management Fund	Totals	
			2000	1999
Operating revenues:				
Rental and service fees	\$ 21,477	\$ 5,200,367	\$ 5,221,844	\$ 827,154
Use of money and property	53,597	-	53,597	133,562
<b>Total operating revenues</b>	<b>75,074</b>	<b>5,200,367</b>	<b>5,275,441</b>	<b>960,716</b>
Operating expenses:				
Production and operations	578,591	1,220,670	1,799,261	378,804
Bad debt expense	-	1,864,900	1,864,900	507,709
Professional services	113,487	679,859	793,346	15,944
Utilities	64,182	-	64,182	64,464
Other	3,427	-	3,427	8,472
<b>Total operating expenses</b>	<b>759,687</b>	<b>3,765,429</b>	<b>4,525,116</b>	<b>975,393</b>
Operating (loss) income	(684,613)	1,434,938	750,325	(14,677)
Other income (expense)	-	(1,000,000)	(1,000,000)	-
Net (loss) income	(684,613)	434,938	(249,675)	(14,677)
Beginning retained earnings	515,778	121,933	637,711	652,388
Ending retained earnings	(168,835)	556,871	388,036	637,711
Fund equity at end of year	\$ (168,835)	\$ 556,871	\$ 388,036	\$ 637,711

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Enterprise Funds  
 Combining Statement of Cash Flows  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	<u>Chamorro Commercial Loan Fund</u>	<u>Solid Waste Management Fund</u>	<u>Totals</u>	
			<u>2000</u>	<u>1999</u>
<u>Increase in cash and equivalents</u>				
Cash flows from operating activities:				
Operating (loss) income	\$ (684,613)	\$ 1,434,938	\$ 750,325	\$ (14,677)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Bad debt expense	-	1,864,900	1,864,900	507,709
 (Increase) decrease in assets:				
Other receivable	(1,833)	(2,557,805)	(2,559,638)	(745,557)
 Increase in liabilities:				
Interfund payable	738,210	3,904,967	4,643,177	379,174
Deposits & other liabilities	-	91,037	91,037	-
 Net cash provided by operating activities	<u>51,764</u>	<u>4,738,037</u>	<u>4,789,801</u>	<u>126,649</u>
 Cash flows from noncapital financing activities:				
Transfers to other funds	-	(1,000,000)	(1,000,000)	-
 Net cash (used) in noncapital financing activities	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
 Net increase in cash and equivalents	51,764	3,738,037	3,789,801	126,649
 Cash and equivalents at beginning of year	<u>876,638</u>	<u>72,763</u>	<u>949,401</u>	<u>822,752</u>
 Cash and equivalents at end of year	<u>\$ 928,402</u>	<u>\$ 3,810,800</u>	<u>\$ 4,739,202</u>	<u>\$ 949,401</u>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Component Units - Proprietary Funds September 30, 2000

Component units - proprietary funds are legally separate organizations for which the elected officials of the Government of Guam are financially accountable. 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 net income, financial position and cash flows. The Government of Guam's component units - proprietary funds are described below.

Guam International Airport Authority - The Authority was created in 1975, by Public Law 13-57 from a division operating as part of the Guam Department of Commerce. It is charged with the acquisition, construction, operation and maintenance of airports and related facilities for civil aviation on Guam. The Authority supports its operations through landing fees and charges for use of its facilities and through rentals under concessionaire agreements.

Guam Housing Corporation (GHC) - GHC was organized under the authority of Public Law 8-80 to promote the general welfare of the Government of Guam by encouraging investment in and development of low-cost housing. The corporation provides for its operating needs by charging points on its low cost loans. Interest rates are determined by its Board of Directors.

Guam Visitors Bureau - The Guam Visitors Bureau (GVB) is a public corporation established 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. The GVB is not included in the accompanying financial statement presentation.

Guam Power Authority - The Guam Power Authority was established in 1969 as a separate entity. The Authority operates the power system for the Government of Guam and has established a Power Pool Agreement with the United States Navy. Revenues are derived from sales of electricity.

Guam Rental Corporation - Guam Rental Corporation was established pursuant to the authority granted to the Guam Housing Corporation under Public Law 8-80 to promote the general welfare of the inhabitants of the Government of Guam by providing housing for low and moderate income families and families displaced because of urban renewal or as a result of government action. Revenues are derived from rental fees charged for housing.

Guam Memorial Hospital Authority - Guam Memorial Hospital Authority was created by Public Law 14-29 as an autonomous instrumentality of the Government of Guam on July 26, 1977. The law provides for control of the Authority to be vested with the Hospital's Board of Trustees. The hospital is the only non-military hospital in the Government of Guam. Revenues are primarily derived from fees charged to patients for medical services and General Fund subsidies.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Component Units - Proprietary Funds, Continued September 30, 2000

Guam Economic Development Authority - Guam Economic Development Authority (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 Government of Guam 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 Telephone Authority - Guam Telephone Authority was established as a Public Corporation created by Public Law 12-44, pursuant to which the assets and liabilities of the telephone division of the Public Utility Agency of Guam were transferred to Guam Telephone Authority effective April 1, 1974. The Authority's major source of revenues is derived from billings for local exchange services and tolls for non-local exchange services.

Guam Waterworks Authority (GWA) - Established in 1996 by Public Law 23-119, the Guam Waterworks Authority, formerly the Public Utility Agency of Guam (PUAG), is a public corporation and an autonomous instrumentality of the Government of Guam. GWA derives its operating revenues from water and wastewater fees to residential, commercial and government customers based on consumption.

Guam Mass Transit Authority - The Guam Mass Transit Authority (GMTA) was established on December 6, 1979, for the purpose of providing public transportation. P.L. 15-92 (Section 21947 of the Government Code of Guam) also gave the Authority broad powers to do any and all things necessary to carry out its lawful purposes. During fiscal year 1990, GMTA asserted its autonomy and now accounts for its activities separately.

Port Authority of Guam - The Port Authority was established in 1975 as a public corporation under Public Law 13-87. The Authority is entrusted with providing for the needs of ocean commerce, shipping and navigation of the Government of Guam. The Authority derives its operating revenues from a tariff establishing fees for wharfage and use of its facilities.

Guam Educational Telecommunications Corporation - Guam Educational Telecommunications Corporation, also known as KGTF-TV, was established 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.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

Component Units - Proprietary Funds, Continued  
September 30, 2000

Guam Housing and Urban Renewal Authority – The Guam Housing and Urban Renewal Authority (GHURA) was established 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 the Authority are appointed by the Governor by and with the advice and consent of the Legislature. Revenues are derived from Federal financial assistance and rentals or charges for dwelling accommodations.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Component Units - Proprietary Funds  
Combining Balance Sheet  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

ASSETS	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Port Authority of Guam	Totals	
	International Airport Authority	Housing Corporation	Power Authority	Rental Corporation	Memorial Hospital Authority	Economic Development Authority	Telephone Authority	Waterworks Authority	Mass Transit Authority	Educational Telecommunicatio Corporation	Housing and Urban Renewal Authority		2000	1999
Cash and equivalents	\$ 1,900,593	\$ 604,141	\$ 6,975,548	\$ 570,551	\$ 3,850,619	\$ 101,783	\$ 13,495,589	\$ 1,673,663	\$ 604,312	\$ 731,314	\$ 5,426,395	\$ 3,009,754	\$ 38,944,262	\$ 24,250,205
Investments	-	12,879	-	-	-	216,351	5,647,736	-	-	-	3,337,435	-	9,214,401	4,482,796
Receivables, net	6,475,255	45,591,768	51,845,522	82,945	-	1,307,432	7,826,951	17,001,718	98,544	151,842	1,814,849	3,053,104	135,249,930	163,030,348
Receivables from federal agencies	2,415,647	-	-	-	28,636,647	53,319	-	2,580,565	-	-	-	-	33,686,178	4,770,918
Notes receivable	-	-	-	-	-	23,879	-	-	-	-	-	-	23,879	11,386
Inventories	-	-	42,692,608	14,227	1,244,305	53,869	3,656,903	721,441	77,559	-	157,666	318,025	48,936,603	36,954,050
Prepayments	84,586	22,373	559,518	5,438	47,439	84,651	450,975	-	53,114	1,603	5,440,521	-	6,750,218	2,239,814
Deposits and other assets	-	1,621,459	47,642,766	536,790	-	583,184	-	-	-	-	-	2,542,305	52,926,504	13,142,104
	<u>10,876,081</u>	<u>47,852,620</u>	<u>149,715,962</u>	<u>1,209,951</u>	<u>33,779,010</u>	<u>2,424,468</u>	<u>31,078,154</u>	<u>21,977,387</u>	<u>833,529</u>	<u>884,759</u>	<u>16,176,866</u>	<u>8,923,188</u>	<u>325,731,975</u>	<u>248,881,621</u>
Amount to be provided for retirement of debt	-	-	28,288,000	-	-	-	-	-	-	-	-	-	28,288,000	28,836,490
Restricted assets	96,568,638	52,489,473	77,399,340	-	-	-	-	3,207,675	-	498,811	-	-	230,163,937	246,457,222
Fixed assets:														
Support assets	3,960,913	958,206	-	300,549	17,390,362	561,699	11,116,503	14,600,033	2,863,006	732,882	2,032,882	19,796,560	74,313,595	50,713,320
Capital leases and improvements	-	208,027	-	-	3,159,028	129,642	-	-	-	18,000	-	-	3,514,697	3,514,742
Building and improvements	19,501,368	-	-	5,480,259	60,100,311	1,733,426	21,797,629	-	974,591	363,370	62,072,427	63,739,873	235,763,254	109,519,741
Plant in service	352,042,303	-	531,466,566	-	-	-	212,832,865	330,243,882	-	1,071,498	-	-	1,427,657,114	1,401,990,042
	<u>375,504,584</u>	<u>1,166,233</u>	<u>531,466,566</u>	<u>5,780,808</u>	<u>80,649,701</u>	<u>2,424,767</u>	<u>245,746,997</u>	<u>344,843,915</u>	<u>3,837,597</u>	<u>2,185,750</u>	<u>64,105,309</u>	<u>83,536,433</u>	<u>1,741,248,660</u>	<u>1,565,737,845</u>
Less: accumulated depreciation	113,848,698	1,087,990	146,308,186	1,737,626	35,737,236	1,258,862	94,332,419	128,788,174	2,518,498	-	35,666,486	35,305,885	596,590,060	464,267,539
	<u>261,655,886</u>	<u>78,243</u>	<u>385,158,380</u>	<u>4,043,182</u>	<u>44,912,465</u>	<u>1,165,905</u>	<u>151,414,578</u>	<u>216,055,741</u>	<u>1,319,099</u>	<u>2,185,750</u>	<u>28,438,823</u>	<u>48,230,548</u>	<u>1,144,658,600</u>	<u>1,101,470,306</u>
Construction-in-progress	33,234,034	-	61,966,096	-	1,236,099	-	15,323,131	25,619,367	-	-	-	99,334	137,478,061	110,481,190
Land	-	13,172,857	-	6,224,611	-	425,164	-	-	316,200	-	3,995,667	3,563,000	27,697,499	12,104,996
Other	2,440,190	-	-	-	-	-	-	-	-	-	-	-	2,440,190	2,603,473
	<u>297,330,110</u>	<u>13,251,100</u>	<u>447,124,476</u>	<u>10,267,793</u>	<u>46,148,564</u>	<u>1,591,069</u>	<u>166,737,709</u>	<u>241,675,108</u>	<u>1,635,299</u>	<u>2,185,750</u>	<u>32,434,490</u>	<u>51,892,882</u>	<u>1,312,274,350</u>	<u>1,226,659,965</u>
Total assets	<u>\$ 404,774,829</u>	<u>\$ 113,593,193</u>	<u>\$ 702,527,778</u>	<u>\$ 11,477,744</u>	<u>\$ 79,927,574</u>	<u>\$ 4,015,537</u>	<u>\$ 197,815,863</u>	<u>\$ 266,860,170</u>	<u>\$ 2,468,828</u>	<u>\$ 3,569,320</u>	<u>\$ 48,611,356</u>	<u>\$ 60,816,070</u>	<u>\$ 1,896,458,262</u>	<u>\$ 1,750,835,298</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**  
Component Units - Proprietary Funds  
Combining Balance Sheet, Continued  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

<u>LIABILITIES AND FUND EQUITY</u>	Guam International Airport Authority	Guam Housing Corporation	Guam Power Authority	Guam Rental Corporation	Guam Memorial Hospital Authority	Guam Economic Development Authority	Guam Telephone Authority	Guam Waterworks Authority	Guam Mass Transit Authority	Guam Educational Telecommunicatio Corporation	Guam Housing and Urban Renewal Authority	Port Authority of Guam	Totals 2000	Totals 1999
Current liabilities:														
Current portion of long-term debt	\$ 4,130,000	\$ 2,407,563	\$ 6,792,604	\$ 60,937	\$ 3,191,099	\$ 1,196,365	\$ 3,873,077	\$ 767,309	\$ -	\$ -	\$ 35,000	\$ -	\$ 22,453,954	\$ 13,828,075
Accounts payable	6,943,555	12,256,319	33,005,228	38,999	11,612,608	840,795	7,978,951	22,387,347	186,666	88,352	2,595,287	1,292,077	99,226,184	55,284,280
Accrued payroll and other	-	-	1,646,890	77,581	2,501,529	163,096	2,689,045	1,086,944	-	103,163	555,772	1,133,957	9,957,977	7,406,398
Interfund payables	-	-	-	-	-	-	-	-	-	-	-	-	-	1,976,916
Payable to federal agencies	-	-	-	-	-	206	-	8,586,517	-	-	-	-	8,586,723	8,885,144
Notes payable	-	-	29,917,174	-	-	-	-	-	-	-	-	-	29,917,174	26,217,174
Deferred revenue	3,691,171	-	2,503,674	-	-	219,113	-	-	-	337,630	242,277	-	6,993,865	7,266,677
Deposits and other liabilities	7,802,554	1,455,858	15,863,909	48,791	871,586	237,684	5,470,824	1,604,501	170,670	-	-	480,262	34,006,639	34,535,462
<b>Total current liabilities</b>	<b>22,567,280</b>	<b>16,119,740</b>	<b>89,729,479</b>	<b>226,308</b>	<b>18,176,822</b>	<b>2,657,259</b>	<b>20,011,897</b>	<b>34,432,618</b>	<b>357,336</b>	<b>529,145</b>	<b>3,428,336</b>	<b>2,906,296</b>	<b>211,142,516</b>	<b>155,400,126</b>
Long-term liabilities:														
Vacation leave accrual	1,040,086	-	1,616,592	-	1,357,985	-	954,196	1,799,158	66,429	-	590,207	812,657	8,237,310	7,336,353
Contracts and leases	-	-	-	-	-	-	-	4,079,221	-	-	-	136,886	4,216,107	7,665,710
Notes payable and bonds payable	219,590,951	81,097,236	411,647,696	605,441	27,852,542	1,098,029	114,588,728	1,535,244	-	-	1,685,089	-	859,700,956	876,951,633
Accrued unfunded retirement liability	2,535,186	1,332,694	10,928,131	239,432	15,905,244	784,549	12,229,359	7,536,774	122,681	429,800	-	11,256,855	63,300,705	52,524,552
<b>Total long-term liabilities</b>	<b>223,166,223</b>	<b>82,429,930</b>	<b>424,192,419</b>	<b>844,873</b>	<b>45,115,771</b>	<b>1,882,578</b>	<b>127,772,283</b>	<b>14,950,397</b>	<b>189,110</b>	<b>429,800</b>	<b>2,275,296</b>	<b>12,206,398</b>	<b>935,455,078</b>	<b>944,478,248</b>
<b>Total liabilities</b>	<b>245,733,503</b>	<b>98,549,670</b>	<b>513,921,898</b>	<b>1,071,181</b>	<b>63,292,593</b>	<b>4,539,837</b>	<b>147,784,180</b>	<b>49,383,015</b>	<b>546,446</b>	<b>958,945</b>	<b>5,703,632</b>	<b>15,112,694</b>	<b>1,146,597,594</b>	<b>1,099,878,374</b>
Fund equity:														
Contributed capital:														
Government of Guam	1,439,712	4,952,252	27,898,440	5,278,650	1,186,622	2,155,978	13,557,529	117,558,773	971,631	-	21,581,049	13,897,359	210,477,995	178,282,942
Federal government	79,850,289	171,500	12,866,000	3,702,600	-	59,885	-	64,359,494	-	-	2,437,858	8,101,552	171,549,178	155,235,912
In-Aid of Construction	-	-	-	-	-	-	-	58,532,694	-	-	24,286,925	13,884,126	96,703,745	59,345,237
Other Agencies	37,971	-	-	-	-	-	-	1,268,408	-	-	250,000	7,000	1,563,379	1,277,248
Retained earnings:														
Restricted	-	-	-	-	2,456,635	-	-	-	-	2,185,750	1,251,236	-	5,893,621	4,616,731
Unrestricted (deficit)	77,713,354	9,919,771	147,841,440	1,425,313	12,991,724	(2,740,163)	36,474,154	(24,242,214)	950,751	424,625	(6,899,344)	9,813,339	263,672,750	252,198,854
Fund balances:														
Reserved for:														
Related assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund equity</b>	<b>159,041,326</b>	<b>15,043,523</b>	<b>188,605,880</b>	<b>10,406,563</b>	<b>16,634,981</b>	<b>(524,300)</b>	<b>50,031,683</b>	<b>217,477,155</b>	<b>1,922,382</b>	<b>2,610,375</b>	<b>42,907,724</b>	<b>45,703,376</b>	<b>749,860,668</b>	<b>650,956,924</b>
<b>Total liabilities and fund equity</b>	<b>\$ 404,774,829</b>	<b>\$ 113,593,193</b>	<b>\$ 702,527,778</b>	<b>\$ 11,477,744</b>	<b>\$ 79,927,574</b>	<b>\$ 4,015,537</b>	<b>\$ 197,815,863</b>	<b>\$ 266,860,170</b>	<b>\$ 2,468,828</b>	<b>\$ 3,569,320</b>	<b>\$ 48,611,356</b>	<b>\$ 60,816,070</b>	<b>\$ 1,896,458,262</b>	<b>\$ 1,750,835,298</b>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Component Units - Proprietary Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Equity  
 Year Ended September 30, 2000  
 (With Comparative Totals for the year ended September 30, 1999)

	Guam International Airport Authority	Guam Housing Corporation	Guam Power Authority	Guam Rental Corporation	Guam Memorial Hospital Authority	Guam Economic Development Authority	Guam Telephone Authority	Guam Waterworks Authority	Guam Mass Transit Authority	Guam Educational Telecommunicatio Corporation	Guam Housing and Urban Renewal Authority	Port Authority of Guam	Totals 2000	Totals 1999
Operating revenues:														
Charges for services	\$ 35,016,094	\$ 151,596	\$ 217,738,445	\$ -	\$ 69,946,670	\$ -	\$ 48,303,383	\$ 38,577,811	\$ 121,435	\$ -	\$ -	\$ 14,971,463	\$ 424,826,897	\$ 369,230,100
Contributions	-	-	-	-	-	-	-	-	424,385	945,980	19,315,030	-	20,685,395	1,190,324
Licenses, fees and permits	-	-	-	-	-	672,279	-	-	-	2,115	-	-	674,394	592,095
Investment, earnings and interest	-	1,692,651	-	25,803	-	-	-	-	-	37,289	212,860	-	1,968,603	2,145,370
Rental charges	6,520,972	-	-	928,244	-	2,779,248	-	-	-	-	1,661,354	3,446,489	15,336,307	9,572,692
Other	1,050,929	170,830	4,271,891	18,704	848,252	-	791,692	569,375	74,862	-	538,207	3,343,016	11,677,758	9,235,593
<b>Total operating revenues</b>	<b>42,587,995</b>	<b>2,015,077</b>	<b>222,010,336</b>	<b>972,751</b>	<b>70,794,922</b>	<b>3,451,527</b>	<b>49,095,075</b>	<b>39,147,186</b>	<b>620,682</b>	<b>985,384</b>	<b>21,727,451</b>	<b>21,760,968</b>	<b>475,169,354</b>	<b>391,966,174</b>
Operating expenses:														
Production and operations	-	29,816	152,648,756	-	44,192,133	1,599,429	19,857,055	14,862,586	2,282,188	250,972	11,813,094	4,348,799	251,884,828	191,288,608
Depreciation and amortization	15,688,724	80,537	18,925,143	159,423	3,220,390	132,698	16,377,846	9,059,001	220,004	-	2,092,345	3,555,766	69,511,877	64,529,393
Maintenance	962,996	-	-	91,850	-	5,431	-	-	182,935	-	6,420,305	5,274,293	12,937,810	1,469,968
Beneficiary related	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debts	148,048	-	1,000,000	27,154	9,854,190	158,487	2,627,707	1,575,384	-	-	4,800	-	15,395,770	10,013,171
Stevedoring and related	-	-	-	-	-	-	-	-	-	-	-	2,079,669	2,079,669	-
General and administrative	23,583,008	2,793,435	20,257,514	541,935	20,480,498	1,118,195	7,402,368	19,571,221	901,748	1,129,711	2,791,843	12,884,283	113,455,759	99,025,930
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	90,412	-	28,759	-	47,769	-	6,138,934	-	-	973,337	-	7,279,211	4,200,847
<b>Total operating expenses</b>	<b>40,382,776</b>	<b>2,994,200</b>	<b>192,831,413</b>	<b>849,121</b>	<b>77,747,211</b>	<b>3,062,009</b>	<b>46,264,976</b>	<b>51,207,126</b>	<b>3,586,875</b>	<b>1,380,683</b>	<b>24,095,724</b>	<b>28,142,810</b>	<b>472,544,924</b>	<b>370,527,917</b>
<b>Operating income (loss)</b>	<b>2,205,219</b>	<b>(979,123)</b>	<b>29,178,923</b>	<b>123,630</b>	<b>(6,952,289)</b>	<b>389,518</b>	<b>2,830,099</b>	<b>(12,059,940)</b>	<b>(2,966,193)</b>	<b>(395,299)</b>	<b>(2,368,273)</b>	<b>(6,381,842)</b>	<b>2,624,430</b>	<b>21,438,257</b>
Nonoperating revenues (expenses):														
Contribution from:														
General Fund	-	-	-	-	-	-	-	-	-	502,616	-	-	502,616	420,174
Federal agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	9,105
Extraordinary item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income (expenses), net	(4,379,640)	-	(18,815,100)	-	10,038,607	(286,527)	(3,389,764)	(27,392)	3,406,244	65,748	(107,201)	884,779	(12,610,246)	(35,200,369)
<b>Total nonoperating revenues (expenses), net</b>	<b>(4,379,640)</b>	<b>-</b>	<b>(18,815,100)</b>	<b>-</b>	<b>10,038,607</b>	<b>(286,527)</b>	<b>(3,389,764)</b>	<b>(27,392)</b>	<b>3,406,244</b>	<b>568,364</b>	<b>(107,201)</b>	<b>884,779</b>	<b>(12,107,630)</b>	<b>(34,771,090)</b>
<b>Net income (loss)</b>	<b>(2,174,421)</b>	<b>(979,123)</b>	<b>10,363,823</b>	<b>123,630</b>	<b>3,086,318</b>	<b>102,991</b>	<b>(559,665)</b>	<b>(12,087,332)</b>	<b>440,051</b>	<b>173,065</b>	<b>(2,475,474)</b>	<b>(5,497,063)</b>	<b>(9,483,200)</b>	<b>(13,332,833)</b>
Add depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital	-	-	-	-	-	-	-	6,799,125	28,666	-	-	-	6,827,791	7,854,745
Beginning retained earnings (deficit)	79,887,775	10,898,894	137,477,617	1,301,683	9,093,614	(2,843,154)	37,033,819	(18,954,007)	482,034	2,437,310	(3,172,634)	15,310,402	268,953,353	272,697,229
Adjustments to beginning retained earnings Correction of prior year errors	-	-	-	-	3,268,427	-	-	-	-	-	-	-	3,268,427	(10,403,556)
<b>Ending retained earnings (deficit)</b>	<b>77,713,354</b>	<b>9,919,771</b>	<b>147,841,440</b>	<b>1,425,313</b>	<b>15,448,359</b>	<b>(2,740,163)</b>	<b>36,474,154</b>	<b>(24,242,214)</b>	<b>950,751</b>	<b>2,610,375</b>	<b>(5,648,108)</b>	<b>9,813,339</b>	<b>269,566,371</b>	<b>256,815,585</b>
Beginning contributed capital	76,113,640	5,123,752	40,764,440	8,981,250	-	2,165,863	-	246,449,568	1,000,297	-	48,555,832	-	429,154,642	375,302,950
Adjustments to contributed capital	-	-	-	-	-	-	-	-	(28,666)	-	-	-	(28,666)	(28,666)
Contribution from:														
General Fund	-	-	-	-	1,186,622	50,000	13,557,529	(4,506,311)	-	-	-	13,897,359	24,185,199	10,873,995
Federal agencies	5,214,332	-	-	-	-	-	-	559,524	-	-	-	8,101,552	13,875,408	8,505,640
In Aid of Construction	-	-	-	-	-	-	-	(812,543)	-	-	-	13,884,126	13,071,583	(539,934)
Other Agencies	-	-	-	-	-	-	-	29,131	-	-	-	7,000	36,131	27,354
<b>Fund equity at end of year</b>	<b>\$ 159,041,326</b>	<b>\$ 15,043,523</b>	<b>\$ 188,605,880</b>	<b>\$ 10,406,563</b>	<b>\$ 16,634,981</b>	<b>\$ (524,300)</b>	<b>\$ 50,031,683</b>	<b>\$ 217,477,155</b>	<b>\$ 1,922,382</b>	<b>\$ 2,610,375</b>	<b>\$ 42,907,724</b>	<b>\$ 45,703,376</b>	<b>\$ 749,860,668</b>	<b>\$ 650,956,924</b>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Component Units - Proprietary Funds  
Combining Statement of Cash Flows  
Year Ended September 30, 2000

(With Comparative Totals for the Year Ended September 30, 1999)

	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Guam	Port	Totals	
	International Airport Authority	Guam Housing Corporation	Guam Power Authority	Guam Rental Corporation	Guam Memorial Hospital Authority	Guam Economic Development Authority	Guam Telephone Authority	Guam Waterworks Authority	Guam Mass Transit Authority	Guam Educational Telecommunications Corporation	Guam Housing & Urban Renewal Authority	Port Authority of Guam	2000	1999
<u>Increase (decrease) in cash and equivalents</u>														
Cash flows from operating activities:														
Operating income (loss)	\$ 2,205,219	\$ (979,123)	\$ 29,178,923	\$ 123,630	\$ (6,952,289)	\$ 389,518	\$ 2,830,099	\$ (12,059,940)	\$ (2,966,193)	\$ (395,299)	\$ (2,368,273)	\$ (6,381,842)	\$ 2,624,430	\$ (30,084,639)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:														
Depreciation	15,688,724	80,537	18,925,143	159,423	3,220,390	132,698	16,377,846	9,059,001	220,004	-	2,092,345	3,555,766	69,511,877	56,198,685
Bad debt expense	148,048	1,000,000	-	27,154	9,854,190	158,487	2,627,707	1,575,384	-	-	4,800	-	15,395,770	41,027,592
Amortization of loan discount	-	9,497	-	-	-	-	-	-	-	-	-	-	9,497	(30,000)
Loss on investment	-	-	-	-	-	(4)	(1,457,373)	-	-	-	-	-	(1,457,377)	-
Extraordinary item and other reconciling items	4,594,564	-	(988,449)	(78,609)	-	(418,448)	209,944	-	-	-	-	815,593	4,134,595	1,261,177
(Increase) decrease in assets:														
Accounts receivable	(708,888)	(1,523,707)	(19,800,280)	(32,840)	(8,663,116)	-	(2,390,332)	(3,269,791)	(41,492)	(113,898)	(85,976)	(914,750)	(37,545,070)	(44,892,725)
Inventory	-	-	(12,025,904)	(678)	298,168	(60,709)	610,842	(320,761)	(77,559)	-	(17,004)	83,747	(11,509,858)	(62,758)
Accrued interest and other	-	-	-	-	-	-	-	-	-	-	218,916	-	218,916	207,734
Prepaid expense	(82,304)	(3,132)	1,169,402	(3,293)	(26,293)	-	193	-	(53,114)	(1,603)	-	-	999,856	451,694
Notes receivable	-	-	-	-	-	(12,493)	-	-	-	-	-	-	(12,493)	-
Other assets	-	-	(179,369)	-	-	-	-	-	-	-	317,571	-	138,202	(81,618)
Other receivables	-	-	-	-	(325,572)	(759,870)	-	-	-	-	-	-	(1,085,442)	(141,723)
Due from other funds and governmental agencies	-	-	-	-	-	147,060	-	-	-	-	(41,321,652)	-	(41,174,592)	(8,064)
Due from federal agencies	(205,633)	-	-	-	-	-	-	-	-	-	(887,562)	-	(1,093,195)	(723,634)
Increase (decrease) in liabilities:														
Accrued payroll	-	-	217,295	8,433	206,839	-	569,425	153,192	-	6,303	-	(361,663)	799,824	(1,205,809)
Annual leave	-	-	(146,978)	-	(137,991)	-	(208,861)	(299,287)	-	-	-	(36,139)	(829,256)	416,618
Accounts payable	1,701,593	10,839,899	15,306,972	6,774	4,030,881	685,658	7,609,499	8,541,314	(122,723)	1,182	(333,556)	406,915	48,674,408	(12,564,824)
Accrued pension cost	232,982	86,148	-	(14,111)	654,496	(57,826)	-	155,899	15,245	-	-	(497,451)	575,382	(4,239,996)
Accrued expense and other liabilities	-	-	(7,627,596)	(4,147)	35,043	(74,842)	(1,702,482)	398,483	187,999	-	(1,449,583)	-	(10,237,125)	2,338,914
Customer and security deposits	(10,628)	(518,850)	-	(9,082)	-	-	271,085	-	-	-	12,663	(168,685)	(423,497)	(1,433,755)
Deferred revenue	(613,345)	-	858	-	-	-	-	-	-	93,463	255,960	-	(263,064)	5,658,956
Contracts and leases	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,792,761)
Due from other funds and governmental agencies	-	-	-	-	-	(340,927)	-	-	-	-	41,137,838	-	40,796,911	-
Due from federal agencies	-	-	(129,258)	-	-	-	-	-	-	-	153,024	-	23,766	-
<b>Net cash provided by (used for) operating activities</b>	<b>22,950,332</b>	<b>8,991,269</b>	<b>23,900,759</b>	<b>182,654</b>	<b>2,194,746</b>	<b>(211,698)</b>	<b>25,347,592</b>	<b>3,933,494</b>	<b>(2,837,833)</b>	<b>(409,852)</b>	<b>(2,270,489)</b>	<b>(3,498,509)</b>	<b>78,272,465</b>	<b>10,299,064</b>

**GOVERNMENT OF GUAM**

Component Units - Proprietary Funds  
 Combining Statement of Cash Flows, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	Guam International Airport Authority	Guam Housing Corporation	Guam Power Authority	Guam Rental Corporation	Guam Memorial Hospital Authority	Guam Economic Development Authority	Guam Telephone Authority	Guam Waterworks Authority	Guam Mass Transit Authority	Guam Educational Telecommunications Corporation	Guam Housing & Urban Renewal Authority	Port Authority of Guam	Totals	
													2000	1999
Cash flows from noncapital financing activities:														
Proceeds from issuance of notes payable and bonds	-	-	-	-	-	203,031	-	-	-	-	-	-	203,031	59,454,256
Proceeds from short term debt	-	-	3,700,000	-	-	-	-	-	-	-	-	-	3,700,000	20,000,000
Repayment of notes payable and short term debt	-	-	-	-	(1,662,557)	-	-	-	-	-	(19,279)	-	(1,681,836)	(22,273,879)
Interest paid on notes payable and short term debt	-	-	(1,287,106)	-	(2,704,298)	(28,295)	-	-	-	-	-	-	(4,019,699)	(3,037,002)
Local appropriations	-	-	-	-	2,945,431	-	-	-	3,406,244	508,353	-	-	6,860,028	23,263,028
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	1,359,650
Contributions	-	-	-	-	53,584	65,000	-	-	-	-	-	-	118,584	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>2,412,894</b>	<b>-</b>	<b>(1,367,840)</b>	<b>239,736</b>	<b>-</b>	<b>-</b>	<b>3,406,244</b>	<b>508,353</b>	<b>(19,279)</b>	<b>-</b>	<b>5,180,108</b>	<b>78,766,053</b>
Cash flows from capital and related financing activities:														
Proceeds from issuance of notes payable and bonds	-	-	-	-	-	-	-	679,805	-	-	-	-	679,805	84,714,511
Principal paid on bonds and other long term debt	(3,910,000)	(4,548,685)	(1,521,345)	(59,139)	-	-	(3,672,423)	(749,529)	-	-	-	-	(14,461,121)	(13,658,226)
Interest paid on bonds and other long term debt	(14,317,801)	-	(20,991,655)	-	-	-	(6,767,775)	-	-	-	-	-	(42,077,231)	(39,299,660)
Fixed asset (purchases) disposals/sale	(14,698,370)	(237,411)	(21,994,114)	(80,430)	-	(14,810)	(12,850,174)	(5,079,009)	(203,922)	(65,748)	(727,213)	356,829	(55,594,372)	(93,174,744)
Fixed asset improvements	-	-	-	-	(1,722,675)	-	-	-	-	-	-	-	(1,722,675)	-
Contributions	3,966,767	-	-	-	1,186,622	-	-	2,068,926	-	-	1,243,071	16,551	8,481,937	24,547,327
Debt issuance costs	-	-	483,400	-	-	-	-	-	-	-	-	-	483,400	(1,758,560)
Capital lease payments	-	-	-	-	(270,901)	-	-	-	-	-	-	(125,293)	(396,194)	-
Operating grants	-	-	-	-	-	-	-	29,631	-	-	-	-	29,631	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(28,959,404)</b>	<b>(4,786,096)</b>	<b>(44,023,714)</b>	<b>(139,569)</b>	<b>(806,954)</b>	<b>(14,810)</b>	<b>(23,290,372)</b>	<b>(3,050,176)</b>	<b>(203,922)</b>	<b>(65,748)</b>	<b>515,858</b>	<b>248,087</b>	<b>(104,576,820)</b>	<b>(38,629,352)</b>
Cash flows from investing activities:														
Payments received on notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,879)
Decrease(increase) in bond reserve funds	-	-	548,490	-	-	-	-	-	-	-	-	-	548,490	(35,766)
Purchase of land held for development and resale	-	(8,033,836)	-	-	-	-	-	-	-	-	-	-	(8,033,836)	(396,877)
Proceeds from sale of investment	1,831,576	-	-	-	-	(8,444)	-	-	-	-	(119,686)	-	1,703,446	26,995,799
Purchase of investment securities	-	(187,679)	-	-	-	(51,748)	-	-	-	-	-	-	(239,427)	(910,842)
Interest and dividends on investments	4,836,282	3,512,997	6,145,422	-	-	-	541,485	30,874	-	-	-	174,654	15,241,714	10,784,719
Transfers from restricted fund	-	(325,317)	13,084,269	-	-	-	-	(93,561)	-	-	2,675,793	-	15,341,184	(81,393,463)
<b>Net cash provided by (used for) investing activities</b>	<b>6,667,858</b>	<b>(5,033,835)</b>	<b>19,778,181</b>	<b>-</b>	<b>-</b>	<b>(60,192)</b>	<b>541,485</b>	<b>(62,687)</b>	<b>-</b>	<b>-</b>	<b>2,556,107</b>	<b>174,654</b>	<b>24,561,571</b>	<b>(44,970,309)</b>
Net increase (decrease) in cash and equivalents	658,786	(828,662)	2,068,120	43,085	19,952	(46,964)	2,598,705	820,631	364,489	32,753	782,197	(3,075,768)	3,437,324	5,465,456
Cash and equivalents at beginning of year	1,241,807	1,432,803	4,907,428	527,466	3,303,654	148,747	10,896,884	853,032	239,823	698,561	4,644,198	6,085,522	34,979,925	24,568,505
Restricted cash	-	-	-	-	527,013	-	-	-	-	-	-	-	527,013	4,173,346
<b>Cash and equivalents at end of year</b>	<b>\$ 1,900,593</b>	<b>\$ 604,141</b>	<b>\$ 6,975,548</b>	<b>\$ 570,551</b>	<b>\$ 3,850,619</b>	<b>\$ 101,783</b>	<b>\$ 13,495,589</b>	<b>\$ 1,673,663</b>	<b>\$ 604,312</b>	<b>\$ 731,314</b>	<b>\$ 5,426,395</b>	<b>\$ 3,009,754</b>	<b>\$ 38,944,262</b>	<b>\$ 34,207,307</b>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**  
Internal Service Funds  
Combining Balance Sheet  
September 30, 2000  
(With Comparative Totals as of September 30, 1999)

	Agana				Totals	
	Fractional Lot Fund	State Agency Surplus Fund	GSA Inventory Revolving Fund	Group Life Insurance Fund	2000	1999
<b>ASSETS</b>						
Cash and equivalents	\$ -	\$ 171,857	\$ 2,194,636	\$ 87,142	\$ 2,453,635	\$ 2,301,501
Investments	-	-	-	-	-	-
Receivables, net	-	1,457	-	-	1,457	19,073
Receivables from federal agencies	-	-	-	-	-	-
Interfund receivables, net	126,426	6,701	347,739	114,535	595,401	835,113
Notes receivable	-	-	-	-	-	-
Inventories	-	8,824,613	818,279	-	9,642,892	10,274,085
Prepayments	-	-	-	-	-	-
Deposits and other assets	430,394	-	-	-	430,394	410,800
	<u>556,820</u>	<u>9,004,628</u>	<u>3,360,654</u>	<u>201,677</u>	<u>13,123,779</u>	<u>13,840,572</u>
Amount available in debt service fund	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Long-term assets:						
Support assets	-	-	-	-	-	-
Capital leases and improvements	-	-	-	-	-	-
Building and improvement	-	-	-	-	-	-
Plant in service	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	-	-	-	-
Construction-in-progress	-	-	-	-	-	-
Land	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	-	-	-
Total assets	<u>\$ 556,820</u>	<u>\$ 9,004,628</u>	<u>\$ 3,360,654</u>	<u>\$ 201,677</u>	<u>\$ 13,123,779</u>	<u>\$ 13,840,572</u>
<b>LIABILITIES AND FUND EQUITY (DEFICIENCY)</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	-	-	-	-	-	-
Interfund payables	-	-	1,102,109	-	1,102,109	2,362,770
Payables to federal agencies	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	465,000	465,000	475,000
Vacation leave accrual	-	-	-	-	-	-
Contracts and leases	-	-	-	-	-	-
Notes payable and bonds payable	-	-	-	-	-	-
Accrued unfunded retirement benefit	-	-	-	-	-	-
Total liabilities	-	-	1,102,109	465,000	1,567,109	2,837,770
Fund equity (deficiency):						
Contributed capital:						
Government of Guam	-	-	-	-	-	-
Federal government	-	8,212,794	-	-	8,212,794	8,212,794
Retained earnings:						
Restricted	-	-	981,557	-	981,557	1,632,108
Unrestricted	556,820	791,834	1,276,988	(263,323)	2,362,319	1,157,900
Fund balances:						
Reserved for:						
Debt service	-	-	-	-	-	-
Related assets	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-
Continuing appropriations	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Fund equity (deficiency)	<u>556,820</u>	<u>9,004,628</u>	<u>2,258,545</u>	<u>(263,323)</u>	<u>11,556,670</u>	<u>11,002,802</u>
Total liabilities and fund equity (deficiency)	<u>\$ 556,820</u>	<u>\$ 9,004,628</u>	<u>\$ 3,360,654</u>	<u>\$ 201,677</u>	<u>\$ 13,123,779</u>	<u>\$ 13,840,572</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Equity  
 Year Ended September 30, 2000  
 (With Comparative Totals for the Year Ended September 30, 1999)

	Agana	State Agency	GSA Inventory	Group Life	Totals	
	Fractional Lot Fund				Surplus Fund	Revolving Fund
Operating revenues:						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-	23,648
Investment earnings and interest	-	3,121	20,924	2,577	26,622	5,006
Rental charges	-	-	-	-	-	-
Other	-	3,222	1,717,676	-	1,720,898	1,196,770
<b>Total operating revenues</b>	<b>-</b>	<b>6,343</b>	<b>1,738,600</b>	<b>2,577</b>	<b>1,747,520</b>	<b>1,225,424</b>
Operating expenses:						
Production and operations	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Beneficiary related	-	-	-	-	-	285,848
Bad debts	-	-	-	-	-	90,170
Stevedoring and related	-	-	-	-	-	-
General and administrative	-	-	1,234,542	-	1,234,542	835,156
Interest	-	-	-	-	-	-
Other	-	507	19,675	-	20,182	100,576
<b>Total operating expenses</b>	<b>-</b>	<b>507</b>	<b>1,254,217</b>	<b>-</b>	<b>1,254,724</b>	<b>1,311,750</b>
Operating income (loss)	-	5,836	484,383	2,577	492,796	(86,326)
Nonoperating revenues (expenses):						
Contribution from/(to):						
General fund	-	-	-	-	-	(863,447)
Federal agencies	-	-	-	-	-	-
Other income (expense), net	19,594	-	41,478	-	61,072	162,909
<b>Total nonoperating revenues (expenses), net</b>	<b>19,594</b>	<b>-</b>	<b>41,478</b>	<b>-</b>	<b>61,072</b>	<b>(700,538)</b>
Net income (loss)	19,594	5,836	525,861	2,577	553,868	(786,864)
Beginning retained earnings (deficit)	537,226	785,998	1,732,684	(265,900)	2,790,008	3,576,872
Ending retained earnings (deficit)	556,820	791,834	2,258,545	(263,323)	3,343,876	2,790,008
Beginning contributed capital	-	8,212,794	-	-	8,212,794	8,212,794
Adjustment to contributed capital						
Contributions (to) from:						
General fund	-	-	-	-	-	-
Federal government	-	-	-	-	-	-
<b>Fund equity at end of year</b>	<b>\$ 556,820</b>	<b>\$ 9,004,628</b>	<b>\$ 2,258,545</b>	<b>\$ (263,323)</b>	<b>\$ 11,556,670</b>	<b>\$ 11,002,802</b>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Fiduciary Fund Type - Expendable Trust Funds, Pension Fund and Agency Fund September 30, 2000

Trust funds are used to account for assets held by the Government of Guam in a fiduciary capacity. A brief description of each fund follows.

#### Expendable Trust Funds

Program Development Fund - This fund was established by P.L. 18-20 in order to issue a Mortgage Revenue Bond. The issuance of the bond is under the responsibility of GEDA. The proceeds are used to make loans to multi-family housing developers.

Government Claims Fund - This fund was established by P.L. 17-029 in order to pay for claims against any line agency of the Government of Guam. The sources of revenue are obtained from legislative appropriations. The Attorney General administers this fund and designates which claims shall be paid.

Income Tax Rebate Fund - This fund is maintained to segregate and accumulate for disbursement, tax monies paid in by GEDA Qualifying Certificate holders. This fund also serves to measure the financial impact of the GEDA program.

Income Tax Refund Reserve Fund - This fund was established by P.L. 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.

Ocean Freight Legal Fund - This fund was established under P.L. 20-221 for the purpose of funding expenses incurred in determining whether ocean freight rates being assessed for cargo carriage between the U.S. mainland and Guam are just and reasonable and to develop a rate setting mechanism which would be acceptable to the shipping lines, the federal government and the Government of Guam.

Workmen's Compensation Fund - This fund was authorized to be established under P.L. 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 the Government of Guam, 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.

Inmates Work Release Fund - This fund was established by P.L. 21-75 for the purpose of providing gainful employment to the person who, having been sentenced after convictions of a crime, is in the custody of the Director of Corrections. The program shall encompass the manufacturing of artifacts and souvenirs, automotive repair work, farm labor, forestry and other programs that the Director sees fit to implement.

Community Development Fund - The fund was established by P.L. 18-15 for the purpose of providing minor repairs and maintenance services to the communities in Guam. Revenues are provided through transfers from the Tourist Attraction Fund. Expenditures are made for salaries of employees performing minor repairs and maintenance, in accordance with Section 15009.5 of the Government Code and to purchase equipment and supplies.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Fiduciary Fund Type - Expendable Trust Funds, Pension Fund and Agency Fund, Continued September 30, 2000

Criminal Injuries Fund - The Criminal Injuries Fund was enacted under P.L. 20-155. The fund was established for the purpose of compensating victims injured through criminal mischief. P.L. 20-155 created the Criminal Injuries Commission which was established to determine, on a case by case basis, who is worthy of compensation. Sources of funding are prosecuted criminals (offenders) and Government appropriations. Per P.L. 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.

Off-Island Treatment Fund - This fund was established 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.

Land Claims Fund - This fund was established by P.L. 16-111 to grant loans to those persons who are eligible to bring proceedings for additional compensation under the provisions of Section 204 of the Omnibus Territories Act of 1977 for land acquired by the United States between July 21, 1944 and August 23, 1963, other than through judicial condemnation proceedings in which the issue of compensation was adjudicated in a contested trial in the District Court of Guam.

Superior Court Trust Funds - The Superior Court is responsible for maintaining five trust funds which were primarily established through judicial decree. These Trusts are:

- Land Condemnation Fund - an escrow account for governmental land acquisitions.
- Guardianship Fund - to account for the financial affairs of individuals for whom the Court has been petitioned to act as a guardian.
- Trust Fund - to account for judgments compelling individuals to award payments arising from various civil and criminal cases.
- Traffic Court - to account for deposits made by accused traffic offenders who are contesting charges against them.
- Jury Fund - to account for funds awarded and to be awarded to citizens who serve on juries. Funding is derived from local appropriations.

Guam Preservation Trust Fund - This fund was established by P.L. 20-151 as a non-profit public corporation, 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. Expenditures are limited to costs involved in the acquisition of threatened Guam properties for the preservation of their historical value, and to support other activities directly related to increasing the public appreciation of the benefit from historical places.

Supreme Court Trust Fund - This fund was established to hold the assets in conjunction with an embezzlement judgement brought against a local attorney and to pay valid claims in accordance with any rulings.

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

Fiduciary Fund Type - Expendable Trust Funds, Pension Fund and Agency Fund, Continued  
September 30, 2000

### Pension Fund

Government of Guam Retirement Fund - P.L. 1-88 and P.L. 9-251 (Section 4201 of the Government Code of Guam) created the Retirement Fund to provide retirement annuities and other benefits to employees of the Government who became aged or incapacitated or to dependents or survivors of these employees. The Retirement Fund is administered by a Board of Trustees who bear responsibility for the direction and operation of the affairs and business of the retirement system. The Retirement Fund is not included in the accompanying financial statements.

### Agency Fund

Agency funds are normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Fiduciary Fund Type - Expendable Trust Funds  
 Combining Balance Sheet  
 September 30, 2000  
 (With Comparative Totals As Of September 30, 1999)

	<u>Program Development</u>	<u>Government Claims</u>	<u>Income Tax Rebate</u>	<u>Income Tax Refund Reserve</u>	<u>Ocean Freight Legal</u>	<u>Workers' Compensation</u>	<u>Inmates Work Release</u>	<u>Community Development</u>
<b>ASSETS</b>								
Cash and equivalents	\$ 87,945	\$ -	\$ -	\$ 98,332	\$ -	\$ -	\$ -	\$ -
Receivables, net	-	-	-	-	-	-	-	-
Interfund receivables, net	-	124,659	3,419,757	5,093,682	5,740	-	7,658	39,993
Notes receivable	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 87,945</u>	<u>\$ 124,659</u>	<u>\$ 3,419,757</u>	<u>\$ 5,192,014</u>	<u>\$ 5,740</u>	<u>\$ -</u>	<u>\$ 7,658</u>	<u>\$ 39,993</u>
<b>LIABILITIES AND FUND EQUITY</b>								
Accounts payable	\$ -	\$ -	\$ 3,419,757	\$ -	\$ -	\$ -	\$ 6,034	\$ -
Accrued payroll and other	-	-	-	-	-	-	-	-
Interfund payables	86,617	-	-	-	-	621,043	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	5,192,014	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	1,624	-
Total liabilities	<u>86,617</u>	<u>-</u>	<u>3,419,757</u>	<u>5,192,014</u>	<u>-</u>	<u>621,043</u>	<u>7,658</u>	<u>-</u>
Fund equity								
Contributed capital:								
Fund balances								
Reserved for:								
Related assets	-	-	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	4,253
Continuing appropriations	-	124,655	-	-	5,740	-	-	28,108
Unreserved (deficit)	<u>1,328</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(621,043)</u>	<u>-</u>	<u>7,632</u>
Total fund equity	<u>1,328</u>	<u>124,659</u>	<u>-</u>	<u>-</u>	<u>5,740</u>	<u>(621,043)</u>	<u>-</u>	<u>39,993</u>
Total liabilities and fund equity	<u>\$ 87,945</u>	<u>\$ 124,659</u>	<u>\$ 3,419,757</u>	<u>\$ 5,192,014</u>	<u>\$ 5,740</u>	<u>\$ -</u>	<u>\$ 7,658</u>	<u>\$ 39,993</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Fiduciary Fund Type - Expendable Trust Funds  
 Combining Balance Sheet, Continued  
 September 30, 2000  
 (With Comparative Totals As Of September 30, 1999)

	<u>Criminal Injuries</u>	<u>Off-Island Treatment</u>	<u>Land Claims</u>	<u>Superior Court Trust</u>	<u>Guam Preservation Trust</u>	<u>Supreme Court</u>	<u>Totals</u>	
							2000	1999
<b>ASSETS</b>								
Cash and equivalents	\$ -	\$ -	\$ 12,682	\$ 4,774,905	\$ 469,196	\$ 65,605	\$ 5,508,665	\$ 6,535,219
Receivables, net	-	-	-	6,136,389	979,587	140	7,116,116	10,304,245
Interfund receivables, net	43,772	1,350	-	-	118,468	-	8,855,079	7,472,257
Notes receivable	-	-	-	41,090	-	-	41,090	-
Prepayments	-	-	-	-	111,868	-	111,868	115,106
Total assets	<u>\$ 43,772</u>	<u>\$ 1,350</u>	<u>\$ 12,682</u>	<u>\$ 10,952,384</u>	<u>\$ 1,679,119</u>	<u>\$ 65,745</u>	<u>\$ 21,632,818</u>	<u>\$ 24,426,827</u>
<b>LIABILITIES AND FUND EQUITY</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,425,791	\$ 2,251,121
Accrued payroll and other	-	-	-	630,572	-	-	630,572	139,484
Interfund payables	-	-	-	-	24,190	-	731,850	266,327
Deferred revenue	-	-	-	6,108,770	-	-	6,108,770	4,639,769
Provision for tax refunds	-	-	-	-	-	-	5,192,014	5,192,264
Deposits and other liabilities	<u>43,772</u>	<u>-</u>	<u>11,834</u>	<u>4,171,752</u>	<u>-</u>	<u>65,745</u>	<u>4,294,727</u>	<u>5,000,658</u>
Total liabilities	<u>43,772</u>	<u>-</u>	<u>11,834</u>	<u>10,911,094</u>	<u>24,190</u>	<u>65,745</u>	<u>20,383,724</u>	<u>17,489,623</u>
Fund equity								
Contributed capital:								
Fund balances								
Reserved for:								
Related assets	-	-	-	200	-	-	200	200
Encumbrances	-	-	-	6,007	-	-	10,260	32,767
Continuing appropriations	-	1,350	-	35,083	-	-	194,936	1,077,174
Unreserved (deficit)	<u>-</u>	<u>-</u>	<u>848</u>	<u>-</u>	<u>1,654,929</u>	<u>-</u>	<u>1,043,698</u>	<u>5,827,063</u>
Total fund equity	<u>-</u>	<u>1,350</u>	<u>848</u>	<u>41,290</u>	<u>1,654,929</u>	<u>-</u>	<u>1,249,094</u>	<u>6,937,204</u>
Total liabilities and fund equity	<u>\$ 43,772</u>	<u>\$ 1,350</u>	<u>\$ 12,682</u>	<u>\$ 10,952,384</u>	<u>\$ 1,679,119</u>	<u>\$ 65,745</u>	<u>\$ 21,632,818</u>	<u>\$ 24,426,827</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Fiduciary Fund Type - Expendable Trust Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended September 30, 2000  
 (With Comparative Totals For The Year Ended September 30, 1999)

	<u>Program</u>	<u>Government</u>	<u>Income</u>	<u>Income Tax</u>	<u>Ocean Freight</u>	<u>Workers'</u>	<u>Inmates Work</u>	<u>Community</u>
	<u>Development</u>	<u>Claims</u>	<u>Tax Rebate</u>	<u>Refund Reserve</u>	<u>Legal</u>	<u>Compensation</u>	<u>Release</u>	<u>Development</u>
Revenues:								
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	4,328	-	-	-	-	-	-	-
Other	-	-	-	-	-	113,684	-	-
<b>Total revenues</b>	<b>4,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,684</b>	<b>-</b>	<b>-</b>
Expenditures:								
General government	-	165,259	-	-	-	-	-	-
Protection of life and property	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	11,338
Individual and collective rights	-	-	-	-	-	1,545,864	-	-
<b>Total expenditures</b>	<b>-</b>	<b>165,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,545,864</b>	<b>-</b>	<b>11,338</b>
Excess (deficiency) of revenue over (under) expenditures	<b>4,328</b>	<b>(165,259)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,432,180)</b>	<b>-</b>	<b>(11,338)</b>
Other financing sources (uses):								
Transfers in	-	289,914	-	-	-	966,380	-	-
Transfers out	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Other uses	(3,000)	-	-	-	-	-	-	-
<b>Total other financing sources (uses), net</b>	<b>(3,000)</b>	<b>289,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>966,380</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>1,328</b>	<b>124,655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(465,800)</b>	<b>-</b>	<b>(11,338)</b>
Fund balances at beginning of year	-	4	-	-	5,740	(155,243)	-	51,331
<b>Fund balances at end of year</b>	<b>\$ 1,328</b>	<b>\$ 124,659</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,740</b>	<b>\$ (621,043)</b>	<b>\$ -</b>	<b>\$ 39,993</b>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Fiduciary Fund Type - Expendable Trust Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued  
 Year Ended September 30, 2000  
 (With Comparative Totals For The Year Ended September 30, 1999)

	Criminal Injuries	Off-Island Treatment	Land Claims	Superior Court Trust	Guam Preservation Trust	Supreme Court	Totals	
							2000	1999
Revenues:								
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ 885,391	\$ -	\$ 885,391	\$ 805,580
Use of money and property	-	-	-	-	-	-	4,328	49,648
Other	<u>52,506</u>	<u>-</u>	<u>-</u>	<u>29,760</u>	<u>49,091</u>	<u>-</u>	<u>245,041</u>	<u>474,002</u>
Total revenues	<u>52,506</u>	<u>-</u>	<u>-</u>	<u>29,760</u>	<u>934,482</u>	<u>-</u>	<u>1,134,760</u>	<u>1,329,230</u>
Expenditures:								
General government	-	-	-	-	-	-	165,259	71,337
Protection of life and property	7,973	-	-	-	5,261,011	-	5,268,984	545,298
Community services	-	1,279,560	-	-	-	-	1,290,898	257
Individual and collective rights	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,090,341</u>	<u>-</u>	<u>-</u>	<u>3,636,205</u>	<u>7,369,604</u>
Total expenditures	<u>7,973</u>	<u>1,279,560</u>	<u>-</u>	<u>2,090,341</u>	<u>5,261,011</u>	<u>-</u>	<u>10,361,346</u>	<u>7,986,496</u>
Excess (deficiency) of revenue over (under) expenditures	<u>44,533</u>	<u>(1,279,560)</u>	<u>-</u>	<u>(2,060,581)</u>	<u>(4,326,529)</u>	<u>-</u>	<u>(9,226,586)</u>	<u>(6,657,266)</u>
Other financing sources (uses):								
Transfers in	-	1,352,932	-	1,050,155	-	-	3,659,381	6,478,834
Transfers out	(44,533)	-	-	-	-	-	(44,533)	(879,367)
Other sources	-	-	-	-	-	-	-	18
Other uses	<u>-</u>	<u>(73,372)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,372)</u>	<u>(69,985)</u>
Total other financing sources (uses), net	<u>(44,533)</u>	<u>1,279,560</u>	<u>-</u>	<u>1,050,155</u>	<u>-</u>	<u>-</u>	<u>3,538,476</u>	<u>5,529,500</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	(1,010,426)	(4,326,529)	-	(5,688,110)	(1,127,766)
Fund balances at beginning of year	<u>-</u>	<u>1,350</u>	<u>848</u>	<u>1,051,716</u>	<u>5,981,458</u>	<u>-</u>	<u>6,937,204</u>	<u>8,064,970</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 848</u>	<u>\$ 41,290</u>	<u>\$ 1,654,929</u>	<u>\$ -</u>	<u>\$ 1,249,094</u>	<u>\$ 6,937,204</u>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of General Fixed Assets by Function and Activity  
Year Ended September 30, 2000

	1999 Total Fixed Assets	2000 Acquisitions	2000 Total Fixed Assets
<b>General Government:</b>			
Office of the Governor	\$ 2,099,612	\$ 76,943	\$ 2,176,555
Office of Lt. Governor	25,862	-	25,862
Bureau of Budget and Mgmt. Research	917,506	19,505	937,011
Civil Service Commission	197,464	49,419	246,883
Administration	8,535,122	63,943	8,599,065
Public Works	167,768,417	1,028,545	168,796,962
Revenue and Taxation	1,722,500	269,306	1,991,806
Territorial Auditors	961,852	-	961,852
Land Management	3,026,945	-	3,026,945
<b>Total</b>	<b>185,255,280</b>	<b>1,507,661</b>	<b>186,762,941</b>
<b>Protection of life and property:</b>			
Law	1,693,356		1,693,356
Guam Police Department	15,162,140	127,054	15,289,194
Guam Fire Department	5,213,961	1,508,680	6,722,641
Corrections	3,935,241	5,338	3,940,579
Youth Affairs	778,005	26,454	804,459
Civil Defense	611,476	-	611,476
Chief Medical Examiner	39,481	-	39,481
Territorial Crime Commission	42,342	-	42,342
<b>Total</b>	<b>27,476,002</b>	<b>1,667,526</b>	<b>29,143,528</b>
<b>Public health:</b>			
Public Health and Social Services	5,976,966	998,616	6,975,582
Mental Health and Substance Abuse	1,978,194	30,953	2,009,147
Guam Health Planning	46,552	-	46,552
<b>Total</b>	<b>8,001,712</b>	<b>1,029,569</b>	<b>9,031,281</b>
<b>Community services:</b>			
Council for the Arts and Humanities	156,687	4,974	161,661
Library and Museum	503,813	68,227	572,040
Vocational Rehabilitation	290,784	26,485	317,269
<b>Total</b>	<b>951,284</b>	<b>99,686</b>	<b>1,050,970</b>
<b>Recreation:</b>			
Parks and Recreation	2,996,617	47,265	3,043,882
<b>Total</b>	<b>2,996,617</b>	<b>47,265</b>	<b>3,043,882</b>
<b>Individual and collective rights:</b>			
Labor	1,367,404	29,860	1,397,264
Election Commission	1,719,772	252,925	1,972,697
Commissioner's Council	2,531,918	42,450	2,574,368
Superior Court	18,639,373	-	18,639,373
Human Resources Development	168,297	5,168	173,465
Veterans Affairs	11,984	33,811	45,795
Military Affairs	585,575	-	585,575
Women's Affairs	45,103	-	45,103
Chamorro Land Trust	1,602,180	-	1,602,180
<b>Total</b>	<b>26,671,606</b>	<b>364,214</b>	<b>27,035,820</b>
<b>Education:</b>			
Education	54,967,210	-	54,967,210
Chamorro Language Commission	42,662	-	42,662
<b>Total</b>	<b>55,009,872</b>	<b>-</b>	<b>55,009,872</b>
<b>Environmental protection:</b>			
Environmental Protection	1,197,927	18,711	1,216,638
Guam Energy Office	727,253	83,967	811,220
<b>Total</b>	<b>1,925,180</b>	<b>102,678</b>	<b>2,027,858</b>
<b>Economic development:</b>			
Commerce	2,135,228	29,656	2,164,884
Agriculture	2,956,208	111,579	3,067,787
Bureau of Planning	1,059,321	13,932	1,073,253
<b>Total</b>	<b>6,150,757</b>	<b>155,167</b>	<b>6,305,924</b>
Public Defender	283,245	(37,999)	245,246
PDSC Land Claims Fund	9,230	(1,990)	7,240
PDSC Family Violence Program	3,032	-	3,032
<b>Total</b>	<b>295,507</b>	<b>(39,989)</b>	<b>255,518</b>
<b>Total general fixed assets</b>	<b>\$ 314,733,817</b>	<b>\$ 4,933,777</b>	<b>\$ 319,667,594</b>

See Accompanying Independent Auditors' Report.

## GOVERNMENT OF GUAM

### Higher Education Funds September 30, 2000

The Higher Education Fund group is used to account for the colleges and universities of the primary government. These funds are presented as blended component units as they are considered to be part of the primary government but are presented separately from the other fund types of the primary government. The Higher Education Fund is comprised of the University of Guam (UOG) and the Guam Community College (GCC). A brief discussion of the Government's Higher Education Funds as of September 30, 2000, follows.

University of Guam - The University of Guam was granted administrative autonomy with the enactment of Public Law 13-194, "The Higher Education Act of 1976," which became effective on November 3, 1976. The Act, with subsequent amendments, established the University as a non-membership, non-profit corporation of the Government of Guam, under the control and operation of a nine-member Board of Regents appointed by the Governor with the advice and consent of the Legislature. The University is presented as a blended component unit of the Government of Guam.

Guam Community College - The Guam Community College was established by the enactment of Public Law 14-77, "The Community College Act of 1977," which became effective on November 11, 1977. Administration and operation of the College are under the control of a nine-member Board of Trustees appointed by the Governor with the advice and consent of the Legislature. Two of the nine members have no voting and participation rights as they represent the faculty and staff union. The college is presented as a blended component unit of the Government of Guam.

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Higher Education Funds  
Combining Balance Sheet  
September 30, 2000

ASSETS	UNIVERSITY OF GUAM					GUAM COMMUNITY COLLEGE			COLLEGE AND UNIVERISTY		College and University (Memorandum Only)
	CURRENT		PLANT	LOAN	ENDOWMENT	CURRENT		PLANT	RESTRICTED	UNRESTRICTED	
	Restricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Restricted	Unrestricted	Unrestricted			
Cash and equivalents	\$ 405,238	\$ 169,616	\$ 159,575	\$ -	\$ 559,632	\$ 13,757	\$ 495,654	\$ 45,329	\$ 418,995	\$ 1,429,806	\$ 1,848,801
Investments	-	756,097	-	-	11,744,181	-	2,049,699	736,661	-	15,286,638	15,286,638
Receivables, net	-	2,394,088	450,166	426,840	-	445,480	1,614,453	319,034	445,480	5,204,581	5,650,061
Receivables from federal agencies	1,776,227	-	-	366,391	-	136,005	-	554,589	1,912,232	920,980	2,833,212
Other receivables	244,196	2,809,233	45,144	82,145	2,353	-	-	-	244,196	2,938,875	3,183,071
Inventories	-	582,750	-	-	-	-	102,184	-	-	684,934	684,934
Prepayments	86,490	712,642	-	-	-	-	-	-	86,490	712,642	799,132
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
	<u>2,512,151</u>	<u>7,424,426</u>	<u>654,885</u>	<u>875,376</u>	<u>12,306,166</u>	<u>595,242</u>	<u>4,261,990</u>	<u>1,655,613</u>	<u>3,107,393</u>	<u>27,178,456</u>	<u>30,285,849</u>
Amounts to be provided for retirement of debt	-	-	130,000	-	-	-	-	-	-	130,000	130,000
Fixed assets:											
Support Assets	-	-	9,970,305	-	-	-	-	2,269,928	-	12,240,233	12,240,233
Capital leases and improvements	-	-	-	-	-	-	-	-	-	-	-
Buildings and improvements	-	-	71,504,250	-	-	-	-	17,917,000	-	89,421,250	89,421,250
	-	-	81,474,555	-	-	-	-	20,186,928	-	101,661,483	101,661,483
Less: accumulated depreciation	-	-	17,260,975	-	-	-	-	17,146,071	-	34,407,046	34,407,046
	-	-	64,213,580	-	-	-	-	3,040,857	-	67,254,437	67,254,437
Construction-in-progress	-	-	2,238,263	-	-	-	-	-	-	2,238,263	2,238,263
Land	-	-	2,589,112	-	-	-	-	-	-	2,589,112	2,589,112
	-	-	69,040,955	-	-	-	-	3,040,857	-	72,081,812	72,081,812
Total assets	<u>\$ 2,512,151</u>	<u>\$ 7,424,426</u>	<u>\$ 69,825,840</u>	<u>\$ 875,376</u>	<u>\$ 12,306,166</u>	<u>\$ 595,242</u>	<u>\$ 4,261,990</u>	<u>\$ 4,696,470</u>	<u>\$ 3,107,393</u>	<u>\$ 99,390,268</u>	<u>\$ 102,497,661</u>

See Accompanying Independent Auditors' Report.

**GOVERNMENT OF GUAM**

Higher Education Funds  
Combining Balance Sheet, Continued  
September 30, 2000

LIABILITIES AND FUND EQUITY	UNIVERSITY OF GUAM					GUAM COMMUNITY COLLEGE			COLLEGE AND UNIVERSITY		College and University (Memorandum Only)
	CURRENT		PLANT	LOAN	ENDOWMENT	CURRENT		PLANT	RESTRICTED	UNRESTRICTED	
	Restricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Restricted	Unrestricted	Unrestricted			
Current Liabilities:											
Accounts payable	\$ 6,878	\$ 5,675,174	\$ 411,357	\$ -	\$ -	\$ 135,250	\$ 467,884	\$ 675,880	\$ 142,128	\$ 7,230,295	\$ 7,372,423
Accrued payroll and other	563,939	2,290,707	-	-	-	-	733,296	-	563,939	3,024,003	3,587,942
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	3,331,498	43,680	-	-	-	1,252,605	-	-	4,627,783	4,627,783
Deposits and other liabilities	1,863,724	-	-	-	76,091	-	-	-	1,863,724	76,091	1,939,815
<b>Total current liabilities</b>	<b>2,434,541</b>	<b>11,297,379</b>	<b>455,037</b>	<b>-</b>	<b>76,091</b>	<b>135,250</b>	<b>2,453,785</b>	<b>675,880</b>	<b>2,569,791</b>	<b>14,958,172</b>	<b>17,527,963</b>
Long-term liabilities:											
Obligation under capital lease	-	-	1,056,954	-	-	-	-	-	-	1,056,954	1,056,954
Notes payable and bonds payable	-	-	660,000	-	-	-	-	-	-	660,000	660,000
<b>Total long-term liabilities</b>	<b>-</b>	<b>-</b>	<b>1,716,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,716,954</b>	<b>1,716,954</b>
<b>Total liabilities</b>	<b>2,434,541</b>	<b>11,297,379</b>	<b>2,171,991</b>	<b>-</b>	<b>76,091</b>	<b>135,250</b>	<b>2,453,785</b>	<b>675,880</b>	<b>2,569,791</b>	<b>16,675,126</b>	<b>19,244,917</b>
Fund equity:											
Investment in general fixed assets	-	-	67,014,001	-	-	-	-	3,040,857	-	70,054,858	70,054,858
Fund balances:											
Reserved for:											
Specific purposes	77,610	-	108,241	-	-	459,992	-	-	537,602	108,241	645,843
Debt service	-	-	130,000	-	-	-	-	-	-	130,000	130,000
Unreserved	-	(3,872,953)	401,607	875,376	12,230,075	-	1,808,205	979,733	-	12,422,043	12,422,043
<b>Total fund equity</b>	<b>77,610</b>	<b>(3,872,953)</b>	<b>67,653,849</b>	<b>875,376</b>	<b>12,230,075</b>	<b>459,992</b>	<b>1,808,205</b>	<b>4,020,590</b>	<b>537,602</b>	<b>82,715,142</b>	<b>83,252,744</b>
<b>Total liabilities and fund equity</b>	<b>\$ 2,512,151</b>	<b>\$ 7,424,426</b>	<b>\$ 69,825,840</b>	<b>\$ 875,376</b>	<b>\$ 12,306,166</b>	<b>\$ 595,242</b>	<b>\$ 4,261,990</b>	<b>\$ 4,696,470</b>	<b>\$ 3,107,393</b>	<b>\$ 99,390,268</b>	<b>\$ 102,497,661</b>

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Employee Count and Payroll Costs  
Year Ended September 30, 2000

Dept.	Department Name	Employee Count at PPE 09/23/00	Total Payroll Costs for FY 2000
0200	Office of the Governor	173	\$ 8,793,795
0400	Bureau of Budget & Management Research	22	1,427,705
0500	Civil Service Commission	17	1,195,592
0600	Dept. of Administration	153	10,862,001
0700	Guam Election Commission	10	202,562
0800	Dept. of Revenue and Taxation	155	6,961,749
0900	Bureau of Planning	22	1,392,310
1000	Dept. of Public Works	537	24,046,173
1100	Dept. of Law	122	9,206,801
1200	Guam Police Dept.	333	20,310,260
1300	Dept. of Corrections	216	13,443,190
1400	Dept. of Commerce	81	5,185,299
1500	Agency for Human Resources Development	38	1,545,680
1600	Dept. of Agriculture	120	4,902,934
1700	Dept. of Public Health and Social Services	434	19,322,486
1800	Guam Public Library	24	805,673
1900	Dept. of Education	2	153,288
2000	Dept. of Youth Affairs	94	3,863,081
2200	Guam Environmental Protection Agency	38	2,061,742
2300	Department of Mental Health and Substance Abuse	109	4,968,621
2400	Dept. of Labor	199	3,853,789
2500	Dept. of Parks and Recreation	116	4,046,407
2600	Dept. of Integrated Services for Individuals	32	1,534,303
2700	Civil Defense	8	221,688
2800	Mayors' Council	166	5,563,369
2900	Dept. of Land Management	61	2,814,562
3000	Chief Medical Examiner	2	309,621
3100	Veterans' Affairs	3	113,557
3200	Dept. of Customs and Quarantine	144	5,624,003
3300	Guam Museum	10	549,109
3400	Guam Energy Office	9	366,118
3600	Dept. of Chamorro Affairs	-	80,664
3700	Dept. of Military Affairs	24	1,055,700
3800	Chamorro Language Commission	3	51,998
4000	CAHA	7	306,204
4200	Guam Fire Dept.	308	19,244,092
4400	Chamorro Land Trust Commission	12	621,471
5900	Office of the Public Auditor	5	319,259
6300	Guam Educational Telecommunications Corp.	10	718,131
TOTALS		3,819	\$ 188,044,987

See Accompanying Independent Auditors' Report.