

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

**Government of Guam**

*Year ended September 30, 2023  
with Report of Independent Auditors*



Government of Guam

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

Year ended September 30, 2023

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## Report of Independent Auditors

Honorable Lourdes A. Leon Guerrero  
Governor  
Government of Guam

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements as set forth in Section III of the foregoing table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the GovGuam Retirement Fund and the GovGuam Deferred 457 Compensation Plan, which represent 91% and 95%, respectively, of the assets and net position/fund balances of the aggregate remaining fund information as of September 30, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the GovGuam Retirement Fund and the GovGuam Deferred 457 Compensation Plan, are based solely on the reports of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GovGuam and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GovGuam's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GovGuam's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as set forth in Section II of the foregoing table of contents, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget v Actual - General Fund and notes thereto, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Proportionate Share of the Total OPEB Liability, and the Schedule of OPEB Contributions as set forth in Section IV of the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information, comparing the information for consistency with management's responses to our inquiries of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GovGuam's basic financial statements. The information as set forth in Section V of the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information as set forth in Section VI of the foregoing table of contents does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2025, on our consideration of GovGuam's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GovGuam's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GovGuam's internal control over financial reporting and compliance.

*Ernst + Young LLP*

February 7, 2025



Government of Guam

Management’s Discussion and Analysis (Unaudited)

Year Ended September 30, 2023

Our discussion and analysis of the Government of Guam (“GovGuam”) financial performance provides an overview on the background and history of GovGuam’s financial activities and details for the fiscal year ended September 30, 2023. Please read it in conjunction with GovGuam’s financial statements, which follow this section. Fiscal year 2022 comparative information has been included, where appropriate.

The three branches of GovGuam - the executive, legislative, and judicial were established by the Organic Act (as amended) of 1950. The management of the financial affairs of GovGuam is the responsibility of the Executive Branch. 5GCA § 22203 mandates the Department of Administration as the Executive agency responsible for the preparation of the annual basic financial statements. 1GCA §1908 requires the Public Auditor to audit these financial statements or cause them to be audited.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

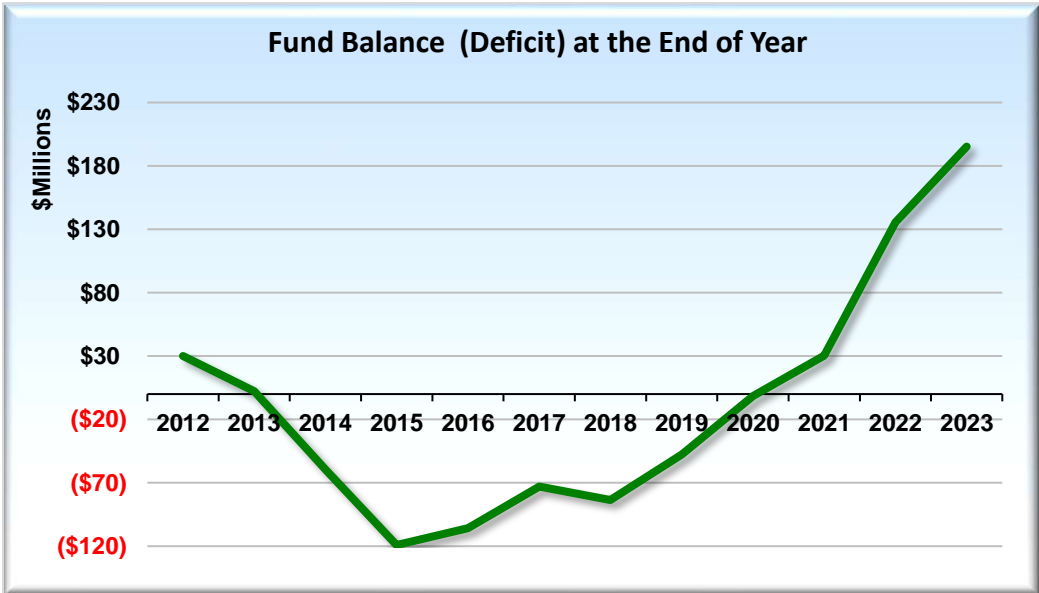
THE GENERAL FUND OF THE GOVERNMENT OF GUAM

The General Fund is the chief operating fund of GovGuam.

The graph below shows the annual tracking of the Statement of Revenue, Expenditures, and Changes in Fund Balances of the General Fund over the last ten years (Graph 1). In 2006, the General Fund deficit reached its largest deficit of \$524 million. Since that time, the Government has achieved a steadily improving trend. This has been managed by maximizing revenues, limiting expenditures, and replacing unfunded current obligations with bonded long-term debt which has structured repayment requirements. This debt represents a level of confidence by outside investors in the ability of GovGuam to manage its responsibilities. In 2023, GovGuam’s General Fund reported a fund balance of \$195.2 million, up from \$135.5 million in 2022, and the third positive balance since 2013.

Graph 1

FY2012	\$ 30.1
FY2013	\$ 2.3
FY2014	\$ (59.6)
FY2015	\$(119.1)
FY2016	\$(105.7)
FY2017	\$ (73.0)
FY2018	\$ (83.4)
FY2019	\$ (47.8)
FY2020	\$ (1.5)
FY2021	\$ 30.4
FY2022	\$ 135.5
FY2023	\$ 195.2



Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

**THE GENERAL FUND OF THE GOVERNMENT OF GUAM, CONTINUED**

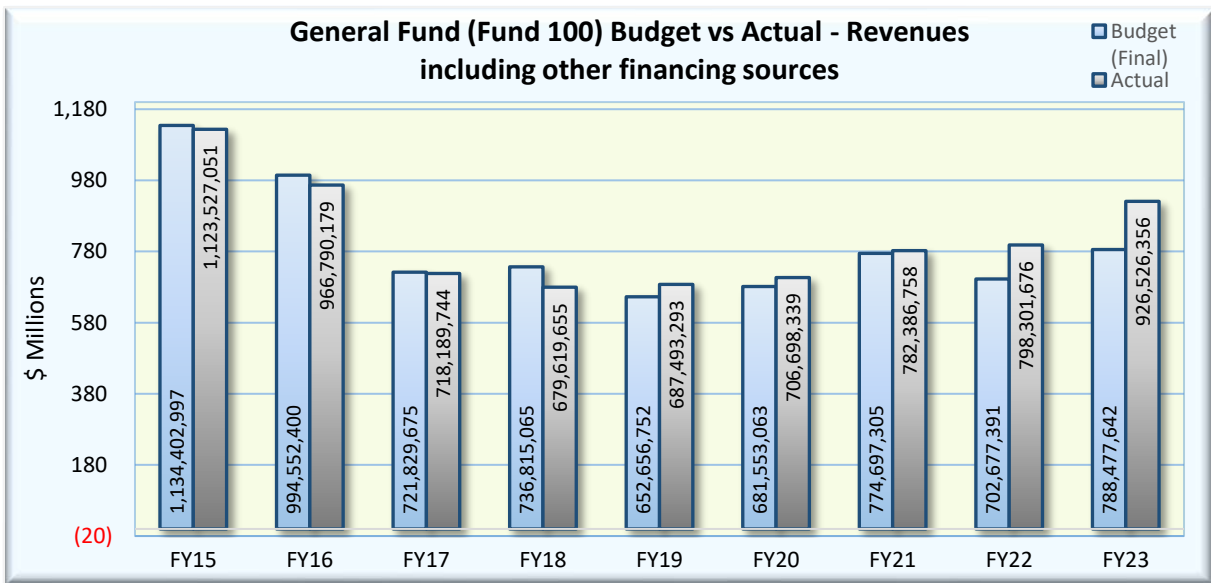
- In 2023, the General Fund generated an excess of revenues over expenditures of \$83 million. For the last five years, the Administration has placed emphasis on maximizing federal revenues and reducing costs previously met by the General Fund. This effort is the biggest single contribution to the deficit reduction. Taken together with net other financing uses of \$23.2 million, a fund surplus of \$59.8 million has been reported.

The fund surplus of \$59.8 million in FY2023 continues to improve the financial condition of the General Fund and has resulted in a fund balance of \$195.2 million at the end of the year. This continues to represent a significant event since this surplus was achieved without borrowing and is the outcome of financial discipline noted above. Elimination of the deficit from 2020 demonstrates that all known prior-year liabilities have been satisfied, allowing future budgets to concentrate on current-year activities and providing a clearer view of government priorities. A surplus in the General Fund, or any fund, is the outcome of two factors. For FY2023, there was an excess of revenues over budgeted revenues, on a modified accrual basis of \$169.4 million (budgetary basis \$135.5 million). This surplus, however, did not flow through entirely to the fund balance, principally because the FY2023 budget permitted unspent appropriations from prior years to be carried forward and spent in FY2023 (continuing appropriations). Such expenditures, together with post-budget appropriations enacted by the Legislature are recognized in FY2023 and offset the revenue excess. Continuing appropriations for FY2023 are \$13.2 million for the General Fund and \$149.1 million for other funds. In FY2022, continuing appropriations were \$56.3 million for the General Fund and \$256.7 million for other funds.

- The General Fund is required to assume the burden of any shortfalls in other funds and activities. In previous years, factors which escalated the General Fund deficit were debt service costs related to the closure of the Ordot Landfill facility of Guam Solid Waste Authority and debt service costs in respect of projects in support of the Guam Department of Education. The additional debt burden attributable to these factors increased General Fund deficits which were caused by unanticipated expenditures and revenue shortfalls.

In FY 2023, the General Fund was required to support the Guam Highway Fund (\$10.6 million) as a result of legislation to remove fuel taxes, the Healthy Futures Fund (\$5 million), and the Workman’s Compensation Fund (\$2,5 million). Other major Special Funds, although experiencing shortfalls in revenues compared with budget estimates, were able to achieve cost savings to bring expenditures in line with reduced revenues.

Graph 2

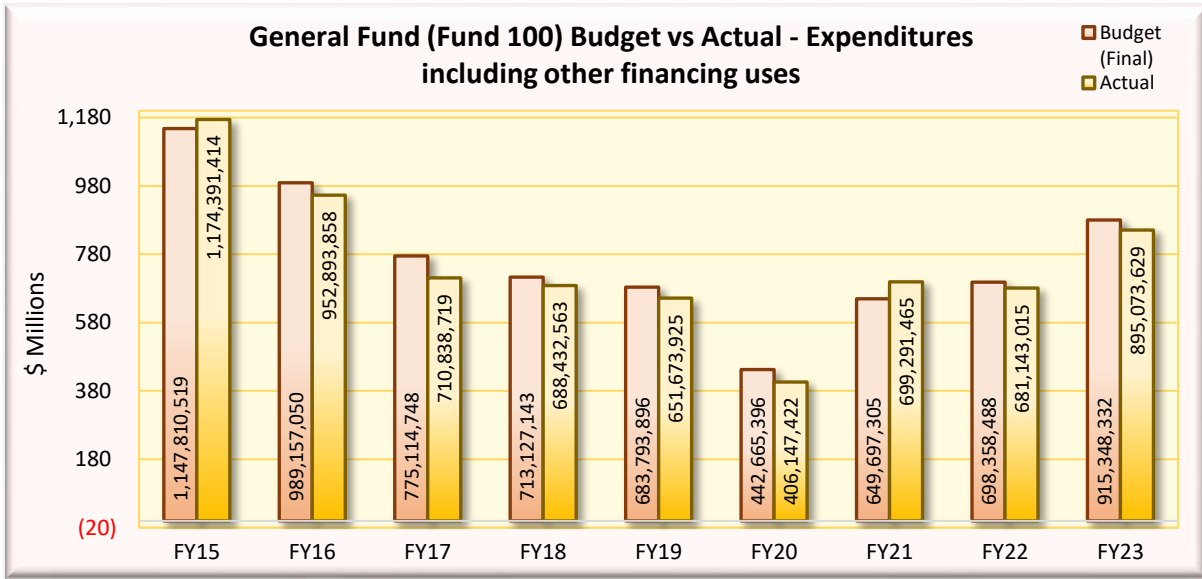


Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

**THE GENERAL FUND OF THE GOVERNMENT OF GUAM, CONTINUED**

Graph 3



**FINANCIAL HIGHLIGHTS**

**Implementation of GASB Statement No. 96**

During fiscal year 2023, GovGuam implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*.

**Government-Wide Highlights**

- Liabilities and deferred inflows of GovGuam exceeded its assets and deferred outflows of resources as of September 30, 2023, by \$2.26 billion (net position). Unrestricted net position, which may be used to meet GovGuam’s ongoing obligations to citizens and creditors, was a negative \$3.39 billion, a decrease of \$103.1 million (or 2.9%) from \$3.5 billion in the previous year.
- For the fiscal year ended September 30, 2023, GovGuam’s total net position increased by \$78.5 million (or 3.4%) from a negative \$2.34 billion in the prior year to a negative \$2.26 billion in the current year. This was primarily attributable to revenues for governmental activities of \$1.96 billion exceeding expenses for governmental activities of \$1.89 billion and are partially recognized as expenditures in the current year, with the remainder recognized over the next 5.5 years.
- Total deferred outflows of resources increased by \$116.6 million (or 17.6%) from \$661.1 million in the prior year to \$777.7 million. This was due to the increase in deferred outflows from pensions in the amount of \$236.6 million and decreases in deferred loss on refunding and deferred outflows from OPEB in the amounts of \$5.6 million and \$114.4 million, respectively. Total deferred inflows of resources increased by \$150.1 million (or 28.7% from \$522.6 million in the prior year to \$672.7 million. This was due to the increase in deferred inflows from OPEB in the amount of \$209.4 million and increases in deferred inflows from pensions, leases and deferred gain on refunding in the amounts of \$58.8 million, \$0.3 million and \$0.1 million, respectively. Deferred outflows and inflows of resources for OPEB and pension consist mainly of estimated amounts included in respective actuarial valuations and the financial adjustments required because these valuations are calculated based on prior year census data as required by GASB Statement No. 68 and Statement No. 75. Deferred inflows from leases are the result of the adoption of GASB Statement No.87.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### FINANCIAL HIGHLIGHTS, CONTINUED

#### Government-Wide Highlights, Continued

- GovGuam's assets increased during the current year to \$2.403 billion, an increase of \$5.4 million (or 4%) from the prior year's amount of \$2.398 billion. This increase was primarily due to the increase in restricted assets of \$17.3 million, offset by the decrease in current assets and capital assets of \$1.7 million and \$10.2 million, respectively.
- GovGuam's liabilities decreased during the current year to \$4.772 billion, a decrease of \$106.6 million (or 2.2%) from the prior year amount of \$4.878 billion. This change was due to the decreases in current liabilities of \$66.9 million (or 8.6%), long-term debt of \$26.5 million (or 2.2%), and other long-term liabilities of \$13.2 million (or 0.5%). The decrease in current liabilities is primarily associated with funds expended under various federal grant programs during the current year for which funding was received in the prior year. GovGuam recorded a liability for unexpended funds of \$394.5 million in the prior year as payable to federal agencies, which decreased by \$39.5 million (or 10%) to \$355.1 million at the end of the current year. In accordance with GASB Statement No. 68, *Accounting, and Financial Reporting for Pensions*, GovGuam's liability for pensions increased to \$1.191 billion, an increase of \$296.5 million, (or 33.16%) from \$894.2 million in the prior year. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions*, GovGuam's liability for postemployment benefits other than pension (healthcare benefits for retirees) decreased to \$1.551 billion, a decrease of \$312.3 million (or 16.8%) from \$1.863 billion in the prior year.
- For the fiscal year ended September 30, 2023, GovGuam's expenses for governmental activities were \$1.884 billion and were funded by \$932.5 million in program revenues, including federal grants and contributions of \$811.1 million, and \$1.03 billion in taxes and other general revenues.
- Program revenues decreased by \$64.2 million (or 6.4%) from the previous fiscal year. The change was primarily due to a decrease, compared with prior year, in operating grants and contributions recognized as revenues. Conversely, general revenues increased by \$133.8 million (or 14.9%) from the previous fiscal year. The change was due to an increase, compared with prior year, in income tax collections of \$64.2 million (or 17.2%); gross receipts taxes of \$41.5 million (or 12.7%); and other taxes of \$3.4 million (or 3.2%). Additionally, a decrease in Section 30 federal tax collections of \$5.7 million (or 7.5%) was reported for FY2023.

#### Governmental Fund Highlights

Set forth below are financial highlights for the General Fund for FY2023. The financial cycle begins with appropriations of estimated revenues in the annual budget legislation. By statute the budget must be balanced with budgeted annual expenditures and cash allocations met by estimated annual revenues in the General Fund and in other Governmental funds (special revenue funds). The annual budget may be amended or supplemented by additional legislation as revenues are realized. A shortfall in revenues of 3.5% or more requires a fiscal realignment to bring expenditures in line with expected reduced revenues.

A surplus in realized revenues over the budget estimate may be additionally appropriated by the legislature in further legislation. However, if either the original or subsequent legislation has an allowance for continuing appropriations (allowances for prior year expenditure shortfalls compared with budget) or payment of prior year obligations, the expected revenue surplus may be restricted by the amounts of additional expenditures which such allowances represent. For FY2023, the Legislature appropriated certain sums of money from the FY2022 fund balance and the FY2022 audited fund balance. These amounts, when spent, represent expenditures in the year of expenditure and do not reduce the fund balance on either an accounting or budgetary basis in the year of appropriation. In the General Fund balance sheet, these amounts have been classified as "committed" in fund balance totals of governmental funds balance sheets. These amounts are, therefore, included in the FY2023 surplus but should not be susceptible to further appropriation. For details of the amounts, see comments below.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### FINANCIAL HIGHLIGHTS, CONTINUED

#### Governmental Fund Highlights, Continued

The Legislature also mandated deposits into the Rainy Day Fund. These are cash deposits and as such also form part of the fund surplus balance until expended. Because current legislation requires a supermajority of votes to access these funds, they are considered to be committed.

The amount of federal funding, which is anticipated or committed in authorized grants, cannot be appropriated by the legislature and is at the discretion of the Governor as established by the Organic Act and subsequent decisions of the District Court. Local funds required to match federal grants and contributions are included in budget legislation.

- General Fund revenues of \$920.95 million were higher than estimated collections of \$785.48 million. The net increase of \$135.47 million is primarily attributable to income tax and gross receipts tax collections of \$64.2 million and \$41.5 million, respectively, above budget.
- For the fiscal year ended September 30, 2023, the General Fund reported revenues (including transfers in) of \$924 million, an increase of \$125.7 million from fiscal year 2022 revenues and transfers in of \$798.3 million. Correspondingly, the General Fund reported expenditures (including transfers out) of \$835.2 million, an increase of \$154 million from fiscal year 2022 expenditures and transfers out of \$681.1 million.
- The General Fund reported a surplus for the year of \$59.8 million resulting from realizing revenues higher than budgeted and incurring expenditures lower than budgeted. Of this amount, \$14.6 million has been transferred to the Rainy Day Fund.

#### Government-Wide Financial Statements

The government-wide statements report information about GovGuam as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows of resources, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report GovGuam's net position and how that has been impacted in the current Fiscal Year. Net position is the difference between GovGuam's assets (and deferred outflows) and liabilities (and deferred inflows).

- Over time, increases or decreases in GovGuam's net position is an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of GovGuam, additional non-financial factors such as changes in GovGuam's tax base, the condition of GovGuam's roads and infrastructure, and the quality and dependability of social and other services also need to be considered.

The government-wide financial statements of GovGuam are divided into two categories:

- Primary government - this grouping comprises governmental activities, which includes most of GovGuam's basic services such as education, public safety, health, finance, judiciary, and general administration. Local sourced tax revenues and other federal grants finance most activities of the primary government.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### FINANCIAL HIGHLIGHTS, CONTINUED

#### Government-Wide Financial Statements continued

- Discretely presented component units - GovGuam includes other entities in this report. Although legally separate, these component units are reported because GovGuam is financially accountable for them. Guam Community College, Guam Memorial Hospital Authority, and the University of Guam are partially supported by appropriations from the General Fund and certain special revenue funds. All component units received some support from either the General Fund or territorial ARPA funds during fiscal year 2023. In particular, the funding available under Prugraman Ayuda I Taotao Ta was made available to allow the Guam Power Authority (GPA) to apply credits to rate payers' bills. In fiscal year 2023, \$63.2 million was paid to GPA for this purpose.

#### Governmental Fund and Fiduciary Fund Financial Statements

The fund financial statements provide more detailed information about GovGuam's most significant funds - not GovGuam as a whole. Funds are accounting devices that governments use to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by enabling legislation.
- GovGuam establishes other funds to control and manage money for particular purposes (like Solid Waste Operations Fund) or to show that it is properly using certain grants (like federal grants reported in the Federal Grants Assistance Fund).

GovGuam presents separate statements for the following funds:

- Governmental funds - Most of GovGuam's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of GovGuam's general government operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance GovGuam's programs.
- Fiduciary funds - GovGuam is the trustee, or fiduciary, for assets that because of a trust arrangement, can be used only for the trust beneficiaries. GovGuam is responsible for ensuring that assets reported in these funds are used for their intended purposes. All of GovGuam's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of change in fiduciary net position. We exclude these activities from GovGuam's government-wide financial statements because GovGuam cannot use these assets to finance its operations. The largest element of these Fiduciary funds is the Government of Guam Retirement Fund ("GGRF"). Retirement benefits for GovGuam employees are funded by employer and employee contributions. These contributions are invested by GGRF to provide retirement annuities (defined benefits and DB1.75 plans and annuities or payouts under the defined contribution plans). Supplemental benefits to defined benefit retirees and annual Cost of Living Allowance payments to all retirees are funded by annual appropriations from the General Fund. The General Fund also pays to GGRF under annual appropriations Medicare premium subsidies to retirees so that they may participate in the retiree health plan for which Medicare is primary insurance. This allows the retiree to pay reduced health insurance premiums and the health plan to benefit from Medicare assuming the liability for medical payments. Neither the supplemental payments nor the Medicare premiums are reported as transactions of GGRF in their annual financial statements.

## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2023, GovGuam reported positive balances in two of the categories of net position. By far, the largest portion of GovGuam's net position (\$471.9 million) reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. GovGuam uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although GovGuam's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities. An additional portion of GovGuam's net position (\$659.3 million) represents resources that are subject to external restrictions or enabling legislation as to the purpose for which they can be used.

#### Net Position

The summary of Net Position (condensed) presented below, with comparable balances for fiscal year 2023, discloses this relationship:

GovGuam's Net Position As of September 30 (Amounts in '000s)				
	Governmental Activities 2023	Governmental Activities 2022	\$ Change 2023-2022	% Change 2023-2022
Current assets	\$ 927,097	\$ 928,838	\$ (1,741)	-0.2%
Current liabilities	<u>712,374</u>	<u>779,245</u>	<u>(66,871)</u>	-8.6%
<b>Net current assets</b>	<b><u>214,724</u></b>	<b><u>149,594</u></b>	<b><u>65,130</u></b>	<b>43.5%</b>
<b>Restricted assets</b>	<b><u>111,928</u></b>	<b><u>94,581</u></b>	<b><u>17,347</u></b>	<b>18.3%</b>
Long-term assets	<u>1,364,108</u>	<u>1,374,271</u>	<u>(10,164)</u>	-0.7%
Long-term debt	<u>1,180,167</u>	<u>1,206,704</u>	<u>(26,538)</u>	-2.2%
Other long-term liabilities	<u>2,878,964</u>	<u>2,892,133</u>	<u>(13,169)</u>	-0.5%
<b>Total long-term liabilities</b>	<b><u>4,059,130</u></b>	<b><u>4,098,837</u></b>	<b><u>(39,707)</u></b>	<b>-1.0%</b>
<b>Net long-term liabilities</b>	<b><u>(2,695,023)</u></b>	<b><u>(2,724,566)</u></b>	<b><u>29,543</u></b>	<b>-1.1%</b>
<b>Deferred outflows of resources</b>	<b><u>777,745</u></b>	<b><u>661,102</u></b>	<b><u>116,643</u></b>	<b>17.6%</b>
<b>Deferred inflows of resources</b>	<b><u>(672,715)</u></b>	<b><u>(522,570)</u></b>	<b><u>(150,145)</u></b>	<b>28.7%</b>
Net position:				
Net investment in capital assets	471,935	460,961	10,973	2.4%
Restricted	659,314	694,847	(35,533)	-5.1%
Unrestricted	<u>(3,394,590)</u>	<u>(3,497,668)</u>	<u>103,078</u>	-2.9%
<b>Total net position</b>	<b><u>\$ (2,263,341)</u></b>	<b><u>\$ (2,341,859)</u></b>	<b><u>\$ 78,518</u></b>	<b>-3.4%</b>

The negative balance of unrestricted net position is primarily attributable to GovGuam's OPEB and pension liabilities of \$1.551 billion and \$1.191 billion, respectively, and having long-term liabilities that are greater than associated assets.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

#### Changes in Net Position

For the fiscal year ended September 30, 2023, GovGuam's total negative net position decreased by \$78.5 million (or 3.4%) from a negative net position of \$2.342 billion in the prior year, to a negative net position of \$2.263 billion. For the year ended September 30, 2023, the net position of the primary government changed as follows, with comparable amounts for fiscal year 2022:

#### GovGuam's Changes in Net Position For the Years Ended September 30 (Amounts in '000s)

	Governmental Activities 2023	Governmental Activities 2022	\$ Change 2023-2022	% Change 2023-2022
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 121,452	\$ 89,335	\$ 32,118	36.0%
Operating grants and contributions	811,078	907,354	(96,276)	-10.6%
	<u>932,531</u>	<u>996,689</u>	<u>(64,158)</u>	-6.4%
General revenues:				
Income taxes	436,664	372,492	64,172	17.2%
Gross receipts taxes	368,613	327,115	41,498	12.7%
Section 30 federal tax collections	70,398	76,141	(5,743)	-7.5%
Other taxes	108,320	104,945	3,375	3.2%
Other general revenues	46,227	15,754	30,473	193.4%
	<u>1,030,223</u>	<u>896,447</u>	<u>133,776</u>	14.9%
<b>Total revenues</b>	<b><u>1,962,754</u></b>	<b><u>1,893,136</u></b>	<b><u>69,618</u></b>	<b>3.7%</b>
<b>Expenses:</b>				
General government	250,693	172,064	78,629	45.7%
Protection of life and property	187,455	184,906	2,549	1.4%
Public health	505,255	474,674	30,581	6.4%
Community services	86,036	53,996	32,040	59.3%
Culture and recreation	34,663	44,177	(9,515)	-21.5%
Individual and collective rights	94,924	80,278	14,646	18.2%
Public welfare	83,558	155,904	(72,347)	-46.4%
Transportation	45,952	42,893	3,059	7.1%
Public education	452,313	441,675	10,638	2.4%
Environmental protection	34,081	30,589	3,492	11.4%
Economic development	42,687	31,907	10,780	33.8%
Interest	66,621	62,652	3,969	6.3%
<b>Total expenses</b>	<b><u>1,884,236</u></b>	<b><u>1,775,714</u></b>	<b><u>108,522</u></b>	<b>6.1%</b>
	<b>78,518</b>	<b>117,422</b>	<b>(38,904)</b>	-33.1%
Contributions from permanent funds	-	4,919	(4,919)	-100.0%
<b>Change in net position</b>	<b>78,518</b>	<b>122,341</b>	<b>(43,823)</b>	<b>-35.8%</b>
<b>Net position, beginning of year</b>	<b><u>(2,341,859)</u></b>	<b><u>(2,464,201)</u></b>	<b><u>122,341</u></b>	<b>-5.0%</b>
<b>Net position, end of year</b>	<b><u><u>\$ (2,263,341)</u></u></b>	<b><u><u>\$ (2,341,859)</u></u></b>	<b><u><u>\$ 78,518</u></u></b>	<b>-3.4%</b>



Government of Guam

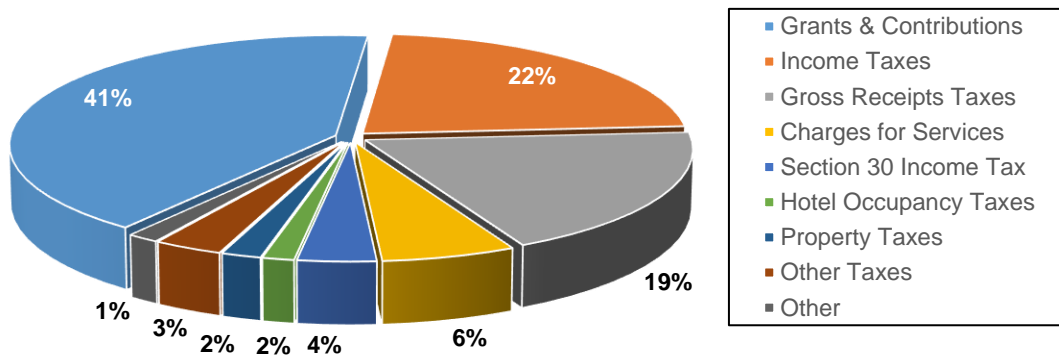
Management’s Discussion and Analysis (Unaudited), continued

**FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED**

**Changes in Net Position, Continued**

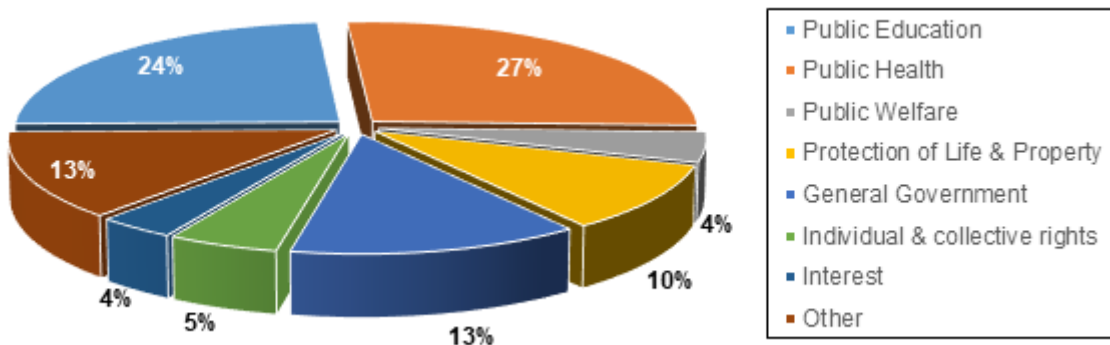
Program revenues decreased by \$64.2 million (or 6.4%) from the previous year. The change was primarily due to a decrease, compared with prior year, in operating grants and contributions from federal sources, representing a decrease in COVID disaster funding as conditions improved. Conversely, general revenues increased by \$133.8 million (or 14.9%) from the previous fiscal year. The change was due to an increase, compared with prior year, in income tax collections of \$64.2 million (or 17.2%), gross receipts tax collections of \$41.5 million (or 12.7%), charges for services of \$32.1 million (or 36%), other taxes and revenues of \$3.3 million (or 3.2%) and other general revenues of \$30.5 million (of \$193.4%). GovGuam’s total revenues from governmental activities, including local revenues, totaled \$1.963 billion in fiscal year 2023, an increase of \$69.6 million (or 231.8%) compared with prior year. The cost of governmental activities totaled \$1.884 billion in fiscal year 2023, an increase of \$108.5 million (or 53.7%) compared with prior year. Increases in expenses together with revenue increases resulted in an increase in the net position before contributions to permanent funds of \$78.5 million. Graphs 4 and 5 below show the major components of revenues and cost of governmental activities.

Graph 4  
GovGuam’s Revenue Sources  
For the Year Ended September 30, 2023



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam. These comprise 52.5% and 47.5%, respectively, of the total revenues for fiscal year 2023. Charges for services and other revenues provided 6.2% of the total revenues.

Graph 5  
GovGuam’s Cost of Governmental Activities  
For the Year Ended September 30, 2023



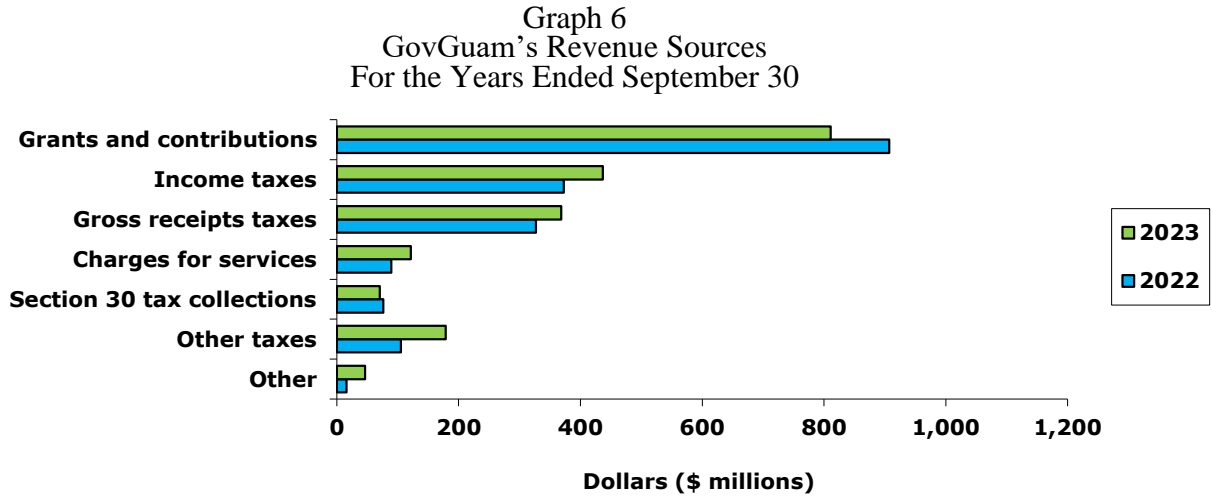
Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

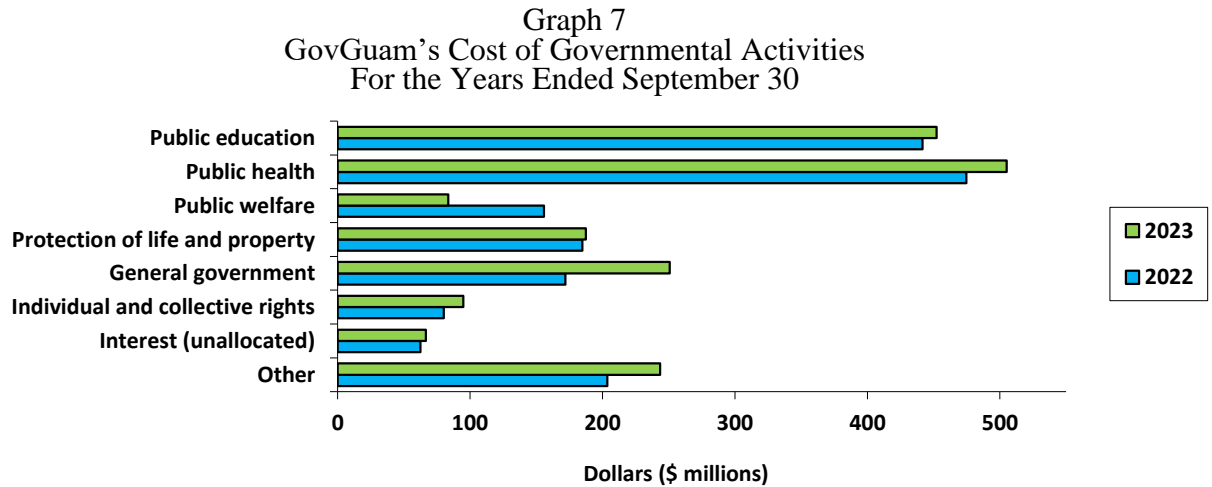
**FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED**

**Changes in Net Position, Continued**

GovGuam’s expenses cover a range of services. The largest expenses were for public health, public education, and protection of life and property, which comprise 26.8%, 24.01%, and 9.95%, respectively, of the total expenses for fiscal year 2023. Other expenses that make up a portion of the costs of governmental activities include public welfare (\$83.56 million), individual and collective rights (\$94.9 million), community services (\$86.03 million), culture and recreation (\$34.7 million), transportation (\$46 million), economic development (\$42.7 million) and environmental protection (\$34.1 million). Graphs 6 and 7 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2023 and 2022.



Other taxes in fiscal year 2023 included hotel occupancy taxes of \$28.5 million, up from \$18.2 million (or 57%) in fiscal year 2022, excise taxes of \$9.1 million, up from \$3.6 million (or 156%) in fiscal year 2022, offset by tobacco taxes of \$26.1 million, down from \$31.6 million (or 17.4%) in fiscal year 2022 and liquid fuel taxes of \$3.1 million, down from \$9.4 million (or 66.6%) in fiscal year 2022. Real property and alcoholic beverages taxes collectively remained consistent with prior year at \$39.8 million, down slightly from \$40.7 million (or 2.3%) in fiscal year 2022.



## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED

##### Changes in Net Position, Continued

Other expenses in fiscal year 2023 included community services expenses of \$86 million, up from \$54 million (or 59.3%) in fiscal year 2022; culture and recreation expenses of \$34.7 million, down from \$44.2 million (or 21.5%) in fiscal year 2022; individual and collective rights of \$94.9 million, up from \$80.3 million (or 18.2%) in fiscal year 2022; transportation expenses of \$46 million, up from \$42.9 million (or 7.1%) in fiscal year 2022; environmental protection expenses of \$34.1 million, up from \$30.6 million (or 11.4%) in fiscal year 2022; and economic development expenses of \$42.7 million, up from \$31.9 million (or 33.8%) in fiscal year 2022.

##### Analysis of Changes in Net Position

During the current fiscal year, GovGuam's total net position increased by \$78.5 million compared with the prior fiscal year increase of \$122.3 million. The key element of this change compared with prior fiscal year is an increase in expenses, net of program revenues, of \$172.7 million (or 22.2%), combined with an increase in general revenues of \$133.8 million (or 14.9%) and decrease in contributions from permanent fund of \$4.9 million (or 100%). The elements of these changes are reflected below:

#### GovGuam's Changes in Net Position For the Years Ended September 30 (Amounts in '000s)

	Governmental Activities 2023	Governmental Activities 2022	\$ Change 2023-2022	% Change 2023-2022
<b>General revenues:</b>				
Taxes	\$ 983,996	\$ 880,694	\$ 103,303	11.7%
Other general revenues	46,227	15,754	30,473	193.4%
<b>Total general revenues</b>	<b>1,030,223</b>	<b>896,447</b>	<b>133,776</b>	14.9%
<b>Expenses, net of program revenues:</b>				
General government	141,835	103,914	37,921	36.5%
Protection of life and property	152,307	133,568	18,739	14.0%
Public health	86,458	79,733	6,725	8.4%
Community services	23,214	12,533	10,681	85.2%
Culture and recreation	30,609	21,579	9,030	41.8%
Individual and collective rights	70,739	56,864	13,875	24.4%
Public welfare	64,518	39,085	25,433	65.1%
Transportation	(4,242)	1,838	(6,080)	-330.7%
Public education	311,970	257,832	54,138	21.0%
Environmental protection	39	1,571	(1,532)	-97.5%
Economic development	7,638	7,856	(218)	-2.8%
Interest (unallocated)	66,621	62,652	3,969	6.3%
<b>Total expenses, net</b>	<b>951,705</b>	<b>779,025</b>	<b>172,680</b>	22.2%
	<b>78,518</b>	<b>117,422</b>	<b>(38,904)</b>	-33.1%
Contributions from permanent fund	-	4,919	(4,919)	-100.0%
<b>Change in net position</b>	<b>\$ 78,518</b>	<b>\$ 122,341</b>	<b>\$ (43,823)</b>	-35.8%

Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

**FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED**

**Analysis of Changes in Net Position, Continued**

General revenues increased by \$133.8 million (or 14.9%) from the previous fiscal year. The increase was primarily due to an increase in taxes compared with prior year, which included an increase in income tax collections of \$64.2 million (or 17.2%), gross receipts tax collections of \$41.5 million (or 12.7%), hotel occupancy collections of \$10.3 million (or 56.9%), and excise taxes of \$5.6 million (or 156%). For the year ended September 30, 2023, tax collections of the primary government with comparable amounts for fiscal year 2022 were as follows:

GovGuam’s Tax Revenues  
For the Years Ended September 30  
(Amounts in ‘000s)

	Governmental Activities 2023	Governmental Activities 2022	\$ Change 2023-2022	% Change 2023-2022
Income	\$ 436,664	\$ 372,492	\$ 64,172	17.2%
Gross receipts	368,613	327,115	41,498	12.7%
Section 30 Federal income tax	70,398	76,141	(5,743)	-7.5%
Hotel occupancy	28,515	18,169	10,346	56.9%
Property	35,757	35,794	(37)	-0.1%
Tobacco	26,133	31,643	(5,510)	-17.4%
Liquid fuel	3,124	9,353	(6,229)	-66.6%
Alcoholic beverages	4,039	4,953	(914)	-18.5%
Excise	9,118	3,562	5,557	156.0%
Limited gaming	1,634	1,473	162	11.0%
<b>Total tax revenues</b>	<b>\$ 983,996</b>	<b>\$ 880,694</b>	<b>\$ 103,303</b>	<b>11.7%</b>

Tax revenues increased by \$103.3 million (or 11.7%) from \$880.7 million in the prior year to \$984 million. This increase was primarily due to an increase in: (1) income tax collections of \$64.2 million (or 17.2%), up from \$372.5 million in the prior year to \$436.7 million; (2) gross receipts tax collections of \$41.5 million (or 12.7%), up from \$327.1 million in the prior year to \$368.6 million; (3) hotel occupancy tax collections of \$10.3 million (or 56.9%), up from \$18.2 million in the prior year to \$28.5 million; and (4) excise taxes of \$5.6 million (or 156%), up from \$3.6 million in the prior year to \$9.1 million.

Section 30 federal tax collections represent income tax collections which the federal government has collected from individuals or entities located on Guam and which are “covered over” to GovGuam. Annually, an estimated amount is agreed between the U.S. Department of the Interior and GovGuam of the amount and it is paid in September each year on account of the ensuing fiscal year. The estimated amount is subject to verification and finalization based on figures provided by the Internal Revenue Service, usually three years after the estimate has been paid. In order to fund War Claims paid out by the Federal Foreign Claims Settlement Commission (“FCSC”) under Public Law 114-328, Section 30 payments between 2018 and 2020 were reduced by a total of \$39.7 million. FCSC has advised that they have either paid out or denied all claims submitted to them. Accordingly, the Section 30 remittance is no longer subject to such deduction and \$76.8 million was received in September 2023 for FY2024. Further remittances can be anticipated to refund amounts over withheld.

Government of Guam

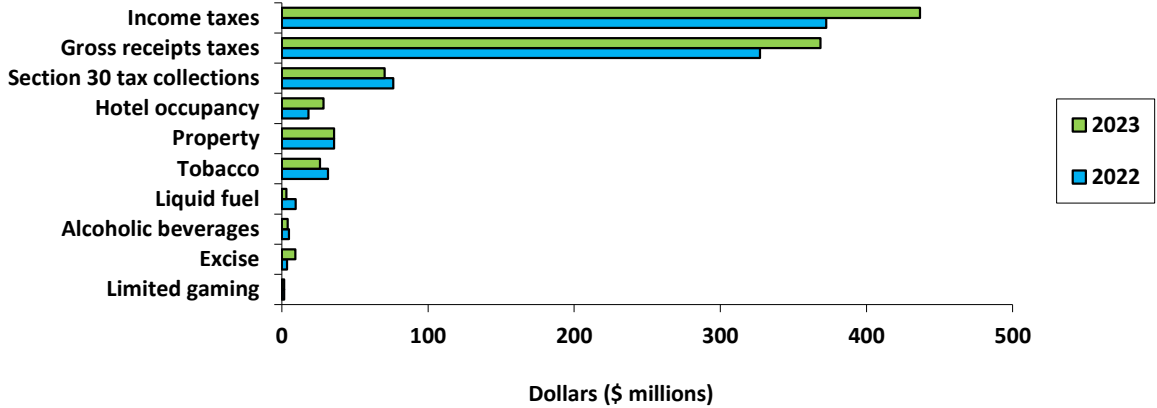
Management’s Discussion and Analysis (Unaudited), continued

**FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE, CONTINUED**

**Analysis of Changes in Net Position, Continued**

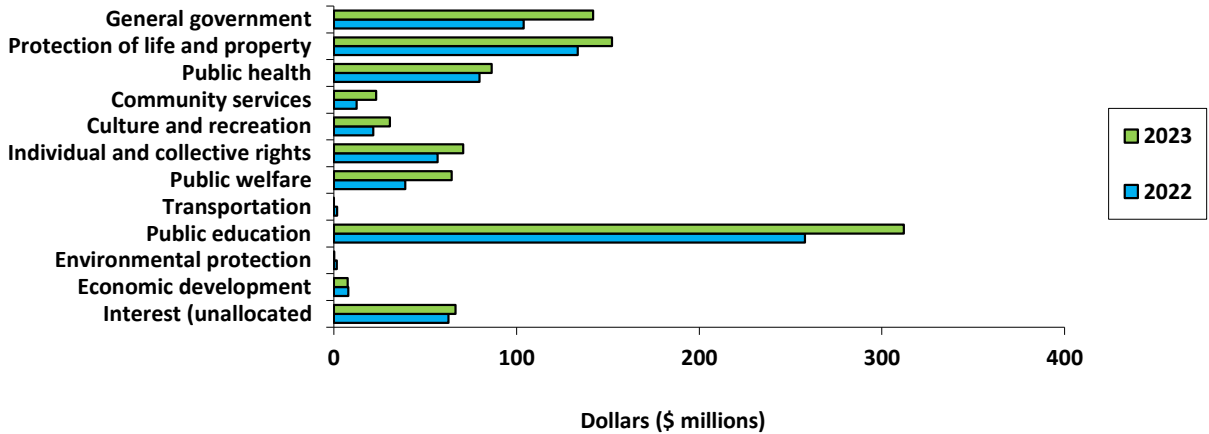
Graph 8 below shows a comparison of the tax revenue collections for fiscal years 2023 and 2022.

Graph 8  
GovGuam’s Tax Revenue Collections  
For the Years Ended September 30



Cost of governmental activity expenses, net of program revenues, increased compared with prior year by \$172.7 million (or 22.2%) primarily due to an increase in net public education expense of \$54.1 million (or 21%), net general government expense of \$37.9 million (or 36.5%), net public welfare expense of \$25.4 million (or 65.1%), net individual and collective rights expense of \$13.9 million (or 24.4%) and net community services expense of \$10.7 million (or 85.2%), offset by an increase in transportation expense of \$6.1 million (or 330.8%), and net environmental protection expense of \$1.5 million (or 97.5%). Graph 9 below shows a comparison of cost of governmental activity expenses, net of program revenues, for fiscal years 2023 and 2022.

Graph 9  
GovGuam’s Expenses, Net of Program Revenues  
For the Years Ended September 30



# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE CONTINUED

#### Financial Ratios

The ratios for Governmental Funds and Government-wide.

	<u>2023</u>	<u>2022</u>
Governmental Funds:		
Current Ratio	1.3:1	1.75:1
Expenditures as a Percentage of Total Expenditures:		
General government	10.0%	6.8%
Protection of life and property	9.4%	9.3%
Public education (including payments to UOG and GCC)	22.3%	23.3%
Public health (including payments to GMHA)	26.5%	26.6%
Public welfare	1.0%	3.7%
Debt service	4.9%	4.9%
Government-wide (includes Component Units):		
Public Debt as a percentage of GDP	55.8%	40.5%
Public Debt as a Percentage of Revenues	226.8%	83.3%
Public Debt per Capita - Primary Government	\$7,820	\$6,433
Public Debt per Capita - Component Units	\$9,576	\$8,267

### FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS

As noted earlier, GovGuam uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of fiscal year 2023, GovGuam's governmental funds reported a combined fund balance surplus of \$785.2 million, an increase of \$85.2 million compared with a combined fund surplus of \$700 million at the end of fiscal year 2022. This is primarily attributable to the operating surplus in the General Fund of \$59.8 million, increasing the prior year fund balance of \$135.5 million to \$195.2 million.

**General Fund** - this fund is the chief operating fund of GovGuam. At the end of the fiscal year, the total cumulative fund surplus of the General Fund was \$195.2 million, an increase to the cumulative prior year fund balance of \$135.5 million due to a fund surplus of \$59.8 million in the current year.

**Federal Grants Assistance Fund** - this fund has a total fund balance of \$0.4 million, which primarily represents federal grant program revenues for which the corresponding federal grant expenditures have yet to be recognized at year-end. This fund reports the regular federal funding grants which were made available to GovGuam including Medicaid federal matching, Federal Emergency Management Agency ("FEMA") reimbursements, Public Health subsidies, and other federal funds.

**ARPA Assistance Fund** - This fund was created in fiscal year 2021 to account for the initial receipt of \$579 million and subsequent payment of federal assistance grants created under the American Recovery Plan Act 2021 (ARPA), which was signed into law by President Biden on March 11, 2021. During the year ended September 30, 2023, GovGuam expended \$77.9 million in ARPA federal assistance, with \$133 million yet to be expended as of September 30, 2023. ARPA mandated that EITC paid by GovGuam under the "mirror" tax program will be reimbursed by the Federal government. ARPA also provides for reimbursement to Guam of the Child Tax Credit. Both these reimbursements, provided to Guam as advance payments of the amount expected to be paid out in tax refunds, are applied to tax liabilities, are mandated by statute to be annual payments, and do not expire with the remainder of ARPA funding. ARPA Funding had to be obligated by December 31, 2024, and paid out by December 31, 2026. On December 31, 2024, the entire remaining ARPA balance was obligated, including \$104 million towards the infrastructure requirements necessary for the new hospital construction site in Mangilao.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

**FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS, CONTINUED**

**GDOE Federal Grants Fund** - this fund has a zero total fund balance at the end of the current fiscal year. Total revenues and transfers in for the GDOE Federal Grants Fund amounted to \$117.2 million, which funded various education-related programs, and which was lower than fiscal year 2021 revenues and transfers in of \$162.9 million by \$45.7 million (or 28%).

**Chamorro Lands Fund** - this fund has a total fund balance of \$459 million, which remained unchanged compared with prior year. The valuation of land in the Chamorro Land Trust Commission has not been updated since 2014. It is anticipated that a revaluation of all publicly and privately held land and buildings will be commissioned during 2025 for property tax purposes. The resultant valuation for publicly owned land will be incorporated into the Chamorro Lands Fund.

**General Fund Budgetary Highlights (Budgetary Basis)**

During the fiscal year ended September 30, 2023, the Legislature passed various Public Laws (36-106, 36-119, 36-123, 36-124, 37-03, 37-16 and 37-17 increasing appropriations by \$138.1 million between the original and final budget for Executive Branch operations. Actual revenues collected (including operating transfers in) of \$926.5 million were higher than budgeted amounts of \$788.5 million by \$138.05 million (or 17.5%). The favorable difference of \$138.05 million is summarized as follows:

GovGuam's General Fund Revenues  
For the Year Ended September 30  
(Amounts in '000s)

	Budget	Actual	Favorable/ (Unfavorable) Change	% Change
Income tax collections	\$ 365,808	\$ 436,664	\$ 70,856	19.4%
Gross receipts tax collections	327,948	368,613	40,665	12.4%
Section 30 federal tax collections	77,388	70,398	(6,990)	-9.0%
Other taxes and fees	5,271	10,347	5,077	96.3%
Other revenues	9,064	34,930	25,865	285.3%
Transfers in	2,998	5,573	2,575	85.9%
	<b>\$ 788,478</b>	<b>\$ 926,526</b>	<b>\$ 138,049</b>	<b>17.5%</b>

Budgetary expenditures (including operating transfers out) of \$895.1 million were lower than authorized appropriations of \$915.3 million by \$20.3 million (or 2.2%). The favorable difference of \$20.3 million is summarized as follows:

GovGuam's General Fund Expenditures  
For the Year Ended September 30  
(Amounts in '000s)

	Budget	Actual	Favorable/ (Unfavorable) Change	% Change
Executive Branch:				
Departmental operations	\$ 614,189	\$ 569,558	\$ 44,631	7.8%
Component Unit allotments	144,411	148,073	(3,662)	-2.5%
Retiree healthcare	35,970	42,940	(6,970)	-16.2%
Legislative Branch	8,594	8,594	-	0.0%
Judicial Branch	37,741	37,741	-	0.0%
Debt Service	58,177	58,226	(48)	-0.1%
Rainy Day Fund	14,958	14,556	402	2.8%
Other	1,308	15,386	(14,078)	-91.5%
	<b>\$ 915,348</b>	<b>\$ 895,074</b>	<b>\$ 20,275</b>	<b>2.3%</b>

## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2022, amounted to \$2.014 billion, net of accumulated depreciation and amortization of \$1.109 billion, leaving a net book value of \$905.1 million. GovGuam's capital assets include land, infrastructure, buildings, machinery and equipment, and various projects under construction. (See table below)

**GovGuam's Capital Assets**  
(Net of depreciation and amortization)  
As of September 30  
(Amounts in '000s)

	Governmental Activities 2023	Governmental Activities 2022	\$ Change 2023-2022	% Change 2023-2022
Landfill cells	\$ 39,534	\$ 44,089	\$ (4,555)	-10.3%
Buildings	347,241	357,549	(10,308)	-0.8%
Machinery, equipment and furniture	15,329	8,029	7,300	90.9%
Infrastructure	377,547	398,597	(21,050)	-5.3%
Leased assets	16,511	20,761	(4,250)	
Land	52,570	50,657	1,914	3.8%
Construction in progress	56,323	35,537	20,786	58.5%
<b>Total</b>	<b>\$ 905,057</b>	<b>\$ 915,221</b>	<b>\$ (10,164)</b>	<b>-1.1%</b>

Capital asset additions for the fiscal year ended September 30, 2023, amounted to \$63.8 million. Major capital asset additions for fiscal year 2023 were as follows:

- \$3.9 million in Right-to-Use assets as a result of the implementation of GASB Statement No. 87.
- \$33.9 million for various FHA road infrastructure projects completed and ongoing throughout the island.

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

##### Long-Term Debt

The Organic Act authorizes GovGuam to borrow for such purposes as approved by the Guam Legislature. At the end of the current fiscal year, GovGuam had total bonded debt outstanding of \$913 million. Of this amount, \$21.7 million comprises debt backed by the full faith and credit of GovGuam and \$891.2 million is revenue-bonded debt that is payable from and secured solely by specific revenue sources. In addition to this bonded debt, GovGuam had financed purchase obligations and loans payable and outstanding of \$136.5 million and \$14.9 million, respectively, at year-end.



## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED

##### Long-Term Debt continued

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

GovGuam's Outstanding Debt As of September 30 (Amounts in '000s)				
	Governmental Activities 2023	Governmental Activities 2022	\$ Change 2023-2022	% Change 2023-2022
	<u>2023</u>	<u>2022</u>	<u>2023-2022</u>	<u>2023-2022</u>
General Obligation Bonds				
2019 Series A	\$ 21,720	\$ 23,585	\$ (1,865)	-7.9%
Limited Obligation Bonds (revenue backed):				
2012 Series B Business Privilege Tax	9,415	12,300	(2,885)	-23.5%
2015 Series D Business Privilege Tax	360,775	362,285	(1,510)	-0.4%
2016 Series A Section 30	184,560	196,035	(11,475)	-5.9%
2021 Series A Hotel Occupancy Tax	58,865	58,865	-	0.0%
2021 Series E Business Privilege Tax	19,070	19,070	-	0.0%
2021 Series F Business Privilege Tax	258,550	258,550	-	
Loans payable:				
Guam Congress Building loan	3,131	3,323	(192)	-5.8%
Judicial Building loan	11,814	6,768	5,046	74.6%
School Financed Purchase Obligations	136,495	145,468	(8,973)	-6.2%
<b>Total</b>	<b><u>\$ 1,064,395</u></b>	<b><u>\$ 1,086,248</u></b>	<b><u>\$ (21,853)</u></b>	<b><u>-2.0%</u></b>

In accordance with the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which amounts to \$1.378 billion as of October 2023, the date that such certification was performed. Total debt outstanding as of September 30, 2023, subject to the debt ceiling limitation is \$916.1 million. The legal debt margin as of September 30, 2023 was \$465 million. During the year ended September 30, 2023, GovGuam's overall total long-term debt decreased by \$21.9 million.

*Moody's Investors Service* rates GovGuam's long-term bonded debt as Baa3/positive (1/25/24) and Certificates of Participation at Ba1.

Although Standard & Poor's Global publishes ratings for GovGuam bonds, GovGuam has not sought to source ratings from them for outstanding or contemplated credits.

Additional information on GovGuam's long-term debt can be found in Note 6 to the basic financial statements.

##### Primary Government Refinancings

In 2023, due to adverse market conditions, the primary government did not issue or refinance any of its debt.

Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

**CAPITAL ASSET AND DEBT ADMINISTRATION, CONTINUED**

**Component Unit Refinancings**

Guam International Airport Authority issued \$47.1 million in Revenue Bonds, Series A to refinance all remaining outstanding 2013 Series C bonds. Guam Power Authority and Guam Waterworks Authority both refinanced a portion of their debt in 2024 due to an improved financial climate with moderating interest rates.

**COMPONENT UNITS**

GovGuam component units consist of those agencies that have a legal existence created in statute but are dependent upon GovGuam for several attributes, including financial support, dependent upon GovGuam to issue bonds or similar instruments, having Board members of which are appointed by the Governor, or otherwise conforming with the factors set forth in GASB Statement No. 39.

Although in other respects they might be separate, the Guam Department of Education, including Charter Schools, the Judiciary of Guam, the Legislature, the Public Defender Service Corporation, the Attorney General’s Office, and the Office of Public Accountability for financial purposes are part of the General Fund and are reported accordingly in financial statements.

The GovGuam Retirement Fund and the Deferred 457 Compensation Plan are included in the financial statements but are not included in the Government-wide financial statements since net assets of these belong to the members of the funds and are not available to fund Government operations. They are reported as fiduciary funds as these funds are held in trust for members of the pension fund.

University of Guam, Guam Community College, and Guam Memorial Hospital Authority receive significant financial support from GovGuam. These support funds are appropriated in the annual budget law and are paid over to these units as funds become available through tax and fee collections. In FY 2023, allocations were paid in full. Additionally, these units received and may continue to receive further funding from ARPA and ESF sources. Funds transmitted/recognized in FY2023 (in Thousands) were:

<u>FY 2023</u>	<u>UOG</u>	<u>GCC</u>	<u>GMHA</u>	<u>GWA</u>	<u>GPA</u>
Budget Allocations	\$ 36,155	\$ 22,448	\$ 23,136	\$ 2,000	\$ 52,762
ARPA/ESF Support	\$ 1,757	\$ -	\$ -	\$ 21,037	\$ -
Retiree Healthcare Premiums/COLA/Supplemental Annuities	\$ 3,465	\$ 1,744	\$ 5,312	\$ -	\$ -
	\$ 41,377	\$ 24,192	\$ 28,448	\$ 23,037	\$ 52,762
<u>FY 2022</u>	<u>UOG</u>	<u>GCC</u>	<u>GMHA</u>	<u>GWA</u>	<u>GPA</u>
Budget Allocations	\$ 32,018	\$ 20,299	\$ 21,485	\$ -	\$ -
ARPA/ESF Support	\$ 1,456	\$ 188	\$ 18,300	\$ -	\$ -
Retiree Healthcare Premiums/COLA/Supplemental Annuities	\$ 3,089	\$ 1,731	\$ 5,001	\$ -	\$ -
	\$ 36,563	\$ 22,218	\$ 44,786	\$ -	\$ -

Guam Housing Corporation, Guam Housing and Urban Renewal Authority, Guam International Airport Authority, Guam Visitors Bureau, and Port Authority of Guam provide services to the community and generally recover costs by charging users for their services either directly or indirectly through commercial customers, through dedicated fund sources or by receipt of grants from the federal government.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### COMPONENT UNITS, CONTINUED

Although, under normal trading conditions, these units do not usually receive funding directly from GovGuam, in FY2022 and FY2021, each unit received some ARPA and related funding as directed by the Governor. ARPA Funds received by these units in FY2023 (in Thousands) were:

Guam Housing Corporation	\$ 1,547
Guam Housing and Urban Renewal Authority	250
Guam International Airport Authority	17,000
Guam Visitors Bureau	20,000
Port Authority of Guam	15,000
	<hr/>
	\$ 53,797

Additionally, in order to mitigate the high cost of power to commercial and business customers, GovGuam paid, under the provisions of Public Laws 36-106, 36-123 and 37-049, payments totaling \$68.59 million to Guam Power Authority under Prugraman Para Ayuda I Taotao-Ta for their applications as a \$100 credit for energy bills July-November 2023, of which the sum of \$52.76 million was remitted in FY2023.

Guam Housing and Urban Renewal Authority and Guam Housing Corporation provide housing support to Guam residents using a mixture of local and federal funding. The largest source of funding is from the U.S. Department of Housing and Urban Development.

Guam Economic Development Authority derives its revenues from bond issuance fees, program administration fees, and rents from GovGuam properties. Some of these fees are payable by primary government and other component units.

Guam Preservation Trust is a non-profit corporation founded to preserve Guam's historic sites and related culture. Its revenues are derived from building permit fees, a government revenue source, however, its employees are not government employees and are not entitled to government benefits in service or at retirement.

### GOVGUAM'S PENSION

GovGuam closed its defined benefit (DB) plan to new members in 1995 with all new employees participating in a defined contribution (DC) plan. Under 4 GCA, Chapter 8, the Government is required to provide a contribution annually sufficient to pay off existing liabilities by 2033. The Government of Guam Retirement Fund (GGRF) Actuarial Valuation as of September 30, 2020, which was used for determining the year end September 30, 2023 statutory contributions, is available for review and may be accessed on their website [www.ggrf.com](http://www.ggrf.com). Based on this report:

**The unfunded actuarial accrued liability increased from \$1.173 billion as of September 30, 2022 to \$1.213 billion as of September 30, 2023.**

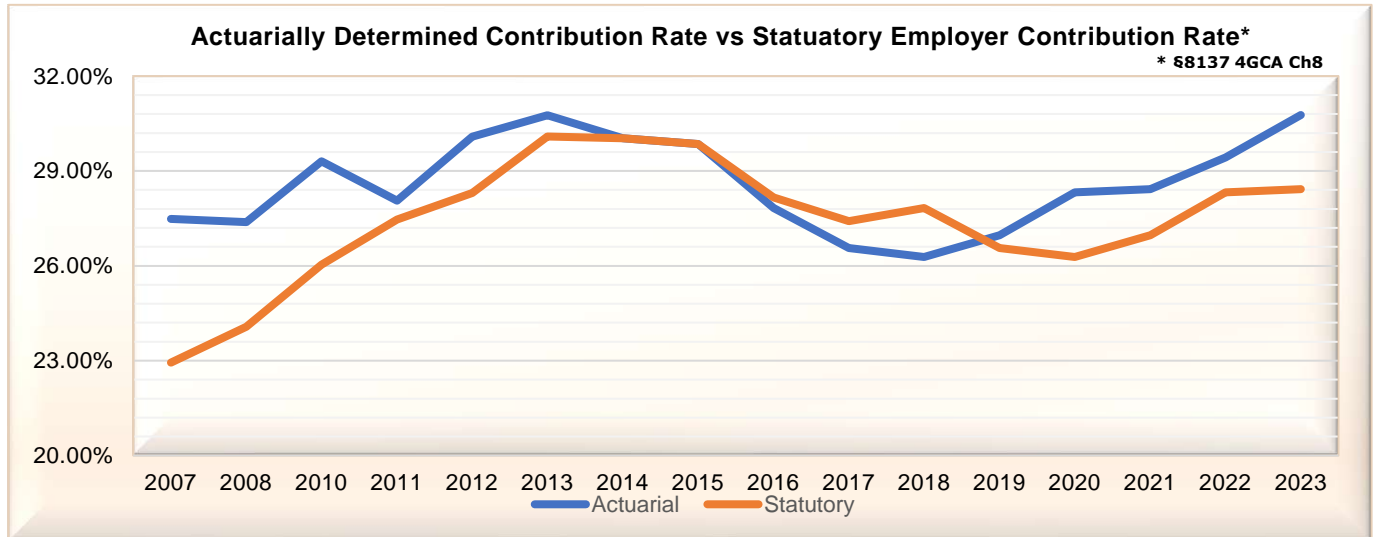
- The annual payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has increased from \$139.7 million to \$156.4 million. As a result, the required contribution rate increased from 24.18% of payroll to 25.58% (Graph 11).
- GovGuam funds its unfunded actuarial accrued liability and amortizes it over the remaining 9.58 years with sufficient annual contribution to fully pay the liability by 2033.
- Because the actuaries used historical data to compute the required contribution rate there is a 2 year lag between the year used in the valuation and the year for which the contribution rate is budgeted.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### GOVGUAM'S PENSION, CONTINUED

Graph 11



There has been growing concern that insufficient savings by certain members in the defined contribution plan compromised their financial well-being during retirement as well as posing a threat for potential social cost to the government. GovGuam employees do not participate in the U.S. Social Security program. Thus, members upon retirement rely on their pension benefits.

- To address insufficient savings by members in the DC Plan, the Guam Legislature reformed its pensions in 2016, creating two new retirement plans, known as the DB (Defined Benefit) 1.75 and the Guam Retirement Security Plan. The Legislature overrode the Governor's veto to enact the law.
- Existing employees currently participating in the Defined Contribution Retirement System had a nine-month window between April 2017 and December 2017 in which they could elect to participate in the new Defined Benefit 1.75 Retirement Plan or remain in the DC plan.
- The law required those who wished to transfer to "buy" their years of service based on an actuarially determined amount from the DC account savings. Participants choosing to opt into the new DB 1.75 Plan were required to transfer all or a portion of their existing Defined Contribution System account balances to the Retirement Fund. This allowed these assets to be transferred to the fund to pay out future benefits. It also required increased contributions from the employee at mandatory pre-tax employee contributions equal to 9.5% of base salary in addition to a mandatory 1% contribution to the Deferred Compensation [Program].
- 3,379 of the 8,947 DC Plan participants elected to transfer to the DB 1.75 Plan. Only 6 participants elected to transfer to the GRSP, which had previously been designated the new default plan. Accordingly, these participants, because of low participation and because the implementation of the GRSP is considered uncertain pending legislation required to conform the plan to IRC requirements, were permitted to change their elections. GGRF also designated the DC Plan as the GovGuam default plan.
- It had been estimated that the new retirement plans would add \$173 million to the unfunded liability and add two years to the amortization period. The resultant unfunded liability has now been combined with the liability arising from the DB Plan.

# Government of Guam

## Management's Discussion and Analysis (Unaudited), continued

### GOVGUAM'S PENSION, CONTINUED

- Public Law 36-130 made further changes to retirement benefits. New employees whose employment commences on or after January 1, 2024, may elect to participate in the Defined Benefit 1.75 Plan. Additionally, all employees who are members of the Defined Contribution Plan may elect to transfer to the Defined Benefit 1.75 Plan effective January 1, 2024. This law also allowed earlier retirement entitlement for certain uniformed personnel with full retirement benefits. Based on an actuarial study at the time, the estimated cost to the Government of these changes would increase the unfunded actuarial accrued liability by 0.09% and require an increased employer contribution rate of 0.04%.
- A more recent actuarial study found that the anticipated pension liability had, in fact, increased by more than this amount, and this has been factored into the statutory contribution rate of 29.43% for FY 2024, 30.77% for FY 2025 and an estimated contribution rate of 34.80% for FY 2026.

### OTHER POST EMPLOYMENT BENEFITS

GovGuam provides health and life insurance benefits to its employees, retirees, their survivors and qualifying children, equivalent to those provided to active employees. The cost of these benefits is funded annually by an appropriation in the government budget with some component units bearing the cost of their employees and retirees in a broadly similar funding arrangement. GASB Statement No. 75 requires governments to calculate and include on their government wide balance sheet the actuarially computed future cost of these benefits, taking into account expected medical cost trends, employment levels, life expectancy and length of service of those who would be entitled to such benefits.

In common with many other governments which choose either to rely upon annual appropriations or to fund only partly this future liability the resultant liability is a significant number. GovGuam reported a total liability of \$2.296 billion and an annual cost of \$84.2 million, in contrast to the budgeted cash cost of \$52.3 million. In contrast to the pension deficit which requires a cash contribution to the fund to repair the pension deficit so that all current and future qualifying members can continue to receive mandated benefits, because of the annual appropriation and because the liability is that of the government, no cash contribution is required towards this liability.

GovGuam's health insurance plan and medical benefit payments are a significant support to the health of the population of Guam, providing funding for primary, specialist and in patient services which might otherwise be restricted due to reduced funding sources. This support is particularly critical to aging retirees who use these services more than a younger and healthier workforce. Offsetting the cost of the care of this sector of the population, is the availability of Medicare as primary insurance coverage. The plan reimburses those who pay Medicare Part B premiums to access this coverage.

The self-funded Government health insurance plan whereby the Government pays a third-party administrator to manage the plan and pay benefits to providers which are reimbursed by the Government has brought consistency and confidence to providers and beneficiaries alike. Further cost mitigation measures are being explored such as participation of retirees in Medicare Part D.

### ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS

For 2022, Guam's Gross Domestic Product has been estimated at \$6.91 billion (Department of Labor, Bureau of Labor Statistics *Summary Economic Indicators* report dated 01-03-2025) an increase in Real GDP of 5.1% from 2021, reflecting increased spending from personal consumption (1.2%) and government consumption expenditures and gross investment (1.4%). Guam's economy is limited by labor availability and supply chain issues. Despite these limitations, the growth in the economy permitted GovGuam to offer enhanced services and support to individuals and businesses to offset rising prices and to extend its social services assistance.

Guam's economy traditionally depended on tourism and military-related spending. The global downturn in tourism, Japan's aging population, and the incentive for vacationing within the country have inhibited full recovery. The largest tourism sector is from Korea. However, a strong dollar and domestic instability have impacted levels of Korean tourism.

## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### **ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS, CONTINUED**

In contrast, the growth in military-related spending involving direct investment and the need for military contractors to spend extended visits to Guam has offset the tourism decline and boosted the economy actively. GovGuam has also transferred additional funding to the Guam Visitors Bureau (GVB) to stimulate tourism and has implemented programs to bring additive manufacturing to the island. There are also agricultural and aquacultural programs designed to reduce Guam's dependence on imported goods, particularly food.

Federal legislation also provided funding for federally mandated welfare programs operating through the tax code. Guam received for calendar year 2023 tax returns and will receive for subsequent years, full reimbursement for Earned Income Tax Credit ("EITC") and Child Tax Credit ("CTC") totaling \$93 million. Previously, Guam was required to fund these benefits with local funds as Guam is required to mirror the provisions of the Internal Revenue Code.

Guam is poised to benefit from federal funds available to states, territories, and tribal governments from the Infrastructure Investment and Jobs Act. Many of these fund awards are competitive and applications have been made for several projects for infrastructure improvement. To date, Guam has been granted funding of \$186 million towards broadband improvements and universal internet access.

The American Rescue Plan Act of 2021 also called ARPA of the \$1.9 trillion, COVID-19 Stimulus Package signed into law in 2021 as P.L. 117-2, provided economic support to stabilize the worst effects of the economic decline caused worldwide by the virus. Guam also received other federal support in the form of enhanced Medicaid matching, increased SNAP benefits, and other public health and welfare program initiatives, designed to improve the health of Guam residents, including extending Medicaid health coverage to Compact Impact residents.

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act as PL 117-58. This law provides \$1.2 trillion in infrastructure funding for states, territories, and tribes. Much of this funding is to be awarded by competitive applications and Guam is well positioned to take advantage of this opportunity for infrastructure renovation and improvements which encompass roads, broadband access, water supply, coastal erosion prevention, and other projects.

The military Build-Up efforts continue with over \$765 million in military construction projects in progress. The FY2023 National Defense Authorization Act included \$1.691 billion for Guam's infrastructure and defense prioritizing missile defense.

Civilian development continues with new construction for Coast 360 and Community First. Government investment includes continued capital projects at Guam International Airport, Guam Power Authority, Guam Waterworks Authority, and Port Authority of Guam. The Japanese retailer Don Don Donki completed the construction of a new store in Tamuning and opened its doors in 2024.

Guam's unemployment rate fell to 4.0% in March 2024, lower than the 4.3% rate recorded in March 2023. The unemployment rate in the United States overall was 3.7% at December 2023.

After the District Court of Guam transferred solid waste operations to the Guam Solid Waste Authority (GSWA) in May 2019 and the issuance of a \$30 million General Obligation Bond with debt service, construction of a new cell at the Layon landfill was completed. The Receiver is still tasked with carrying out certain duties, including finalizing, together with USEPA and Guam EPA financing and engineering associated with the Ordot landfill post closure issues. Remaining estimated closure and remediation costs have grown to almost \$40 million.

On May 24, 2021, the U.S. Supreme Court reversed a lower court ruling and found in favor of GovGuam concerning the Ordot dump inherited by the Government from the U.S. Navy. As a result of the ruling, GovGuam filed a claim against the United States for the Ordot Dump's closure and remediation costs. The case was settled in September 2023 under the Comprehensive Environmental Response, Compensation, and Liability Act in the amount of \$48.9 million.

## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### **ECONOMIC FACTORS, BUDGETS, CHALLENGES AND ACCOMPLISHMENTS, CONTINUED**

In FY2020, it was anticipated that GovGuam would be faced with a severe reduction in revenues as a result of the COVID-19 pandemic. The FY2023 Budget submitted by the Governor to the Legislature was based on improving the quality of life for the people of Guam, balancing disciplined spending with the priorities of public safety, a healthy community, promoting local production and developing efficiencies and transparency in government. Tax revenues realized in FY2020, FY2021, FY2022, and FY2023 have exceeded budget expectations resulting in additional revenues.

The Leon Guerrero-Tenorio administration is committed to fiscal responsibility. The Administration has focused on stabilizing the finances, collecting taxes due, maximizing cost contributions from federal fund sources, and collecting this funding and reviewing spending priorities. Aside from maximizing the expenditure which can be attributed to federal funding and a successful program of refunding debt to take advantage of attractive interest rates, its planning and budgeting for federal support funding received emphasizes the reality that the funding is intended to last years and should not be fully expended in the first year when economic stability remains uncertain.

#### **APPOINTMENT OF NEW AUDITORS**

Ernst & Young (EY), LLP was appointed auditors for the Government-wide statements of the Government of Guam for FY 2022 with a one-year contract. A Request for Proposals (RFP) for a three-year contract was subsequently issued for fiscal years 2023, 2024, and 2025. Ernst & Young was the sole bidder for this contract, and the contract was awarded to them. The contract's approval was significantly delayed and was not completed until April 2024.

In FY 2022, Ernst & Young replaced Deloitte & Touche LLP as government auditors. Delays in completing and issuing the Basic Financial Statements, the Report on Compliance, and other audit reports for that year can be attributed to the change in auditors and their need to gather and assemble information for the audit, which was not transferred from previous auditors.

There has been a significant delay in audit completion in FY 2023. This can be partly attributed to the contract delay referred to above. A further significant delaying factor is the difficulty in recruiting and retaining trained accountants by both the Government and the auditors in sufficient numbers to be able to work concurrently on component unit audits and the government audit. The shortage of accountants is a worldwide constraint affecting many jurisdictions on the mainland. The Government will address this issue with the University of Guam and the Guam Community College. Improved financial systems, including the new Guam Financial Information System (GFMIS), will also assist in information transfer, and the Government is working to modernize all contributing reporting systems as part of the modernization plan.

The Government has also requested Ernst & Young to review its staffing patterns to align professional staffing with the requirements of each unit to meet reporting critical deadlines so that both immediate and historical reporting dates can be met. This alignment of resources is considered critical in addressing audit delays, reducing the simultaneous numbers of audit clearance activities and swiftly addressing critical audit issues early in the process, reducing the number of last-minute activities. Clear and frequent communication is key. The improvement in financial management and control noted by rating agencies and reflected in upgrading credit rating can be enhanced and highlighted by efficient financial reporting and audit activity.

#### **CONTRACT FOR A NEW FINANCIAL MANAGEMENT INFORMATION SYSTEM**

In response to a Request for Proposal, Performa Software USA, Inc. was awarded the contract to develop and deploy a new FMIS system for the primary government. It is a five-year contract with a go-live date of February 03, 2024 for the core financial systems. The financial statements for FY23 have been prepared using data currently maintained by the AS400 system which has been in operation for over thirty years. The new system is being designed to record and report financial data more quickly and more fully and has taken into account the comments of the auditors and of the Public Auditor in past years.

## Government of Guam

### Management's Discussion and Analysis (Unaudited), continued

#### **REPORTS ON COMPLIANCE**

As a major recipient of Federal funding, GovGuam is required to submit an audited Report on Compliance for each major federal program, Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards required by the Uniform Guidance. This report is filed with the Federal Government and made available to federal grantor agencies. It is required that this report be submitted at the same time that the Basic Financial Statements are made available for completion.

The report, based on expenditures, not receipts of federal funds, notes that GovGuam, primary government spent \$688 million in federal grants, not including expenditures of \$346.1 million by other units, including \$118.8 million by Guam Department of Education, structurally part of the General fund. The report notes \$15.5 million or 2.3% of federal expenditures as questioned costs. Questioned costs are costs which may be further reviewed by federal granting agencies and are not disallowed costs. GovGuam has over the last three years had only \$0.2 million in disallowed costs in one program. GovGuam has a highly decentralized management system, mainly brought about by statute and is addressing this organizational structure with Statements of Practice which address and reduce deficiencies and other challenges.

The auditors reported Finding 2023-002 as a significant deficiency. This finding relates to General Ledger and Schedule of Expenditures of Federal Awards, generally related to reporting of federal and non-federal amounts in the financial statements and not to specific activities of federally awarded funds. It is the view of Government that such deficiencies will be addressed by the new financial management system.

#### **ANNUAL COMPREHENSIVE FINANCIAL REPORT AND POPULAR ANNUAL FINANCIAL REPORT**

GovGuam will be publishing an Annual Comprehensive Financial Report, which will contain both financial and statistical data and essential facts about the Government of Guam.

The Popular Annual Financial Report is designed to help citizens understand Government finances in a graphical form.

#### **CONTACTING GOVGUAM'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Government of Guam's finances for all of Guam's citizens, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the Island's accountability for the money it receives and spends. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Division of Accounts, Attention: Theresa Rivers, Chief Financial Officer, P.O. Box 7420, Tamuning, Guam 96931. Telephone No: (671) 475-1211, Website Address: [www.da.doa.guam.gov](http://www.da.doa.guam.gov).



# Government of Guam

## Statement of Net Position

September 30, 2023

	Primary Government	Component Units
<u>ASSETS</u>		
Cash and cash equivalents	\$ 646,411,793	\$ 259,026,970
Investments	16,467,413	46,376,274
Receivables, net	227,206,784	300,968,996
Due from primary government	---	10,844,809
Due from component units	26,458,977	---
Due from private purpose trusts	635,683	---
Inventories	2,017,552	88,016,378
Prepayments	5,349,537	8,184,922
Deposits and other assets	2,549,692	21,991,007
Restricted assets:		
Cash and cash equivalents	110,725,753	500,714,602
Investments	1,202,104	136,603,974
Unamortized bond issuance costs	---	415,509
Capital assets:		
Nondepreciable capital assets	108,893,557	283,190,305
Capital assets, net of accumulated depreciation and amortization	796,163,500	1,812,239,798
Land and other real estate	459,050,489	---
Land held for development	---	2,462,887
Total assets	2,403,132,834	3,471,036,431
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred loss on refunding	76,729,457	52,607,410
Deferred outflows from pensions	375,453,123	200,146,011
Deferred outflows from OPEB	325,562,229	187,579,147
Deferred unrecovered fuel costs	---	22,481,999
Total deferred outflows of resources	777,744,809	462,814,567
<u>LIABILITIES</u>		
Accounts payable and other current liabilities	137,006,670	101,397,941
Contracts payable	---	12,809,380
Accrued interest payable	14,526,085	24,885,116
Accrued payroll and other	16,918,529	11,751,898
Payable to federal agencies	355,091,623	17,282,335
Provision for tax refunds	59,471,927	---
Economic stimulus payments payable	14,400	---
Claims and judgments payable	915,083	---
COLA liability	4,393,680	---
Due to primary government	---	26,458,977
Due to component units	13,316,562	---
Unearned revenues	76,817,342	25,264,355
Deposits and other liabilities	33,901,801	42,881,305
Long-term liabilities:		
Due within one year	89,002,501	57,323,818
Due in more than one year	3,970,127,884	2,822,257,284
Total liabilities	4,771,504,087	3,142,312,409
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows from pensions	42,853,078	25,399,885
Deferred inflows from OPEB	612,097,909	319,958,690
Deferred inflows from leases	15,404,518	84,563,580
Deferred gain on refunding	2,359,214	425,243
Total deferred inflows of resources	672,714,719	430,347,398
Commitments and contingencies		
<u>NET POSITION</u>		
Net investment in capital assets	471,934,651	930,220,814
Restricted for:		
Capital projects	6,181,596	31,325,482
Retirement of indebtedness	17,975,162	123,190,435
Endowment - nonexpendable	459,050,489	49,650,564
Public health	19,965,923	---
Environmental protection	21,646,566	---
Other purposes	134,494,288	134,353,106
Unrestricted	( 3,394,589,838 )	( 907,549,210 )
Total net position	\$ ( 2,263,341,163 )	\$ 361,191,191

See accompanying notes.

# Government of Guam

## Statement of Activities

Year ended September 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
<b>Primary government:</b>						
<b>Governmental Activities:</b>						
General government	\$ 250,693,026	\$ 50,397,291	\$ 58,461,086	\$ ---	\$ ( 141,834,649 )	\$ ---
Protection of life and property	187,454,963	13,514,279	21,633,755	---	( 152,306,929 )	---
Public health	505,254,774	5,568,540	413,228,675	---	( 86,457,559 )	---
Community services	86,036,022	2,333	62,819,749	---	( 23,213,940 )	---
Culture and recreation	34,662,636	1,126,333	2,926,953	---	( 30,609,350 )	---
Individual and collective rights	94,923,689	1,557,705	22,626,532	---	( 70,739,452 )	---
Public welfare	83,557,608	---	19,039,935	---	( 64,517,673 )	---
Transportation	45,952,134	10,076,391	40,117,392	---	4,241,649	---
Public education	452,312,576	12,375,160	127,967,638	---	( 311,969,778 )	---
Environmental protection	34,081,491	25,835,502	8,206,955	---	( 39,034 )	---
Economic development	42,686,582	998,947	34,049,791	---	( 7,637,844 )	---
Interest (unallocated)	66,620,656	---	---	---	( 66,620,656 )	---
<b>Total primary government</b>	<b>\$ 1,884,236,157</b>	<b>\$ 121,452,481</b>	<b>\$ 811,078,461</b>	<b>\$ ---</b>	<b>( 951,705,215 )</b>	<b>---</b>
<b>Component units:</b>						
Antonio B. Won Pat International						
Airport Authority	\$ 92,191,795	\$ 43,472,853	\$ 2,071,462	\$ 6,467,389	---	( 40,180,091 )
Guam Community College	34,918,480	5,607,614	10,009,828	2,642,197	---	( 16,658,841 )
Guam Housing and Urban Renewal Authority	68,037,463	2,382,764	59,734,868	2,599,249	---	( 3,320,582 )
Guam Memorial Hospital Authority	196,043,906	97,791,124	21,728,288	2,587,665	---	( 73,936,829 )
Guam Power Authority	554,505,886	554,012,942	3,611,725	---	---	3,118,781
Guam Waterworks Authority	135,651,433	107,759,310	---	13,485,967	---	( 14,406,156 )
Port Authority of Guam	63,583,838	60,615,024	2,758,456	1,794,210	---	1,583,852
University of Guam	122,350,143	48,468,255	22,842,195	778,155	---	( 50,261,538 )
Nonmajor component units	36,807,603	7,591,602	22,085,391	---	---	( 7,130,610 )
<b>Total component units</b>	<b>\$ 1,304,090,547</b>	<b>\$ 927,701,488</b>	<b>\$ 144,842,213</b>	<b>\$ 30,354,832</b>	<b>---</b>	<b>( 201,192,014 )</b>
<b>General revenues:</b>						
<b>Taxes:</b>						
Income					436,664,293	---
Gross receipts					368,613,203	---
Section 30 Federal income tax collections					70,398,471	---
Hotel occupancy					28,514,576	---
Property					35,757,107	---
Tobacco					26,132,790	---
Liquid fuel					3,123,976	---
Alcoholic beverages					4,039,143	---
Excise					9,118,435	---
Limited gaming					1,634,457	---
Investment earnings					17,856,538	25,584,549
Contributions from primary government					---	145,566,512
Other					28,370,419	17,522,735
<b>Total general revenues</b>					<b>1,030,223,408</b>	<b>188,673,796</b>
<b>Change in net position</b>					<b>78,518,193</b>	<b>( 12,518,218 )</b>
<b>Net position at beginning of year</b>					<b>( 2,341,859,356 )</b>	<b>373,709,409</b>
<b>Net position at end of year</b>					<b>\$ ( 2,263,341,163 )</b>	<b>\$ 361,191,191</b>

See accompanying notes.

**Government of Guam**

Balance Sheet  
Governmental Funds

September 30, 2023

	101		682		Permanent		Total
	General	Federal Grants Assistance	ARPA Assistance	GDOE Federal Grants	Chamorro Lands	Other Governmental Funds	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 276,594,687	\$ 11,939,455	\$ 252,878,671	\$ 4,403,827	\$ ---	\$ 100,595,153	\$ 646,411,793
Investments	1,057,612	---	---	---	---	15,409,801	16,467,413
Land and other real estate	---	---	---	---	459,050,489	---	459,050,489
Receivables, net:							
Taxes	70,567,742	---	---	---	---	3,420,224	73,987,966
Federal agencies	1,460,332	100,484,053	---	23,828,689	---	3,193,884	128,966,958
Leases	---	---	---	---	---	15,721,216	15,721,216
Other	1,725,201	---	---	---	---	6,805,443	8,530,644
Due from component units	24,849,472	---	---	---	---	1,609,505	26,458,977
Due from other funds	131,391,173	---	---	---	---	42,183,512	173,574,685
Due from private purpose trust funds	635,683	---	---	---	---	---	635,683
Inventories	2,017,552	---	---	---	---	---	2,017,552
Prepayments	5,264,187	---	---	---	---	85,350	5,349,537
Deposits and other assets	2,173,692	---	---	---	---	1,000	2,174,692
Restricted assets:							
Cash and cash equivalents	90,156,575	---	---	---	---	20,569,178	110,725,753
Investments	---	---	---	---	---	1,202,104	1,202,104
<b>Total assets</b>	<b>\$ 607,893,908</b>	<b>\$ 112,423,508</b>	<b>\$ 252,878,671</b>	<b>\$ 28,232,516</b>	<b>\$ 459,050,489</b>	<b>\$ 210,796,370</b>	<b>\$ 1,671,275,462</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 123,922,040	\$ 511,400	\$ ---	\$ 8,904,284	\$ ---	\$ 3,668,946	\$ 137,006,670
Accrued payroll and other	12,457,112	1,406,859	250,572	1,449,336	---	1,354,650	16,918,529
Due to component units	4,061,937	---	---	---	---	9,254,625	13,316,562
Due to other funds	42,183,512	58,513,959	27,609,455	15,816,423	---	29,451,336	173,574,685
Payable to federal agencies	61,516,186	51,601,302	212,686,100	---	---	29,288,035	355,091,623
Unearned revenues	76,817,342	---	---	---	---	---	76,817,342
Provision for tax refunds	59,471,927	---	---	---	---	---	59,471,927
Provision for economic stimulus payments	---	---	14,400	---	---	---	14,400
COLA liability	4,393,680	---	---	---	---	---	4,393,680
Deposits and other liabilities	27,844,631	---	288,892	2,062,473	---	3,705,805	33,901,801
<b>Total liabilities</b>	<b>412,668,367</b>	<b>112,033,520</b>	<b>240,849,419</b>	<b>28,232,516</b>	<b>---</b>	<b>76,723,397</b>	<b>870,507,219</b>
<b>Deferred inflows of resources:</b>							
Leases	---	---	---	---	---	15,404,518	15,404,518
Deferred revenues	---	---	---	---	---	183,432	183,432
<b>Total deferred inflows of resources</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>15,587,950</b>	<b>15,587,950</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>412,668,367</b>	<b>112,033,520</b>	<b>240,849,419</b>	<b>28,232,516</b>	<b>---</b>	<b>92,311,347</b>	<b>886,095,169</b>
<b>Fund balances:</b>							
Non-spendable	3,961,784	---	---	---	459,050,489	---	463,012,273
Restricted	95,161,377	389,988	---	---	---	23,723,351	119,274,716
Committed	67,041,760	---	12,029,252	---	---	94,822,254	173,893,266
Unassigned:							
General fund	29,060,620	---	---	---	---	---	29,060,620
Special revenue funds	---	---	---	---	---	(60,582)	(60,582)
<b>Total fund balances</b>	<b>195,225,541</b>	<b>389,988</b>	<b>12,029,252</b>	<b>---</b>	<b>459,050,489</b>	<b>118,485,023</b>	<b>785,180,293</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 607,893,908</b>	<b>\$ 112,423,508</b>	<b>\$ 252,878,671</b>	<b>\$ 28,232,516</b>	<b>\$ 459,050,489</b>	<b>\$ 210,796,370</b>	<b>\$ 1,671,275,462</b>

See accompanying notes.

## Government of Guam

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2023

Total fund balance - governmental funds	\$	785,180,293
Amounts reported for governmental activities in the statement of net position are different because:		
Maintenance costs associated with school financed purchase obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		375,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$	52,570,435
Construction in progress		56,323,122
Depreciable capital assets and infrastructure		1,905,476,984
Accumulated depreciation		<u>(1,109,313,484)</u>
Capital assets, net of accumulated depreciation		905,057,057
Revenues are not available soon enough after year end to pay for the current period's expenditures and therefore are unavailable deferred inflows of resources in the governmental funds		183,432
Accrued interest payable is not recognized in governmental funds		(14,526,085)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities include:		
Bonds payable		(1,028,726,900)
Notes payable		(14,944,874)
School financed purchase obligations		(136,495,052)
Due to IRS		(19,937,926)
Tax credits payable		(2,383,629)
Lease payable		(18,245,021)
Claims payable		(915,083)
Net pension liability		(1,190,746,951)
OPEB liability		(1,551,137,956)
Compensated absences payable		(26,536,927)
DCRS sick leave liability		(28,796,195)
Landfill closure and postclosure costs		<u>(41,178,954)</u>
Long-term liabilities		(4,060,045,468)
Deferred outflows of resources are charged to future periods and are not reported in the funds. Those deferred outflows consist of:		
Deferred loss on refunding		76,729,457
Deferred outflows from pensions		375,453,123
Deferred outflows from OPEB		<u>325,562,229</u>
		777,744,809
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of:		
Deferred gain on refunding		(2,359,214)
Deferred inflows from pensions		(42,853,078)
Deferred inflows from OPEB		<u>(612,097,909)</u>
		(657,310,201)
Net position of governmental activities	\$	<u><u>(2,263,341,163)</u></u>

See accompanying notes.

## Government of Guam

### Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

Year ended September 30, 2023

	101		682		Permanent		Total
	General	Federal Grants Assistance	ARPA Assistance	GDOE Federal Grants	Chamorro Lands	Other Governmental Funds	
<b>Revenues:</b>							
Taxes	\$ 884,794,402	\$ ---	\$ ---	\$ ---	\$ ---	\$ 99,202,049	\$ 983,996,451
Intergovernmental	5,005,389	579,240,229	79,187,050	109,862,628	---	33,422,678	806,717,974
Licenses and permits	912,629	---	---	---	---	59,088,708	60,001,337
Charges for services	36,398,126	---	---	---	---	24,167,561	60,565,687
Fines and forfeits	537,910	---	---	---	---	354,913	892,823
Interest and investment earnings	4,429,583	---	12,027,024	---	---	1,399,931	17,856,538
Contributions from component units	4,324,696	---	---	---	---	35,791	4,360,487
Other	28,359,977	---	---	---	---	10,442	28,370,419
<b>Total revenues</b>	<b>964,762,712</b>	<b>579,240,229</b>	<b>91,214,074</b>	<b>109,862,628</b>	<b>---</b>	<b>217,682,073</b>	<b>1,962,761,716</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	102,766,004	18,091,704	31,162,677	---	---	36,589,494	188,609,879
Protection of life and property	142,458,809	15,170,164	6,158,639	---	---	13,600,973	177,388,585
Public health	9,316,584	414,698,546	2,530,507	---	---	33,072,215	459,617,852
Community services	13,681,721	61,220,758	1,598,991	---	---	9,283,658	85,785,128
Recreation	2,975,575	2,523,881	403,072	---	---	826,108	6,728,636
Individual and collective rights	69,544,023	14,180,133	1,424,799	---	---	8,791,769	93,940,724
Public welfare	---	---	---	---	---	19,203,808	19,203,808
Transportation	1,688,259	34,350,578	5,766,814	---	---	3,674,230	45,479,881
Public education	225,946,393	---	1,091,903	110,565,827	---	19,369,284	356,973,407
Environmental protection	164,029	4,130,960	4,075,995	---	---	19,349,070	27,720,054
Economic development	5,446,760	11,738,308	706,261	---	---	932,255	18,823,584
<b>Payments to:</b>							
GovGuam Retirement Fund	5,912,030	2,159,343	---	---	---	---	8,071,373
Guam Community College	17,339,595	103,310	---	---	---	5,734,320	23,177,225
Guam Economic Development Authority	---	---	20,500	---	---	---	20,500
Guam Housing Corporation	167,051	---	---	---	---	---	167,051
Guam International Airport Authority	---	505,539	---	---	---	9,254,625	9,760,164
Guam Memorial Hospital Authority	26,259,541	13,738,885	---	---	---	---	39,998,426
Guam Power Authority	63,220,100	---	---	---	---	---	63,220,100
Guam Preservation Trust	---	---	---	---	---	1,050,000	1,050,000
Guam Visitors Bureau	5,814,293	26,922	---	---	---	20,890,043	26,731,258
Guam Waterworks Authority	2,000,000	---	21,037,400	---	---	---	23,037,400
Port Authority of Guam	---	14,861	---	---	---	---	14,861
University of Guam	33,069,912	---	1,963,866	---	---	4,659,030	39,692,808
Miscellaneous appropriations	72,020,665	---	---	---	---	---	72,020,665
Capital projects	---	---	---	---	---	4,055,787	4,055,787
<b>Debt service:</b>							
Principal retirement	22,779,706	---	---	3,928,077	---	377,755	27,085,538
Interest and fiscal charges	59,177,131	---	---	1,812,173	---	3,466,789	64,456,093
<b>Total expenditures</b>	<b>881,748,181</b>	<b>592,653,892</b>	<b>77,941,424</b>	<b>116,306,077</b>	<b>---</b>	<b>214,181,213</b>	<b>1,882,830,787</b>
Excess (deficiency) of revenues over (under) expenditures	83,014,531	(13,413,663)	13,272,650	(6,443,449)	---	3,500,860	79,930,929
<b>Other financing sources (uses):</b>							
Loan proceeds	---	---	---	---	---	5,232,332	5,232,332
Transfers in from other funds	36,273,276	20,818,826	---	7,373,459	---	43,125,635	107,591,196
Transfers out to other funds	(59,530,476)	(7,373,459)	(1,245,626)	(930,010)	---	(38,511,625)	(107,591,196)
<b>Total other financing sources (uses), net</b>	<b>(23,257,200)</b>	<b>13,445,367</b>	<b>(1,245,626)</b>	<b>6,443,449</b>	<b>---</b>	<b>9,846,342</b>	<b>5,232,332</b>
<b>Net change in fund balances</b>	<b>59,757,331</b>	<b>31,704</b>	<b>12,027,024</b>	<b>---</b>	<b>---</b>	<b>13,347,202</b>	<b>85,163,261</b>
Fund balances at beginning of year	135,468,210	358,284	2,228	---	459,050,489	105,137,821	700,017,032
Fund balances at end of year	\$ 195,225,541	\$ 389,988	\$ 12,029,252	\$ ---	\$ 459,050,489	\$ 118,485,023	\$ 785,180,293

See accompanying notes.

# Government of Guam

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year ended September 30, 2023

Total net change in fund balances - governmental funds	\$	85,163,261
Amounts reported for governmental activities in the statement of activities are different because:		
Prepayment of school financed purchase obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:		
Guam Department of Education school financed purchase obligations		(125,000)
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense. For the current year, these amounts consist of:		
Capital outlays, net of disposals	\$ 46,162,696	
Depreciation and amortization expense	<u>(56,326,230)</u>	
		(10,163,534)
Amounts presented in the statement of activities, but not in the change in fund balances due to difference in revenue recognition under different bases of accounting		
		(7,366)
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. For the current year, these amounts consist of:		
Proceeds from loan	-	
Repayment of General Obligation bonds	1,865,000	
Repayment of Limited Obligation bonds	11,475,000	
Repayment of Business Privilege Tax bonds	4,395,000	
Repayment of loans	(4,854,577)	
Repayment of school financed purchase obligations	8,972,783	
Amortization of loss on defeasance	(5,643,125)	
Amortization of gain on defeasance	124,169	
Amortization of bond premiums	<u>4,684,296</u>	
		21,018,546
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. For the current year, these activities consist of:		
Change in accrued interest payable	(1,329,903)	
Change in compensated absences payable	(1,993,648)	
Change in landfill closure and postclosure care costs	(1,200,654)	
Change in lease liability	3,935,178	
Change in claims payable	(915,083)	
Change in DCRS sick leave liability	(3,333,523)	
Net pension activity	(1,095,251)	
Net OPEB activity	<u>(11,434,830)</u>	
		<u>(17,367,714)</u>
Change in net position of governmental activities	\$	<u><u>78,518,193</u></u>

See accompanying notes.

## Government of Guam

### Statement of Fiduciary Net Position Fiduciary Funds

September 30, 2023

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
<u>ASSETS</u>			
Cash and cash equivalents	\$ 10,008,419	\$ 18,548,029	\$ ---
Investments at fair value:			
Common stocks	1,328,842,274	---	---
U.S. Government securities	265,370,061	---	---
Corporate bonds and notes	216,239,024	---	---
Money market funds	26,811,000	---	---
Mutual funds	660,148,297	---	---
Total investments	2,497,410,656	---	---
Accounts receivable:			
Employer contributions	5,871,068	---	---
Member contributions	2,309,376	---	---
Interest and penalties on contributions	95,356	---	---
Accrued investment income	5,884,730	---	---
Due from brokers for unsettled trades	8,457,347	---	---
Service credits	789,591	---	---
Supplemental/Insurance benefits advanced	1,996,097	---	---
Other	5,837,382	---	---
Due from DC Plan	293,590	---	---
Total receivables	31,534,537	---	---
Deposits and other assets	---	---	8,416,653
Capital assets	648,520	---	---
Total assets	2,539,602,132	18,548,029	8,416,653
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources from pensions	1,902,162	---	---
Deferred outflows of resources from OPEB	1,751,095	---	---
Total deferred outflows from resources	3,653,257	---	---
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	4,897,408	---	---
Due to DB Plan	293,590	---	---
Due to other funds	---	635,683	---
Deposits and other liabilities	---	15,917,964	---
Due to brokers for unsettled trades	11,725,236	---	---
Net pension liability	5,982,159	---	---
OPEB liability	8,580,923	---	---
Total liabilities	31,479,316	16,553,647	---
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources from pensions	607,535	---	---
Deferred inflows of resources from OPEB	4,829,139	---	---
Total deferred inflows from resources	5,436,674	---	---
<u>NET POSITION</u>			
Restricted for:			
Employees' pension benefits	2,506,339,399	---	---
Individuals, organizations and other governments	---	1,994,382	8,416,653
Total net position	\$ 2,506,339,399	\$ 1,994,382	\$ 8,416,653

See accompanying notes.

## Government of Guam

### Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year ended September 30, 2023

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
Additions:			
Contributions:			
Employer contributions	\$ 169,978,946	\$ ---	\$ ---
Member contributions	61,810,899	---	---
Use of money and property	---	1,496,355	---
Transfers in from other funds	---	473,000	---
Total contributions and revenues	231,789,845	1,969,355	---
Net investment income:			
Net increase in fair value of investments	221,304,623	---	---
Interest	41,961,924	---	---
Dividends	17,285,665	---	---
Other	1,239,165	---	---
Total investment income	281,791,377	---	---
Less: investment expenses	6,078,388	---	---
Net investment income	275,712,989	---	---
Total additions	507,502,834	1,969,355	---
Deductions:			
Benefits	259,442,935	---	---
Refunds	30,697,738	---	---
Interest on refunded contributions	228,123	---	---
Administrative and general expense	5,466,594	---	4,901,213
Individual and collective rights	---	2,113,847	---
Total deductions	295,835,390	2,113,847	4,901,213
Change in net position held in trust for:			
Employees' pension benefits	211,667,444	---	---
Individuals, organizations, and other governments	---	(144,492)	(4,901,213)
	211,667,444	(144,492)	(4,901,213)
Net position at beginning of year	2,294,671,955	2,138,874	13,317,866
Net position at end of year	\$ 2,506,339,399	\$ 1,994,382	\$ 8,416,653

See accompanying notes.



# Government of Guam

## Combining Statement of Net Position Component Units

September 30, 2023

		Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
<b>ASSETS</b>											
Cash and cash equivalents	\$	3,075,625	\$ 25,920,248	\$ 22,337,773	\$ 1,255,830	\$ 65,423,593	\$ 50,324,888	\$ 28,566,850	\$ 10,811,873	\$ 51,310,290	\$ 259,026,970
Investments		---	---	---	---	---	---	---	13,834,570	32,541,704	46,376,274
Receivables, net		27,204,290	6,378,602	19,996,053	53,061,159	52,912,281	15,237,682	50,363,839	19,269,175	56,545,915	300,968,996
Due from primary government		6,782,872	---	---	---	---	---	---	---	4,061,937	10,844,809
Inventories		209,656	485,783	362,726	3,478,938	76,825,161	5,096,658	1,005,653	551,803	---	88,016,378
Prepayments		---	---	35,466	151,809	6,651,973	1,206,948	53,945	---	84,781	8,184,922
Deposits and other assets		---	8,764,205	---	465,232	---	3,174,728	---	9,428,476	158,366	21,991,007
Restricted assets:											
Cash and cash equivalents		10,847,716	---	1,129,296	---	108,012,759	253,314,186	95,935,085	5,552,084	25,923,476	500,714,602
Investments		33,491,149	19,363,131	---	---	44,229,457	---	---	39,299,694	220,543	136,603,974
Unamortized bond issuance costs		---	---	---	---	415,509	---	---	---	---	415,509
Capital assets:											
Nondepreciable capital assets		79,100,789	13,988,782	4,831,885	2,856,734	42,795,105	79,436,522	29,754,448	10,607,990	19,818,050	283,190,305
Capital assets, net of accumulated depreciation		404,721,137	29,737,650	14,157,601	31,224,866	436,676,102	733,466,467	92,105,379	62,588,837	7,561,759	1,812,239,798
Land held for development		---	---	2,462,887	---	---	---	---	---	---	2,462,887
<b>Total assets</b>		<b>565,433,234</b>	<b>104,638,401</b>	<b>65,313,687</b>	<b>92,494,568</b>	<b>833,941,940</b>	<b>1,141,258,079</b>	<b>297,785,199</b>	<b>171,944,502</b>	<b>198,226,821</b>	<b>3,471,036,431</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>											
Deferred amount on refunding		11,899,215	---	---	---	13,523,731	27,184,464	---	---	---	52,607,410
Deferred outflows from pensions		15,446,044	13,408,760	7,038,561	55,490,485	27,900,085	18,328,046	22,908,372	33,216,772	6,408,886	200,146,011
Deferred outflows from OPEB		9,624,528	11,369,129	3,629,949	48,385,209	26,791,884	28,539,954	21,808,688	31,790,157	5,639,649	187,579,147
Unrecovered fuel costs		---	---	---	---	22,481,999	---	---	---	---	22,481,999
<b>Total deferred outflows of resources</b>		<b>36,969,787</b>	<b>24,777,889</b>	<b>10,668,510</b>	<b>103,875,694</b>	<b>90,697,699</b>	<b>74,052,464</b>	<b>44,717,060</b>	<b>65,006,929</b>	<b>12,048,535</b>	<b>462,814,567</b>
<b>LIABILITIES</b>											
Accounts payable		6,421,856	2,875,376	1,754,735	26,456,504	43,675,498	4,461,841	4,090,157	8,286,091	3,375,883	101,397,941
Contracts payable		4,040,531	203,840	---	---	---	8,565,009	---	---	---	12,809,380
Accrued interest payable		3,227,747	---	---	---	14,149,947	7,070,516	---	---	436,906	24,885,116
Accrued payroll and other		5,867,066	---	227,118	2,798,865	427,050	1,334,022	482,291	---	615,486	11,751,898
Payable to federal agencies		---	---	16,755	3,500,000	---	8,272,170	---	5,493,410	---	17,282,335
Due to primary government		1,532,095	---	---	24,849,472	---	---	---	---	77,410	26,458,977
Unearned revenue		---	1,228,720	1,493,529	---	---	---	187,315	5,684,946	16,669,845	25,264,355
Deposits and other liabilities		4,423,509	6,934,050	646,145	651,478	23,848,371	3,714,343	299,405	1,984,201	379,803	42,881,305
Long-term liabilities:											
Due within one year		1,062,009	312,475	659,469	3,415,699	31,454,793	11,864,493	4,459,899	1,323,062	2,771,919	57,323,818
Due in more than one year		281,660,039	97,930,816	45,684,001	360,060,998	710,045,474	789,210,503	227,833,673	239,146,037	70,685,743	2,822,257,284
<b>Total liabilities</b>		<b>308,234,852</b>	<b>109,485,277</b>	<b>50,481,752</b>	<b>421,733,016</b>	<b>823,601,133</b>	<b>834,492,897</b>	<b>237,352,740</b>	<b>261,917,747</b>	<b>95,012,995</b>	<b>3,142,312,409</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Deferred inflows from pensions		1,058,051	2,958,124	595,679	3,957,340	5,772,445	3,009,820	2,886,803	4,357,466	804,157	25,399,885
Deferred inflows from OPEB		24,317,353	19,927,728	6,781,919	69,078,846	64,972,832	43,293,492	33,908,972	47,896,798	9,780,750	319,958,690
Deferred inflows from leases		18,685,414	---	---	---	---	---	37,378,079	1,139,952	27,360,135	84,563,580
Deferred amount on refunding		425,243	---	---	---	---	---	---	---	---	425,243
<b>Total deferred inflows of resources</b>		<b>44,486,061</b>	<b>22,885,852</b>	<b>7,377,598</b>	<b>73,036,186</b>	<b>70,745,277</b>	<b>46,303,312</b>	<b>74,173,854</b>	<b>53,394,216</b>	<b>37,945,042</b>	<b>430,347,398</b>
<b>NET POSITION</b>											
Net investment in capital assets		300,268,671	39,620,931	22,021,078	28,572,865	23,495,959	330,849,577	106,617,092	61,300,511	17,474,130	930,220,814
Restricted:											
Capital projects		23,527,995	---	---	---	---	---	2,310,620	5,486,867	---	31,325,482
Retirement of indebtedness		---	---	---	---	23,315,859	63,409,545	36,465,031	---	---	123,190,435
Endowment - nonexpendable		---	22,162,916	---	---	---	---	---	27,487,648	---	49,650,564
Other purposes		---	---	26,247,946	---	14,797,911	39,537,853	8,343,692	19,222,646	26,203,058	134,353,106
Unrestricted (deficit)	(	74,114,558)	( 64,738,686)	( 30,146,177)	( 326,971,805)	( 31,316,500)	( 99,282,641)	( 122,760,770)	( 191,858,204)	33,640,131	( 907,549,210)
<b>Total net position</b>	\$	<b>249,682,108</b>	\$ ( 2,954,839)	\$ 18,122,847	\$ ( 298,398,940)	\$ 30,293,229	\$ 334,514,334	\$ 30,975,665	\$ ( 78,360,532)	\$ 77,317,319	\$ 361,191,191

See accompanying notes.

## Government of Guam

### Combining Statement of Revenues, Expenses, and Changes in Net Position Component Units

Year ended September 30, 2023

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Non-major Component Units	Total
Expenses	\$ 92,191,795	\$ 34,918,480	\$ 68,037,463	\$ 196,043,906	\$ 554,505,886	\$ 135,651,433	\$ 63,583,838	\$ 122,350,143	\$ 36,807,603	\$ 1,304,090,547
Program revenues:										
Charges for services	43,472,853	5,607,614	2,382,764	97,791,124	554,012,942	107,759,310	60,615,024	48,468,255	7,591,602	927,701,488
Operating grants and contributions	2,071,462	10,009,828	59,734,868	21,728,288	3,611,725	---	2,758,456	22,842,195	22,085,391	144,842,213
Capital grants and contributions	6,467,389	2,642,197	2,599,249	2,587,665	---	13,485,967	1,794,210	778,155	---	30,354,832
Total program revenues	<u>52,011,704</u>	<u>18,259,639</u>	<u>64,716,881</u>	<u>122,107,077</u>	<u>557,624,667</u>	<u>121,245,277</u>	<u>65,167,690</u>	<u>72,088,605</u>	<u>29,676,993</u>	<u>1,102,898,533</u>
Net program revenues (expenses)	( 40,180,091 )	( 16,658,841 )	( 3,320,582 )	( 73,936,829 )	3,118,781	( 14,406,156 )	1,583,852	( 50,261,538 )	( 7,130,610 )	( 201,192,014 )
General revenues:										
Payments from GovGuam	6,782,872	24,375,831	455,346	32,529,825	---	14,460,048	---	38,083,313	28,879,277	145,566,512
Investment earnings	1,505,191	2,044,325	4,421	---	4,007,116	11,604,779	2,629,387	( 250,774 )	4,040,104	25,584,549
Other	---	171,777	16,279	473,574	---	626,929	381,380	1,538,024	14,314,772	17,522,735
Total general revenues	<u>8,288,063</u>	<u>26,591,933</u>	<u>476,046</u>	<u>33,003,399</u>	<u>4,007,116</u>	<u>26,691,756</u>	<u>3,010,767</u>	<u>39,370,563</u>	<u>47,234,153</u>	<u>188,673,796</u>
Change in net position	( 31,892,028 )	9,933,092	( 2,844,536 )	( 40,933,430 )	7,125,897	12,285,600	4,594,619	( 10,890,975 )	40,103,543	( 12,518,218 )
Net position at beginning of year	<u>281,574,136</u>	<u>( 12,887,931 )</u>	<u>20,967,383</u>	<u>( 257,465,510 )</u>	<u>23,167,332</u>	<u>322,228,734</u>	<u>26,381,046</u>	<u>( 67,469,557 )</u>	<u>37,213,776</u>	<u>373,709,409</u>
Net position at the end of the year	<u>\$ 249,682,108</u>	<u>\$ ( 2,954,839 )</u>	<u>\$ 18,122,847</u>	<u>\$ ( 298,398,940 )</u>	<u>\$ 30,293,229</u>	<u>\$ 334,514,334</u>	<u>\$ 30,975,665</u>	<u>\$ ( 78,360,532 )</u>	<u>\$ 77,317,319</u>	<u>\$ 361,191,191</u>

See accompanying notes.

# Government of Guam

## Notes to Financial Statements

Year ended September 30, 2023

### 1. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Government of Guam (GovGuam) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. GovGuam's significant accounting policies are described below:

#### A. Reporting Entity

Guam is an unincorporated territory of the United States of America with policy relations between Guam and the United States under the jurisdiction of the Office of Insular Affairs, U.S. Department of the Interior. In 1950, the U.S. Congress provided Guam with an Organic Act that organized GovGuam as a constitutional government comprised of locally elected executive and legislative branches and an appointed judicial branch. In addition, Guam has an elected representative to the U.S. Congress who possesses the same powers and privileges as representatives from the various States, with the exception of voting on the House of Representatives floor.

The Executive Branch consists of a popularly elected Governor and Lieutenant Governor, each serving a four-year term, with executive department heads appointed by the Governor with the consent of the Guam legislature. The Legislative Branch is a unicameral parliament consisting of 15 members elected for a term of two years. The Judicial Branch is comprised of the Supreme Court of Guam and a Territorial Superior Court with judges appointed for eight-year terms by the Governor.

For financial reporting purposes, GovGuam has included all funds, organizations, agencies, boards, commissions, and institutions. GovGuam has also considered all potential component units for which it is financially accountable as well as other entities for which the nature and significance of their relationship with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. The criteria to be considered in determining financial accountability include whether GovGuam, as the primary government, has appointed a voting majority of an organization's governing body and either has the ability to impose its will on that organization or there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on GovGuam. Financial accountability also exists if an organization is determined to be fiscally dependent on the primary government, although the primary government does not appoint a voting majority of the organization's governing board. Except for the Deferred Section 457 Compensation Plan, each component unit of GovGuam has a September 30 year-end. The Deferred Section 457 Compensation Plan has a December 31 year-end.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### A. Reporting Entity, continued

Component units are entities that are legally separate organizations for which GovGuam's elected officials are financially accountable or other organizations for which the nature and significance of their relationship with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. GovGuam is financially accountable because it appoints the members of the governing authorities of each of the component units and because it is able to impose its will on these organizations or because the organizations provide specific financial benefits or impose specific financial burdens on GovGuam.

The financial statements of the component units have been included in the financial reporting entity as discretely presented component units in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The component units' column of the basic financial statements includes the financial data of the following discretely presented component units:

- (a) Antonio B. Won Pat International Airport Authority (AWPIAA), formerly known as the Guam International Airport Authority, was created by Public Law 13-57 (as amended) as an autonomous instrumentality of GovGuam to own and operate the facilities of the Guam International Air Terminal. It is charged with the acquisition, construction, operation and maintenance of airports and related facilities for civil aviation on Guam. AWPIAA supports its operations through landing fees and charges for use of its facilities and through rentals under concessionaire agreements and is governed by a seven-member Board of Directors, all of whom are appointed by the Governor of Guam. AWPIAA is fiscally dependent upon GovGuam whereby AWPIAA cannot issue bonded debt without legislative approval.
- (b) Guam Community College (GCC) was created by Public Law 14-77, "The Community College Act of 1977". GCC is governed by a nine-member Board of Trustees, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to GCC through legislative appropriations.
- (c) Guam Housing and Urban Renewal Authority (GHURA) was created by Government Code, Vol. II, Title XIV, Chapter X, 13902. GHURA's purpose is to promote the health, safety and welfare of the people of Guam by eliminating slum and blight conditions, by the orderly redevelopment and renewal of communities, by proper planning of community development and by provision of safe, decent and sanitary dwellings for low-income families, through all available Federal and local governmental programs. The Board of Commissioners of GHURA is appointed by the Governor of Guam. GovGuam has the ability to impose its will on GHURA.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### A. Reporting Entity, continued

- (d) Guam Memorial Hospital Authority (GMHA) was created by Public Law 14-29 as an autonomous instrumentality of GovGuam to administer and operate the Guam Memorial Hospital. GMHA is governed by a seven-member Board of Trustees, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to GMHA through legislative appropriations.
- (e) Guam Power Authority (GPA) was created by the GPA Act of 1968 and is responsible for the supervision of construction, maintenance of operations and regulations of all electrical utility services within GovGuam. It operates the power system for GovGuam and has created an Island-wide Power System Agreement with the United States Navy. GPA derives revenues from sales of electricity and is governed by the five-member Consolidated Commission on Utilities (CCU), all of whom are elected for terms of two or four years. GPA is fiscally dependent upon GovGuam whereby GPA cannot issue bonded debt without legislative approval.
- (f) Guam Waterworks Authority (GWA), formerly the Public Utility Agency of Guam (PUAG), was created by Public Law 23-119 and is responsible for supervising the construction, maintenance operations and regulations of all water and sewerage services within GovGuam. GWA derives its operating revenues from water and wastewater fees charged to residential, commercial and government customers, based on consumption, and is governed by the CCU. GWA is fiscally dependent upon GovGuam whereby GWA cannot issue bonded debt without legislative approval.
- (g) Port Authority of Guam (PAG) was created by Public Law 13-87 as an autonomous instrumentality of GovGuam to own and operate the facilities of the Commercial Port of Guam. PAG is governed by a five-member Board of Directors, all of whom are appointed by the Governor of Guam. PAG is fiscally dependent upon GovGuam whereby PAG cannot issue bonded debt without legislative approval.
- (h) University of Guam (UOG) was created by Public Law 13-194 and is responsible for operating Guam's institution of higher education. UOG is governed by a nine-member Board of Regents, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to UOG through legislative appropriations.

In addition, the financial data of the following nonmajor component units are included - Guam Housing Corporation, Guam Economic Development Authority, Guam Visitors Bureau, Guam Preservation Trust, and Guam Educational Telecommunications Corporation (PBS GUAM).

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### A. Reporting Entity, continued

Fiduciary component units are subject to legislative and executive controls. These component units, while meeting the definition of a component unit and while legally separate, are presented in the fund financial statements of GovGuam. They have been omitted from the government-wide financial statements as their resources are not available to fund operations of GovGuam. The fiduciary component units are as follows:

- (a) GovGuam Retirement Fund (GGRF) - the governing body consists of a seven-member Board of Trustees. Two members are elected by active Fund members; two members are elected by GGRF members among the roster of retirees; and three members are appointed by the Governor of Guam. GGRF was enacted to provide retirement amenities and other benefits to GovGuam employees, who upon entry to service are eligible for membership. GGRF is reported as if it were part of the primary government because of the fiduciary responsibility that GovGuam retains relative to the operations of GGRF. The operations of GGRF are reported as a Fiduciary Fund Type - Pension (and Other Employee Benefit) Trust Fund.
- (b) GovGuam Deferred 457 Compensation Plan - investment options are monitored by the GGRF Board of Trustees.

GovGuam's component units, departments, and funds that are separately audited issue their own basic financial statements, each of which has a September 30 year-end. These statements may be obtained by directly contacting the various entities' administrative offices or at the web site of the Office of Public Accountability - [www.opaguam.org](http://www.opaguam.org).

A. B. Won Pat International Airport Authority  
P.O. Box 8770  
Tamuning, GU 96931

Guam Memorial Hospital Authority  
850 Governor Carlos G. Camacho Rd.  
Tamuning, GU 96913

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

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

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

University of Guam  
University Drive  
Mangilao, GU 96923

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

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

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### A. Reporting Entity, continued

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

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

Guam Economic Development Authority  
Suite 511, ITC Building  
590 South Marine Corps Drive  
Tamuning, GU 96913

Guam Visitors Bureau  
401 Pale San Vitores Road  
Tamuning, GU 96913

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

In addition to the aforementioned University of Guam (UOG) and Guam Community College (GCC) component units, the accompanying component units' column of the basic financial statements includes the University of Guam Endowment Foundation, Inc. and the Guam Community College Foundation, Inc., which are legally separate, tax-exempt, separately audited, component units of UOG and GCC, respectively. Inclusion of these component units is in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units- an amendment of GASB Statement No. 14*.

GASB Statement No. 39 provides additional guidance for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government and to clarify reporting requirements for those organizations. The foundations' resources can only be used by or are for the benefit of UOG and GCC to which they serve. They are presented within the respective financial statements of UOG and GCC because of their nature and significance to these entities. Complete financial statements of the foundations may be obtained at their respective offices. The foundations are not considered major component units of GovGuam under the definitions put forth under GASB Statement 34 but are blended within UOG and GCC.

The Public Utilities Commission (PUC) is a related organization under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. PUC consists of seven members, all of whom are appointed by the Governor of Guam. GovGuam's accountability does not extend beyond the appointments. Accordingly, PUC is classified as another stand-alone governmental unit, not a component unit of GovGuam, and therefore is not part of these financial statements.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### A. Reporting Entity, continued

The Guam Academy Charter School Council consists of seven members appointed by the Governor of Guam subject to confirmation by the Guam Legislature. The Council is responsible for granting Academy School Charter status to qualifying applicants. GovGuam considers the financial statements of these charter schools to be presented as blended component units of the General Fund. The omission of these financial statements from GovGuam's General Fund are not considered material to the accompanying financial statements.

#### B. Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements except for other charges between the primary government and the discretely presented component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Primary government activities are defined as either governmental or business-type activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. As such, business-type activities account for operations similarly to a for-profit business. GovGuam did not report any business-type activities during the year ended September 30, 2023. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Discretely presented component unit activities are presented with their business-type focus.

The Statement of Net Position presents all of the reporting entity's non-fiduciary assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources that are attributable to related debt are also included in this component.
- Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.



# Government of Guam

## Notes to Financial Statements, continued

### 1. **Summary of Significant Accounting Policies, continued**

#### B. Government-Wide Financial Statements, continued

- Unrestricted net position consists of net position, which does not meet the definition of the two preceding categories. Unrestricted net position often is designated (for example, internally restricted), to indicate that management does not consider it to be available for general operations.

The government-wide Statement of Net Position reports \$659,314,024 of restricted net position, of which \$134,494,288 is restricted by enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not meeting the definition of program revenues are, instead, reported as general revenues and offset or supplant the net operating deficit or surplus from governmental operations.

#### C. Governmental Fund Financial Statements

The fund financial statements present a balance sheet and a statement of revenues, expenditures, and changes in fund balances for its major and aggregated non-major funds. Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements pursuant to GASB reporting standards, with nonmajor governmental funds being combined into a single column.

GovGuam reports its financial position and results of operations in funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Transactions between funds within a fund type, if any, have not been eliminated.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### D. Measurement Focus and Basis of Accounting

##### Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the fiduciary fund and component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenue is derived from taxation, investment income and other fees that are not allocated to specific programs.

##### Governmental Funds Financial Statements:

Governmental funds financial statements account for the general governmental activities of GovGuam and are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual and are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, GovGuam considers most revenues other than federal grants and assistance awards and property taxes to be available if they are collected within 90 days of the end of the current fiscal period. Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenue when available and entitlement occurs which is generally within 12 months of the end of the current fiscal period. GovGuam considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period.

Significant revenues susceptible to accrual include income and gross revenue taxes, federal grants, federal reimbursements, and other reimbursements for use of materials and services and are recognized in the year in which they are received or subject to accrual, grants expended, or services provided. Miscellaneous revenues from other financing sources are recognized when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Expenditures are recorded in the period in which the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due. Compensated absences, termination benefits, claims and judgments, and similar activities are recognized to the extent that they are normally expected to be liquidated with expendable available financial resources.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### D. Measurement Focus and Basis of Accounting, continued

##### Fiduciary Funds and Component Units Financial Statements:

Discretely presented component units distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a component unit's principal ongoing operations. All other revenues are reported as nonoperating. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

##### Fund Accounting:

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses for either fund category or the governmental and enterprise combined) for the determination of major funds. GovGuam has elected to add an additional major fund that is of specific public interest, namely the GDOE Federal Grants Fund. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements.

##### GovGuam reports the following major funds:

- General Fund - this fund is the primary operating fund of GovGuam. It is used to account for all governmental transactions except those required to be accounted for in another fund.
- Federal Grants Assistance Fund - a Special Revenue Fund that accounts for certain activities of U.S. federal assistance grants and contracts utilized by GovGuam to finance general governmental operations.
- ARPA Assistance Fund - a Special Revenue Fund that accounts for certain activities of U.S. federal assistance grants created under the American Rescue Plan Act (ARPA) of 2021.
- GDOE Federal Grants Fund - a Special Revenue Fund that accounts for certain activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance public education, both primary and secondary.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### D. Measurement Focus and Basis of Accounting, continued

Fund Accounting, continued:

- Chamorro Lands Fund - a Permanent Fund that accounts for developed Chamorro land and other real estate owned by GovGuam and held in various land banks. Such are legally restricted to the extent that only earnings from lease rental payments, and not principal, may be used to support GovGuam operations.

The nonmajor governmental funds are comprised of the following:

- Special Revenue Funds - these funds account for the financial resources obtained from specific revenue sources and used for restricted purposes.
- Capital Projects Funds - these funds account for the financial resources obtained from bond issuances for the acquisition or construction of capital assets and facilities.
- Debt Service Funds - these funds account for the financial resources obtained and used for the payment of principal and interest revenue bond obligations established in accordance with bond indentures.

In addition, GovGuam reports the following fiduciary fund types:

- Pension (and Other Employee Benefit) Trust Funds - these funds account for resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension and other postemployment benefit (OPEB) plans.
- Private Purpose Funds - these funds account for resources held in trust under which principal and income benefit certain individuals.
- Custodial Funds - these funds account for assets held on behalf of other governmental entities, other organizations, or individuals, which are custodial in nature.

#### E. Cash and Cash Equivalents

Cash and cash equivalents of the primary government and the discretely presented component units include cash on hand, demand deposits, and short-term investments in time certificates of deposit and U.S. Treasury obligations with a maturity date within three months of the date acquired by GovGuam. Deposits maintained in time certificates of deposit with original maturity dates greater than three months are classified as investments.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### F. Investments

Investments and related investment earnings of the primary government and the discretely presented component units are recorded at fair value using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability (ie, the exit price) in an orderly transaction between market participants at the date as of which the fair value of an asset or liability is determined. GovGuam categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy is based on the lowest level of input that is significant to the fair measurement. Investments not categorized under the fair value hierarchy are shown at either Net Asset Value (NAV) or amortized cost.

#### G. Restricted Assets

As of September 30, 2023, certain assets of the primary government are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures), court orders and grantors including: \$872,277 externally restricted under a Chamorro Lands loan guarantee program; \$5,831,234 externally restricted for Child Support; \$1,051,483 externally restricted for GDOE extracurricular school activities; \$96,687,177 externally restricted under various bond issues (including \$90,421,996 for future debt service requirements and \$6,265,181 in unspent bond proceeds); \$619,992 externally restricted under the Congress building loan agreement for future debt service requirements; \$902,104 externally restricted under the Judicial building loan agreement for future debt service requirements; and \$5,963,590 externally restricted for Court ordered post closure costs.

#### H. Land and Other Real Estate

Land and other real estate held as investments in permanent funds of \$459,050,489, which comprise \$445,786,364 held by the Chamorro Land Trust Commission and \$13,264,125 held by the Guam Ancestral Lands Commission, are reported at fair value. Fair value is based on estimated current value (primarily assessed real estate property tax valuations) and appraisals. Investments that do not have an established market are reported at estimated fair value. Accordingly, land and other real estate investments are valued using Level 3 inputs. Earnings from lease agreements associated with these investments are reported as revenues of the Chamorro Land Trust Commission and the Guam Ancestral Lands Commission. Only developed land, supported by valid lease agreements, is included in the valuation.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### I. Receivables and Tax Abatements

In general, tax revenue is recognized on the government-wide financial statements when assessed or levied and on the governmental fund financial statements to the extent that it is both measurable and available. Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to GovGuam for its expenditures on federally funded reimbursement and grant programs are reported as “receivables from federal agencies” in the governmental funds balance sheet.

Receivables of the primary government and the discretely presented component units are primarily due from businesses and individuals residing on the island of Guam. The allowance for uncollectible accounts primarily represents estimated uncollectible amounts that are determined based upon past collection experience and aging of the accounts.

The primary government and the discretely presented component units act as a lessor of various buildings and ground leases. Leases with maximum terms of more than twelve months are recognized as lease receivables and deferred inflows of resources in the respective governmental activities and governmental fund financial statements. Lease receivables are recorded as the present value of the future lease payments expected to be received from the lessee during the lease term, net of any estimated uncollectible amounts.

Tax abatements represent reductions in tax revenues that result from an agreement between GovGuam and individuals or entities where: (i) GovGuam promises to forgo tax revenues to which it is otherwise entitled to; and (ii) the individuals or entities promise to take specific action that contributes to economic development.

#### J. Prepaid Items and Inventories

Certain payments made to vendors or persons for services reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Inventories of the primary government comprise supplies while inventories of the discretely presented component units comprise fuel oil, diesel fuel, parts and supplies, and are generally valued at the lower of cost (FIFO) or market.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### K. Interfund Receivables/Payables

During the course of its operations, GovGuam records transactions between individual funds for goods provided or services rendered. Receivables and payables resulting from transactions between funds are classified as "due from other funds" or "due to other funds" on the governmental fund balance sheet. These balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur; transactions are recorded in the accounting system; and payments between funds are made and are scheduled to be collected in the subsequent year.

Receivables and payables resulting from transactions between component units and the primary government are classified as "due to/from primary government" or "due to/from component units" on the governmental fund balance sheet and the statement of net position. Interfund receivables and payables for the primary government have been eliminated from the statement of net position.

#### L. Capital Assets

Capital assets, including property, plant, equipment and infrastructure (e.g., roads, bridges, ramps and other similar items), are reported in the governmental activity column of the government-wide financial statements. Such assets, whether purchased or constructed, are recorded at historical cost or estimated historical cost. Construction in progress includes all associated cumulative costs of a constructed capital asset. Construction in progress is relieved at the point at which an asset is placed in service for its intended use. Capital assets of the discretely presented component units are capitalized upon purchase and are depreciated on a straight-line basis over the estimated useful lives of the assets.

Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are capitalized when the cost of the individual items exceeds \$50,000. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. With the exception of the Layon Landfill, capital assets of the primary government are depreciated using the straight-line method with a full year's depreciation charged in the year of acquisition and disposal, regardless of date. Landfill cells are depreciated based on capacity used/available at year end.

Right-to-use (RTU) assets are recognized at the lease commencement date and represent GovGuam's right to use an underlying asset for the lease term. RTU assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs. Options to renew or terminate the lease are recognized as part of RTU assets and lease liabilities when it is reasonably certain the options will be exercised.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### M. Provision for Tax Refunds

During the calendar year, GovGuam collects individual and corporate income taxes through withholdings and payments from taxpayers. As of September 30, GovGuam estimates the amount owed to taxpayers for overpayments during the first nine months of the calendar year. These estimated amounts and the actual tax refunds claimed for prior years but not paid at year-end are recorded as provision for tax refunds and as a reduction of tax revenue. The provision for tax refunds is evaluated on a regular basis by management and is based upon management's periodic review of tax returns considering historical experience and the nature and volume of tax returns submitted. This evaluation is subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Accordingly, changes to the provision for tax refunds are accounted for on a prospective basis.

#### N. Unearned Revenue/Payable to Federal Agencies

Unearned revenue is recorded when cash is received prior to being earned and primarily relates to Section 30 federal income tax collections remitted from the United States Government in the amount of \$76,804,465, which pertains to revenues of the following fiscal year.

Amounts received in advance from federal agencies relating to expenditure-driven grants are reported as "payables to federal agencies" in the statement of net position and the governmental funds balance sheet. Revenues are recognized when all applicable program eligibility requirements associated with the federal grant are met by GovGuam as the recipient.

#### O. Long-term Debt

The liabilities reported in the government-wide financial statements include GovGuam general obligation bonds, limited obligation bonds, long-term notes and capital leases, and long-term liabilities including vacation, sick leave, pension and other postemployment benefits, long-term liabilities to other governmental entities, and closure and post-closure costs associated with the Ordot Dump and Layon Landfill. Capital lease liabilities consist of lease contracts that transfer substantially all of the benefits and risks of ownership of property to GovGuam. Long-term obligations financed by component units are recorded as liabilities in the discretely presented component unit's column.

In accordance with Section 1423a of the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is \$1,377,989,221 as of October 31, 2023, the date that such certification was performed. Total debt outstanding as of September 30, 2023, subject to the debt ceiling limitation is \$916,069,490.



# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### P. Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest rate method. Bonds payable are reported net of bond premiums and discounts. Bond issuance costs, except any portion related to prepaid insurance costs, are expensed in the period incurred. Prepaid insurance costs are reported as assets and are amortized over the term of the debt using the straight-line method.

In the governmental fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the period the bond proceeds are received. The face amount of the debt issued is reported as other financing sources. Premiums received and discount deducted on debt issuance are reported as other financing sources and other financing uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as expenditures.

#### Q. Deferred Outflows/Inflows of Resources

In the government-wide financial statements, the statement of net position will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. On the other hand, deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then.

In the governmental fund financial statements, deferred inflows of resources consist of unavailable revenue, which is revenue that does not meet the “available” criterion for revenue recognition under the modified accrual basis of accounting.

#### R. Fund Equity/Net Position

GovGuam reports net position as restricted when restrictions are externally imposed by citizens and/or public interest groups or legally segregated for a specific future use by enabling legislation in accordance with GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. Otherwise, these balances are considered unrestricted. Net Position has been restricted as follows:

“Restricted for capital projects” - identifies amounts of unspent proceeds of bond issuances that can only be used for capital projects.

“Restricted for retirement of indebtedness” - identifies amounts held by fiscal agents to fund future debt service obligations as required under bond indentures. Because removal of monies from these restrictions would constitute a technical default to bondholders, the amounts are restricted.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### R. Fund Equity/Net Position, continued

“Restricted for endowments: nonexpendable” - identifies amounts held for endowment and similar type funds, including land and other real estate, in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

“Restricted for public health, environmental protection and other purposes” - identifies amounts held for various externally imposed restrictions either by creditors, grantors or laws and regulations of other governments. It also includes various restrictions put forth by the GovGuam enabling statutes. Included in this restriction are reserves for prior appropriations continued.

Fund balance classifications are based on the extent to which GovGuam is bound to honor constraints on the specific purposes for which amounts in those funds can be spent and are reported under the following fund balance classifications:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Guam Legislature, GovGuam’s highest level of decision-making authority, and does not lapse at year-end. Formal action of the Guam Legislature is required to establish, modify or remove the limitations on committed fund balances.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Intent is expressed by either the Guam Legislature or a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned - residual balances that are not contained in the other classifications and includes negative fund balances in other governmental funds. The General Fund may be the only fund that can report a positive unassigned fund balance.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### R. Fund Equity/Net Position, continued

GovGuam has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of GovGuam is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

A formal minimum fund balance policy has not been adopted. However, most governmental funds cannot end a fiscal year in deficit.

#### S. Compensated Absences

Compensated absences are recorded as a long-term liability in the statement of net position. Amounts to be paid during the next fiscal year are reported as current liabilities. For the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and fund liabilities. Vacation pay is convertible to pay upon termination of employment.

In accordance with Public Law 27-5 and Public Law 28-68, employee vacation rates are credited at either 104, 156 or 208 hours per year, depending upon their length of service: (1) One-half day (4 hours) for each full bi-weekly pay period in the case of employees with less than five (5) years of service; (2) Three-fourths day (6) hours for each full bi-weekly pay period in the case of employees with more than five (5) years of service but less than fifteen (15) years of service; or (3) One (1) day (8 hours) for each full bi-weekly pay period in the case of employees with more than fifteen (15) years of service.

The statutes further amended the maximum accumulation of such vacation credits from 480 to 320 hours. Public Law 27-106 amended subsection (c) of 4 Guam Code Annotated § 4109. Employees who have accumulated annual leave in excess of 320 hours as of February 28, 2003, may carry over their excess and shall use the excess amount of leave prior to retirement or termination from service. Any unused leave over the excess shall be lost.

Public Law 26-86 allows members of the Defined Contribution Retirement System (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GovGuam has accrued an estimated liability of \$28,796,195 as of September 30, 2023, for potential future sick leave payments as a result of this law. However, this amount is an estimate and actual payout may be materially different than estimated.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### T. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the GovGuam Retirement Fund (GGRF) Defined Benefit (DB) Plan and additions to/reductions from the DB Plan's fiduciary net position have been determined on the same basis as they are reported by GGRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions are required to be recognized and disclosed using the accrual basis of accounting. GovGuam recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents GovGuam's proportional share of excess total pension liability over the pension plan assets - actuarially calculated - of a single-employer defined benefit plan, measured one year prior to fiscal year-end, and rolled forward. The total pension liability also includes GovGuam's proportionate share of the liability for ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments that are anticipated to be made to defined benefit plan members and for anticipated future COLA to DCRS members, and pension benefits afforded to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices following completion of their respective terms.

Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

#### U. Other Post-Employment Benefits (OPEB)

OPEB is required to be recognized and disclosed using the accrual basis of accounting. GovGuam recognizes a net OPEB liability for the defined benefit OPEB plan in which it participates, which represents GovGuam's proportional share of total OPEB liability - actuarially calculated - of a single-employer defined benefit plan, measured one year prior to fiscal year-end, and rolled forward. An OPEB trust has not been established thus the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

U. Other Post-Employment Benefits (OPEB), continued

Changes in the net OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

V. Property Taxes

On or before September 1 of each tax year, GovGuam’s Real Property Tax Division is mandated to make available a tax roll listing identifying all taxable properties and corresponding tax assessments levied. By October 31 each year, the tax assessment rolls are certified, and real property taxes become due and payable on December 15. The tax levy is divided into two installments: the first installment is due February 20; the second installment is due April 20.

Real property taxes become a lien on the property as of noon the first Monday in March each year to secure the payment of all taxes, penalties and interest that is ultimately imposed on the property. The tax rate is established by 11 GCA 24, Real Property Tax, wherein a levy is assessed on all land property in Guam at the rate of seven-seventy seconds percent (7/72%) of the value thereof and seven-eighteenths (7/18%) of the value of the improvements thereon. In addition to this levy, there is hereby levied on improvements on all land property in Guam with a value of \$1,000,000 or more a yearly tax at the rate of seven eighteenths percent (7/18%) of the value thereon.

W. Encumbrances

GovGuam utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. As of September 30, 2023, GovGuam has encumbrances summarized as follows:

<u>General</u>	Federal Grants <u>Assistance</u>	ARPA <u>Assistance</u>	GDOE Federal <u>Grants</u>	Other <u>Governmental</u>	<u>Total</u>
<u>\$17,990,578</u>	<u>\$111,735,412</u>	<u>\$10,939,911</u>	<u>\$23,175,718</u>	<u>\$26,743,542</u>	<u>\$190,585,161</u>

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### X. New Accounting Standards

During the year ended September 30, 2023, GovGuam implemented the following pronouncements:

- GASB Statement No. 91, *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of this Statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which improves financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The implementation of this Statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of this Statement did not have a material effect on the accompanying financial statements.
- GASB Statement No. 99, *Omnibus 2022*, which enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Government of Guam

Notes to Financial Statements, continued

**1. Summary of Significant Accounting Policies, continued**

**X. New Accounting Standards, continued**

This Statement provides clarification of provisions in:

- 1) GASB Statement No. 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- 2) GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- 3) GASB Statement No. 96 related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

This Statement modifies accounting and reporting guidance in:

- 1) GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, related to termination of hedge.

The implementation of this Statement did not have a material effect on the accompanying financial statements.

In April 2022, GASB issued Statement No. 99. This Statement contains guidance whose effective dates are in future periods. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 99:

- 1) Modifies guidance in GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, to bring all guarantees under the same financial reporting requirements and disclosures effective for fiscal year ending September 30, 2024.
- 2) Provides guidance on classification and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for fiscal year ending September 30, 2024.

# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### X. New Accounting Standards, continued

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections and requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. Requirements applicable to changes in accounting principles apply to the implementation of a new pronouncement if there is no specific transition guidance in the new pronouncement. The Statement also requires that aggregate amounts of adjustments to, and restatements of, beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 100 will be effective for fiscal year ending September 30, 2024.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 101 will be effective for fiscal year ending September 30, 2025.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 102 will be effective for fiscal year ending September 30, 2025.



# Government of Guam

## Notes to Financial Statements, continued

### 1. Summary of Significant Accounting Policies, continued

#### X. New Accounting Standards, continued

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues identified through agenda research conducted by the GASB. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following: a) management's discussion and analysis (MD&A); b) unusual or infrequent items; c) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; d) information about major component units in basic financial statements; e) budgetary comparison information; and f) financial trends information in the statistical section. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 103 will be effective for fiscal year ending September 30, 2026.

#### Y. Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the provision for tax refunds.

### 2. Deposits and Investments

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

Custodial credit risk is the risk that in the event of a bank failure, GovGuam's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, collateralized with securities held by the pledging financial institution, or held by the pledging financial institution but not in the depositor-government's name.

# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### A. Deposits

As of September 30, 2023, the carrying amount of the primary government's total cash and cash equivalents was \$757,137,546 and the corresponding bank balances were \$790,382,406. Of the bank balances, \$603,443,818 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. As of September 30, 2023, bank deposits in the amount of \$1,000,000 were FDIC insured and bank deposits in the amount of \$500,000 were NCUA insured.

The remaining bank deposits of \$186,938,588 represents short-term investments held and administered by GovGuam's trustees in accordance with various trust agreements and bond indentures. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam's name by GovGuam's custodial financial institutions as of September 30, 2023.

As of September 30, 2023, the carrying amount of the fiduciary fund's total cash and cash equivalents and time certificates of deposit was \$28,556,448 and the corresponding bank balances were \$28,828,971, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2023, bank deposits in the amount of \$4,796,190 were FDIC insured.

In accordance with 5 GCA 21, *Investments and Deposits*, GovGuam requires collateralization of deposits in excess of depository insurance limits in an amount in value at least ten percent in excess of the amounts of monies deposited with the financial institution. Such collateralization shall be in securities in U.S. treasury notes or bonds or in U.S. government agencies for which the faith and credit of the United States are pledged for the payment of principal and interest; evidence of indebtedness of GovGuam; investment certificates of the Federal Home Loan Bank; or such other securities as may be approved by the Director of Administration and the Governor of Guam. As of September 30, 2023, substantially all of the respective GovGuam and component unit bank deposits in excess of depository insurance limits are collateralized with securities held by the pledging financial institution.

#### B. Investments

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amounts of investments in any one issuer that represents five percent (5%) or more of total investments for GovGuam.

Government of Guam

Notes to Financial Statements, continued

2. Deposits and Investments, continued

B. Investments, continued

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, GovGuam will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. GovGuam’s investments are held and administered by trustees in accordance with various bond indentures for the purpose of funding various health-related projects under a tobacco settlement agreement and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam’s name by GovGuam’s custodial financial institutions as of September 30, 2023.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt instruments. GovGuam does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of September 30, 2023, the primary government has the following recurring fair value measurements:

	Fair Value Measurements Using			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equities	\$ 816,807	\$ 816,807	\$ ---	\$ ---
Real Estate Investment Trusts	14,679	---	14,679	---
Mutual funds	2,278,374	2,278,374	---	---
Exchange Traded Products	<u>4,763,289</u>	<u>4,763,289</u>	---	---
Total investments by fair value level	7,873,149	<u>\$ 7,858,470</u>	<u>\$ 14,679</u>	<u>\$ ---</u>
Investments measured at amortized cost:				
Time certificates of deposit	<u>9,796,368</u>			
	<u>\$ 17,669,517</u>			

Government of Guam Retirement Fund (GGRF):

Investments of GGRF include U.S. Federal Government and agency obligations, foreign government obligations, real estate, commercial mortgages, corporate debt, mutual funds and equity instruments. Investments are reported at fair value. Securities transactions and any resulting gains or losses are accounted for on a trade date basis. Investments other than real estate, commercial mortgages and other loans, and municipal revenue bonds are reported at market values determined by the custodial agents. The agent’s determination of market values includes, among other things, using pricing services or prices quoted by independent brokers at current exchange rates. Commercial mortgages and other loans and municipal revenue bonds have been valued on an amortized cost basis, which approximates market or fair value. No allowance for loan loss has been provided as all loans and bonds are considered by management to be fully collectible. Short-term investments are reported at cost, which approximates market value.

# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### B. Investments, continued

For investments where no readily ascertainable market value exists, management, in consultation with their investment advisor, has determined the fair values for the individual investments based on anticipated maturity dates and current interest rates commensurate with the investment's degree of risk.

Northern Trust Company holds the investments as custodian in GGRF's name. In addition, GGRF has selected investment managers who are given authority to purchase and sell securities in accordance with the following guidelines as established by GGRF:

- a. Cash and Cash Equivalents - Cash equivalent reserves must consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposit, time deposits, and repurchase agreements are also acceptable investment vehicles. All other securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above. No single issue shall have a maturity of greater than two years, and the cash portfolio shall have a maturity of less than one year. Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the custodian.
- b. Investment managers may invest in U.S. and non-U.S. common stocks, American Depository Receipts (ADRs), convertible bonds, preferred stocks, fixed-income securities, mutual funds and short-term securities. All fixed-income securities held in the portfolio must have a Moody's, Standard & Poor's and/or a Fitch's credit quality rating of no less than "BBB". U.S. Treasury and U.S. government agencies are qualified for inclusion in the portfolio. No more than twenty percent (20%) of the market value of the portfolio may be rated less than single "A" quality unless the manager has specific written authorization. Eighty percent (80%) of the fixed-income portfolio must be in bonds of credit quality of no less than "A". Total portfolio quality (capitalization weighted) must maintain an "A" minimum rating. In case such bonds or other evidence of indebtedness are not so rated by two nationally recognized and published rating services, the net earnings available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year and during either of the last two years have been, after depreciation and taxes, not less than:
  - i. Two times its average annual fixed charges over the same period, in the case of any public utility company;
  - ii. One and one-half times its average annual fixed charges over the same period, in the case of any financial company; or,
  - iii. Three times its average annual fixed charges over the same period, in the case of any other company.

# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

With the written petition and subsequent written approval of the Trustees, opportunistic investment bonds issued by national governments other than the United States or foreign corporations may comprise up to six percent (6%) of each fixed-income manager's portfolio. In no case shall these investments exceed three and one-half percent (3.5%) of the total GGRF investments. All non-U.S. securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above.

For U.S. equities, equity holdings are restricted to readily marketable securities of corporations that are actively traded on the major U.S. exchanges and over the counter. For investments in common and preferred stock:

- i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment;
- iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidence of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends, and dividends on prior common or capital stock have been paid in full; and
- v. Preferred stock must also adhere to the following - the net earnings of the institution available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year, and during either of the last two years have been, after depreciation and income taxes, no less than:
  1. Two times its average annual fixed charges, maximum contingent interest and preferred dividend requirements over the same period, in the case of any public utility company; or
  2. Three times its average annual fixed charges, maximum contingent interest, and preferred dividend requirements over the same period, in the case of any other company.

# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

For non-U.S. equities, common or capital stock of any institution or entity created or existing under the laws of any foreign country are permissible investments, provided that:

- i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;
- iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment; and
- iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidence of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends and dividends on prior common or capital stock have been paid in full.

Consistent with the desire to maintain broad diversification, allocations to any country, industry or other economic sector should not be excessive.

- c. No investment management organization shall have more than twenty-five percent (25%) of the GGRF's assets under its direction.
- d. No individual security of any issuer, other than that of the United States government or GovGuam, shall constitute more than five percent (5%), at cost, of the total GGRF or of any investment manager's portfolio.
- e. Holdings of any issuer must constitute no more than five percent (5%) of the outstanding securities of such issuer.
- f. Investments in a registered mutual fund managed by the investment manager are subject to prior approval of the Board of Trustees.
- g. The following securities and transactions are not authorized: letter stock and other unregistered securities; non-negotiable securities; commodities or other commodity contracts; and short sales origin transactions. Options and futures are restricted, except by petition to the Trustees for approval.

# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

Investments of GGRF as of September 30, 2023, are classified as follows:

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>457 Deferred Compensation</u>	<u>Total</u>
Common Stocks	\$1,328,842,274	\$ -	\$ -	\$1,328,842,274
Fixed income securities	481,609,085	-	-	481,609,085
Money market funds	26,811,000	-	-	26,811,000
Mutual funds	<u>35,165,559</u>	<u>476,015,884</u>	<u>148,966,854</u>	<u>660,148,297</u>
	<u>\$1,872,427,918</u>	<u>\$ 476,015,884</u>	<u>\$ 148,966,854</u>	<u>\$2,497,410,656</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. One of the ways that GGRF manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations and benefit payments. Mutual funds held by the 457 Deferred Compensation Plan of \$148,966,854 have exposure to interest rate risk.

As of September 30, 2023, GGRF's investments in fixed income debt securities were as follows:

	<u>Investment Maturities (In Years)</u>				<u>Fair Value</u>
	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>Greater Than 10</u>	
U.S. Treasury notes	\$ ---	\$ 8,802,726	\$ 47,688,370	\$ 85,282,733	\$141,773,829
U.S. government agencies	---	6,219,794	4,948,803	112,427,635	123,596,232
Corporate notes and bonds	<u>1,841,156</u>	<u>117,648,964</u>	<u>64,260,028</u>	<u>32,488,876</u>	<u>216,239,024</u>
	<u>\$1,841,156</u>	<u>\$132,671,484</u>	<u>\$116,897,201</u>	<u>\$230,199,244</u>	<u>\$481,609,085</u>

GGRF's investments are typically made in corporate equities, U.S. Treasury obligations, and commercial paper. These types of investments are not more sensitive to interest rate fluctuations than as already indicated above. Investments that are highly sensitive to interest rate fluctuations include Federal agency securities with coupon multipliers that are reset frequently, mortgage-backed securities, and Federal agency securities with interest rates that vary inversely to a benchmark set quarterly.

# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

GGRF has invested in mortgage-backed securities, which are more sensitive to fluctuations in interest rates than already indicated in the information provided above. Such securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. As of September 30, 2023, GGRF held mortgage-backed securities valued at approximately \$124,900,000.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

GGRF's credit quality distribution for debt securities as of September 30, 2023, is as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Amount</u>
Government Bonds	AAA/AA/A	\$ 40,798,084
Corporate Bonds	BBB/BB/B	149,963,626
Corporate Bonds	CCC/CC/C	11,612,081
Corporate Bonds	D	221,701
U.S. Government Guaranteed	Not Applicable	261,542,886
Not Rated	Not Rated	<u>17,470,707</u>
		<u>\$481,609,085</u>

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. As of September 30, 2023, the Fund did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total GGRF investments.

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. As of September 30, 2023, GGRF held approximately \$24,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$8,000,000 was issued by Canadian companies, \$4,000,000 by British companies, \$2,000,000 by Australian companies, \$2,000,000 by Dutch companies, \$1,000,000 by French companies, and \$7,000,000 by 19 other country companies.



# Government of Guam

## Notes to Financial Statements, continued

### 2. Deposits and Investments, continued

#### B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

As of September 30, 2023, GGRF held investments (generally U.S. dollar denominated ADRs) in corporate stocks issued by companies organized in various foreign countries. These ADRs are indirectly affected by fluctuations in currency exchange rates. The market value of these investments as of September 30, 2023, was approximately \$232,000,000. Of this total, approximately \$61,000,000 relates to companies whose functional currency is the Euro, \$60,000,000 relates to companies whose functional currency is Japanese Yen, \$36,000,000 relates to companies whose functional currency is the British Pound, \$19,000,000 relates to companies whose functional currency is the Australian Dollar, \$13,000,000 relates to companies whose functional currency is the Swiss Franc, and the remaining \$43,000,000 relates to companies representing ten separate functional currencies.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Guam Code Annotated and GGRF's investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits and investments. The Guam Code Annotated requires that a financial institution secure deposits made by GovGuam agencies by pledging securities in: "(a) Treasury notes or bonds of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, (b) any evidence of indebtedness of the Government of Guam, (c) Investment certificates of the Federal Home Loan Bank, or (d) such other securities as may be ... approved by the Director of Administration and the Governor of Guam.". The fair market value of the pledged securities must be at least ten percent (10%) in excess of the amounts of money deposited with the bank.

Further, to address custodial risk, the Guam Code Annotated requires the custodian to have been in the business of rendering trust custody services for ten or more years, to be organized under the laws of the United States or a state or territory thereof, to have capital and surplus in excess of Ten Million Dollars (\$10,000,000), and to be a member of the Federal Reserve System whose deposits are insured by the Federal Deposit Insurance Corporation. Regardless of the above, any locally chartered bank may act as custodian for GGRF.

Government of Guam

Notes to Financial Statements, continued

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

GGRF has the following recurring fair value measurements as of September 30, 2023:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equity securities	\$1,328,842,274	\$1,328,842,274	\$ ---	\$ ---
U.S. Treasury notes	141,773,829	---	141,773,829	---
Corporate notes and bonds	216,239,024	---	216,239,024	---
Mortgage-backed securities	123,596,232	---	123,596,232	---
Mutual funds	<u>660,148,297</u>	<u>660,148,297</u>	---	---
	2,470,599,656	<u>\$1,988,990,571</u>	<u>\$481,609,085</u>	<u>\$ ---</u>
Investments measured at NAV:				
Money market funds	<u>26,811,000</u>			
	<u>\$2,497,410,656</u>			

3. Receivables and Tax Abatements

A. Receivables

Receivables as of September 30, 2023, for the primary government's individual major governmental funds and nonmajor governmental funds in the aggregate, including allowances for uncollectible accounts, are as follows:

	General	Federal Grants Assistance	ARPA Assistance	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
Receivables:							
Taxes	\$ 241,729,056	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,420,225	\$ 245,149,281
Federal	1,451,212	100,484,053	---	23,828,689	---	2,434,854	128,198,808
Leases	---	---	---	---	---	17,731,147	17,731,147
Other	<u>5,133,338</u>	---	---	---	---	<u>10,810,458</u>	<u>15,943,796</u>
	248,313,606	100,484,053	---	23,828,689	---	34,396,684	407,023,032
Allowance	<u>(174,560,331)</u>	---	---	---	---	<u>(5,255,917)</u>	<u>(179,816,248)</u>
	<u>\$ 73,753,275</u>	<u>\$100,484,053</u>	<u>\$ ---</u>	<u>\$ 23,828,689</u>	<u>\$ ---</u>	<u>\$ 29,140,767</u>	<u>\$ 227,206,784</u>

Receivables recorded by the fiduciary funds includes contributions receivable owed to the GovGuam Retirement Fund (GGRF) for employer and member contributions from various GovGuam agencies. As of September 30, 2023, employer contributions receivable totaled \$5,871,068; member contributions receivable totaled \$2,309,376; and interest and penalties receivable totaled \$95,356.

# Government of Guam

## Notes to Financial Statements, continued

### 3. Receivables and Tax Abatements, continued

#### B. Tax Abatements

As of September 30, 2023, GovGuam provided tax abatements through the following programs:

*Guam Registered Apprenticeship Program (GRAP)* provides tax abatement incentives to eligible businesses that employ apprentices who are duly enrolled and registered in the program. Eligible businesses are entitled to tax abatement against their gross receipts tax liability equal to fifty percent (50%) of the eligible training costs paid or incurred by the business. Eligible training costs include direct wages of apprentices, direct fringe benefits (medical and dental insurance), journeyman's wages (on-the-job training), instructor costs (academic and trade theory), training costs (books and tuition), and personal protective equipment.

The GRAP Program was created under Public Law 28-142 for the purposes of reducing the shortage of highly skilled workers; encouraging employers to hire and train apprentices in highly skilled trades and occupations; authorizing up to 50% abatement of gross receipts taxes for certain long term apprenticeship training expenses; and ensuring that apprentices continue to pay income taxes and participate in the economy.

The eligible business should be duly enrolled and registered under GRAP with the Department of Labor. The apprentice's occupation should be on the GRAP Demand Occupations Listing which is compiled by the Director of the Department of Labor and approved by the Governor and the Legislature of Guam. The eligible business must not be a beneficiary of a Qualifying Certificate issued by the Guam Economic Development Authority.

*Qualifying Certificate (QC) Program* was created under Public Law 8-80 and amended under Public Law 20-178 and Public Law 22-159 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam.

Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business;
- Up to 100% abatement of gross receipts tax on income from the sale of alcoholic beverages and petroleum products manufactured in Guam for up to ten (10) years;
- Up to 100% abatement of gross receipts tax on income derived from underwriting insurance risks either in or out of Guam for up to twenty (20) years;
- Up to 100% rebate of corporate income tax for up to twenty (20) years.

# Government of Guam

## Notes to Financial Statements, continued

### 3. Receivables and Tax Abatements, continued

#### B. Tax Abatements, continued

*Harmon Industrial Park Roadway Tax Incentive Program* was created under Public Law 33-191 and 34-10, which provides business entities that comprise the Harmon Industrial Park Association with tax benefits to encourage the rehabilitation and improvement of the Harmon Industrial Park roadway. Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of gross receipts tax not to exceed \$1,000,000 over a four-year period or \$250,000 for each year of the program;
- Up to 100% abatement of excise tax not to exceed \$3,000,000 over a four-year period or \$750,000 for each year of the program.

*Special Hotel Qualifying Certificate (QC) Program* was created under Public Law 32-233 specifically for the development of one thousand six hundred (1,600) new hotel rooms by the year 2020, a goal set forth by the Guam Visitors Bureau Vision 2020 plan. This program provides additional incentives to hotel developers in order to meet this goal and shall remain in effect until the earlier of five years; 1,600 hotel rooms have been committed to be built; or a China Visa Waiver or China Visa Parole declaration has been approved for Guam. Developers and owners are allowed a tax rebate, exemption or abatement in an amount equal to ten percent (10%) of their total construction costs, which can be applied by the developer, at their discretion, to the following taxes:

- Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business;
- Up to 50% abatement of gross receipts tax payable to GovGuam for up to twenty (20) years;
- Up to 100% abatement of excise tax with respect to the property used to construct, furnish and equip the new facility construction or substantial expansion of an existing building;
- Up to 100% rebate of corporate income tax for up to twenty (20) years.

Government of Guam

Notes to Financial Statements, continued

**3. Receivables and Tax Abatements, continued**

B. Tax Abatements, continued

During the year ended September 30, 2023, information relevant to the disclosure of these programs is as follows:

Gross Receipts Tax:	
Guam Registered Apprenticeship Program	\$10,424,556
Qualifying Certificate Program	782,642
Real Property Tax:	
Special Hotel Qualifying Certificate Program	<u>750,617</u>
	<u>\$11,957,815</u>

**4. Interfund Receivables/Payables**

Receivables and payables between funds reflected as due to/from other funds as of September 30, 2023, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Federal Grants Assistance	\$ 58,513,959
General	ARPA Assistance	27,609,455
General	GDOE Federal Grants	15,816,423
General	Nonmajor governmental funds	29,451,336
Nonmajor governmental funds	General	<u>42,183,512</u>
		<u>\$173,574,685</u>

Receivables and payables between funds reflected as due to/due from component units as of September 30, 2023, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Guam Memorial Hospital Authority	\$24,849,472	\$ ---
Guam Visitors Bureau	---	4,061,937
Other governmental funds:		
Antonio B. Won Pat International Airport Authority	1,532,095	9,254,625
Guam Economic Development Authority	<u>77,410</u>	<u>---</u>
	<u>\$26,458,977</u>	<u>\$13,316,562</u>

Government of Guam

Notes to Financial Statements, continued

**5. Capital Assets**

Capital asset activities of the primary government for the year ended September 30, 2023, are as follows:

	Estimated Useful Lives	Balance October 1, 2022	Additions	Transfers	Retirements	Balance September 30, 2023
Governmental activities:						
Nondepreciable capital assets:						
Land		\$ 50,656,897	\$ 1,913,538	\$ ---	\$ ---	\$ 52,570,435
Construction in progress		<u>35,537,474</u>	<u>33,918,060</u>	<u>(13,132,412)</u>	<u>---</u>	<u>56,323,122</u>
		<u>86,194,371</u>	<u>35,831,598</u>	<u>(13,132,412)</u>	<u>---</u>	<u>108,893,557</u>
Capital assets being depreciated and amortized:						
Landfill cells	Capacity	101,273,627	---	---	---	101,273,627
Right-to-use assets		28,983,053	3,909,799	---	---	32,892,852
Buildings	40-60 yrs.	633,305,763	8,221,533	2,946,761	(5,159,785)	639,314,272
Machinery, equipment and furniture	5-20 yrs.	141,657,205	12,104,448	1,371,702	(12,486,064)	142,647,291
Infrastructure	25 yrs.	<u>976,793,826</u>	<u>3,741,167</u>	<u>8,813,949</u>	<u>---</u>	<u>989,348,942</u>
		<u>1,882,013,474</u>	<u>27,976,947</u>	<u>13,132,412</u>	<u>(17,645,849)</u>	<u>1,905,476,984</u>
Less accumulated depreciation and amortization:						
Landfill cells		(57,185,011)	(4,554,531)	---	---	(61,739,542)
Right-to-use assets		(8,221,584)	(8,160,183)	---	---	(16,381,767)
Buildings		(275,756,391)	(20,401,438)	---	4,085,053	(292,072,776)
Machinery, equipment and furniture		(133,627,771)	(3,461,691)	---	9,771,530	(127,317,932)
Infrastructure		<u>(578,196,497)</u>	<u>(33,604,970)</u>	<u>---</u>	<u>---</u>	<u>(611,801,467)</u>
		<u>(1,052,987,254)</u>	<u>(70,182,813)</u>	<u>---</u>	<u>13,856,583</u>	<u>(1,109,313,484)</u>
Capital assets, net		<u>829,026,220</u>	<u>(42,205,866)</u>	<u>13,132,412</u>	<u>(3,789,266)</u>	<u>796,163,500</u>
		<u>\$ 915,220,591</u>	<u>\$ (6,374,268)</u>	<u>\$ ---</u>	<u>\$ (3,789,266)</u>	<u>\$ 905,057,057</u>

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

General government	\$ 7,446,471
Protection of life and property	5,506,591
Public health	1,235,248
Community services	126,070
Recreation	191,140
Individual and collective rights	2,842,783
Transportation	30,469,341
Public education	17,800,195
Environmental protection	5,424,261
Economic development	<u>( 859,287)</u>
	<u>\$70,182,813</u>

Government of Guam

Notes to Financial Statements, continued

**6. Long-Term Obligations**

General Obligation Bonds (GOB):

As of September 30, 2023, the primary government had the following general obligation bonds outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
General Obligation Bonds: Series A, 2019	July 25, 2019	\$ 27,610,000	5%	November 15, 2031	\$21,720,000
Add: unamortized bond premium					<u>2,685,187</u>
					<u>\$24,405,187</u>

A summary of the general obligation bond premium activity for the year ended September 30, 2023, is as follows:

Balance - October 1, 2022	\$ 3,020,827
Current year amortization	<u>( 335,640)</u>
Balance - September 30, 2023	<u>\$ 2,685,187</u>

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,960,000	\$1,037,000	\$ 2,997,000
2025	2,060,000	936,500	2,996,500
2026	2,165,000	830,875	2,995,875
2027	2,275,000	719,875	2,994,875
2028	2,395,000	603,125	2,998,125
2029 - 2032	<u>10,865,000</u>	<u>1,120,625</u>	<u>11,985,625</u>
	<u>\$21,720,000</u>	<u>\$5,248,000</u>	<u>\$26,968,000</u>

*GOB Series A, 2019 Bonds*

The GOB Series A, 2019 bonds were issued for the purpose of providing proceeds to fund the construction of a new cell for the Layon landfill (the Series 2019 Project) and are backed solely by the full faith and credit of GovGuam. The Issuance Certificate, dated July 1, 2019, sets forth the establishment of accounts, the periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following funds and accounts are established under the Certificate dated July 1, 2019:

Government of Guam

Notes to Financial Statements, continued

**6. Long-Term Obligations, continued**

General Obligation Bonds (GOB), continued:

*GOB Series A, 2019 Bonds, continued*

Proceeds Fund - Moneys on deposit in the Proceeds Fund are disbursed by the Depository for the payment of the expenses of GovGuam to be funded from Bond proceeds and the costs associated with the issuance of the Bonds, and, to the extent necessary, to fund any deficiency in the Bond Fund to pay principal of, mandatory sinking account payments for and interest on the Bonds.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

Construction Account - Moneys on deposit in the Construction Account were disbursed by the Depository for the payment of the project costs associated with the Series 2019 Project.

Bond Fund - the Trustee shall apply moneys on deposit in this Fund solely for the purposes of (1) paying interest on the Bonds as it shall become due and payable, (2) paying the principal of the Serial Bonds when due and payable and (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the Certificate.

Limited Obligation Bonds (LOB):

As of September 30, 2023, the primary government had the following limited obligation bonds outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Limited Obligation Bonds:					
Series B (BPT), 2012 Taxable	June 6, 2012	\$ 27,375,000	4.4% - 4.9%	January 1, 2026	\$ 9,415,000
Series D, (BPT) 2015	September 9, 2015	\$ 410,485,000	4.0% - 5.0%	November 15, 2039	360,775,000
Series A (Section 30), 2016	August 17, 2016	\$ 236,605,000	5%	December 1, 2046	184,560,000
Series A (HOT), 2021	March 31, 2021	\$ 58,865,000	5%	November 1, 2040	58,865,000
Series E (BPT), 2021	May 27, 2021	\$ 19,070,000	3.25%	November 15, 2026	19,070,000
Series F (BPT), 2021	October 7, 2021	\$ 258,550,000	4.0% - 5.0%	January 1, 2042	<u>258,550,000</u>
					891,235,000
Add: unamortized bond premium					<u>113,086,713</u>
					<u>\$1,004,321,713</u>

A summary of the limited obligation bond premium activity for the year ended September 30, 2023, is as follows:

Balance - October 1, 2022	\$ 117,435,369
Current year amortization	( <u>4,348,656</u> )
Balance - September 30, 2023	<u>\$ 113,086,713</u>



Government of Guam

Notes to Financial Statements, continued

**6. Long-Term Obligations, continued**

Limited Obligation Bonds (LOB), continued:

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

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,750,000	\$ 41,080,523	\$ 73,830,523
2025	32,925,000	39,522,819	72,447,819
2026	34,380,000	37,927,188	72,307,188
2027	32,695,000	36,338,513	69,033,513
2028	36,525,000	34,652,025	71,177,025
2029 - 2033	261,200,000	137,573,175	398,773,175
2034 - 2038	286,385,000	70,830,900	357,215,900
2039 - 2043	157,900,000	16,456,050	174,356,050
2044 - 2047	<u>16,475,000</u>	<u>1,699,125</u>	<u>18,174,125</u>
	<u>\$891,235,000</u>	<u>\$416,080,318</u>	<u>\$1,307,315,318</u>

*BPT Series B, 2012, Series D, 2015, Series E, 2021 Bonds, Series F, 2021 Bonds*

On May 27, 2021, GovGuam issued \$19,070,000 in Business Privilege Tax Revenue Bonds, 2021 Series E to partially refund \$26,490,000 of outstanding Business Privilege Tax Revenue Bonds, 2015 Series D bonds. Of the net proceeds of \$18,790,307 together with available funds of \$8,986,540 held by GovGuam, \$27,776,847 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Business Privilege Tax Revenue Bonds, 2015 Series D refunded bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of \$1,286,847, which was deferred and amortized to expense using the effective interest rate method over the average remaining life of the 2015 Series D refunded bonds. The deferred loss on refunding balance was fully amortized as of September 30, 2023.

On September 9, 2015, GovGuam issued \$410,485,000 in Business Privilege Tax Revenue Bonds, 2015 Series D to refund \$151,935,000 of outstanding General Obligation Bonds, 2007 Series A bonds and partially refund \$229,020,000 of outstanding General Obligation Bonds, 2009 Series A bonds. Of the net proceeds of \$455,135,254 (including an issue premium of \$44,650,254), \$454,758,932 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding General Obligation Bonds, 2007 Series A and General Obligation Bonds, 2009 Series A.

# Government of Guam

## Notes to Financial Statements, continued

### **Long-Term Obligations, continued**

Limited Obligation Bonds (LOB), continued:

*BPT Series B, 2012, Series D, 2015, Series E, 2021 Bonds, Series F, 2021 Bonds, continued*

As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of \$82,801,641, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2007 and 2009 Series A refunded bonds. The unamortized balance of the deferred loss on refunding is \$54,204,705 as of September 30, 2023.

The BPT Series B, 2012, Series D, 2015, Series E 2021, and Series F 2021 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of business privilege tax revenues. These bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, COLA settlement payments, health insurance premium payments and delinquent retirement fund contributions, advance refunding 2007 and 2009 GOB bonds, and funding capitalized interest (collectively, the Eligible Expenses). For the year ended September 30, 2023, principal and interest paid and total gross receipts tax revenues were \$34,189,847 and \$368,613,203, respectively.

The General Indenture, dated December 1, 2011, as updated by supplemental indentures, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following rate covenant together with funds and accounts are established under the General Indenture dated December 1, 2011:

Rate Covenant - GovGuam has covenanted that it will impose, levy, and enforce taxes of the type now imposed by 11 GCA §26201 and collect Business Privilege Tax revenues. Furthermore, GovGuam has covenanted that it will not reduce the rate of levy and collection of pledged business privilege tax revenues below 3% nor will GovGuam reduce the services or the products activities to which the pledged business privilege tax applies, nor will GovGuam upwardly adjust any exception or exclusion to, or otherwise impair, the pledged business privilege tax.

Escrow Fund - Moneys on deposit in the Escrow Fund were disbursed to pay the principal of and interest on the refunded 2007 and 2009 GOB bonds.

Proceeds Fund - Moneys on deposit in the Proceeds Fund were disbursed by the Depository for the payment of Eligible Expenses of GovGuam to be funded from Bond proceeds and the costs associated with the issuance of the Bonds.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

# Government of Guam

## Notes to Financial Statements, continued

### 6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

*BPT Series B, 2012, Series D, 2015, Series E, 2021 Bonds, Series F, 2021 Bonds, continued*

Capitalized Interest Account - Moneys on deposit in the Capitalized Interest Account were disbursed by the Depository for the payment of capitalized interest on the Bonds.

Bond Fund - the Trustee shall apply moneys on deposit in this Fund solely for the purposes of: (1) paying interest on the Bonds as it shall become due and payable; (2) paying the principal of the Serial Bonds when due and payable; (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the General Indenture; (4) paying Parity Payment Agreement Payments due and payable; and (5) paying Credit Agreement Reimbursement Payments due and payable. As of September 30, 2023, GovGuam is not a party to any Parity Payment or Credit Agreement Reimbursement Payment Agreements.

Revenue Fund - the General Indenture created a Revenue Fund into which GovGuam shall deposit all business privilege tax revenues, upon receipt, and which the Trustee, as Depository, will maintain funds sufficient to satisfy the General Indenture and return the balance to the General Fund.

#### *Section 30 Series A, 2016 Bonds*

On August 17, 2016, GovGuam issued \$236,605,000 in Limited Obligation (Section 30) Bonds, 2016 Series A to refund \$182,610,000 of outstanding Limited Obligation (Section 30) Bonds, 2009 Series A bonds, refinancing all of the outstanding 2013 Series B Certificates of Participation (Okkodo High School Expansion Project), and to provide additional proceeds to fund certain working capital costs of the Guam Memorial Hospital Authority. Of the net proceeds of \$280,547,958 (including an issue premium of \$43,942,958), \$211,658,081 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Limited Obligation (Section 30) Bonds, 2009 Series A. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of \$31,939,331, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2009 refunded bonds. The unamortized balance of the deferred loss on refunding is \$19,518,482 as of September 30, 2023.

# Government of Guam

## Notes to Financial Statements, continued

### **6. Long-Term Obligations, continued**

Limited Obligation Bonds (LOB), continued:

#### *Section 30 Series A, 2016 Bonds, continued*

The Section 30 Series A, 2016 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of Section 30 revenues. For the year ended September 30, 2023, principal and interest paid and total Section 30 revenues were \$20,989,875 and \$70,398,471, respectively.

The General Indenture, dated June 1, 2009, as amended and restated by an Amended and Restated Indenture, dated August 1, 2016, as updated by supplemental indentures, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following revenue covenant together with funds and accounts are established under the Amended and Restated Indenture dated August 1, 2016:

**Revenue Covenant** - GovGuam has covenanted that it will not issue or incur any obligations having a claim on the Section 30 Revenues prior to the claim of the Section 30 Series A, 2016 bonds and any bonds on a parity therewith. GovGuam has also covenanted that it shall deposit or cause to be deposited all Section 30 Revenues upon receipt into the Section 30 Revenue Fund which the Trustee shall maintain in trust to pay debt service and pledged expenditures and return the balance to the General Fund.

**Escrow Fund** - Moneys on deposit in the Escrow Fund were disbursed to pay the principal of and interest on the refunded 2009 Section 30 LOB bonds and 2013 Series B certificates of participation.

**Project Account** - Moneys on deposit in the Project Account were disbursed by the Depository for the payment of 2016 Hospital Working Capital Project Costs.

**Costs of Issuance Account** - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

**Section 30 Revenue Fund** - the Amended and Restated Indenture created the Section 30 Revenue Fund into which GovGuam shall deposit all Section 30 revenues, upon receipt, and which the Trustee, as Depository, will maintain pursuant to the Amended and Restated Indenture.

# Government of Guam

## Notes to Financial Statements, continued

### 6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

#### *Section 30 Series A, 2016 Bonds, continued*

In accordance with the Amended and Restated Indenture, the Trustee created the following funds within the Section 30 Revenue Fund:

- **Bond Reserve Fund** - the Trustee is required to maintain within the Bond Reserve Fund an amount equal to the Bond Reserve Fund Requirement. The Bond Reserve Fund Requirement represents, as of any date of calculation and with respect to any Bonds, monies in the aggregate amount within each Bond Year at least sufficient to pay and provide for the sum of: (1) an aggregate amount equal to at least 125% of aggregate annual debt service for such Bond Year; (2) an aggregate amount equal to the amounts required to be deposited in the Rebate Fund during such Bond Year required by the Amended and Restated Indenture, plus the amount of Bond Expenses estimated by the Trustee to be payable during such Bond Year; and (3) such amounts as may be required pursuant to the Amended and Restated Indenture (and any supplemental indenture for the issuance of additional Bonds) to increase or restore the Bond Reserve Fund to the Bond Reserve Fund Requirement. As of September 30, 2023, GovGuam maintains \$16,317,823 in the General Fund as restricted cash and cash equivalents in accordance with the Bond Reserve Fund Requirement.
- **Debt Service Fund** - the Trustee is required to maintain within the Debt Service Fund an amount equal to the sum of: (1) the interest then due or to become due on all outstanding bonds during the period ending on November 30 of the next succeeding fiscal year; and (2) the principal (including any Mandatory Sinking Account Payments) then due or to become due on all outstanding bonds during the period ending on November 30 of the next succeeding fiscal year. As of September 30, 2023, GovGuam maintains \$19,655,508 in the General Fund as restricted cash and cash equivalents in accordance with the Debt Service Fund Requirement.

# Government of Guam

## Notes to Financial Statements, continued

### 6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

#### *HOT Series A, 2021 Bonds*

On March 31, 2021, GovGuam issued \$58,865,000 in Hotel Occupancy Tax Revenue Bonds, 2021 Series A to refund \$70,540,000 of outstanding Hotel Occupancy Tax Revenue Bonds, 2011 Series A bonds. Of the net proceeds of \$70,317,349 (including an issue premium of \$12,790,466) together with available funds of \$2,445,101 held by GovGuam, \$72,762,450 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Hotel Occupancy Tax Revenue Bonds, 2011 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of \$3,688,650, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2011 refunded bonds. The unamortized balance of the deferred loss on refunding is \$3,006,270 as of September 30, 2023.

The HOT Series A, 2021 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of hotel occupancy tax revenues. These bonds were issued for the purpose of advance refunding 2011 HOT Bonds. For the year ended September 30, 2023, principal and interest paid and total hotel occupancy tax revenues were \$2,943,250 and \$28,514,576, respectively.

The General Indenture, dated April 1, 2011, as supplemented by a supplemental indenture, dated April 1, 2021, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following rate covenant together with funds and accounts are established under the General Indenture dated April 1, 2021:

Rate Covenant - GovGuam has covenanted that it will impose, levy, and enforce taxes of the type now imposed by 11 GCA §30101 and collect Hotel Occupancy Tax revenues (or may, in its sole and absolute discretion, but shall not be obligated to, pay into the Revenue Fund moneys from any other legally available source) in the aggregate amount within each Bond Year at least sufficient to pay and provide for the sum of: (1) an aggregate amount equal to at least 125% of aggregate annual debt service for such Bond Year; (2) an aggregate amount equal to the amounts required to be deposited in the Rebate Fund during such Bond Year required by the General Indenture, plus the amount of Bond Expenses estimated by the Trustee to be payable during such Bond Year; and (3) such amounts as may be required pursuant to the General Indenture (and any supplemental indenture for the issuance of additional Bonds) to increase or restore the Bond Reserve Fund to the Bond Reserve Fund Requirement.

# Government of Guam

## Notes to Financial Statements, continued

### 6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

#### *HOT Series A, 2021 Bonds, continued*

Construction Fund - Moneys on deposit in the Construction Account are being disbursed by the Depository for the payment of Infrastructure Improvement Project Costs.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depository for the payment of the costs associated with the issuance of the Bonds.

Capitalized Interest Account - Moneys on deposit in the Capitalized Interest Account were disbursed by the Depository for the payment of capitalized interest on the Bonds.

Bond Fund - the Trustee shall apply moneys on deposit in this Fund solely for the purposes of: (1) paying interest on the Bonds as it shall become due and payable; (2) paying the principal of the Serial Bonds when due and payable; (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the General Indenture; and (4) paying Parity Payment Agreement Payments due and payable. As of September 30, 2023, GovGuam is not a party to any Parity Payment Agreements.

Bond Reserve Fund - the General Indenture created a Bond Reserve Fund available for the purpose of paying debt service on Bonds (including Payment Agreement Payments) in the event of a deficiency in the Bond Fund. GovGuam is required to maintain an amount within the Bond Reserve Fund equal to the maximum annual debt service for the then current or future fiscal year on all outstanding HOT Series A, 2021 bonds. The Bond Reserve Fund Requirement represents, as of any date of calculation and with respect to any Bonds, an amount equal to: (i) the least of (A) the maximum annual debt service, calculated on all such Bonds Outstanding as of such date, (B) 125% of average annual debt service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than 10% of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance; or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any supplemental indenture. As of September 30, 2023, GovGuam maintains \$7,148,138 in the other governmental funds as restricted cash and cash equivalents in accordance with the Bond Reserve Fund Requirement.

Revenue Fund - the General Indenture created a Revenue Fund into which GovGuam shall deposit all hotel occupancy tax revenues, upon receipt, and which the Trustee, as Depository, will maintain funds sufficient to satisfy the General Indenture and return the balance to the Tourist Attraction Fund.

## Government of Guam

### Notes to Financial Statements, continued

#### **6. Long-Term Obligations, continued**

Limited Obligation Bonds (LOB), continued:

##### Events of Default

The respective Certificates and Indentures specify that any one or more of the following events will be considered an Event of Default:

(A) Default by GovGuam in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise; default by GovGuam in the redemption from any Mandatory Sinking Account Payment of any Term Bonds in the amounts and at the times provided therefor; or default by GovGuam in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(B) Default by GovGuam in the observance of any of the covenants, agreements or conditions on its part contained in the Issuance Certificates or in the Bonds, if such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to GovGuam by the Trustee or to GovGuam and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; or

(C) The assumption, under the provisions of any law relating to bankruptcy or insolvency or any similar law relating to creditor's rights, by any court of competent jurisdiction, of custody or control of GovGuam or of the whole or any substantial part of its property, if such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control.

In the event that the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee shall transfer such amount as is necessary to satisfy such deficiency. If after making all such transfers, the amount in such Fund or Account is insufficient, the Trustee shall promptly issue a notice of default to Bondholders.

##### Acceleration of Maturities

If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to GovGuam, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Issuance Certificates or in the Bonds contained to the contrary notwithstanding.



Government of Guam

Notes to Financial Statements, continued

**6. Long-Term Obligations, continued**

Limited Obligation Bonds (LOB), continued:

Acceleration of Maturities, continued

If an Event of Default occurs and is continuing, all moneys then held or thereafter received by the Trustee or the Depositary under any of the provisions of the respective Certificates and Indentures is required to be under the control of and applied by the Trustee as outlined in the respective Certificates and Indentures.

Management of GovGuam believes that it is in compliance with all significant covenants, limitations and restrictions of the respective Certificates and Indentures as of September 30, 2023.

Direct Borrowings:

As of September 30, 2023, the primary government had the following direct borrowings outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Direct Borrowings:					
Judicial Building loan	January 16, 2020	\$ 15,000,000	3.6%	December 1, 2051	\$11,813,866
Congress Building loan	April 28, 2014	\$ 4,000,000	4.5%	August 20, 2025	<u>3,131,008</u>
					<u>\$14,944,874</u>

Annual debt service requirements to maturity for the direct borrowings are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 436,829	\$ 560,411	\$ 997,240
2025	3,177,580	530,548	3,708,128
2026	255,609	404,431	660,040
2027	264,936	395,104	660,040
2028	273,524	386,516	660,040
2029 - 2033	1,529,621	1,770,579	3,300,200
2034 - 2038	1,829,924	1,470,276	3,300,200
2039 - 2043	2,189,195	1,111,005	3,300,200
2044 - 2048	2,618,733	681,467	3,300,200
2049 - 2052	<u>2,368,923</u>	<u>179,097</u>	<u>2,548,020</u>
	<u>\$14,944,874</u>	<u>\$7,489,434</u>	<u>\$22,434,308</u>

# Government of Guam

## Notes to Financial Statements, continued

### 6. Long-Term Obligations, continued

Direct Borrowings, continued:

#### *Judicial Building Loan*

In 2020, GovGuam refinanced a loan facility by entering into a \$15,000,000 credit agreement for the purpose of funding the acquisition of real property, additional renovations to existing facilities, and repayment of the existing 2006 loan. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues. The credit agreement, dated January 16, 2020, requires that all funds, monies, securities, and deposits, which comprise the Judicial Building Fund, shall be maintained in accounts with the lender. Furthermore, the credit agreement contains a provision that in the event of default, the lender has the ability to satisfy the indebtedness, in whole or in part, by enforcing and collecting any obligation subject to this pledge and assignment, or by applying any amounts in the Judicial Building Fund to obligations secured hereby. For the year ended September 30, 2023, principal and interest paid and total judicial fees, fines and building rental revenues were \$564,094 and \$1,016,070, respectively.

#### *Congress Building Loan*

In 2014, GovGuam entered into a bank loan to fund the modernization, refurbishment and renovation of the Guam Congress Building. The note is collateralized by the pledge and assignment of Capitol District Fund revenues. The credit agreement, dated April 28, 2014, requires that all funds, monies, securities, and deposits, which comprise the Capitol District Fund, shall be maintained in accounts with the lender. Furthermore, the credit agreement contains a provision that in the event of default, the lender has the ability to satisfy the indebtedness, in whole or in part, by enforcing and collecting any obligation subject to this pledge and assignment, or by applying any amounts in the Capitol District Fund to obligations secured hereby. For the year ended September 30, 2023, principal and interest paid and total building rental revenues were \$337,200 and \$228,406, respectively.

Management of GovGuam believes that it is in compliance with all significant covenants, limitations and restrictions of the respective credit agreements as of September 30, 2023.

#### School Financed Purchase Obligations:

GovGuam, on behalf of the Guam Department of Education (GDOE), has entered into finance leases that are, in substance, a purchase. At the date of acquisition, the assets are valued at the present value of the future minimum lease payments. Finance lease assets and obligations are recorded and reported in the governmental activity column of the government-wide financial statements. Interest expense for finance leases is not capitalized. Amortization of assets acquired under finance leases are included with depreciation expense.

# Government of Guam

## Notes to Financial Statements, continued

### 6. Long-Term Obligations, continued

School Financed Purchase Obligations, continued:

#### *Guam Public School Facilities Project*

Guam Education Financing Foundation, Inc. (GEFF) was incorporated in Guam as a not-for-profit corporation for the purpose of financing the construction of four new schools (the “Leased Schools”) on Guam, Okkodo High School, Astumbo Middle School, Adacao Elementary School and Liguán Elementary School. GovGuam, on behalf of GDOE, entered into a twenty-year purchase agreement with GEFF for the use of the four new schools, which commenced in October 2006.

Annual payments for the use of the Leased Schools and related facilities commenced on December 1, 2006, and are funded by a pledge of U.S. Compact Impact grant revenues through December 1, 2022, with the remaining payments subject to future appropriations by the Guam Legislature. After twenty years and all payments have been made, title to the Leased Schools and related facilities will transfer to GDOE.

#### *John F. Kennedy High School Project:*

CaPFA Capital Corp. 2010A (CaPFA) was incorporated in the State of Florida as a not-for-profit corporation for the purpose of financing the new John F. Kennedy (JFK) High School (the “new High School”) to be leased to GDOE upon completion. GovGuam, on behalf of GDOE, entered into a thirty-year purchase agreement with CaPFA for the use of the new High School, which commenced in August 2011.

Annual payments for the use of the new High School commenced on December 1, 2010, and are funded by annual appropriations by the Guam Legislature. After thirty years and all payments have been made, title to the new High School will transfer to GDOE.

#### *Okkodo High School Expansion Project:*

Guam Education Financing Foundation II, Inc. (GEFF II) was incorporated in Guam as a not-for-profit corporation for the purpose of financing the expansion of Okkodo High School to be leased to GDOE upon completion. GovGuam, on behalf of GDOE, entered into an eighteen-year purchase agreement with GEFF II for the use of the expansion, which commenced in July 2014.

Annual payments for the use of the expansion commenced on June 1, 2013 and are funded by annual appropriations by the Guam Legislature. After eighteen years and all payments have been made, title to the expansion will transfer to GDOE.

Government of Guam

Notes to Financial Statements, continued

**6. Long-Term Obligations, continued**

School Financed Purchase Obligations, continued:

*Tiyan:*

GovGuam, on behalf of GDOE, entered into an agreement with an option to purchase certain property located in Tiyan to temporarily house the JFK High School. The facility was vacated by JFK High School in 2011 and subsequently occupied by Untalan Middle School in 2013. The agreement, which is renewable annually, had a fixed annual payment of \$4,493,256 for the first five years payable in cash or by transferable tax credits. Payments commenced in August 2009 with a term through June 30, 2024. In 2011, GovGuam entered into an amendment extending the initial term to October 31, 2024, with a four-month payment abatement from October 1, 2011, through January 31, 2012, due to non-occupancy of the property. In 2013, GovGuam, on behalf of GDOE, exercised the option to purchase the Tiyan property. In addition to the purchase price of \$43,500,000 that comprises the Tiyan High School premises, the Guam Legislature enacted Public Law 31-229, authorizing GovGuam, on behalf of GDOE, to purchase additional property and the construction of new buildings and facilities for the Tiyan High School and the GDOE administration in the amount of \$43,648,970. Title to the Tiyan properties will transfer to GDOE after all payments have been made. In 2014, the Tiyan purchase agreement was amended to extend the term through December 31, 2041, plus \$7,499,090 of collateral equipment for the buildings to be constructed. Repayment in the form of tax credits only apply for payment amounts due through January 2015 and included the aforementioned collateral equipment. Effective February 2015, payments due are to be paid in the form of cash. Annual payments include principal, interest at 10% per annum of outstanding principal balance, insurance and maintenance costs.

Future minimum payment obligations to maturity for the municipal school finance purchase agreements are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,592,828	\$ 10,926,680	\$ 20,519,508
2025	10,133,086	10,294,128	20,427,214
2026	10,694,876	9,622,891	20,317,767
2027	6,513,451	8,911,538	15,424,989
2028	6,932,677	8,389,137	15,321,814
2029 - 2033	31,926,189	34,006,794	65,932,983
2034 - 2038	45,026,176	18,526,596	63,552,772
2039 - 2041	<u>15,675,769</u>	<u>2,189,631</u>	<u>17,865,400</u>
	<u>\$136,495,052</u>	<u>\$102,867,395</u>	<u>\$239,362,447</u>

Government of Guam

Notes to Financial Statements, continued

**6. Long-Term Obligations, continued**

School Financed Purchase Obligations, continued:

Assets acquired through the aforementioned purchase agreements are as follows:

Assets:	
Buildings and leasehold improvements	\$ 239,159,248
Less accumulated depreciation	( <u>60,420,805</u> )
	178,738,443
Land	<u>435,280</u>
	<u>\$ 179,173,723</u>

Changes in Long-Term Obligations:

Changes in long-term obligations for the year ended September 30, 2023, are as follows:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 23,585,000	\$ ---	\$ (1,865,000)	\$ 21,720,000	\$ 1,960,000
Limited obligation bonds	907,105,000	---	(15,870,000)	891,235,000	32,750,000
Direct borrowings:					
Bank loans	10,090,297	5,232,322	(377,745)	14,944,874	436,829
School Financed Purchase Obligations	<u>145,467,835</u>	<u>---</u>	<u>(8,972,783)</u>	<u>136,495,052</u>	<u>9,592,828</u>
	<u>\$ 1,086,248,132</u>	<u>\$ 5,232,322</u>	<u>\$ (27,085,528)</u>	<u>\$ 1,064,394,926</u>	<u>\$ 44,739,657</u>

**7. Leases**

Primary Government - as Lessor

The primary government, through the Chamorro Land Trust Commission and the Guam Ancestral Land Commission, is a lessor for non-cancelable leases of land and buildings. In accordance with GASB Statement No. 87, *Leases*, the primary government recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term.

*Chamorro Land Trust Commission (CLTC)*

CLTC was established by the Chamorro Land Trust Act of 1975 for the purpose of protecting and ensuring trust lands are awarded to eligible beneficiaries through residential, agricultural, and commercial leases. CLTC is responsible for the disposition of Chamorro Homelands pursuant to mandates to advance the social, cultural and economic development and well-being of the Chamorro people. As of September 30, 2023, lease receivables and deferred inflow of resources associated with CLTC leases totaled \$5,602,537 and \$5,611,040, respectively.

Government of Guam

Notes to Financial Statements, continued

**7. Leases, continued**

Primary Government - as Lessor, continued

*Guam Ancestral Lands Commission (GALC)*

GALC was established by the Guam Ancestral Lands Act of 1999 for the purpose of investigating, recording, filing, and reporting claims for ancestral lands, and to respond to requests for remedy from claimants for lands taken by the United States or by GovGuam on or after January 1, 1930. As of September 30, 2023, lease receivables and deferred inflow of resources associated with GALC leases totaled \$10,118,679 and \$9,793,478, respectively.

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2023, are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 995,000	\$ 361,670	\$ 1,356,670
2025	924,165	427,171	1,351,336
2026	664,773	403,399	1,068,172
2027	695,219	383,696	1,078,915
2028	699,337	363,055	1,062,392
2029 - 2033	2,851,356	1,558,479	4,409,835
2034 - 2038	2,432,990	1,122,609	3,555,599
2039 - 2043	1,302,523	863,706	2,166,229
2044 - 2048	1,425,366	659,392	2,084,758
2049 - 2053	1,452,380	449,078	1,901,458
2054 - 2058	1,683,745	217,713	1,901,458
2059 - 2060	<u>594,362</u>	<u>15,779</u>	<u>610,141</u>
	<u>\$ 15,721,216</u>	<u>\$ 6,825,747</u>	<u>\$ 22,546,963</u>

Primary Government - as Lessee

The primary government has entered into leases for building space and equipment use. The terms of the agreements range from 1 to 25 years. The calculated interest rates used were between 2.96% and 3.6%.

Government of Guam

Notes to Financial Statements, continued

**7. Leases, continued**

Primary Government - as Lessee, continued

Future minimum payments that are included in the measurement of the lease liability as of September 30, 2023, are as follows:

Year ending September 30,	Principal	Interest	Total
2024	\$ 6,543,672	\$ 450,793	\$ 6,994,465
2025	4,667,663	275,378	4,943,041
2026	2,996,675	165,573	3,162,248
2027	935,111	104,175	1,039,286
2028	483,009	84,265	567,274
2029 - 2033	926,425	310,187	1,236,612
2034 - 2038	725,007	193,461	918,468
2039 - 2043	620,864	99,136	720,000
2044 - 2047	<u>346,595</u>	<u>13,405</u>	<u>360,000</u>
	<u>\$ 18,245,021</u>	<u>\$ 1,696,373</u>	<u>\$ 19,941,394</u>

**8. Changes in Long-Term Liabilities**

Other long-term liabilities will generally be liquidated in the future from the General Fund. During the year ended September 30, 2023, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net position:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Due Within One Year
Other long-term liabilities:					
Compensated absences	\$ 24,543,279	\$ 1,993,648	\$ ---	\$ 26,536,927	\$ 15,397,617
DCRS sick leave liability	25,462,672	3,333,523	---	28,796,195	---
Net pension liability	894,231,283	296,515,668	---	1,190,746,951	---
OPEB liability	1,863,415,612	---	(312,277,656)	1,551,137,956	---
Tax credits payable	2,383,629	---	---	2,383,629	2,383,629
Due to IRS	19,937,926	---	---	19,937,926	19,937,926
Lease liability	22,180,199	3,909,799	(7,844,977)	18,245,021	6,543,672
Landfill closure	<u>39,978,300</u>	<u>3,601,004</u>	<u>(2,400,350)</u>	<u>41,178,954</u>	<u>---</u>
	<u>\$ 2,892,132,900</u>	<u>\$ 309,353,642</u>	<u>\$ (322,522,983)</u>	<u>\$ 2,878,963,559</u>	<u>\$ 44,262,844</u>

# Government of Guam

## Notes to Financial Statements, continued

### 8. Changes in Long-Term Liabilities, continued

Other long-term liabilities include an amount due to the Internal Revenue Service (IRS) for excess Make Work Pay Credit (MWPC) payments received under the American Recovery and Reinvestment Act of 2009. In accordance with an agreement between GovGuam and the IRS, the amount due was renegotiated in the amount of \$19,937,926. GovGuam has yet to finalize repayment terms and conditions with the IRS. In addition, other long-term liabilities include an amount due to landowners in the original amount of \$29,112,970, inclusive of interest. In 2012, a Court Order was issued for the payment of approximately \$25,115,683 for the condemnation of land which encompasses the Layon landfill. A payment of \$3,410,000 was deposited to the Court and distributed to the landowners with the remaining balance of \$21,705,683 plus interest at 6% per annum calculated from January 24, 2008, to be made. GovGuam negotiated long-term tax credit certificates with certain landowners. During the year ended September 30, 2023, no tax credits were redeemed in lieu of payments with a remaining amount of \$2,383,629 associated with this Court Order payable to landowners.

### 9. Fund Balances

Classifications of fund balances comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following table enumerates the governmental funds fund balance classifications:

	General	Federal Grants Assistance	ARPA	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>							
P.I. Development Bank	\$ 2,000,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,000,000
Land trust	---	---	---	---	459,050,489	---	459,050,489
Inventories	<u>1,961,784</u>	---	---	---	---	---	<u>1,961,784</u>
	<u>3,961,784</u>	---	---	---	<u>459,050,489</u>	---	<u>463,012,273</u>
<b>Restricted:</b>							
Debt service reserve	89,105,092	---	---	---	---	10,528,844	99,633,936
Public education	6,048,300	---	---	---	---	---	6,048,300
Child Tax Credit Admin.	7,985	---	---	---	---	---	7,985
Landfill closure/post closure	---	---	---	---	---	5,963,590	5,963,590
Tourism-related projects	---	---	---	---	---	5,908,854	5,908,854
Chamorro Loan Guarantee	---	---	---	---	---	872,277	872,277
Landfill-related projects	---	---	---	---	---	272,742	272,742
Other	---	<u>389,988</u>	---	---	---	<u>177,044</u>	<u>567,032</u>
	<u>95,161,377</u>	<u>389,988</u>	---	---	---	<u>23,723,351</u>	<u>119,274,716</u>
<b>Committed:</b>							
General government	48,681,556	---	12,029,252	---	---	34,632,617	95,343,425
Protection of life and property	---	---	---	---	---	16,696,711	16,696,711
Public health	1,870,037	---	---	---	---	13,134,592	15,004,629
Community services	3,175,434	---	---	---	---	78,605	3,254,039
Recreation	---	---	---	---	---	3,611,421	3,611,421
Individual and collective rights	13,306,740	---	---	---	---	1,836,439	15,143,179
Transportation	---	---	---	---	---	552,223	552,223
Public education	---	---	---	---	---	3,393,584	3,393,584
Environmental protection	---	---	---	---	---	15,357,059	15,357,059
Economic development	6,800	---	---	---	---	1,150,109	1,156,909
Other purposes	<u>1,193</u>	---	---	---	---	<u>4,378,894</u>	<u>4,380,087</u>
	<u>67,041,760</u>	---	<u>12,029,252</u>	---	---	<u>94,822,254</u>	<u>173,893,266</u>
Unassigned	<u>29,060,620</u>	---	---	---	---	<u>(60,582)</u>	<u>29,000,038</u>
	<u>\$ 195,225,541</u>	<u>\$ 389,988</u>	<u>\$ 12,029,252</u>	<u>\$ ---</u>	<u>\$ 459,050,489</u>	<u>\$ 118,485,023</u>	<u>\$ 785,180,293</u>



Government of Guam

Notes to Financial Statements, continued

**10. Deficit Net Position**

The following individual component units reflect a deficit net position as of September 30, 2023:

Guam Community College	\$ <u>(2,954,839)</u>
Guam Memorial Hospital Authority	\$ <u>(298,398,940)</u>
University of Guam	\$ <u>(78,360,532)</u>

**11. Interfund Transactions**

Operating transfers in/out for each major governmental fund and nonmajor governmental funds in the aggregate, for the year ended September 30, 2023, are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Federal Grants Assistance Fund	\$ 20,818,826	\$ ---
ARPA Assistance Fund	---	1,245,626
GDOE Federal Grants Fund	---	930,010
Nonmajor governmental funds	<u>38,711,650</u>	<u>34,097,640</u>
	<u>59,530,476</u>	<u>36,273,276</u>
Federal Grants Assistance Fund:		
General Fund	---	20,818,826
GDOE Federal Grants Fund	<u>7,373,459</u>	<u>---</u>
	<u>7,373,459</u>	<u>20,818,826</u>
ARPA Assistance Fund:		
General Fund	<u>1,245,626</u>	<u>---</u>
GDOE Federal Grants Fund:		
General Fund	930,010	---
Federal Grants Assistance Fund	<u>---</u>	<u>7,373,459</u>
	<u>930,010</u>	<u>7,373,459</u>
Nonmajor governmental funds:		
General Fund	34,097,640	38,711,650
Nonmajor governmental funds	<u>4,413,985</u>	<u>4,413,985</u>
	<u>38,511,625</u>	<u>43,125,635</u>
	<u>\$ 107,591,196</u>	<u>\$ 107,591,196</u>

# Government of Guam

## Notes to Financial Statements, continued

### 11. Interfund Transactions, continued

Transfers are used to 1) move revenues from the fund that enabling legislation or budget requires to collect them to the fund that enabling legislation or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) record reductions in interfund loans for amounts that are not expected to be repaid.

### 12. Pensions

GovGuam is statutorily responsible for providing pension benefits for GovGuam employees through the GovGuam Retirement Fund (GGRF).

#### A. General Information About the Pension Plans:

*Plan Description:* GGRF administers the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan, and the Defined Contribution Retirement System (DCRS). GovGuam also maintains a nonqualified deferred compensation plan that constitutes an “eligible governmental plan” in accordance with Section 457(b) of the Internal Revenue Code and comparable provisions under the Guam Territorial Income Tax Code. Participation in the 457 Deferred Compensation Plan is voluntary for all employees who are members of the DB Plan and the DCRS Plan.

The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Article 1 of 4 GCA 8, Section 8105, requires that all employees of GovGuam, regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of a public corporation of GovGuam have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commenced on or after October 1, 1995, and prior to January 1, 2018, were required to participate in the DCRS Plan. Hence, the DB Plan became a closed group.

Members of the DB Plan who retired prior to October 1, 1995, or their survivors, are eligible to receive annual supplemental annuity payments. In addition, retirees under the DB and DCRS Plans who retired prior to September 30, 2022, are eligible to receive an annual ad hoc cost of living allowance (COLA). GovGuam also provides other pension benefits to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices.

A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF’s website – [www.ggrf.com](http://www.ggrf.com).

# Government of Guam

## Notes to Financial Statements, continued

### 12. Pensions, continued

#### A. General Information About the Pension Plans, continued:

*Benefits Provided:* The DB Plan provides pension benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or \$6,000, whichever is greater. Members who joined the DB Plan prior to October 1, 1981, may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age. Members who joined the DB Plan on or after October 1, 1981, and prior to August 22, 1984, may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984, and prior to October 1, 1995, may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age. Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon attainment of the age of 60 years.

In the event of disability during employment, members under the age of 65 with six or more years of credited service who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds percent of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Supplemental annuity benefit payments are provided to DB retirees in the amount of \$4,238 per year, but not to exceed \$40,000 per year when combined with their regular annual retirement annuity. Annual COLA payments are provided to DB and DCRS retirees in a lump sum amount of \$2,000, which was subsequently increased to \$2,300 by Public Law 37-42, effective October 1, 2023. Other pension benefits are provided to Governors and Lieutenant Governors under GCA 8172 and to Judges and Justices under GCA 6112. Governors and Lieutenant Governors are eligible to retire after completing their term and receive a basic annuity of 50% of annual salary at retirement. Judges and Justices are eligible to retire after age 65 with 15 years of service, or at any age with 20 years of service, and receive a basic annuity of 90% of annual salary at retirement. These other pension benefits, supplemental annuity benefit payments and COLA payments are made at the discretion of the Guam Legislature but are funded on a “pay-as-you-go” basis so there is no plan trust. It is anticipated that such other pension benefits, ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

# Government of Guam

## Notes to Financial Statements, continued

### 12. Pensions, continued

#### A. General Information About the Pension Plans, continued:

On September 20, 2016, the Guam Legislature enacted Public Law 33-186, which created two new government retirement plans - the DB 1.75 Plan and the Guam Retirement Security Plan (GRSP). On February 4, 2020, the Guam Legislature terminated the GRSP. Commencing April 1, 2017, eligible employees elected, during the “election window”, to participate in the DB 1.75 Plan with an effective date of January 1, 2018.

The DB 1.75 Plan was open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DCRS Plan and who made election on a voluntary basis to participate in the DB 1.75 Plan by December 31, 2017. Employee contributions are made by mandatory pre-tax payroll deduction at the rate of 9.5% of the employee’s base salary while employer contributions are actuarially determined. Members of the DB 1.75 Plan automatically participate in the 457 Deferred Compensation Plan, pursuant to which employees are required to contribute 1% of base salary as a pre-tax mandatory contribution. Benefits are fully vested upon attaining 5 years of credited service.

Members of the DB 1.75 Plan may retire at age 62 with 5 years of credited service, or at age 60 with 5 years of credited service without survivor benefits, or at age 55 with 25 years of credited service but the retirement annuity shall be reduced  $\frac{1}{2}$  of 1% for each month that the age of the member is less than 62 years (6% per year). Credited service is earned for each year of actual employment by the member as an employee. Upon retirement, a retired member is entitled to a basic retirement annuity equal to an annual payment of 1.75% of average annual salary multiplied by years of credited service. Average annual salary represents the average of annual base salary for the three years of service that produce the highest average.

*Contributions and Funding Policy:* Plan members of the DB Plan are required to contribute a certain percentage of their annual covered salary. The contribution requirements of the plan members and GovGuam are established and may be amended by the GGRF. GovGuam’s statutory contribution rate was 28.43% for the year ended September 30, 2023. Employees were required to contribute 9.5% of their annual pay for the year ended September 30, 2023.

GovGuam’s contributions to the DB Plan for the year ended September 30, 2023, were \$46,236,044, which were equal to the statutorily required contributions.

GovGuam’s contributions to the supplemental annuity benefit payments and the COLA payments for the year ended September 30, 2023, were \$18,410,393, which were equal to the statutorily required contributions.

Government of Guam

Notes to Financial Statements, continued

**12. Pensions, continued**

A. General Information About the Pension Plans, continued:

Members of the DCRS Plan, who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon. Contributions into the DCRS Plan by members are based on an automatic deduction of 6.2% of the member’s regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS Plan. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS Plan.

Statutory employer contributions for the DCRS Plan for the year ended September 30, 2023, are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 6.2% of the member’s regular pay is deposited into the DCRS Plan. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

GovGuam’s contributions to the DCRS Plan for the year ended September 30, 2023, were \$65,324,095, which were equal to the statutorily required contributions. Of this amount, \$51,078,507 was contributed towards the unfunded liability of the DB Plan.

GovGuam’s contributions to the other pension benefit payments for Governors/Lieutenant Governors, Judges and Justices for the year ended September 30, 2023, were \$550,615, which were equal to the statutorily required contributions.

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

*Pension Liability:* As of September 30, 2023, the GovGuam reporting entity reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2022, which is comprised of the following:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Defined Benefit Plan	\$ 963,789,039	\$4,714,941	\$518,279,602	\$1,486,783,582
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	180,219,031	940,646	75,341,618	256,501,295
Ad Hoc COLA Plan for DCRS Retirees	40,541,642	326,572	19,267,777	60,135,991
Governors/Lt. Governors, Judges and Justices	<u>6,197,239</u>	---	---	<u>6,197,239</u>
	<u>\$1,190,746,951</u>	<u>\$5,982,159</u>	<u>\$612,888,997</u>	<u>\$1,809,618,107</u>

Government of Guam

Notes to Financial Statements, continued

12. Pensions, continued

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

The following presents GovGuam and its component units change in proportion since the prior measurement date of September 30, 2021, to the current measurement date of September 30, 2022:

	<u>Defined Benefit Plan</u>		<u>Ad Hoc COLA/ Supplemental Annuity Plan For DB Retirees</u>		<u>Ad Hoc COLA Plan For DCRS Retirees</u>	
	<u>Primary Government</u>	<u>Component Units</u>	<u>Primary Government</u>	<u>Component Units</u>	<u>Primary Government</u>	<u>Component Units</u>
Proportion at prior measurement date, September 30, 2021	64.53%	35.47%	70.56%	29.44%	67.70%	32.30%
Proportion at current measurement date, September 30, 2022	64.82%	35.18%	70.26%	29.74%	67.42%	32.58%
Increase/(decrease)	0.29%	-0.29%	-0.30%	0.30%	-0.28%	0.28%

*Pension Expense (Benefit):* For the year ended September 30, 2023, the GovGuam reporting entity recognized pension expense (benefit) for its proportionate share of plan pension expense from the above pension plans as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Defined Benefit Plan	\$111,748,532	\$247,504	\$61,648,369	\$173,644,405
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	1,518,391	43,704	1,161,769	2,723,864
Ad Hoc COLA Plan for DCRS Retirees	3,848,819	23,696	1,712,329	5,584,844
Governors/Lt. Governors, Judges and Justices	(424,640)	---	---	(424,640)
	<u>\$116,691,102</u>	<u>\$314,904</u>	<u>\$64,522,467</u>	<u>\$181,528,473</u>

*Deferred Outflows and Inflows of Resources:* As of September 30, 2023, the primary government reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Defined Benefit Plan</u>		<u>Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees</u>		<u>Ad Hoc COLA Plan for DCRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 18,685,089	\$2,577,246	\$ ---	\$ 1,540,206	\$ 5,013,920	\$ 802,972
Net difference between projected and actual earnings on pension plan investments	217,204,945	---	---	---	---	---
Changes of assumptions	---	---	294,158	19,555,127	8,429,778	10,859,699
Contributions subsequent to the measurement date	97,314,550	---	16,399,592	---	2,010,800	---
Changes in proportion and difference between contributions and proportionate share of contributions	6,293,219	4,194,024	457,803	1,015,251	2,796,878	2,308,553
	<u>\$339,497,803</u>	<u>\$6,771,270</u>	<u>\$17,151,553</u>	<u>\$22,110,584</u>	<u>\$18,251,376</u>	<u>\$13,971,224</u>

Government of Guam

Notes to Financial Statements, continued

**12. Pensions, continued**

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

In addition, the primary government reported deferred outflows of resources of \$552,391 related to the other pension benefits provided to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices.

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of September 30, 2023, will be recognized in pension expense as follows:

<u>Year Ending September 30</u>	<u>Defined Benefit Plan</u>	<u>Ad Hoc COLA/SA Supplemental Annuity Plan for DB Retirees</u>	<u>Ad Hoc COLA Plan for DCRS Retirees</u>
2024	\$ 65,828,701	\$(10,960,212)	\$ 604,582
2025	57,614,794	(10,212,455)	604,588
2026	41,051,032	(185,956)	604,582
2027	70,917,456	---	441,806
2028	---	---	495,168
Thereafter	---	---	<u>(481,374)</u>
	<u>\$235,411,983</u>	<u>\$(21,358,623)</u>	<u>\$ 2,269,352</u>

Government of Guam

Notes to Financial Statements, continued

**12. Pensions, continued**

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

*Actuarial Assumptions:* Actuarially determined contribution rates for the DB Plan are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The methods and assumptions used to determine contribution rates are as follows:

Actuarial cost method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	May 1, 2033 (11.58 years remaining as of September 30, 2021)
Asset Valuation Method:	3-year smoothed market value (effective September 30, 2009)
Inflation:	2.5% per year
Total payroll growth:	2.75% per year
Salary increases:	4% to 7.5%
Retirement Age:	50% of probability of retirement at earliest age of eligibility for unreduced retirement benefits; 20% per year from age 65 to 74, 100% at age 75.
Mortality:	Based on the RP-2000 combined mortality table, set forward 3 years for males and 2 years for females.

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2011 to September 30, 2015. The rationale for each significant assumption is provided in the experience study. To the extent that actual experience differs from the assumptions, future pension costs will differ.



Government of Guam

Notes to Financial Statements, continued

**12. Pensions, continued**

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

*Expected Rate of Return and Asset Allocation:* The Fund has a target asset allocation based on the investment policy adopted by the GGRF Board of Trustees. The target allocation and best estimates of the expected nominal return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Nominal Return</u>	<u>Component Return</u>
U.S. Equities (large cap)	26%	8.14%	2.12%
U.S. Equities (small cap)	4%	9.75%	0.39%
Non-U.S. Equities	17%	10.15%	1.73%
Non-U.S. Equities (emerging markets)	3%	12.08%	0.36%
U.S. Fixed Income (aggregate)	22%	4.77%	1.05%
Risk Parity	8%	6.65%	0.53%
High Yield Bonds	8%	6.9%	0.55%
Global Real Estate (REITs)	2.5%	9.62%	0.24%
Global Equity	7%	8.93%	0.67%
Global Infrastructure	2.5%	8.08%	0.16%
Expected average return for one year			7.8%
Expected geometric mean (30 years)			7.09%

*Discount Rate:* The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2022 was 7%, which is equal to the expected investment rate of return. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except supplemental annuity payments to DB retirees and ad hoc COLA to both DB and DCRS retirees. The discount rate used to measure the total pension liability for the supplemental annuity and ad hoc COLA payments as of September 30, 2022 was 4.02%, which is equal to the rate of return of a high-quality bond index.

Government of Guam

Notes to Financial Statements, continued

**12. Pensions, continued**

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

*Discount Rate Sensitivity Analysis:* The following presents the sensitivity of the total net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the total net pension liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Defined Benefit Plan:

1% Decrease in Discount Rate <u>6%</u>	Current Discount Rate <u>7%</u>	1% Increase in Discount Rate <u>8%</u>
<u>\$1,748,318,135</u>	<u>\$1,486,783,582</u>	<u>\$1,162,621,650</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

1% Decrease in Discount Rate <u>3.02%</u>	Current Discount Rate <u>4.02%</u>	1% Increase in Discount Rate <u>5.02%</u>
<u>\$278,760,258</u>	<u>\$256,501,295</u>	<u>\$236,839,188</u>

Ad Hoc COLA Plan for DCRS Retirees:

1% Decrease in Discount Rate <u>3.02%</u>	Current Discount Rate <u>4.02%</u>	1% Increase in Discount Rate <u>5.02%</u>
<u>\$68,451,387</u>	<u>\$60,135,991</u>	<u>\$53,872,492</u>

Governor/Lt. Governor, Judges and Justices:

1% Decrease in Discount Rate <u>3.02%</u>	Current Discount Rate <u>4.02%</u>	1% Increase in Discount Rate <u>5.02%</u>
<u>\$6,721,917</u>	<u>\$6,197,239</u>	<u>\$5,743,615</u>

**C. Payables to the Pension Plans**

As of September 30, 2023, GovGuam recorded a payable to GGRF of \$4,141,755, representing statutorily required contributions unremitted as of the year-end.

# Government of Guam

## Notes to Financial Statements, continued

### 13. Other Post-Employment Benefits (OPEB)

GovGuam participates in the retiree health care benefits program. GovGuam's Department of Administration is responsible for administering the GovGuam Group Health Insurance Program, which provides medical, dental, and life insurance benefits to retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The program covers retirees and is considered an OPEB plan.

#### A. General Information About the OPEB Plan:

*Plan Description:* The OPEB plan is a single-employer defined benefit plan that provides healthcare benefits to eligible employees and retirees who are members of the GovGuam Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Governor's recommended budget and the annual General Appropriations Act enacted by the Guam Legislature provide for a premium level necessary for funding the program each year on a "pay-as-you-go" basis. Because the OPEB Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

*Benefits Provided:* GovGuam provides postemployment medical, dental and life insurance benefits to GovGuam retirees, spouses, children and survivors, which are the same benefits as provided to active employees. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. GovGuam contributes a portion of the medical and dental premiums, based on a schedule of semi-monthly rates, and reimburses certain Medicare premiums to eligible retirees. Retirees are also required to pay a portion of the medical and dental insurance premiums.

*Contributions:* No employer contributions are assumed to be made since an OPEB trust has not been established. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Government of Guam

Notes to Financial Statements, continued

**13. Other Post-Employment Benefits (OPEB), continued**

B. Total OPEB Liability:

As of September 30, 2023, the GovGuam reporting entity reported a total OPEB liability of \$2,296,447,530 of which GovGuam (the primary government) and its component units (including the fiduciary funds) reported \$1,551,137,956 and \$745,309,574, respectively, for their proportionate share of the total OPEB liability measured as of September 30, 2022. The following presents GovGuam and its component units' change in proportion since the prior measurement date:

	<u>Primary Government</u>	<u>Component Units</u>
Proportion at prior measurement date, September 30, 2021	<u>67.23%</u>	<u>32.77%</u>
Proportion at current measurement date, September 30, 2022	<u>67.55%</u>	<u>32.45%</u>
Increase/(decrease) in proportion	<u>0.32%</u>	<u>-0.32%</u>

The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2022 (the measurement date) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.5%
Healthcare Cost Trend Rates:	8% for FY2023 through FY2030, decreasing 0.5% per year to an ultimate rate of 4.01% for FY2031 and later years.
Dental Trend Rates:	4.25% per year, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.
Healthy Retiree Mortality Rates:	Head-count weighted PUB-2010 Table, set forward 4 years for males and 2 years for females, respectively, projected generationally using 50% of MP-2020.
Disabled Retiree Mortality Rates:	PUB-2010 Disabled Retiree Amount Weighted mortality table, set forward 4 years for males and 2 years for females, respectively, using 130% of the rates before age 80 and projected generationally from 2010 using 50% of mortality improvement scale MP-2020.

Government of Guam

Notes to Financial Statements, continued

**13. Other Post-Employment Benefits (OPEB), continued**

B. Total OPEB Liability, continued:

*Discount rate:* The discount rate used to measure the total OPEB liability was 4.02%. The projection of cash flows used to determine the discount rate assumed that contributions from GovGuam will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB plan fiduciary net position: As of September 30, 2023, an OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.

*Sensitivity of the total OPEB liability to changes in the discount rate:* The following presents the sensitivity of the total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to the total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

1% Decrease in Discount Rate <u>3.02%</u>	Current Discount Rate <u>4.02%</u>	1% Increase in Discount Rate <u>5.02%</u>
<u>\$ 2,667,386,562</u>	<u>\$ 2,296,447,530</u>	<u>\$ 1,995,745,343</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:* The following presents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The sensitivity analysis shows the impact to the total OPEB liability if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>\$ 1,968,498,195</u>	<u>\$ 2,296,447,530</u>	<u>\$ 2,714,748,489</u>

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

For the year ended September 30, 2023, the GovGuam reporting entity reported total OPEB expense of \$84,273,410 of which GovGuam (the primary government) and its component units (including the fiduciary funds) reported \$53,841,232 and \$30,432,178, respectively, for its proportionate share of the total OPEB expense measured for the year ended September 30, 2022.

Government of Guam

Notes to Financial Statements, continued

**13. Other Post-Employment Benefits (OPEB), continued**

**C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued:**

As of September 30, 2023, GovGuam reported deferred outflows of resources and deferred inflows of resources related to OPEB for GovGuam (the primary government) and its component units (including the fiduciary funds) from the following sources:

	<u>Primary Government</u>		<u>Fiduciary Funds</u>		<u>Component Units</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$120,966,400	\$ 71,328,787	\$ 669,188	\$ 394,592	\$ 57,454,216	\$ 33,878,329
Changes of assumptions	140,181,048	510,414,355	597,928	2,569,547	66,983,189	242,613,519
Contributions subsequent to the measurement date	35,391,959	---	238,351	---	16,723,583	---
Changes in proportion and difference between employer contributions and proportionate share of Contributions	<u>29,022,822</u>	<u>30,354,767</u>	<u>245,628</u>	<u>1,865,000</u>	<u>46,418,159</u>	<u>43,466,842</u>
	<u>\$325,562,229</u>	<u>\$612,097,909</u>	<u>\$1,751,095</u>	<u>\$4,829,139</u>	<u>\$187,579,147</u>	<u>\$319,958,690</u>

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of September 30, 2023, will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
2024	\$ (50,882,989)	\$ (638,427)	\$ (20,643,390)
2025	(30,968,295)	(487,033)	(12,271,481)
2026	(62,005,537)	(624,083)	(28,113,865)
2027	(51,557,136)	(509,579)	(26,175,439)
2028	(62,942,129)	(526,007)	(30,814,731)
Thereafter	<u>(63,571,553)</u>	<u>(531,266)</u>	<u>(31,044,536)</u>
	\$ <u>(321,927,639)</u>	\$ <u>(3,316,395)</u>	\$ <u>(149,063,442)</u>

# Government of Guam

## Notes to Financial Statements, continued

### **14. Commitments and Contingencies**

#### **A. Federal Grants**

GovGuam has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. If questioned costs are ultimately disallowed, the General Fund would be liable for the return of such funds. However, no liability, which may arise from the ultimate outcome of this matter, has been provided for in the accompanying financial statements as no return of funds has been required. Audits of federal program funds are also performed by various federal agencies. If audits result in cost disallowances, GovGuam may be liable. However, management does not believe this will result in a material liability. Therefore, no liability for any amount, which may ultimately arise from these matters, has been recorded in the accompanying basic financial statements. Fines and penalties may also be imposed by various federal agencies for violations of certain regulations. However, no provision for any amount has been recorded in the accompanying basic financial statements, as it is not possible to reasonably estimate these fines and penalties.

#### **B. War Reparations**

In 2016, the U.S. President signed into law the Guam World War II Loyalty Recognition Act, which authorizes the adjudication of claims for eligible individuals who suffered harm during the World War II occupation of Guam by Imperial Japanese military forces. Payment of claims submitted by compensable Guam victims and survivors of compensable Guam decedents were paid by the United States from a special claims fund established by the Secretary of the Treasury from Section 30 federal income tax revenues collected by the United States. As the liability for these payments was assumed by the United States government, no liability for any amount, relating to the settlement of these claims, has been recorded in the accompanying financial statements. Claims were paid to eligible individuals during the year ended September 30, 2023, in the amount of \$3,121,547. As all claims have been paid, no further deductions will be made from Section 30 remittances.

#### **C. Landfill Closure and Postclosure Costs**

In 2004, GovGuam and the U.S. Environmental Protection Agency (EPA) filed a Consent Decree in the U.S. District Court. The consent decree included deadlines for the opening of a new landfill and implementing a plan to permanently close the Ordot Dump. In 2008, the Court issued a Court Order that placed the Solid Waste Division of the Department of Public Works (DPW) in Guam in Receivership. In 2009, the Court issued a Court Order associated with the DPW Solid Waste Division Receivership requiring GovGuam to provide for costs of the new landfill and GovGuam issued \$202,425,000 in Limited Obligation Revenue Bonds for the purpose of financing facilities of the Solid Waste Management System of Guam.

# Government of Guam

## Notes to Financial Statements, continued

### 14. Commitments and Contingencies, continued

#### C. Landfill Closure and Postclosure Costs, continued

In 2011, the Ordot Dump was finally closed, and the Layon landfill opened on September 1, 2011. State and federal laws and regulations require GovGuam to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure and post closure care costs of \$2,400,350 reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during the year ended September 30, 2023. The estimated landfill closure and post closure care liability as of September 30, 2023, is not included in the accompanying governmental fund financial statements. Instead, GovGuam has reported \$30,616,645 as a landfill closure and post closure care liability as of September 30, 2023, within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump. This amount represents an EPA estimate of \$33,016,995, inclusive of 35% industry standard cost contingency, less current year closure and post closure costs of \$2,400,350. In addition, GovGuam has reported an amount of \$10,562,309 for Layon landfill based on the use of 10.95% of the estimated capacity. The Layon landfill consists of up to 11 cells with an estimated lifespan of 50 years. Currently, GovGuam is utilizing 3 cells that together have a projected life of 10 years. GovGuam will recognize the remaining estimated cost of closure and post closure care of \$96,459,442 as the remaining estimated capacity is filled. These amounts are estimated based on what it would cost to perform all closure and post closure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. On September 25, 2023, the U.S. District Court issued a Consent Decree whereby the United States Government will pay GovGuam \$48,900,000 for its share of past costs spent in remediating and closing the Ordot Dump.

#### D. Sick Leave

GovGuam policy is 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. The estimated accumulated amount of unused sick leave as of September 30, 2023, is \$161,895,229, of which an estimated \$28,796,195 has been accrued and may be convertible to pay DCRS members upon retirement.

#### E. Tax Refunds

In 2012, the U.S. District Court held a hearing regarding GovGuam's administration of the Guam Territorial Income Tax (GTIT) and the lack of timely payment of tax refunds. In 2013, the Court issued a Permanent Injunction requiring GovGuam to pay GTIT refunds no later than six months after the filing of the claim for refund or six months from the due date for filing the claim for refund, whichever is later in time. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction. During the year ended September 30, 2023, refunds were paid within six weeks after filing.



# Government of Guam

## Notes to Financial Statements, continued

### 14. Commitments and Contingencies, continued

#### F. Cost of Living Adjustment (COLA) Liability

In 1988, Public Law 19-19, as codified in 4 G.C.A. § 8137.1, required GovGuam to pay an annual lump sum COLA to retirees and survivors on the first retirement payday after July 1 of each year. In 1993, a GovGuam retiree filed a class action suit on behalf of 4,877 retirees and survivors, alleging that they were being denied the COLA benefits prescribed by 4 G.C.A. § 8137.1. The “COLA class” consisted of all GovGuam retirees and survivors that were entitled to retirement benefits during COLA years 1990 through 1994 (payout years July 1991 through July 1995). The Petitioner alleged that GovGuam did not implement 4 G.C.A. § 8137.1. The Governor and the GovGuam Retirement Fund subsequently submitted to the Court their respective calculations of the COLA owed under seal. In 2006, the Superior Court of Guam, pursuant to 4 G.C.A. § 8137.1, ordered the GovGuam Retirement Fund to revise its initial August 2006 COLA calculation of \$96 million, which resulted in the award of \$123,580,231 to the COLA class. As of September 30, 2023, the outstanding COLA liability amounted to \$4,393,680. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased effective October 1, 2011.

#### G. Self-Insurance

GovGuam does not purchase insurance covering potential risks; it is substantially self-insured against claims for negligence and catastrophic losses. In the event that losses arise from such claims or disasters, the General Fund would be required to pay the majority of these losses. An annual appropriation is made to the Government Claims Fund and then valid claims are paid out against the appropriated amount. GovGuam has not experienced material prior year losses as a result of this policy. Virtually all discretely presented component units have some form of commercial insurance to insure against risk of loss such as property, liability and typhoon.

#### H. Chamorro Land Trust Commission (CLTC) Loan Guarantee Fund

GovGuam through the CLTC is authorized to loan or guarantee the repayment of or otherwise underwrite any authorized loan to a Chamorro homeland lessee up to a maximum amount not to exceed the financial ability of the borrower. In the event of default, these loan guarantees may shift the lender’s default risk entirely to the CLTC whereby the lender may call upon the CLTC to make partial or full payment of the guaranteed loan. CLTC management is of the opinion that defaulted loans may be reassigned to credit worthy borrowers and that the CLTC has substantial defenses available to it in the event of litigation. As a result, at this time, management does not believe that material exposure exists related to this event. Therefore, no provision for a liability that may arise from this matter has been recorded in the accompanying financial statements.

Government of Guam

Notes to Financial Statements, continued

**14. Commitments and Contingencies, continued**

I. Medicare

Prior to October 1998, GovGuam did not withhold or remit funds to the U.S. Social Security System for the health insurance component. GovGuam has since reevaluated this position and has currently withheld such amount from its employees. If GovGuam is found to be liable for prior year nonpayment an indeterminate liability could result. Therefore, no liability for any amount, which may ultimately arise from this matter, has been recorded in the accompanying financial statements.

**15. Discretely Presented Component Unit Disclosures**

A. Restricted Assets

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

The bond indentures for AWPIAA require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the monies. As of September 30, 2023, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	\$ 10,847,716
Investments	<u>33,491,149</u>
	<u>\$ 44,338,865</u>
Restricted assets:	
Bond Reserve Funds	\$ 17,874,104
Operations and Maintenance Reserve Fund	8,530,887
Self-Insurance Fund	6,303,674
Debt Service Funds	4,653,464
General Revenue Fund	2,688,324
Federal Grants Fund	1,687,482
Operations and Maintenance Fund	1,593,655
Renewal and Replacement Fund	1,000,249
Capital Improvement Fund	6,848
Construction Fund	<u>178</u>
	<u>\$ 44,338,865</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

A. Restricted Assets, continued

Guam Community College (GCC):

As of September 30, 2023, GCC maintained restricted assets for various purposes as follows:

Investments	\$ <u>19,363,131</u>
Restricted assets:	
Endowment Funds	\$ 17,624,035
Enhancement of Learning Resources and Technology	<u>1,739,096</u>
	\$ <u>19,363,131</u>

Guam Housing and Urban Renewal Authority (GHURA):

In 2005, GHURA ceased carrying commercial insurance for typhoon coverage due to such being cost prohibitive. A typhoon insurance coverage waiver was granted by the U.S. Department of Housing and Urban Development (HUD) provided that GHURA establish and maintain a typhoon coverage escrow account in which a deposit of \$200,000 be made annually until the account balance reaches a minimum balance of \$1,000,000. Upon the need to draw from this escrow account, GHURA must obtain approval from HUD prior to drawdown. As of September 30, 2023, restricted cash and cash equivalents held for this purpose amounted to \$1,129,296.

Guam Power Authority (GPA):

The bond indenture agreements for GPA's 2014, 2017 and 2022 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. As of September 30, 2023, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	\$ 108,012,759
Investments	<u>44,229,457</u>
	\$ <u>152,242,216</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

A. Restricted Assets, continued

Guam Power Authority (GPA), continued:

Restricted assets:

Bond Reserve Funds	\$ 48,002,574
Interest and Principal Funds	37,465,806
Working Capital Funds	19,870,088
Surplus Funds	18,118,977
Self-insurance Fund	11,844,666
Revenue Funds	8,829,442
Energy Sense Fund	5,968,468
Construction Funds	<u>2,142,195</u>
	<u>\$ 152,242,216</u>

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 2013, 2014, 2016, 2017 and 2020 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA's trustees. As of September 30, 2023, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	<u>\$ 253,314,186</u>
Restricted assets:	
Construction Funds	\$ 150,366,789
Bond Reserve Funds	41,918,355
Operations, Maintenance, Renewal and Replacement Fund	17,423,213
Debt Service Funds	10,898,096
Revenue Fund	10,593,092
Capital Improvement Fund	8,452,503
Island Water and Sewer Infrastructure Development Fund	5,375,796
Operations and Maintenance Fund	3,083,482
Customer Deposit Fund	2,157,517
Sewer Hook-up Reserve	2,079,769
Bid Escrow Fund	958,711
Legislative Surcharge Fund	<u>6,863</u>
	<u>\$ 253,314,186</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

A. Restricted Assets, continued

Port Authority of Guam (PAG):

The bond indenture agreements for PAG's 2018 series revenue bonds require the establishment of special funds and accounts to be held and administered by PAG's trustees. As of September 30, 2023, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	\$ <u>95,935,085</u>
Restricted assets:	
Construction Fund	\$ 43,478,006
Operations and Maintenance Reserve Fund	10,552,975
Capital Improvement Fund	10,648,639
Crane Replacement Sinking Fund	8,343,692
Facility Maintenance Fund	2,310,620
Bond Reserve Fund	5,337,736
Revenue Fund	5,500,032
Working Capital Reserve Fund	4,448,505
Renewal and Replacement Reserve Fund	3,500,000
Debt Service Fund	1,439,094
Operations and Maintenance Fund	<u>375,786</u>
	\$ <u>95,935,085</u>

University of Guam (UOG):

As of September 30, 2023, UOG maintained restricted assets for various purposes as follows:

Cash and cash equivalents	\$ 5,552,084
Investments	<u>39,299,694</u>
	\$ <u>44,851,778</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

A. Restricted Assets, continued

University of Guam (UOG), continued:

Restricted assets:

Foundation Endowment Funds	\$ 15,826,543
Land Grant Endowment Funds	15,702,085
Debt Service Fund	2,328,480
Operations and Maintenance Reserve Fund	1,872,811
Other Endowment Funds	1,328,648
International Accounting Institute Fund	1,279,346
Water and Environmental Research Institute	838,968
Self-Insurance Fund	234,211
Guam Cancer Trust Fund	2,946,922
Enhancement of Learning Resources and Technology	2,257,140
Other	<u>236,624</u>
	<u>\$ 44,851,778</u>

Nonmajor Component Units:

As of September 30, 2023, nonmajor component units maintained restricted assets for various purposes as follows:

Cash and cash equivalents	\$ 25,923,476
Investments	<u>220,543</u>
	<u>\$ 26,144,019</u>

Restricted assets:

Guam Housing Corporation (GHC)	\$ 5,542,991
Guam Economic Development Authority (GEDA)	5,763,444
Guam Visitors Bureau:	
Cultural and Sports Ambassadors Fund	<u>14,837,584</u>
	<u>\$ 26,144,019</u>

The respective bond indentures for GHC and GEDA require the establishment of special funds and accounts to be held and administered by the respective trustees for the accounting of the monies.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments**

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

As of September 30, 2023, the carrying amount of AWPIAA's total cash and cash equivalents was \$13,923,341, of which \$3,145,837 is maintained in banks and, at times, may exceed federal depository insurance limits. The remaining amount of \$10,777,504 represents short-term investments held and administered by AWPIAA's trustees. Based on negotiated trust and custody agreements, all of these investments were held by AWPIAA's trustees in AWPIAA's name in accordance with various trust agreements and bond indentures. As of September 30, 2023, \$291,312 of bank deposits was covered by federal depository insurance.

As of September 30, 2023, AWPIAA's investments are held and administered by trustees in accordance with bond indentures for the purpose of funding various capital projects and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in AWPIAA's name by AWPIAA's custodial financial institutions as of September 30, 2023.

AWPIAA has the following recurring fair value measurements as of September 30, 2023:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
Fixed income:				
U.S. Treasury obligations	\$ 24,069	\$ 24,069	\$ ---	\$ ---
U.S. government agencies	358,760	---	358,760	---
Corporate notes	211,725	---	211,725	---
Money market funds	17,112,164	17,112,164	---	---
Exchange Traded Products	<u>6,235,237</u>	<u>6,235,237</u>	---	---
Total investments by fair value level	23,941,955	<u>\$ 23,371,470</u>	<u>\$ 570,485</u>	<u>\$ ---</u>
Investments measured at amortized cost:				
Interest-earning contracts	<u>9,549,194</u>			
	<u>\$ 33,491,149</u>			

As of September 30, 2023, AWPIAA's investments in fixed income debt securities were as follows:

	<u>Investment Maturities (In Years)</u>					<u>Total</u>
	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>Greater Than 10</u>		
U.S. treasury obligations	\$ ---	\$ 24,069	\$ ---	\$ ---	\$ 24,069	
U.S. government agencies:						
Federal Farm Credit Bank	72,239	241,973	---	---	314,212	
Federal Home Loan Mortgage Corporation	---	44,548	---	---	44,548	
Corporate notes	---	211,725	---	---	211,725	
	<u>\$ 72,239</u>	<u>\$ 522,315</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 594,554</u>	

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments, continued**

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

AWPIAA’s exposure to credit risk as of September 30, 2023, was as follows:

Moody’s or Standard & Poor’s Credit Rating

Aaa/AAA	\$	470,903
A		115,788
Baa/BBB		7,863
	\$	594,554

Guam Community College (GCC):

As of September 30, 2023, the carrying amount of GCC’s cash and cash equivalents was \$25,920,248 and the corresponding bank balance was \$26,220,923, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2023, bank deposits in the amount of \$724,670 were FDIC insured.

GCC has the following recurring fair value measurements as of September 30, 2023:

	Total	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
Mutual fund	\$ 1,739,096	\$ 1,739,096	\$ -	\$ -

Investments held by the Guam Community College Endowment Foundation, Inc., a legally separate tax-exempt foundation of GCC, consist of money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments is as follows:

Restricted for endowments:

Money Market Funds	\$	1,107,205
Fixed income		4,253,304
Exchange-traded funds		3,247,067
Common stocks		9,016,459
	\$	17,624,035



Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments, continued**

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2023, the carrying amount of GHURA’s total cash and cash equivalents was \$23,467,069 and the corresponding bank balance was \$23,357,281, which is maintained in financial institutions subject to FDIC insurance or fully collateralized by securities held by a trustee in the name of the financial institution. As of September 30, 2023, bank deposits in the amount of \$250,000 were FDIC insured or collateralized by U.S. securities.

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2023, the carrying amount of GMHA’s total cash and cash equivalents was \$1,255,830 and the corresponding bank balance was \$1,249,130, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2023, bank deposits in the amount of \$250,000 were FDIC insured.

Guam Power Authority (GPA):

As of September 30, 2023, the carrying amount of GPA’s total cash and cash equivalents and time certificates of deposit was \$173,436,352 and the corresponding bank balance was \$174,461,712. Of the bank balance amount, \$83,202,148 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$91,259,564 represents short-term investments held and administered by GPA’s trustees and cash on hand. Based on negotiated trust and custody agreements, all of these investments were held by GPA’s trustees in GPA’s name in accordance with various trust agreements and bond indentures. As of September 30, 2023, bank deposits in the amount of \$771,415 were FDIC insured.

As of September 30, 2023, GPA’s investments are held and administered by trustees in accordance with bond indentures for the purpose of funding various capital projects and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in GPA’s name by GPA’s custodial financial institutions as of September 30, 2023.

GPA has the following recurring fair value measurements as of September 30, 2023:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Fixed income:				
Mutual funds	\$ 4,786,966	\$ 4,786,966	\$ ---	\$ ---
Investments measured at amortized cost:				
Commercial paper	13,742,000			
Guaranteed investment certificate	25,700,491			
	<u>\$ 44,229,457</u>			

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments, continued**

Guam Power Authority (GPA), continued:

As of September 30, 2023, GPA’s investments in debt securities were as follows:

	Credit Rating	<u>Investment Maturities (In Years)</u>				Greater Than 10	<u>Total</u>
		Less Than 1	1 to 5	6 to 10			
Guaranteed investment certificate	Aa3	\$ ---	\$ ---	\$ ---	\$ 25,700,491	\$ 25,700,491	
Mutual funds	Not rated	4,786,966	---	---	---	4,786,966	
Commercial paper	Not rated	<u>13,742,000</u>	---	---	---	<u>13,742,000</u>	
		<u>\$ 18,528,966</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 25,700,491</u>	<u>\$ 44,229,457</u>	

Guam Waterworks Authority (GWA):

As of September 30, 2023, the carrying amount of GWA’s total cash and cash equivalents was \$303,639,074 and the corresponding bank balance was \$305,508,680. Of the bank balance amount, \$88,198,370 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$217,310,310 represents short-term investments held and administered by GWA’s trustees. Based on negotiated trust and custody agreements, all of these investments were held by GWA’s trustees in GWA’s name in accordance with various trust agreements and bond indentures. As of September 30, 2023, bank deposits in the amount of \$576,042 were FDIC insured.

Port Authority of Guam (PAG):

As of September 30, 2023, the carrying amount of PAG’s total cash and cash equivalents was \$124,501,935 and the corresponding bank balance was \$124,374,590. Of the bank balance amount, \$4,836,405 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$119,538,185 represents short-term investments held and administered by PAG’s trustees. Based on negotiated trust and custody agreements, all of these investments were held by PAG’s trustees in PAG’s name in accordance with various trust agreements and bond indentures. As of September 30, 2023, bank deposits in the amount of \$500,000 were FDIC insured.

University of Guam (UOG):

As of September 30, 2023, the carrying amount of UOG’s total cash and cash equivalents was \$16,363,957 and the corresponding bank balance was \$17,390,724. Of the bank balance amount, \$2,034,390 is maintained in financial institutions subject to FDIC insurance, National Credit Union Administration (NCUA) insurance, or collateralized by securities held by a trustee in the name of the financial institution.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments, continued**

University of Guam (UOG), continued:

UOG has the following recurring fair value measurements as of September 30, 2023:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
Fixed income securities	\$ 5,786,048	\$ 1,942,889	\$ 3,843,159	\$ ---
Equity securities	9,659,743	9,659,743	---	---
Real estate investment trusts	1,442,366	---	1,442,366	---
Alternative cash and investments	913,002	---	---	913,002
Exchange-traded funds	<u>13,209,168</u>	<u>13,209,168</u>	<u>---</u>	<u>---</u>
Total investments by fair value level	31,010,327	<u>\$ 24,811,800</u>	<u>\$ 5,285,525</u>	<u>\$ 913,002</u>
Investments measured at amortized cost:				
Time certificates of deposit	<u>6,297,394</u>			
	<u>\$ 37,307,721</u>			

As of September 30, 2023, UOG's investments in fixed income debt securities were as follows:

	<u>Investment Maturities (In Years)</u>				
	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>Greater Than 10</u>	<u>Total</u>
U.S. treasury notes	\$ ---	\$ ---	\$ 1,350,736	\$ 592,153	\$ 1,942,889
U.S. government agencies	---	---	---	1,966,522	1,966,522
Corporate notes and bonds	<u>79,269</u>	<u>751,711</u>	<u>1,034,545</u>	<u>11,112</u>	<u>1,876,637</u>
	<u>\$ 79,269</u>	<u>\$ 751,711</u>	<u>\$ 2,385,281</u>	<u>\$ 2,569,787</u>	<u>\$ 5,786,048</u>

UOG's exposure to credit risk as of September 30, 2023, was as follows:

<u>Moody's Rating</u>	<u>Domestic</u>
AAA	\$ 1,942,889
A	353,539
BBB	536,779
BB	774,379
B	188,160
CCC	23,781
Not rated	<u>1,966,522</u>
	<u>\$ 5,786,048</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments, continued**

University of Guam (UOG), continued

The University of Guam Endowment Foundation, Inc.'s investments consist of money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments held by the Foundation is as follows:

Restricted for endowments:

Mutual Funds	\$ 2,592,106
U.S. Government notes and bonds	241,561
Domestic equities	3,314,330
Exchange-traded funds	<u>11,501,209</u>
	<u>\$ 17,649,206</u>

Guam Housing Corporation (GHC):

As of September 30, 2023, the carrying amount of GHC's cash and cash equivalents was \$12,440,897, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2023, bank deposits in the amount of \$3,570,496 were FDIC insured.

GHC has the following recurring fair value measurements as of September 30, 2023:

	Fair Value Measurements Using			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government agencies	\$ 183,175	\$ ---	\$ 183,175	\$ ---
Mutual funds	<u>37,368</u>	<u>37,368</u>	<u>---</u>	<u>---</u>
	<u>\$ 220,543</u>	<u>\$ 37,368</u>	<u>\$ 183,175</u>	<u>\$ ---</u>

As of September 30, 2023, GHC's investments in fixed income debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years)				Total
		Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. government agencies:						
Federal Home Loan Mortgage Corp.	Aaa	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 183,175</u>	<u>\$ 183,175</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**B. Deposits and Investments, continued**

Guam Economic Development Authority (GEDA):

As of September 30, 2023, the carrying amount of GEDA’s cash and cash equivalents was \$28,649,117 and the corresponding bank balance was \$18,714,914. Of the bank balance amount, \$1,377,464 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$17,337,450 represents short-term investments held and administered by GEDA’s trustees. Based on negotiated trust and custody agreements, all of these investments were held by GEDA’s trustees in GEDA’s name in accordance with various trust agreements and bond indentures. As of September 30, 2023, bank deposits in the amount of \$500,000 were FDIC insured.

GEDA has the following recurring fair value measurements as of September 30, 2023:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Fixed income securities	\$ 1,982,725	\$ 1,126,927	\$ 855,798	\$ ---
Equity securities	5,002,198	5,002,198	---	---
Exchange-traded funds	<u>19,916,045</u>	<u>19,916,045</u>	<u>---</u>	<u>---</u>
Total investments by fair value level	<u>\$ 26,900,968</u>	<u>\$ 26,045,170</u>	<u>\$ 855,798</u>	<u>\$ ---</u>

Guam Preservation Trust (GPT):

As of September 30, 2023, the carrying amount of GPT’s cash and cash equivalents and time certificates of deposit was \$3,296,627, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2023, bank deposits in the amount of \$1,750,000 were FDIC insured.

GPT has the following recurring fair value measurements as of September 30, 2023:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equities	\$ 1,374,363	<u>\$ 1,374,363</u>	<u>---</u>	<u>---</u>
Investments measured at amortized cost:				
Exchange-traded funds	723,196			
Money market investments	459,106			
Certificates of deposit	<u>1,584,466</u>			
	<u>\$ 4,141,131</u>			

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Visitors Bureau (GVB):

As of September 30, 2023, the carrying amount of GVB’s cash and cash equivalents and time certificates of deposit was \$33,530,191 and the corresponding bank balance was \$33,581,487, of which \$32,168,208 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$1,413,279 represents bank deposits in financial institutions not subject to depository insurance. As of September 30, 2023, bank deposits in the amount of \$1,825,032 were FDIC insured.

As of September 30, 2023, investments include time certificates of deposit in the amount of \$1,499,605 with original maturities of more than three months.

Guam Educational Telecommunications Corporation (GETC):

As of September 30, 2023, the carrying amount of GETC’s cash and cash equivalents was \$2,401,005, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2023, bank deposits in the amount of \$771,345 were FDIC or NCUA insured.

C. Receivables

Receivables as of September 30, 2023, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat	Guam		Guam			Port	Nonmajor		
	International	Guam	Urban	Memorial	Guam	Guam	Port	Nonmajor		
	Airport	Community	Renewal	Hospital	Power	Waterworks	Authority	University of	Component	
	Authority	College	Authority	Authority	Authority	Authority	of Guam	Guam	Units	Total
Trade	\$ 9,048,642	\$ 2,879,510	\$ 490,580	\$358,080,598	\$49,280,718	\$20,692,921	\$ 9,988,612	\$ 9,236,809	\$ 214,338	\$ 459,912,728
Federal agencies	954,191	1,753,640	3,206,721	---	1,062,102	2,191,346	2,770,123	10,689,332	---	22,627,455
Loans	---	---	15,785,847	---	---	---	---	17,510,077	22,548,540	55,844,464
Leases	16,447,742	---	432,729	---	---	---	37,918,152	1,141,666	27,625,930	83,566,219
Interest	---	---	108,809	---	---	---	---	---	99,071	207,880
Other	<u>1,742,964</u>	<u>3,453,302</u>	<u>446,653</u>	<u>1,520,825</u>	<u>9,247,633</u>	<u>1,718,791</u>	<u>---</u>	<u>5,622,914</u>	<u>8,179,313</u>	<u>31,932,395</u>
	28,193,539	8,086,452	20,471,339	359,601,423	59,590,453	24,603,058	50,676,887	44,200,798	58,667,192	654,091,141
Allowance	<u>(989,249)</u>	<u>(1,707,850)</u>	<u>(475,286)</u>	<u>(306,540,264)</u>	<u>(6,678,172)</u>	<u>(9,365,376)</u>	<u>(313,048)</u>	<u>(24,931,623)</u>	<u>(2,090,676)</u>	<u>(353,091,544)</u>
	<u>\$ 27,204,290</u>	<u>\$ 6,378,602</u>	<u>\$ 19,996,053</u>	<u>\$ 53,061,159</u>	<u>\$52,912,281</u>	<u>\$15,237,682</u>	<u>\$ 50,363,839</u>	<u>\$19,269,175</u>	<u>\$56,576,516</u>	<u>\$ 300,999,597</u>

In accordance with GASB Statement No. 87, *Leases*, the discretely presented component units recognize a lease receivable and a deferred inflow of resources at commencement of the lease term. As of September 30, 2023, lease receivables and deferred inflow of resources associated with leases totaled \$83,566,219 and \$84,563,580, respectively.

## Government of Guam

### Notes to Financial Statements, continued

#### 15. Discretely Presented Component Unit Disclosures, continued

##### C. Receivables, continued

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

AWPIAA is a lessor for non-cancelable leases of land, buildings, and other capital assets. In accordance with GASB Statement No. 87, *Leases*, AWPIAA recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for certain regulated leases, and short-term leases.

##### *Regulated Leases*

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses. These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing opportunities are made available to any potential lessee should a facility become vacant. In accordance with GASB Statement No. 87, AWPIAA recognizes lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

##### *Non-regulated Leases*

These contracts convey control of the right to use AWPIAA's assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater than 12 months at commencement of the leases are recognized in accordance with the provisions of GASB Statement No. 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases.

AWPIAA, as a lessor, leases certain assets to various third parties. The assets leased include building facilities, land, office space, terminal space for concessions, rental car facilities, advertising, and others. Majority of the lease agreements are a fixed monthly fee and may contain annual or periodic escalation clauses. For some leases, the monthly fee is a percentage of gross revenue, which may vary each month. Additionally, some leases may have a minimum annual guarantee (MAG), that set a certain lease amount regardless of the lessor's sales. Lease terms vary from month-to-month to over 20 years. Majority of the leases have a term of less than 5 years.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

C. Receivables, continued

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

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2023, are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,835,005	\$ 210,125	\$ 2,045,130
2025	1,718,048	165,426	1,883,474
2026	1,546,885	121,117	1,668,002
2027	594,437	93,432	687,869
2028	333,120	83,860	416,980
2029 - 2033	1,829,735	336,450	2,166,185
2034 - 2038	2,066,096	176,347	2,242,443
2039 - 2041	<u>1,148,352</u>	<u>27,702</u>	<u>1,176,054</u>
	<u>\$ 11,071,678</u>	<u>\$ 1,214,459</u>	<u>\$ 12,286,137</u>

Guam Housing and Urban Renewal Authority (GHURA):

Loan receivables consist primarily for first time homebuyers to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. As of September 30, 2023, loans under GHURA’s Down Payment and Closing Cost Assistance Program of \$226,429 are interest free with a maximum loan amount of the lesser of \$18,000 or 18% of the purchase price and are collateralized by second mortgages on real estate. As of September 30, 2023, loans under GHURA’s Renewal Homes Program of \$4,179,418 carry a 3% interest rate with a 30-year term.

On December 3, 2020, the U.S. Department of Housing and Urban Development (HUD) entered into a \$12,000,000 loan facility with GHURA under the Community Development Block Grant Section 108 Loan Guarantee Program. GHURA simultaneously entered into a subrecipient loan agreement with “The Learning Institute” (the subrecipient), a Guam nonprofit corporation, for the purpose of funding construction, rehabilitation or installation of public facilities eligible under 24 CFR 570.703 (1), in connection with the iLearn Academy Charter School Project. During the year ended September 30, 2023, various drawdowns totaling \$356,000 were made against this facility for cumulative drawdowns as of September 30, 2023 in the amount of \$11,847,000. As of September 30, 2023, note receivable from the subrecipient amounted to \$11,380,000.



Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

C. Receivables, continued

Port Authority of Guam (PAG):

PAG, as a lessor, has entered into lease agreements involving land and building space. PAG also leases equipment and space to tenants on a month-to-month basis.

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2023, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,136,808	\$ 666,333	\$ 1,803,141
2025	1,155,099	648,042	1,803,141
2026	1,173,716	629,426	1,803,142
2027	1,023,054	610,897	1,633,951
2028	960,730	593,774	1,554,504
2029 - 2033	4,780,083	2,718,072	7,498,155
2034 - 2038	5,062,404	2,288,017	7,350,421
2039 - 2043	4,666,451	1,845,054	6,511,505
2044 - 2048	4,834,008	1,422,176	6,256,184
2049 - 2053	5,294,438	961,745	6,256,183
2054 - 2058	5,798,724	457,459	6,256,183
2059 - 2062	<u>2,032,637</u>	<u>35,594</u>	<u>2,068,231</u>
	<u>\$ 37,918,152</u>	<u>\$ 12,876,589</u>	<u>\$ 50,794,741</u>

University of Guam (UOG):

The Guam Legislature appropriates funds for the student loan program available to residents of Guam who attend institutions of higher education. UOG is responsible for awarding loans and monitoring compliance with respect to repayment. Due to the uncertainty of collection and due to recipient ability to repay the loans through work credits, student loan receivables are fully reserved for in the year granted, and payments are reflected as recoveries in the year received. As of September 30, 2023, loan receivables are reserved in the amount of \$17,510,077.

The Research Corporation of the University of Guam, lessor, entered into a lease agreement with Coreseed Aquaculture (Guam) Corporation, lessee, on the use of a certain parcel of land and improvements thereon. The lessee is in the business of developing aquaculture products to fill market demands and to develop farms and other agricultural activities. The initial term of the lease began on January 1, 2020, and ends on December 31, 2049, with an option to renew.

## Government of Guam

### Notes to Financial Statements, continued

#### 15. Discretely Presented Component Unit Disclosures, continued

##### C. Receivables, continued

University of Guam (UOG), continued:

Annual lease payments are due on or before January 6th of each year at the following rates:

- Years 1 – 5 at \$32,000 per year
- Years 6 –10 at \$44,000 per year
- Years 11–15 at \$48,000 per year
- Years 16 –30 at \$50,000 per year

At the 11th year of the initial lease term, 5% of the portion of the lessee’s annual revenue above \$800,000 will be assessed. As of September 30, 2023, UOG recorded total lease receivables of \$1,141,666.

Guam Housing Corporation (GHC):

Loan receivables from first time homebuyers under GHC’s Low-Cost Housing Assistance, Community Affordable Housing Action Trust (CAHAT), Hazard Mitigation, Down Payment and Closing Cost Assistance (DPCCA), and the Sagan Linayan Project programs. As of September 30, 2023, loans under these GHC programs of \$22,463,568 are due in varying monthly installments, interest free, with varying maturities, collateralized by first mortgages on real estate.

Guam Economic Development Authority (GEDA):

GEDA leases industrial parks from GovGuam for an annual rent of \$1 with terms expiring in 2065. GEDA subleases space to various commercial tenants under agreements that call for advance rental payments of one month to one year rent. Majority of the subleases have various terms of “initial term” and “optional terms”. Initial terms vary from 10-20 years with several optional terms of 5-10 years each.

GEDA has adopted policies to assist in determining lease treatment in accordance with the requirements of GASB Statement No. 87, which include the following: (1) maximum possible lease term is non-cancelable by both lessee and lessor and is more than 12 months and (2) the terms of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

C. Receivables, continued

Guam Economic Development Authority (GEDA), continued:

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2023, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 612,457	\$ 468,829	\$ 1,081,286
2025	620,840	459,226	1,080,066
2026	626,305	449,452	1,075,757
2027	607,835	439,530	1,047,365
2028	617,887	429,477	1,047,364
2029 - 2033	3,070,839	1,974,722	5,045,561
2034 - 2038	3,244,058	1,702,284	4,946,342
2039 - 2043	3,551,093	1,435,328	4,986,421
2044 - 2048	3,929,789	1,111,582	5,041,371
2049 - 2053	4,365,601	757,803	5,123,404
2054 - 2058	3,913,038	422,725	4,335,763
2059 - 2063	2,370,646	89,378	2,460,024
2064 - 2065	<u>155,521</u>	<u>2,446</u>	<u>157,967</u>
	<u>\$ 27,685,909</u>	<u>\$ 9,742,782</u>	<u>\$ 37,428,691</u>

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government as of September 30, 2023, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
Antonio B. Won Pat International Airport Authority:		
Other nonmajor governmental funds	\$ 6,782,872	\$ 1,532,095
Guam Memorial Hospital Authority:		
General Fund	-	24,849,472
Nonmajor component units:		
Other nonmajor governmental funds	<u>4,061,937</u>	<u>77,410</u>
	<u>\$ 10,844,809</u>	<u>\$ 26,458,977</u>

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

E. Capital Assets

Capital asset activities of the discretely presented component units for the year ended September 30, 2023, are as follows:

	Estimated Useful Lives	Balance October 1, 2022	Transfers and Additions	Transfers and Deletions	Balance September 30, 2023
Nondepreciable capital assets:					
Land		\$ 111,410,113	\$ 559,414	\$ ---	\$ 111,969,527
Construction in progress		<u>262,324,586</u>	<u>88,857,850</u>	<u>(179,961,658)</u>	<u>171,220,778</u>
		<u>373,734,699</u>	<u>89,417,264</u>	<u>(179,961,658)</u>	<u>283,190,305</u>
Depreciable capital assets:					
Financed lease assets	20 - 40 yrs.	32,466,516	---	---	32,466,516
Right-to-use assets		---	12,126,099	---	12,126,099
Buildings and improvements	5 - 60 yrs.	2,032,989,435	14,067,054	25,705,097	2,072,761,586
Lease assets		22,960,387	4,310,413	---	27,270,800
Machinery, equipment and Furniture	2 - 40 yrs.	289,221,076	11,812,072	(7,652,622)	293,380,526
Infrastructure	10 - 50 yrs.	<u>1,491,504,391</u>	<u>147,722,218</u>	<u>(3,121,318)</u>	<u>1,636,105,291</u>
		3,869,141,805	190,037,856	14,931,157	4,074,110,818
Less accumulated depreciation and amortization		<u>(2,129,668,163)</u>	<u>(141,930,116)</u>	<u>9,727,259</u>	<u>(2,261,871,020)</u>
Depreciable capital assets, net		<u>1,739,473,642</u>	<u>48,107,740</u>	<u>24,658,416</u>	<u>1,812,239,798</u>
		<u>\$ 2,113,208,341</u>	<u>\$ 137,525,004</u>	<u>\$ (155,303,242)</u>	<u>\$ 2,095,430,103</u>

F. Bonds Payable

As of September 30, 2023, the discretely presented component units had the following bonds payable outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Antonio B. Won Pat International Airport Authority (AWPIAA):					
Revenue Bonds Series B, 2019	November 14, 2019	\$ 18,400,000	3.13%	October 1, 2024	\$ 3,900,000
Revenue Bonds Series A, 2021	August 17, 2021	\$ 143,430,000	2.50% - 4.46%	October 1, 2043	143,430,000
Revenue Bonds Series A, 2023	July 11, 2023	\$ 47,080,000	5.00% - 5.75%	October 1, 2043	<u>47,080,000</u>
					194,410,000
Add: unamortized bond premium					<u>25,457</u>
					<u>\$ 194,435,457</u>
Guam Power Authority (GPA):					
Revenue Bonds Series A, 2014	September 17, 2014	\$ 76,470,000	4.00% - 5.00%	October 1, 2044	67,550,000
Revenue Bonds Series A, 2017	December 21, 2017	\$ 148,670,000	4.00% - 5.00%	October 1, 2040	148,040,000
Revenue Bonds Series A, 2022	July 7, 2022	\$ 257,570,000	4.00% - 5.00%	October 1, 2044	<u>251,830,000</u>
					467,420,000
Add: unamortized bond premium					<u>34,876,271</u>
					<u>\$ 502,296,271</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**F. Bonds Payable, continued**

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Guam Waterworks Authority (GWA):					
Revenue Bonds Series A, 2013	December 12, 2013	\$ 172,630,000	5.00% - 5.25%	July 1, 2043	\$ 18,365,000
Revenue Bonds Series A, 2014	August 7, 2014	\$ 70,000,000	5%	July 1, 2035	60,050,000
Revenue Bonds Series A, 2016	February 24, 2016	\$ 143,310,000	5%	January 1, 2046	134,140,000
Revenue Bonds Series A, 2017	December 13, 2017	\$ 107,660,000	5%	July 1, 2040	100,930,000
Revenue Bonds Series A, 2020	June 4, 2020	\$ 134,000,000	5%	January 1, 2050	134,000,000
Revenue Bonds Series B, 2020	August 26, 2020	\$ 166,075,000	2.75% - 3.70%	July 1, 2043	<u>166,075,000</u>
					613,560,000
Add: unamortized bond premium					<u>37,287,410</u>
					<u>\$ 650,847,410</u>
Port Authority of Guam (PAG):					
Revenue Bonds Series A, 2018	July 11, 2018	\$ 29,980,000	5%	July 1, 2048	29,980,000
Revenue Bonds Series B, 2018	July 11, 2018	\$ 23,145,000	5%	July 1, 2037	16,965,000
Revenue Bonds Series C, 2018	July 11, 2018	\$ 18,320,000	3.59% - 4.58%	July 1, 2028	<u>13,090,000</u>
					60,035,000
Add: unamortized bond premium					<u>4,023,477</u>
					<u>\$ 64,058,477</u>
Guam Housing Corporation (GHC):					
Housing Bonds Series A, 1998	April 15, 1998	\$ 50,000,000	4.70% - 5.75%	September 1, 2031	<u>\$ 2,550,000</u>
Guam Economic Development Authority (GEDA):					
Tobacco Settlement Asset-Backed Bonds Series A, 2007	December 1, 2007	\$ 33,575,000	5.25% - 5.62%	June 1, 2047	23,120,000
Tobacco Settlement Asset-Backed Bonds Series B, 2007	December 1, 2007	\$ 3,407,077	Accreted	June 1, 2057	<u>16,773,618</u>
					39,893,618
Less: unamortized bond discount					(321,435)
Less: unaccreted capital appreciation bonds					<u>(6,336,487)</u>
					<u>\$ 33,235,696</u>

A summary of bond premium, bond discount and unaccreted interest activity for the year ended September 30, 2023, is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Unaccreted Interest</u>	<u>Net</u>
Balance - October 1, 2022	\$ 79,942,657	\$ (374,872)	\$ (7,053,462)	\$ 72,514,323
Current-year amortization	<u>(3,730,042)</u>	<u>53,437</u>	<u>716,975</u>	<u>(2,959,630)</u>
Balance - September 30, 2023	<u>\$ 76,212,615</u>	<u>\$ (321,435)</u>	<u>\$ (6,336,487)</u>	<u>\$ 69,554,693</u>

# Government of Guam

## Notes to Financial Statements, continued

### 15. Discretely Presented Component Unit Disclosures, continued

#### F. Bonds Payable, continued

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

In 2019, AWPIAA issued \$37,045,000 in Revenue Bonds, Series A and B, to refund \$37,045,000 of outstanding 2013 Series C bonds. Of the net proceeds of \$43,112,434 (including an issue premium of \$1,951,243 and funds of \$4,116,191 released from bond reserve fund and debt service fund accounts), \$41,925,068 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 Series C bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a loss on defeasance of \$690,098, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2013 bonds. The unamortized balance of the deferred loss on refunding is \$12,568 as of September 30, 2023. The bond premium has been deferred and amortized over the term of the 2019 bonds using the effective interest rate method.

In 2021, AWPIAA issued \$143,430,000 in Revenue Bonds, Series A, to refund all of the outstanding 2013 Series A bonds, 2013 Series B bonds and 2019 Series A bonds, and a portion of the 2013 Series C bonds and 2019 Series B bonds. Of the net proceeds of \$142,191,796 (including funds of \$106,016 released from bond reserve fund and debt service fund accounts), \$141,183,965 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 and 2019 bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a loss on defeasance of \$14,156,010, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2019 and 2021 bonds. The unamortized balance of the deferred loss on refunding is \$11,886,647 as of September 30, 2023.

In 2023, AWPIAA issued \$47,080,000 in Revenue Bonds, Series A, to refund all of the remaining outstanding 2013 Series C bonds. The net proceeds of \$46,718,634 were deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a gain on defeasance of \$425,243, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2013 bonds. The unamortized balance of the deferred gain on refunding is \$425,243 as of September 30, 2023.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

F. Bonds Payable, continued

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

AWPIAA revenue bonds are payable solely from and collateralized by a pledge of AWPIAA revenues, which includes all rents, fees and charges received by AWPIAA for the use of the airport facilities. The bond indentures for the 2019, 2021 and 2023 Revenue Bonds include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The aforementioned bond indentures also require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ ---	\$ 7,145,538	\$ 7,145,538
2025	4,015,000	7,771,615	11,786,615
2026	10,940,000	7,567,950	18,507,950
2027	11,220,000	7,273,906	18,493,906
2028	11,525,000	6,949,720	18,474,720
2029-2033	64,040,000	28,018,135	92,058,135
2034-2038	37,130,000	17,421,547	54,551,547
2039-2043	45,185,000	8,121,203	53,306,203
2044	<u>10,355,000</u>	<u>256,674</u>	<u>10,611,674</u>
	<u>\$ 194,410,000</u>	<u>\$ 90,526,288</u>	<u>\$ 284,936,288</u>

Guam Power Authority (GPA):

In 2012, GPA issued \$340,620,000 in Revenue Bonds, 2012 Series A, to refund \$356,050,000 of outstanding 1993 Series A and 1999 Series A bonds and to provide additional proceeds to fund the Senior Bond Reserve Fund. Of the net proceeds of \$374,138,709 (including an issue premium of \$33,518,709), \$358,502,697 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 1993 Series A and 1999 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance of \$17,283,801, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 1993 and 1999 bonds. The unamortized balance of the deferred loss on refunding is \$1,811,894 as of September 30, 2023. The bond premium has been deferred and amortized over the term of the 2012 bonds using the effective interest rate method.

# Government of Guam

## Notes to Financial Statements, continued

### 15. Discretely Presented Component Unit Disclosures, continued

#### F. Bonds Payable, continued

Guam Power Authority (GPA), continued:

In 2014, GPA issued \$76,470,000 in Revenue Bonds, 2014 Series A. Of the net proceeds of \$84,301,290 (including an issue premium of \$7,831,290), \$81,632,000 was made available to fund electric power system improvements, the 2014 Capitalized Interest account and the 2014 Senior Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2014 bonds using the effective interest rate method.

In 2017, GPA issued \$148,670,000 in Revenue Bonds, 2017 Series A, to refund \$150,440,000 of outstanding 2010 Series A bonds. Of the net proceeds of \$168,546,259 (including an issue premium of \$17,876,459 and funds of \$1,999,800 released from a bond fund account), \$166,007,863 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2010 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance of \$18,390,430, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2010 bonds. The unamortized balance of the deferred loss on refunding is \$11,711,837 as of September 30, 2023. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

In 2022, GPA issued \$257,570,000 in Revenue Bonds 2022 Series A, to refund \$285,795,000 of outstanding 2012 Series A bonds. Of the net proceeds of \$295,158,617, (including an issue premium of \$18,474,929 and funds of \$19,113,687 released from a bond fund account), \$292,040,901 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2012 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance totaling \$2,224,524 representing the difference between the reacquisition price and the carrying amount of the 2012 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GPA in effect reduced its aggregate debt service payments by \$43,135,796 over the next twenty-three years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of \$5,772,263.



Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

F. Bonds Payable, continued

Guam Power Authority (GPA), continued:

GPA revenue bonds are payable solely from and collateralized by a pledge of GPA revenues, which includes all rates and charges received by GPA in connection with the operation of the electric power system. The respective bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 130% of the annual debt service. The respective bond indentures also require the establishment of special funds and accounts to be held and administered by GPA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 24,680,000	\$ 22,704,000	\$ 47,384,000
2025	15,855,000	21,690,625	37,545,625
2026	16,650,000	20,878,000	37,528,000
2027	17,480,000	20,024,750	37,504,750
2028	18,355,000	19,128,875	37,483,875
2029-2033	106,495,000	80,556,875	187,051,875
2034-2038	104,965,000	52,669,375	157,634,375
2039-2043	110,620,000	27,236,650	137,856,650
2044-2045	<u>52,320,000</u>	<u>2,626,350</u>	<u>54,946,350</u>
	<u>\$ 467,420,000</u>	<u>\$ 267,515,500</u>	<u>\$ 734,935,500</u>

Guam Waterworks Authority (GWA):

In 2013, GWA issued \$172,630,000 in Revenue Bonds, 2013 Series A. Of the net proceeds of \$171,097,017 (including an issue discount of \$1,532,983), \$168,135,608 was made available to fund water and wastewater system improvements, the 2013 Capitalized Interest account and the 2013 Bond Reserve Fund account. The bond discount has been deferred and amortized over the term of the 2013 bonds using the effective interest rate method.

# Government of Guam

## Notes to Financial Statements, continued

### 15. Discretely Presented Component Unit Disclosures, continued

#### F. Bonds Payable, continued

Guam Waterworks Authority (GWA), continued:

In 2014, GWA issued \$85,600,000 in Revenue Bonds, 2014 Series A and B, to refund \$85,985,000 of outstanding 2005 Series A bonds. Of the net proceeds of \$92,533,038 (including a net issue premium of \$5,648,970 and funds of \$1,284,068 released from bond reserve fund and bond fund accounts), \$90,996,860 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2005 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GWA's financial statements. The advance refunding resulted in a loss on defeasance of \$2,468,670, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2005 bonds. The unamortized balance of the deferred loss on refunding is \$1,032,424 as of September 30, 2023. The bond premium has been deferred and amortized over the term of the 2014 bonds using the effective interest rate method.

In 2016, GWA issued \$143,310,000 in Revenue Bonds, 2016 Series A. Of the net proceeds of \$161,534,842 (including an issue premium of \$18,224,842), \$159,066,988 was made available to fund water and wastewater system improvements, the 2016 Capitalized Interest account and the 2016 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2016 bonds using the effective interest rate method.

In 2017, GWA issued \$107,660,000 in Revenue Bonds, 2017 Series A, to refund \$109,105,000 of outstanding 2010 Series A bonds. Of the net proceeds of \$124,047,361 (including an issue premium of \$13,854,833 and funds of \$2,532,528 released from bond reserve fund and bond fund accounts), \$122,155,917 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2010 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GWA's financial statements. The advance refunding resulted in a loss on defeasance of \$11,791,115, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2010 bonds. The unamortized balance of the deferred loss on refunding is \$6,434,547 as of September 30, 2023. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

In 2020, GWA issued \$134,000,000 Revenue Bonds, 2020 Series A. Of the net proceeds of \$145,017,480 (including an issue premium of \$11,017,480), \$143,035,802 was made available to fund water and wastewater system improvements, the 2020 Capitalized Interest account and the 2020 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2020 bonds using the effective interest rate method.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

F. Bonds Payable, continued

Guam Waterworks Authority (GWA), continued:

In 2020, GWA issued \$166,075,000 Revenue Bonds, 2020 Series B, to refund \$142,595,000 of outstanding 2013 Series A bonds. Of the net proceeds of \$167,376,076 (including funds of \$1,301,076 released from bond reserve fund and bond fund accounts), \$165,243,685 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GWA's financial statements. The advance refunding resulted in a loss on defeasance of \$22,348,953 representing the difference between the reacquisition price and the carrying amount of the 2013 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GWA in effect reduced its aggregate debt service payments by \$13,533,562 over twenty-three years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of \$11,931,575. The unamortized balance of the deferred loss on refunding is \$19,717,493 as of September 30, 2023.

GWA revenue bonds are payable solely from and collateralized by a pledge of GWA revenues, which includes all rates and charges received by GWA (with the exception of certain legislative surcharge and system development charge revenues) in connection with the operation of the water and wastewater systems. The respective bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The respective bond indentures also require the establishment of special funds and accounts to be held and administered by GWA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,760,000	\$ 28,282,065	\$ 39,042,065
2025	11,305,000	27,735,778	39,040,778
2026	11,875,000	27,161,815	39,036,815
2027	12,470,000	26,568,065	39,038,065
2028	14,355,000	25,944,565	40,299,565
2029-2033	85,210,000	119,436,487	204,646,487
2034-2038	105,500,000	99,155,000	204,655,000
2039-2043	133,085,000	73,524,160	206,609,160
2044-2048	125,880,000	40,779,875	166,659,875
2049-2050	<u>103,120,000</u>	<u>4,451,500</u>	<u>107,571,500</u>
	<u>\$ 613,560,000</u>	<u>\$ 473,039,310</u>	<u>\$ 1,086,599,310</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

F. Bonds Payable, continued

Port Authority of Guam (PAG):

In 2018, PAG issued \$71,445,000 in Revenue Bonds, 2018 Series A, B and C. Of the net proceeds of \$77,308,470 (including an issue premium of \$5,296,754), \$75,312,854 was made available to fund capital improvements of port facilities, the retirement of existing debt, the 2018 Capitalized Interest account and the 2018 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2018 bonds using the effective interest rate method.

PAG revenue bonds are payable solely from and collateralized by a pledge of PAG revenues, which includes all rents, fees and charges received by PAG (with the exception of certain crane surcharge, facility maintenance fee and public marina revenues) for the use of the seaport facilities. The bond indentures for the 2018 Revenue Bonds include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The aforementioned bond indentures also require the establishment of special funds and accounts to be held and administered by PAG's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,820,000	\$ 2,935,842	\$ 5,755,842
2025	2,955,000	2,801,618	5,756,618
2026	3,085,000	2,670,118	5,755,118
2027	3,225,000	2,531,183	5,756,183
2028	3,370,000	2,383,413	5,753,413
2029-2033	7,450,000	10,436,250	17,886,250
2034-2038	9,510,000	8,378,000	17,888,000
2039-2043	12,130,000	5,751,250	17,881,250
2044-2048	<u>15,490,000</u>	<u>2,398,500</u>	<u>17,888,500</u>
	<u>\$ 60,035,000</u>	<u>\$ 40,286,174</u>	<u>\$ 100,321,174</u>

Guam Housing Corporation (GHC):

In 1998, GHC issued \$50,000,000 in Housing Revenue Bonds, 1998 Series A. Of the net proceeds of \$52,268,630 (including an issue premium of \$1,183,630 and other funds released of \$1,085,000), \$51,340,143 was made available to fund a home financing program on Guam by purchasing fully modified, mortgage-backed securities guaranteed as to timely payment of principal and interest by the Federal Home Loan Mortgage Corporation.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

F. Bonds Payable, continued

Guam Housing Corporation (GHC), continued:

GHC housing revenue bonds are payable solely from and collateralized by a pledge of GHC revenues and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GHC, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bond indenture includes certain debt service and reserve requirements and also require the establishment of special funds and accounts to be held and administered by GHC's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 260,000	\$ 142,888	\$ 402,888
2025	275,000	127,794	402,794
2026	295,000	111,694	406,694
2027	305,000	94,588	399,588
2028	325,000	76,763	401,763
2029-2031	<u>1,090,000</u>	<u>111,838</u>	<u>1,201,838</u>
	<u>\$ 2,550,000</u>	<u>\$ 665,565</u>	<u>\$ 3,215,565</u>

Guam Economic Development Authority (GEDA):

In 2007, GEDA issued \$36,982,077 in Tobacco Settlement Asset-Backed Bonds, 2007 Series A and B, to refund \$25,040,000 of outstanding 2001 Series A and B bonds and to provide additional proceeds to fund certain expenditures of GovGuam's General Fund and the 2007 Debt Service Reserve Account. Of the net proceeds of \$39,850,293 (including an issue discount of \$1,144,510 and funds of \$4,012,726 released from bond indenture accounts), \$27,132,871 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2001 Series A and B bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GEDA's financial statements. The advance refunding resulted in a loss on defeasance of \$2,628,344, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2001 bonds. The bond discount has been deferred and amortized over the term of the 2007 bonds using the effective interest rate method.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

F. Bonds Payable, continued

Guam Economic Development Authority (GEDA), continued:

GEDA tobacco settlement asset-backed bonds are payable solely from and collateralized by a pledge of Tobacco Settlement Revenues (TSR) and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GEDA, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bond indenture includes certain debt service and reserve requirements and also require the establishment of special funds and accounts to be held and administered by GEDA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,635,000	\$ 414,562	\$ 2,049,562
2025	1,825,000	318,727	2,143,727
2026	4,757,533	242,578	5,000,111
2027	2,017,055	---	2,017,055
2028	2,042,426	---	2,042,426
2029-2033	<u>27,616,604</u>	<u>---</u>	<u>27,616,604</u>
	<u>\$ 39,893,618</u>	<u>\$ 975,867</u>	<u>\$ 40,869,485</u>

Changes in Bonds Payable:

	<u>Balance October 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2023</u>	<u>Due Within One Year</u>
Bonds payable:					
AWPIAA	\$ 194,410,000	\$ ---	\$ ---	\$ 194,410,000	\$ ---
GPA	475,150,000	---	(7,730,000)	467,420,000	24,680,000
GWA	623,795,000	---	(10,235,000)	613,560,000	10,760,000
PAG	62,720,000	---	(2,685,000)	60,035,000	2,820,000
GHC	2,795,000	---	(245,000)	2,550,000	260,000
GEDA	<u>40,138,618</u>	<u>---</u>	<u>(245,000)</u>	<u>39,893,618</u>	<u>1,635,000</u>
	<u>\$ 1,399,008,618</u>	<u>\$ ---</u>	<u>\$ (21,140,000)</u>	<u>\$ 1,377,868,618</u>	<u>\$ 40,155,000</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

**G. Direct Borrowings**

As of September 30, 2023, the discretely presented component units had the following direct borrowings outstanding:

	<u>Dated Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Antonio B. Won Pat International Airport Authority (AWPIAA): Bank loan	January 24, 2014	\$ 11,900,000	5.75%	January 23, 2024	\$ 591,770
Guam Housing and Urban Renewal Authority (GHURA): FmHA loan	March 26, 1980	\$ 2,000,000	6%	March 26, 2030	568,705
Loan guarantee assistance loan	December 3, 2020	\$ 12,000,000	3-month T Bill	August 1, 2040	11,380,000
University of Guam (UOG): USDA rural development loan	June 12, 2003	\$ 13,500,000	4.50%	June 12, 2044	<u>9,657,156</u>
					<u>\$ 22,197,631</u>

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

In 2012, AWPIAA entered into a loan and related promissory note with a bank for the purpose of financing AWPIAA’s Energy Performance Management program, which loan was subsequently modified on January 24, 2014. The loan is secured by a Security Agreement and a UCC-1 Financing Agreement with primary source of repayment to be realized from the Energy Performance contract and from AWPIAA’s revenues after consideration of the 2013 Revenue Bonds pledge of revenues in the bond indenture. The loan is subject to the U.S. Department of Agriculture’s written commitment to the bank to guaranty no less than 90% of the loan to AWPIAA. In the event that AWPIAA defaults in the payment of the loan or in the performance of any of its obligations under the loan agreement or the promissory note, or AWPIAA or any other party defaults in their respective obligations under any of the related security documents, the bank would have the option to declare the unpaid principal amount of the loan, together with any accrued and unpaid interest and charges, immediately due and payable. The loan matures in 2024 with a principal amount outstanding at September 30, 2023 of \$591,770.

**Guam Housing and Urban Renewal Authority:**

*Farmers Home Administration*

In 1980, GHURA entered into a Section 515 Rural Rental Housing loan with the Farmers Home Administration for the construction of elderly housing known as Guma Trankilidat. The loan is secured by a first mortgage and assignment of rental income and assessments. In the event that GHURA defaults in the payment of the loan or in the performance of any of its obligations under the promissory note, or GHURA or any other party defaults in their respective obligations under any of the related security documents, USDA would have the option to declare the unpaid principal amount of the loan, together with any accrued and unpaid interest and charges, immediately due and payable.

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

G. Direct Borrowings, continued

Guam Housing and Urban Renewal Authority, continued:

*Farmers Home Administration, continued*

Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,000	\$ 31,480	\$ 126,480
2025	101,000	25,480	126,480
2026	107,000	19,480	126,480
2027	114,000	12,480	126,480
2028	121,000	5,480	126,480
2029	<u>30,705</u>	<u>1,394</u>	<u>32,099</u>
	<u>\$ 568,705</u>	<u>\$ 95,794</u>	<u>\$ 664,499</u>

*Loan Guarantee Assistance Program*

In 2020, GHURA entered into a loan guarantee assistance program loan made pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974 as amended and 24 CFR part 570, Subpart M, in the maximum commitment amount of \$12,000,000. Advances are made upon written request of GHURA and the approval of the HUD Secretary. The loan bears variable interest based on the 3-month Treasury Bill rate, is payable quarterly commencing August 1, 2021, with principal due annually. Principal repayment based on the commitment schedule on the written request is as follows:

<u>Year ending September 30,</u>	<u>Principal</u>
2024	\$ 476,000
2025	486,000
2026	495,000
2027	505,000
2028	515,000
2029-2033	2,734,000
2034-2038	3,015,000
2039-2040	<u>3,154,000</u>
	<u>\$ 11,380,000</u>



Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

G. Direct Borrowings, continued

University of Guam (UOG):

In 2003, UOG entered into a rural development loan with the U.S. Department of Agriculture (USDA) for the purpose of financing costs associated with the design, construction and collateral equipment of the College of Business and Public Administration (BPA), and for the replacement of the roof of the Fine Arts Building. The loan security agreement requires revenues derived from the operation of the facility to be transferred to an account designated for debt service, operation and maintenance of the facility. After the payment of principal and interest, \$6,251 per month is required to be transferred to a reserve account until a sum of \$750,060 is accumulated. In addition, UOG assigned and granted to USDA its security interest in all equipment, furniture and fixtures located at the BPA building. The note contains a provision that in an event of default, USDA may, at its option, collect interest income and principal and exercise any other right or remedy provided by the Uniform Commercial Code after giving any notice required thereby. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 329,674	\$ 420,386	\$ 750,060
2025	344,608	405,452	750,060
2026	360,218	389,842	750,060
2027	376,535	373,525	750,060
2028	393,591	356,469	750,060
2029-2033	2,252,101	1,498,199	3,750,300
2034-2038	2,810,529	939,771	3,750,300
2039-2043	<u>2,789,900</u>	<u>257,832</u>	<u>3,047,732</u>
	<u>\$ 9,657,156</u>	<u>\$ 4,641,476</u>	<u>\$ 14,298,632</u>

Changes in Direct Borrowings:

	<u>Balance October 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2023</u>	<u>Due Within One Year</u>
Direct borrowings:					
AWPIAA	\$ 2,077,985	\$ ---	\$ (1,486,215)	\$ 591,770	\$ 591,770
GHURA:					
FmHA loan	658,098	---	(89,393)	568,705	95,000
Loan guarantee	11,338,000	509,000	(467,000)	11,380,000	476,000
UOG	9,965,128	---	(307,972)	9,657,156	329,674
	<u>\$ 24,039,211</u>	<u>\$ 509,000</u>	<u>\$ (2,350,580)</u>	<u>\$ 22,197,631</u>	<u>\$ 1,492,444</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

H. Leased Assets

Guam Community College (GCC):

GCC has entered into a lease agreement with the GCC Endowment Foundation, Inc. for the use of Building 100. At the termination of the lease, the Foundation will retain ownership of the building. As of September 30, 2023, the related lease assets under this agreement are as follows:

Right-to-use assets	\$	3,673,853
Less accumulated amortization	(	<u>258,189)</u>
	\$	<u>3,415,664</u>

The future payments for the aforementioned lease agreement are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 45,760	\$ 154,640	\$ 200,400
2025	47,733	152,667	200,400
2026	49,790	150,610	200,400
2027	51,936	148,464	200,400
2028	54,174	146,226	200,400
2029-2033	307,974	694,026	1,002,000
2034-2038	380,315	621,685	1,002,000
2039-2043	469,649	532,351	1,002,000
2044-2048	579,967	422,033	1,002,000
2049-2053	716,198	285,802	1,002,000
2054-2058	<u>883,488</u>	<u>117,571</u>	<u>1,001,059</u>
	<u>\$ 3,586,984</u>	<u>\$ 3,426,075</u>	<u>\$ 7,013,059</u>

Guam Memorial Hospital Authority (GMHA):

GMHA has entered into a 5-year Master License and Subscription Agreement for Electronic Health Records (EHRs) system, and financial and revenue cycle management (RCM) solutions with Medsphere Systems Corporation (“Medsphere”). The agreement expires on April 8, 2025 and has an option to renew four (4) successive terms of one (1) year each with the same terms and conditions. The agreement requires the payment of subscription service fees to Medsphere. As of September 30, 2023, the related lease assets under this agreement is as follows:

Subscription-based IT assets	\$	6,510,327
Less accumulated amortization	(	<u>1,001,592)</u>
	\$	<u>5,508,735</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

H. Leased Assets, continued

Guam Memorial Hospital Authority (GMHA), continued:

The future payments for the aforementioned subscription agreement are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,111,782	\$ 289,929	\$ 1,401,711
2025	923,910	234,340	1,158,250
2026	970,106	188,144	1,158,250
2027	1,018,611	139,639	1,158,250
2028	1,069,542	88,708	1,158,250
2029	<u>704,623</u>	<u>17,616</u>	<u>722,239</u>
	<u>\$ 5,798,574</u>	<u>\$ 958,376</u>	<u>\$ 6,756,950</u>

Guam Power Authority (GPA):

GPA has entered into various lease agreements with operators for the use of pipelines and fuel storage facilities that extend through June 30, 2026. At the termination of the various leases, the operators will retain ownership of the pipelines and fuel storage facilities. As of September 30, 2023, the related lease assets under these various agreements are as follows:

Right-to-use assets	\$ 21,115,196
Less accumulated amortization	<u>( 9,208,970)</u>
	<u>\$ 11,906,226</u>

The future payments for the aforementioned lease agreements are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,922,204	\$ 197,606	\$ 5,119,810
2025	4,802,469	100,578	4,903,047
2026	1,880,763	22,437	1,903,200
2027	<u>100,247</u>	<u>1,992</u>	<u>102,239</u>
	<u>\$ 11,705,683</u>	<u>\$ 322,613</u>	<u>\$ 12,028,296</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

H. Leased Assets, continued

Guam Waterworks Authority (GWA):

GWA has entered into various lease agreements with an operator for the use of heavy equipment that extend through December 31, 2024. At the termination of the various leases, the operator will retain ownership of the heavy equipment. As of September 30, 2023, the related lease assets under these various agreements are as follows:

Right-to-use assets	\$	951,315
Subscription-based IT assets		<u>304,253</u>
		1,255,568
Less accumulated amortization	(	<u>641,150)</u>
	\$	<u><u>614,418</u></u>

The future payments for the aforementioned lease and subscription agreements are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 396,662	\$ 6,260	\$ 402,922
2025	84,563	3,023	87,586
2026	35,943	1,977	37,920
2027	36,985	935	37,920
2028	<u>13,195</u>	<u>75</u>	<u>13,270</u>
	<u>\$ 567,348</u>	<u>\$ 12,270</u>	<u>\$ 579,618</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

H. Leased Assets, continued

Guam Economic Development Authority (GEDA):

GEDA has entered into a lease agreement with a lessor for the use of office space that extends through February 28, 2024. At the termination of the lease, the lessor will retain ownership of the office space. As of September 30, 2023, the related lease assets under this agreement are as follows:

Right-to-use assets	\$ 948,730
Less accumulated amortization	( <u>764,863</u> )
	<u>\$ 183,867</u>

The future payments for the aforementioned lease agreement are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ <u>287,626</u>	\$ <u>803</u>	\$ <u>288,429</u>

I. Changes in Other Long-Term Liabilities

During the year ended September 30, 2023, the following changes occurred in other long-term liabilities:

	<u>Balance</u> <u>October</u> <u>1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September</u> <u>30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Other long-term liabilities:					
Compensated absences	\$ 18,814,292	\$ 11,627,656	\$ (10,832,933)	\$ 19,609,015	\$ 8,488,470
Lease obligations	21,856,974	704,020	(6,150,583)	16,410,411	5,584,251
Subscription-based obligations	---	9,705,607	(412,416)	9,293,191	1,478,797
DCRS sick leave	13,286,905	4,325,105	(2,582,125)	15,029,885	---
Net pension liability	450,829,745	162,800,640	(741,378)	612,889,007	---
OPEB liability	<u>896,385,440</u>	<u>1,027,413</u>	<u>(160,684,202)</u>	<u>736,728,651</u>	<u>---</u>
	<u>\$ 1,401,173,356</u>	<u>\$ 190,190,441</u>	<u>\$ (181,403,637)</u>	<u>\$ 1,409,960,160</u>	<u>\$ 15,551,518</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

J. Commitments and Contingencies

Fuel Purchase Contracts

In 2019, Guam Power Authority (GPA) entered into diesel fuel supply contracts with IP&E Guam, Inc. and Mobil Oil Guam, Inc. The agreements are for two years beginning January 1, 2020, with an option to extend for three years, renewable annually. On September 30, 2023, GPA extended the contract until December 31, 2024.

In 2020, GPA entered into residual fuel oil (RFO) supply contract with Hyundai Corporation. The agreement is for three years commencing on or about September 1, 2020, until August 31, 2023, with the options to extend for two (2) additional one (1) year terms, upon mutual agreement of both parties. The first one-year term extension was exercised and the Fuel Purchase Contract expiring on August 31, 2024. The minimum purchase under the contract is estimated at 1,000,000 barrels per year with a maximum purchase of 2,000,000 barrels per year of combined quantities.

Performance Management Contracts (PMCs):

GPA has entered into a PMC with a company for the operation and maintenance of Cabras 1 and 2 generators, which became effective on October 1, 2010, and July 1, 2010, respectively. The PMC was for a period of five years with an option to extend for another five-year term. The option to extend was exercised and the PMC expired on September 30, 2020. On July 30, 2020, the Guam Public Utilities Commission approved GPA's petition and GPA subsequently entered into a new PMC with base period total cost of \$9,969,188 for three years with an option to extend for two additional one-year terms. GPA has also entered into a PMC for the operations and maintenance of the Dededo, Macheche and Yigo combustion turbine power plants. The PMC is for a period of five years commencing March 1, 2016, with an option to extend for one additional three-year term and one additional two-year term. The option to extend was exercised and the PMC expires on February 28, 2026. As of September 30, 2023, the minimum future fixed management fees are as follows:

Year Ending <u>September 30,</u>	
2024	\$ 3,476,729
2025	3,663,854
2026	<u>363,003</u>
	<u>\$ 7,503,586</u>

Government of Guam

Notes to Financial Statements, continued

**15. Discretely Presented Component Unit Disclosures, continued**

J. Commitments and Contingencies, continued

Fuel Bulk Storage Facility Contract

In September 2023, GPA entered into an agreement for the management and operations of its fuel bulk storage facility. The agreement is for three years, to take effect October 1, 2023, with an option to extend the contract for two additional one-year terms.

Renewable Energy Contracts:

Guam Power Authority (GPA) has entered into two agreements to purchase 20 Megawatts (MW) and 5.65 MW of solar renewable energy. The commercial operation date of the two solar plants was October 30, 2015. The agreements include escalating contract prices per MW hour until 2041 with a total minimum renewable energy purchase commitment of 1.1 million MW hour. As of September 30, 2023, the minimum future renewable energy purchases are as follows:

<u>Year Ending September 30,</u>	
2024	\$ 20,681,224
2025	20,784,159
2026	20,883,476
2027	20,942,081
2028	20,988,248
2029-2033	105,690,982
2034-2038	107,788,567
2039-2043	82,013,052
2044-2047	<u>46,657,783</u>
	<u>\$ 446,429,572</u>

In 2018, GPA executed three renewable energy purchase agreements to purchase a total of 120 MW of solar renewable energy. The 60 MW Solar Project under KEPCO commenced operations in June 2022. The agreement includes escalating contract prices per MW hour until 2047 and 90% minimum production which is the minimum requirement per contract year that is to be met to avoid production shortfall penalties. The total minimum renewable energy purchase commitment is 3.1 million MW hours. In January 2024, the PUC approved an amendment to the remaining agreements for two 30 MW solar farms, adjusting the project to a 41 MW solar farm.

# Government of Guam

## Notes to Financial Statements, continued

### 15. Discretely Presented Component Unit Disclosures, continued

#### J. Commitments and Contingencies, continued

##### Energy Conversion Agreement:

In 2019, ownership of a power plant under an energy conversion agreement was transferred to GPA. GPA entered into an agreement with the same company to continue to manage and operate the power plant for a period of five years. The operation and maintenance fees are calculated based on factors stated in the agreement and paid on monthly basis. GPA also pays a monthly recapitalization fee of \$305,265 consisting of payments for capital and performance improvement projects, operations and maintenance fees, 4% cost of money and 10% contingency. As of September 30, 2023, the future minimum recapitalization fees for the aforementioned conversion agreement are \$1,221,060.

##### U.S. Environmental Protection Agency (EPA):

In 1986, the administrator of the U.S. EPA granted a continuing exemption to the Guam Power Authority (GPA) under the provisions of Section 325(b) of the Clean Air Act, as amended. The terms of the exemption require monitoring by EPA, certain commitments by GPA regarding fuel stocks, and reporting and delineation of grounds for revocation of the exemption.

In 2011, EPA finalized rules under the National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engine (RICE) Maximum Available Control Technology (MACT). Compliance under the diesel MACT was due May 3, 2013. Non-compliance under the diesel MACT could result in penalty fees of \$37,500 per unit per day. GPA obtained PUC approval to early terminate the associated energy conversion agreement of the Tanguisson unit. By deactivating the Tanguisson unit, GPA did not incur compliance costs for this unit.

As to compliance with the other units subject to RICE MACT, GPA requested EPA to enter into a consent decree allowing time for GPA to comply with the regulations and allowing potential fines and penalties for non-compliance to be used for compliance with regulations. In early February 2020, EPA and GPA signed the consent decree. The U.S. District Court approved the consent decree on April 20, 2020, and this approval shall constitute the final judgement to GPA. GPA management is in the process of working through the objectives and requirements set forth by the consent decree. Because of the COVID-19 pandemic, GPA has encountered delays in completing some of the objectives set forth in the consent decree. On January 14, 2022, the U.S. District Court approved certain modifications of the consent decree most of which pertain to the schedules for implementing the injunctive relief required by the decree. The modified consent decree requires GPA to permanently retire the Cabras 1 and 2 units by October 31, 2024; bring the MEC 8 and 9 units into compliance by switching from residual fuel oil to ultra-low sulfur diesel oil and installing oxidation catalysts by July 31, 2022; construct a new power plant that will comply with the requirements of Clean Air Act to be activated by April 30, 2024; and pay \$400,000 as civil penalty. These timelines are further delayed due to Typhoon Mawar in May 2023 and are anticipated to be completed by March 31, 2026



# Government of Guam

## Notes to Financial Statements, continued

### 15. Discretely Presented Component Unit Disclosures, continued

#### J. Commitments and Contingencies, continued

##### Environmental Monitoring:

In 2000, the U.S. Navy (the Navy) transferred 1,417 acres of property to the Antonio B. Won Pat International Airport Authority (AWPIAA) and GovGuam at no cost and paid \$10,000,000 to AWPIAA. In exchange for the payment, AWPIAA and GovGuam agreed to complete certain environmental monitoring work on the property even if the cost of the environmental monitoring work exceeds the \$10,000,000 remitted by the Navy. AWPIAA management has received the final draft of the Decision Document for Operable Unit 3 which is the groundwater under the former Naval Air Station. AWPIAA's responsibilities under the draft Decision Document are limited to sampling and testing as currently performed. The new task is for AWPIAA to conduct a 5-year review to ensure the remedial action is or will be protective of human health and the environment. This new task may reduce the ongoing sampling and testing requirements or completely eliminate them. Moreover, the granular activated carbon (GAC) treatment provided under AWPIAA's new water system satisfies the GAC treatment component of future wells meeting the selected remedy. No further obligation of AWPIAA is required under the draft Decision Document. The long-term obligation to operate and maintain the facilities built under the remedial construction as well as the required sampling will be handled through a water system commercial agreement. As of September 30, 2023, AWPIAA estimated that its pollution remediation obligations amounted to \$55,996.

##### Primary Treatment Permits:

In 2011, the U.S. Environmental Protection Agency (EPA) informed GWA that its waiver request for primary treatment plants for Hagåtña and Northern District Wastewater Treatment Plants (WWTP) had been denied and that GWA would be required to upgrade the plants to secondary treatment. The upgrades were initially estimated to cost approximately \$300 million. New National Pollutant Discharge Elimination System (NPDES) permits were issued to these treatment plants effective January 1, 2020, which included secondary treatment standards, some of which these two plants are unable to meet.

In 2016 and 2017, the Office of Economic Adjustment, Department of Defense, awarded GWA \$55.3 million and \$117.9 million, respectively, for projects to upgrade water and wastewater infrastructure, most specifically to upgrade the Northern District WWTP to full secondary treatment capabilities. The construction of the upgrades was scheduled to be completed by October 2022. GWA continues discussions with EPA regarding the timing of required upgrades to the Hagåtña WWTP as part of a negotiated consent decree.

## Government of Guam

### Notes to Financial Statements, continued

#### **15. Discretely Presented Component Unit Disclosures, continued**

##### **J. Commitments and Contingencies, continued**

###### Stipulated Order:

In 2002, the U.S. Government filed a complaint against the Guam Waterworks Authority (GWA) and GovGuam for alleged violations under the Federal Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). Because of GWA's non-compliance with the National Primary Drinking Water Regulations, the U.S. Government is seeking both civil penalties and injunctive relief to address such non-compliance. GWA and the U.S. Government of Justice, Environmental and Natural Resources Division mutually agreed in the form of a Stipulated Order to resolve the violation issues.

In 2003, a Stipulated Order for Preliminary Relief was filed before the U.S. District Court. The Stipulation requires implementation of short-term projects and initial planning measures by GWA. GWA is required to submit a final financial plan in the Master Plan that generates sufficient revenue to cover the cost of all compliance activities and deliverables required by the Stipulated Order for Preliminary Relief, as well as any other anticipated expenses, including any measures necessary to ensure compliance with the CWA and the SDWA and costs related to the infrastructure improvements identified in the Master Plan.

In 2006, the Court Order was amended, which required GWA to perform approximately \$220 million of capital improvement projects and perform other actions to bring GWA's system into compliance. However, GWA was unable to meet all deadlines set out in the amended Court Order. The District Court ordered the parties to stipulate as to the scope of the remaining projects and project completion dates. The parties were unable to reach an agreement on all items. As a result, on November 10, 2011, the District Court issued an order setting new deadlines for the unfinished projects and included new projects that were not part of the amended Court Order. As of September 2021, of the 93 items required by the Court Order, 92 items are either complete or in progress (e.g., continuous reporting requirement). The one delayed project is related to the repair, rehabilitation or replacement of water reservoirs estimated to cost \$42 million. Issuance of the 2020A Series Revenue Bonds provided the additional funding needed to complete this last project.

GWA filed an unopposed motion in the U.S. District Court to extend the final completion deadline to June 23, 2023, from December 30, 2020. The Court approved the extension and GWA continues its work to complete the sole remaining compliance requirement by the new deadline.

# Government of Guam

## Notes to Financial Statements, continued

### 15. Discretely Presented Component Unit Disclosures, continued

#### J. Commitments and Contingencies, continued

##### Litigation:

GWA is seeking to quiet title in property listed in a current court action. The court action was first brought by the GovGuam Department of Land Management (DLM) to rescind and correct certificates of title which DLM has claimed were erroneously issued to a private party. The quiet title action addresses certificates of title for property upon which GWA's Northern District Wastewater Treatment Plant (NDWWTP) is located. The private party holding the certificates of title argues it legally acquired the disputed property through foreclosure, first returned to ancestral landowners, and second by GWA's presumptive failure to perform required surveys triggering an automatic reversion of the land. Court records show the private party is seeking the enjoyment, use, and occupancy of the property and just compensation from GWA for inverse condemnation in the amount of \$220 million, as well as damages for trespass and encroachment by GWA. In the event that the Guam Superior Court enters a judgment, granting the claimed compensation, against GWA, the resulting liability could have a material and adverse impact on GWA's financial position.

GWA has argued that the ownership of the disputed property has been well documented and permitted through public laws, adopted land use plans, and federal and local government leases, easements, and deeds and that the collective review of these laws and conveyance documents prevents the property under NDWWTP from being transferred to a private landowner as it houses an existing public utility first constructed in 1979. In an April 2024 Decision and Order the Superior Court found there was an automatic reversion of the land in favor of the private property owner but pending the schedule of a trial no Judgment or any amount to be paid has been ordered by the Court. In May 2024, GWA orally requested the Superior Court to sua sponte stay its proceedings as it sought permission for interlocutory appeal with the Guam Supreme Court to review the lower court's Decision and Order. The Governor, Legislature and Public Utilities Commission have each filed amicus briefs in the Guam Supreme Court, in support of GWA and Guam's public laws, urging the Supreme Court to take GWA's appeal.

GWA is of the opinion that based on the current status of the litigation, and courses of actions still available to it, liabilities of a material nature will not be realized, and therefore no related provision has been recorded in GWA's financial statements for the potential impact, if any, of this matter.

# Government of Guam

## Notes to Financial Statements, continued

### **16. Subsequent Events**

On October 16, 2023, Public Law 37-43 was enacted whereby \$30,000,000 was appropriated from the 2023 General Fund surplus to provide emergency funding for the Guam Memorial Hospital Authority.

On February 9, 2024, Public Law 37-64 was enacted whereby creating the Ordot Dump Reserve Fund into which funds received from the United States Government associated with a Consent Decree issued on September 25, 2023 by the U.S. District Court.

On May 8, 2024, Public Law 37-95 was enacted whereby authorizing the Guam Power Authority to issue revenue bonds. GPA subsequently issued \$54,830,000 in Series 2024 A Revenue Bonds for the purpose of refunding a portion of outstanding Series 2014 A Revenue Bonds.

On June 5, 2024, Public Law 37-103 was enacted whereby authorizing the Guam Waterworks Authority to issue revenue bonds. GWA subsequently issued \$133,575,000 in Series 2024 A Revenue Bonds and \$51,275,000 in Series 2024 B Revenue Bonds for the purpose of refunding Series 2013 A and Series 2014 A Revenue Bonds and purchasing Series 2016 A, Series 2017 A and Series 2020 B Revenue Bonds from bondholders.

## Required Supplementary Information

# Government of Guam

## Schedules of Required Supplementary Information

### Schedule of Revenues, Expenditures by Department, and Changes in Fund Balance - Budget and Actual (Unaudited) General Fund

Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive
	Original	Final	(See Note 1)	(Negative)
<b>Revenues:</b>				
<b>Taxes:</b>				
Income tax:				
Corporate	\$ 85,716,966	\$ 85,716,966	\$ 104,526,278	\$ 18,809,312
Individual	93,515,852	93,515,852	90,003,151	( 3,512,701 )
Withholding taxes, interest and penalties	243,459,575	249,459,575	277,252,004	27,792,429
	<u>422,692,393</u>	<u>428,692,393</u>	<u>471,781,433</u>	<u>43,089,040</u>
Provision for tax refund payments	( 62,884,123 )	( 62,884,123 )	( 35,117,140 )	27,766,983
	<u>359,808,270</u>	<u>365,808,270</u>	<u>436,664,293</u>	<u>70,856,023</u>
Gross receipts	302,116,165	327,948,468	368,613,203	40,664,735
Excise	3,992,878	3,992,878	9,118,435	5,125,557
Section 30 Federal income tax collections	74,943,377	77,388,077	70,398,471	( 6,989,606 )
Immigration fees	1,277,844	1,277,844	1,228,995	( 48,849 )
Contributions from component units	---	3,997,896	3,995,696	( 2,200 )
Other	4,899,533	5,066,584	30,934,222	25,867,638
Total revenues	<u>747,038,067</u>	<u>785,480,017</u>	<u>920,953,315</u>	<u>135,473,298</u>
<b>Expenditures by Department:</b>				
<b>Executive Branch:</b>				
Office of I Maga'lahaen Guahan	7,885,842	7,885,842	7,594,753	291,089
Bureau of Budget and Management Research	970,171	970,171	1,037,558	( 67,387 )
Civil Service Commission	1,141,802	1,141,802	1,161,290	( 19,488 )
Department of Administration	33,374,110	54,854,206	54,439,836	414,370
Guam Election Commission	2,333,032	2,333,032	2,222,336	110,696
Department of Revenue and Taxation	13,936,658	13,936,658	13,162,200	774,458
Bureau of Statistics and Plans	1,307,405	1,307,405	1,326,493	( 19,088 )
Department of Public Works	10,731,455	10,731,455	8,852,535	1,878,920
Office of the Attorney General	15,869,930	15,869,930	15,546,363	323,567
Office of Public Accountability	2,024,805	2,024,805	2,024,805	---
Guam Police Department	40,486,114	40,486,114	38,607,013	1,879,101
Department of Corrections	30,954,305	30,954,305	31,772,105	( 817,800 )
Department of Agriculture	5,424,359	5,424,359	3,864,570	1,559,789
Department of Public Health and Social Services	51,804,708	51,804,708	51,915,982	( 111,274 )
Department of Education	225,694,622	226,657,122	223,469,265	3,187,857
Department of Youth Affairs	5,295,321	5,295,321	5,365,194	( 69,873 )
Office of Technology	2,417,699	2,417,699	2,578,961	( 161,262 )
Guam Behavioral Health and Wellness Center	916,348	916,348	216,901	699,447
Department of Labor	1,124,134	1,124,134	3,672,526	( 2,548,392 )
Department of Parks and Recreation	3,654,835	3,654,835	3,005,546	649,289
Department of Integrated Services for Individuals with Disabilities	1,132,621	1,132,621	858,480	274,141
Mayors' Council of Guam	7,912,602	10,556,799	13,451,103	( 2,894,304 )
Department of Land Management	692,004	692,004	208,755	483,249
Chief Medical Examiner	497,889	497,889	291,816	206,073
Customs and Quarantine Agency	15,616,872	19,524,638	22,563,163	( 3,038,525 )
Department of Chamorro Affairs	2,352,275	2,352,275	2,274,171	78,104
Department of Military Affairs	1,180,826	1,255,826	900,543	355,283
Guam Fire Department	35,000,004	35,000,004	35,301,741	( 301,737 )
Guam Environmental Protection Agency	517,477	517,477	157,109	360,368
Bureau of Women's Affairs	100,449	100,449	97,749	2,700
Payments to Component Units	78,092,681	144,411,299	148,073,192	( 3,661,893 )
GovGuam Retirement Fund appropriations	5,265,895	5,265,895	5,912,030	( 646,135 )
Retiree Healthcare Premiums	35,969,563	35,969,563	42,939,862	( 6,970,299 )
Guam Mass Transit Authority	8,171,854	8,171,854	7,488,108	683,746
Hagatna Restoration and Redevelopment	329,993	329,993	272,660	57,333
Guam Ethics Commission	346,672	346,672	355,709	( 9,037 )
Harmon Industrial Park roadway	175,000	175,000	---	175,000
Typhoon Mawar	---	48,025,000	6,368,166	41,656,834
Other	454,534	454,534	1,220,905	( 766,371 )
<b>Legislative Branch:</b>				
Guam Legislature	8,593,736	8,593,736	8,593,736	---
<b>Judicial Branch:</b>				
Unified Courts of Guam	36,441,595	37,740,858	37,740,858	---
Debt service	58,177,347	58,177,347	58,225,576	( 48,229 )
Total expenditures	<u>754,369,544</u>	<u>899,081,984</u>	<u>865,131,664</u>	<u>33,950,320</u>
Excess (deficiency) of revenues over (under) expenditures	( 7,331,477 )	( 113,601,967 )	55,821,651	169,423,618
<b>Other financing sources:</b>				
Transfers in from Tourist Attraction Fund	---	---	2,527,187	2,527,187
Transfers in from Solid Waste Operations Fund	2,997,625	2,997,625	3,045,854	48,229
<b>Other financing uses:</b>				
Transfers out to Territorial Highway Fund	---	(1,308,057)	( 1,308,057 )	---
Transfers out to Medical Self Insured Fund	---	---	( 14,077,660 )	( 14,077,660 )
Transfers out to Rainy Day Fund	( 14,556,248 )	( 14,958,291 )	( 14,556,248 )	402,043
Encumbrances	1,857,924	1,857,924	10,587,394	8,729,470
Net change in fund balance	<u>\$ ( 17,032,176 )</u>	<u>\$ ( 125,012,766 )</u>	<u>\$ 42,040,121</u>	<u>\$ 167,052,887</u>

**Government of Guam**

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability - Defined Benefits Plan  
Last Ten Fiscal Years (Unaudited)

Measurement Date: September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GovGuam's proportion of the Net Pension Liability	64.82%	64.53%	64.43%	64.71%	65.68%	66.37%	66.76%	67.12%	67.89%	65.67%
GovGuam's proportionate share of the Net Pension Liability	\$ 963,789,039	\$ 621,744,571	\$ 803,105,297	\$ 785,926,191	\$ 774,529,797	\$ 758,224,443	\$ 913,724,199	\$ 964,364,934	\$ 846,150,680	\$ 855,888,933
GovGuam's covered-employee payroll *	\$ 360,062,980	\$ 343,580,932	\$ 336,777,489	\$ 329,715,820	\$ 337,523,244	\$ 337,409,547	\$ 338,026,939	\$ 343,220,317	\$ 342,819,183	\$ 302,313,488
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	267.67%	180.96%	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%	283.11%

\* Covered-employee payroll data from the actuarial valuation date with one-year lag.

**Government of Guam**

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability - Ad Hoc  
COLA/Supplemental Annuity Plan for DB Retirees  
Last Ten Fiscal Years \* (Unaudited)

Measurement Date: September 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
GovGuam's proportion of the Net Pension Liability	70.26%	70.56%	70.52%	70.54%	71.01%	71.23%	71.03%	71.28%	71.81%
GovGuam's proportionate share of the Net Pension Liability	\$ 180,219,031	\$ 217,558,046	\$ 226,949,578	\$ 228,640,699	\$ 205,815,914	\$ 205,215,544	\$ 163,009,076	\$ 168,069,808	\$ 172,874,691

\* Information for 2013 is unavailable



**Government of Guam**

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability - Ad Hoc  
COLA Plan for DCRS Retirees  
Last Ten Fiscal Years \* (Unaudited)

Measurement Date: September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
GovGuam's proportion of the Net Pension Liability	67.42%	67.69%	68.22%	67.27%	67.34%	66.82%	66.58%	66.29%	62.23%
GovGuam's proportionate share of the Net Pension Liability	\$ 40,541,642	\$ 47,758,187	\$ 45,290,857	\$ 40,269,343	\$ 33,228,464	\$ 41,731,494	\$ 41,070,407	\$ 34,546,678	\$ 30,578,387

\* Information for 2013 is unavailable

**Government of Guam**

Schedules of Required Supplementary Information

Schedule of Pension, DB Ad Hoc COLA/Supplemental Annuity and DCRS Ad Hoc COLA Contributions  
Last Ten Fiscal Years (Unaudited)

Measurement Date: September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$115,724,944	\$104,796,961	\$ 98,423,395	\$ 95,380,954	\$ 95,515,052	\$ 100,210,650	\$ 97,809,895	\$ 102,697,851	\$ 109,508,621	\$ 91,359,170
Contributions in relation to the contractually required contribution	115,718,631	104,744,780	98,433,332	95,428,777	95,496,347	100,224,246	97,837,069	102,702,810	109,515,515	91,355,613
Contribution deficiency (excess)	\$ 6,313	\$ 52,181	\$ (9,937)	\$ (47,823)	\$ 18,705	\$ (13,596)	\$ (27,174)	\$ (4,959)	\$ (6,894)	\$ 3,557
GovGuam's covered-employee payroll *	\$360,062,980	\$343,580,932	\$336,777,489	\$329,715,820	\$337,523,244	\$337,409,547	\$338,026,939	\$343,220,317	\$342,819,183	\$302,313,488
Contributions as a percentage of covered-employee payroll	32.14%	30.49%	29.23%	28.94%	28.29%	29.70%	28.94%	29.92%	31.95%	30.22%

\* Covered-employee payroll data from the actuarial valuation date with one-year lag.

## Government of Guam

### Schedules of Required Supplementary Information

#### Schedule of the Proportionate Share of the Total OPEB Liability Last Ten Fiscal Years \* (Unaudited)

Measurement Date: September 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
GovGuam's proportion of the total OPEB Liability	67.55%	67.23%	67.33%	68.06%	68.01%	68.47%	68.35%	68.31%
GovGuam's proportionate share of the total OPEB Liability	\$ 1,551,137,956	\$ 1,863,415,612	\$ 1,695,689,492	\$ 1,737,832,562	\$ 1,275,051,027	\$ 1,669,874,024	\$ 1,731,286,159	\$ 1,457,685,811

\* Information for 2013 - 2014 is not available

**Government of Guam**

Schedules of Required Supplementary Information

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

Measurement Date: September 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 151,354,983	\$ 142,486,425	\$ 166,853,449	\$ 129,192,837	\$ 159,772,803	\$ 166,905,346	\$ 144,374,924
Contributions in relation to the actuarially determined contribution	<u>39,685,005</u>	<u>32,565,557</u>	<u>27,920,521</u>	<u>30,569,444</u>	<u>31,348,666</u>	<u>28,412,827</u>	<u>28,412,827</u>
Contribution deficiency	<u>\$ 111,669,978</u>	<u>\$ 109,920,868</u>	<u>\$ 138,932,928</u>	<u>\$ 98,623,393</u>	<u>\$ 128,424,137</u>	<u>\$ 138,492,519</u>	<u>\$ 115,962,097</u>

\* Information for 2013 - 2015 is not available

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

Notes to Required Supplementary Information (Unaudited)  
Year ended September 30, 2023

### 1. Budgetary Process

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

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

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

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

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

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

### Notes to Required Supplementary Information Year ended September 30, 2023

#### 1. Budgetary Process, continued

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

The Budget Act for fiscal year 2023, Public Law No. 36-107, was approved for the Executive branch and the Legislative branch. The accompanying Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund presents solely the financial activities of the General Fund administered by the Department of Administration, and does not include the financial activities of the General Fund administered by the Guam Department of Education or the impact of implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

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

#### 2. Reconciliation of Budgetary Schedule

Net change in fund balance - budgetary basis	\$42,040,121
Net change in fund balance of GASB 54 Funds included within the General Fund	<u>17,717,210</u>
Net change in fund balance - General Fund	<u>\$59,757,331</u>

# GOVERNMENT OF GUAM

## Schedules of Required Supplementary Information

### Notes to Required Supplementary Information Year ended September 30, 2023

#### **3. Changes in Assumptions – Pension Plans**

Amounts reported in 2021 actuarial valuation reflected an assumption related to administrative expenses to decrease to \$6,565,000 per year.

Amounts reported in 2020 actuarial valuation reflected an assumption related to administrative expenses to decrease to \$6,439,000 per year.

Amounts reported in 2019 actuarial valuation reflected an assumption related to administrative expenses to decrease to \$6,860,000 per year.

Amounts reported in 2018 actuarial valuation reflected an assumption related to administrative expenses to increase to \$7,082,000 per year.

Amounts reported in the 2017 actuarial valuation reflect a change in assumption of payroll growth to 2.75% rather than 3%. The mortality, retirement age and disability assumption were changed to reflect actual experience more closely. Assumption related to administrative expense reflected an increase to \$6,344,000 per year and a revised allocation to the various pension plans to reflect actual experience.

Amounts reported in 2016 actuarial valuation reflect a change in assumption of administrative expenses to \$6,078,000 per year rather than \$5,806,000.

Amounts reported in 2015 actuarial valuation reflect a change in assumption of payroll growth to 3% rather than 3.5% which was used to determine amounts reported prior to 2015. Amounts reported in 2014 reflect an adjustment of the expectations of salary increases, disability and retirement age to reflect actual experience more closely. The amounts reported in the 2011 actuarial valuation reflect an expectation of retired life mortality based on the RP-2000 Mortality Table rather than the 1994 U.S. Uninsured Pensioners Table, which was used to determine amounts reported prior to 2011. Amounts reported in 2011 also reflect a change in assumption on valuation of assets to a 3-year phase in for gains/losses relative to interest rate assumption from market value, with fixed income investments at amortized costs which was used to determine amounts reported prior to 2011.

## Other Supplementary Information



## Government of Guam

### General Fund September 30, 2023

The General Fund is the most significant of GovGuam's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund. The General Fund is divided into several accounts. A brief discussion of the accounts that comprise GovGuam's General Fund as of September 30, 2023, follows.

Department of Administration - The Department of Administration is responsible for maintaining the financial data of all line agencies of GovGuam except for the Department of Education.

Guam Department of Education - The Guam Department of Education (GDOE), formerly known as the Guam Public School System, is a line agency of GovGuam. This fund is maintained separately by the Department of Education.

Department of Education Operations Fund - This fund was created by Public Law 28-68 to account for local appropriations to cover the operational expenses of the Guam Department of Education and any use associated with the Guam Department of Education, as determined in the Department of Education budget in accordance with 10 GCA Chapter 3, by the Guam Education Policy Board or the laws of Guam. This fund is maintained within the Department of Administration.

Agana Fractional Lots Program Fund - The Agana Fractional Lots Program Fund was initially established to account for transactions relevant to the Agana Fractional Lot Program dating back to the 1960s. Such transactions may involve the condemnation and seizure of lands from property owners by GovGuam and the compensation to the property owners of those seized lands.

Better Public Service Fund - This fund was created by Public Law 29-002 to account for 10% of all fees and license revenues received by the Department of Revenue and Taxation (DRT) for the purpose of improving and modernizing systems used to provide DRT services, including on-line filing of taxes, renewal of licenses and permits, upgrades of computer hardware/software to improve record retrieval by members of the public, and the training of DRT staff in technical skills and customer service.

Census 2020 Fund - This fund accounts for activities of the United States Census 2020 conducted by the Guam Census Office.

Dental Self-Insured Fund - This fund accounts for activities associated with the provision of dental benefits for employees and retirees.

DMHSA Receiver Fund - This fund accounts for activities of the Federal Management Team associated with the Permanent Injunction requiring GovGuam to provide treatment and develop programs to mentally ill patients residing on Guam.

## Government of Guam

### General Fund, continued September 30, 2023

DOC Inmates Revolving Fund - The fund was created by Executive Order 94-17 and is administered by the Department of Corrections. Revenues are generated from funds collected for housing U.S. prisoners and detainees, meals charged to DOC employees, and sale of wet garbage to private persons. Expenditures are for purchases of clothing, food, equipment, medical supplies and medicines for prisoners and detainees.

D.O.D. Contract Fund - This fund was created by the Department of Administration to account for funds from the United States Department of Defense to the Department of Education (D.O.E.) specifically to provide for fixed tuition payment per eligible D.O.D. students enrolled in the Guam D.O.E. system and for the recruitment of qualified teachers. This fund is not subject to the provisions of OMB Circular A-133.

DPHSS Sanitary Inspection Revolving Fund - This fund was created by the Department of Public Health and Social Services to account for the overall cost of conducting sanitary inspections of temporary workforce housing and other required inspections.

Exxon Fuel Overcharge Fund - This fund was created based on a federal court decision against the Exxon Corporation. Guam was allocated approximately three million dollars as its share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest-bearing account. This fund is administered by the Guam Energy Office.

Financial Management Revolving Fund - This fund was created by Executive Order No. 2002-12 for costs associated with the handling and accounting for monies and deposits to be charged for treasury services related to the Financial Management Division.

GPD Special Assessment Fund - This fund was created by Public Law 24-285 to account for the training of Guam Police Department (GPD) personnel, or the purchase or repair of equipment for use by GPD, which are funded by a special assessment imposed on defendants of \$100 for any misdemeanor or \$250 for any felony offense.

General Services Agency (GSA) Fund - GSA is maintained within the Department of Administration as the centralized procurement and warehousing for departments and agencies of GovGuam. Additionally, GSA oversees the delegation of procurement authority of approximately eleven departments and agencies.

GSA Inventory Revolving Fund - This fund was created for the purchase and replenishment of items to be carried in the supplies inventory maintained in the warehouse operated by GSA.

Guam Geodetic Network Fund - This fund was created by Public Law 23-31 for the purpose of accounting for the updating of the 1963 geodetic network by the Department of Land Management.

## Government of Guam

### General Fund, continued September 30, 2023

Government Claims Fund - This fund was created by Public Law 17-029 to pay for claims against any line agency of GovGuam. The sources of revenue are obtained from legislative appropriations. The Attorney General administers this fund and designates which claims shall be paid.

Guam Memorial Hospital Authority Medicaid Matching Fund - This fund was created by Public Law 32-68 for the purpose of payment of bills for services incurred by qualified Medicaid recipients provided at Guam Memorial Hospital.

Guam Memorial Hospital Authority Pharmaceuticals Fund - This fund was created by Public Law 28-68 for the purpose of accounting for 6.19% of all gross receipt taxes collected in Guam for appropriation by *I Liheslaturan Guahan* to fund all pharmaceutical, drug and medicine requirements for Guam Memorial Hospital.

Guam Telephone Authority Privatization Proceeds Fund - This fund was created by Public Law 26-70 to account for the proceeds realized from the sale of the Guam Telephone Authority.

Guam War Claims Fund - This fund was created by Public Law 35-61 to account for the War Claims Program wherein, through a Memorandum of Agreement between GovGuam and the U.S. Department of Treasury, GovGuam advances the payment of adjudicated claims which were reimbursed impounding Section 30 federal tax collections.

Housing Revolving Fund - This fund is maintained to account for the leasing of Government of Guam housing units to both private individuals and public organizations. Funding of this program is provided by both rental fees and Government contributions.

Human Resource Services Revolving Fund - This fund was created by Executive Order No. 2002-01 for administrative costs and supplies and equipment costs associated with in the areas of classification and pay, recruitment, records, employee benefits, test development, employee management relations, training and development, as well as the Drug-Free Workplace Program of the Human Resources Division.

Income Tax Refund Reserve Fund - This fund was created by Public Law 22-140 for the purpose of receiving General Fund revenues reserved for income tax refund payments. This fund is not subject to any transfer authority of the Governor of Guam.

Income Tax Efficiency Payment Fund - This fund was created by Public Law 26-74 for the purpose of improving the efficiency of tax refund payments by hiring temporary income tax return processors, training of Department of Revenue and Taxation employees, and the purchase of computer and other equipment to quickly process income tax returns.

## Government of Guam

### General Fund, continued September 30, 2023

Legislature Operations Fund - The Guam Legislature was created by the Organic Act of Guam, as amended. It is a unicameral body of 15 members elected bi-annually. It meets in two regular year-round sessions. Funding is provided through General Fund appropriations.

Medically Indigent Program Payment Revolving Fund - This fund was created by Public Law 25-164 to be used for the payment of any authorized Medically Indigent Program obligation, regardless of when the obligation was incurred.

Off-Island Treatment Fund - This fund was created by Public Law 20-220 to be administered by the Director of Administration. Monies from the fund shall be expended upon order of the Superior Court of Guam to send a person under the jurisdiction of the court off-island for residential care arising from a physical, mental or emotional handicap or a severe emotional disturbance. Monies shall be expended for diagnosis, evaluation and treatment fees, medical and incidental expenses, room and board and transportation costs.

Office of Public Accountability Fund - The Office of Public Accountability was created by Public Law 21-122 as an instrumentality of GovGuam, independent of the executive, legislative and judicial branches.

Public Defender Service Corporation Alternate Public Defender (APD) Fund - This fund was created to account for the operations of the APD within the Public Defender Service Corporation (PDSC) to provide legal services on court appointed matters of conflict cases by the PDSC.

Public Defender Service Corporation Operations Fund - This fund was created by Public Law 13-51 to provide effective legal aid and assistance to those persons on Guam who are unable to afford counsel.

Rainy Day Fund - This fund was created by Public Law 22-24 for the purpose of establishing a reserve fund to be used for eliminating or reducing any General Fund deficit existing at the end of a fiscal year substantially resulting from an unexpected, substantial decline in revenues received or due to the General Fund; or for expenses caused by a Guam emergency.

State Agency for Surplus Property Fund - This fund was created for the disposal of salvage and surplus personal property from GovGuam agencies and departments.

Stripper Well Overcharge Fund - This fund was created based on a federal court decision against Stripper Well. 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.

Government of Guam

General Fund, continued  
September 30, 2023

Supplemental Annuity Benefits Fund - This fund was created by Public Law 27-29 for the purpose of accounting for the payment of retiree supplemental annuity benefits by the Department of Administration.

Supplemental Appropriations Revenue Fund - This fund was created by Public Law 31-74 to ensure that various GovGuam agencies “deemed vital” would be funded, despite limited resources available.

Unfunded Liability Fund - This fund accounts for activities associated with liabilities incurred for unfunded expenditures.

Unified Courts of Guam Fund - The fund was created as an independent judicial branch of GovGuam to account for the operations of the Supreme Court of Guam and the Superior Court of Guam. Funding is provided primarily through Government of Guam General Fund appropriations.

Section 30 Bond Fund - This fund is used to account for an assignment of Section 30 funds required by: (i) the Limited Obligation (Section 30) Bond Series A 2001 bond indenture to redeem bond principal and to pay bond interest as such becomes due; and (ii) a \$10,000,000 promissory bank note.

Limited Obligation Bond Series A 2016 Fund - This fund is used to account for funds required by the Limited Obligation Bond Series A 2016 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

General Obligation Bond Series A 2019 Fund - This fund is used to account for funds transferred from the Solid Waste Operations Fund to redeem bond principal and to pay bond interest as such becomes due.

**Government of Guam**

Combining Balance Sheet  
General Fund

September 30, 2023

Fund Number	100	618	505	290	628	633	686	502	255	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Autonomous Medical Insurance Premiums	Board of Barbering and Cosmetology	Better Public Service	Census 2020	Child Tax Credit	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
<b>ASSETS</b>													
Cash and cash equivalents	\$ 131,574,530	\$ 14,295,320	\$ ---	\$ 1,119,172	\$ 42,884	\$ ---	\$ ---	\$ 757,011	\$ 1,268,200	\$ 28,372	\$ ---	\$ 1,895	\$ 1,436,546
Investments	210,624	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	70,567,742	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	606,188	---	---	---	---	---	---	---	---	---	---	---
Other	---	716,230	---	---	---	---	---	---	---	---	---	---	---
Due from component units	24,849,472	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	178,392,860	15,816,423	---	2,304,788	---	270,689	6,800	27,469,165	1,641,563	---	---	46	---
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	---	---	---	---	---	---	---
Prepayments	4,996,817	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other assets	2,000,000	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	67,132,689	1,051,483	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 479,724,734</u>	<u>\$ 32,485,644</u>	<u>\$ ---</u>	<u>\$ 3,423,960</u>	<u>\$ 42,884</u>	<u>\$ 270,689</u>	<u>\$ 6,800</u>	<u>\$ 28,226,176</u>	<u>\$ 2,909,763</u>	<u>\$ 28,372</u>	<u>\$ ---</u>	<u>\$ 1,941</u>	<u>\$ 1,436,546</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>													
Accounts payable	\$ 89,311,574	\$ 15,720,598	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,874,314	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	3,850,599	7,094,890	---	---	---	---	---	---	1,284	---	---	---	2,414
Due to component units	4,061,937	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	125,352,767	---	---	---	41,633	---	---	---	---	---	---	---	130,346
Payable to federal agencies	---	---	---	---	---	---	---	28,218,191	---	---	---	---	---
Unearned revenue	76,804,465	---	---	---	---	---	---	---	---	---	---	---	---
Provision for tax refunds	59,471,927	---	---	---	---	---	---	---	---	---	---	---	---
COLA liability	4,393,680	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	22,748,184	---	---	3,422,887	---	---	---	---	---	31,803	---	748	---
Total liabilities	<u>385,995,133</u>	<u>22,815,488</u>	<u>---</u>	<u>3,422,887</u>	<u>41,633</u>	<u>---</u>	<u>---</u>	<u>28,218,191</u>	<u>2,875,598</u>	<u>31,803</u>	<u>---</u>	<u>748</u>	<u>132,760</u>
Fund balance (deficit):													
Non-spendable	2,000,000	---	---	---	---	---	---	---	---	---	---	---	---
Restricted	72,129,506	1,051,483	---	---	---	---	---	7,985	---	---	---	---	---
Committed	---	---	---	1,073	1,251	270,689	6,800	---	34,165	---	---	1,193	1,303,786
Unassigned	19,600,095	8,618,673	---	---	---	---	---	---	---	(3,431)	---	---	---
Total fund balance (deficit)	<u>93,729,601</u>	<u>9,670,156</u>	<u>---</u>	<u>1,073</u>	<u>1,251</u>	<u>270,689</u>	<u>6,800</u>	<u>7,985</u>	<u>34,165</u>	<u>(3,431)</u>	<u>---</u>	<u>1,193</u>	<u>1,303,786</u>
Total liabilities and fund balance (deficit)	<u>\$ 479,724,734</u>	<u>\$ 32,485,644</u>	<u>\$ ---</u>	<u>\$ 3,423,960</u>	<u>\$ 42,884</u>	<u>\$ 270,689</u>	<u>\$ 6,800</u>	<u>\$ 28,226,176</u>	<u>\$ 2,909,763</u>	<u>\$ 28,372</u>	<u>\$ ---</u>	<u>\$ 1,941</u>	<u>\$ 1,436,546</u>

*(continued)*

**Government of Guam**

Combining Balance Sheet  
General Fund

September 30, 2023

Fund Number	685	104	299	229	404	649	239	659	617	616	676
	EITC Reimbursement	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
<b>ASSETS</b>											
Cash and cash equivalents	\$ 12,336,423	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Investments	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:											
Taxes	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---
Other	---	28,738	19,661	---	---	---	---	---	---	595,887	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	21,406,413	---	229,583	57,141	85,593	---	---	---	565,000	180,032	5,842
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	1,852,140	---	---	---	---	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---
Deposits and other assets	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:											
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 33,742,836</u>	<u>\$ 28,738</u>	<u>\$ 249,244</u>	<u>\$ 57,141</u>	<u>\$ 1,937,733</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 565,000</u>	<u>\$ 775,919</u>	<u>\$ 5,842</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>											
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	---	---	---	---	---	---	---	---	5,842
Due to component units	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	94,977	---	---	---	---	---	---	---	---	---
Payable to federal agencies	33,297,995	---	---	---	---	---	---	---	---	---	---
Unearned revenue	---	---	---	---	---	---	---	---	---	---	---
Provision for tax refunds	---	---	---	---	---	---	---	---	---	---	---
COLA liability	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	<u>33,297,995</u>	<u>94,977</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>5,842</u>
Fund balance (deficit):											
Non-spendable	---	---	---	---	1,852,140	---	---	---	---	---	657
Restricted	---	---	---	---	---	---	---	---	---	---	---
Committed	444,841	---	249,244	57,141	---	---	---	---	565,000	775,919	---
Unassigned	---	(66,239)	---	---	85,593	---	---	---	---	---	---
Total fund balance (deficit)	<u>444,841</u>	<u>(66,239)</u>	<u>249,244</u>	<u>57,141</u>	<u>1,937,733</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>565,000</u>	<u>775,919</u>	<u>---</u>
Total liabilities and fund balance (deficit)	<u>\$ 33,742,836</u>	<u>\$ 28,738</u>	<u>\$ 249,244</u>	<u>\$ 57,141</u>	<u>\$ 1,937,733</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 565,000</u>	<u>\$ 775,919</u>	<u>\$ 5,842</u>

*(continued)*

**Government of Guam**

Combining Balance Sheet  
General Fund

September 30, 2023

Fund Number	201	298	303	321	503	293	329	288				
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medical Self Insured	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
<b>ASSETS</b>												
Cash and cash equivalents	\$ ---	\$ ---	\$ ---	\$ 783	\$ 2,276,846	\$ 24,805	\$ ---	\$ ---	\$ 880,087	\$ 233,820	\$ 3,172,817	\$ 29,560,045
Investments	---	---	---	---	---	---	---	---	846,988	---	---	---
Receivables, net:												
Taxes	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	19,037	---	---	---
Other	211,611	---	---	---	4,657	---	---	---	105	5,754	123,044	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	92,238	331,392	518,983	280,424	---	4,475,425	6,248,057	23,820	---	---	---	14,556,248
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	---	---	---	---	---	---
Prepayments	---	---	---	---	---	---	---	---	6,972	49,698	210,700	---
Deposits and other assets	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:												
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 303,849</u>	<u>\$ 331,392</u>	<u>\$ 518,983</u>	<u>\$ 281,207</u>	<u>\$ 2,281,503</u>	<u>\$ 4,500,230</u>	<u>\$ 6,248,057</u>	<u>\$ 23,820</u>	<u>\$ 1,753,189</u>	<u>\$ 289,272</u>	<u>\$ 3,506,561</u>	<u>\$ 44,116,293</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>												
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ 39,011	\$ 4,500,230	\$ 3,367,578	\$ ---	\$ 11,787	\$ 36,312	\$ 89,919	\$ ---
Accrued payroll and other	---	1,604	---	---	125,123	---	---	---	---	32,210	79,440	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	---	---	267,159	---	---	1,553,540
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---
Unearned revenue	---	---	---	---	---	---	---	---	---	2,269	10,608	---
Provision for tax refunds	---	---	---	---	---	---	---	---	---	---	---	---
COLA liability	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	8,894	---	---	---	726,084	---	---	13,213	---	42,217	650,851	---
Total liabilities	<u>8,894</u>	<u>1,604</u>	<u>---</u>	<u>---</u>	<u>890,218</u>	<u>4,500,230</u>	<u>3,367,578</u>	<u>13,213</u>	<u>278,946</u>	<u>113,008</u>	<u>830,818</u>	<u>1,553,540</u>
Fund balance (deficit):												
Non-spendable	---	---	---	---	---	---	---	---	---	---	---	---
Restricted	---	---	---	---	---	---	---	---	---	---	---	---
Committed	294,955	329,788	518,983	281,207	1,391,285	---	2,880,479	10,607	1,741,402	176,264	2,675,743	42,562,753
Unassigned	---	---	---	---	---	---	---	---	(267,159)	---	---	---
Total fund balance (deficit)	<u>294,955</u>	<u>329,788</u>	<u>518,983</u>	<u>281,207</u>	<u>1,391,285</u>	<u>---</u>	<u>2,880,479</u>	<u>10,607</u>	<u>1,474,243</u>	<u>176,264</u>	<u>2,675,743</u>	<u>42,562,753</u>
Total liabilities and fund balance (deficit)	<u>\$ 303,849</u>	<u>\$ 331,392</u>	<u>\$ 518,983</u>	<u>\$ 281,207</u>	<u>\$ 2,281,503</u>	<u>\$ 4,500,230</u>	<u>\$ 6,248,057</u>	<u>\$ 23,820</u>	<u>\$ 1,753,189</u>	<u>\$ 289,272</u>	<u>\$ 3,506,561</u>	<u>\$ 44,116,293</u>

*(continued)*



**Government of Guam**

Combining Balance Sheet  
General Fund

September 30, 2023

Fund Number	314	103	607	645	678	355	363	364				
	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Unfunded Liability	Unified Courts of Guam	Section 30 Bond	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
<b>ASSETS</b>												
Cash and cash equivalents	\$ 19,567	\$ ---	\$ ---	\$ 246	\$ ---	\$ 9,153,252	\$ 68,412,066	\$ ---	\$ ---	\$ 276,594,687	\$ ---	\$ 276,594,687
Investments	---	---	---	---	---	---	---	---	---	1,057,612	---	1,057,612
Receivables, net:												
Taxes	---	---	---	---	---	---	---	---	---	70,567,742	---	70,567,742
Federal agencies	---	---	---	---	---	835,107	---	---	---	1,460,332	---	1,460,332
Other	19,514	---	---	---	---	---	---	---	---	1,725,201	---	1,725,201
Due from component units	---	---	---	---	---	---	---	---	---	24,849,472	---	24,849,472
Due from other funds	---	12,459	---	---	7,150,138	1,900,022	---	---	---	284,021,144	(152,629,971)	131,391,173
Due from private purpose trust funds	---	---	---	---	---	635,683	---	---	---	635,683	---	635,683
Inventories	165,412	---	---	---	---	---	---	---	---	2,017,552	---	2,017,552
Prepayments	---	---	---	---	---	---	---	---	---	5,264,187	---	5,264,187
Deposits and other assets	---	---	---	---	---	173,692	---	---	---	2,173,692	---	2,173,692
Restricted assets:												
Cash and cash equivalents	---	---	---	---	---	---	---	19,655,508	2,316,895	90,156,575	---	90,156,575
Total assets	\$ 204,493	\$ 12,459	\$ ---	\$ 246	\$ 7,150,138	\$ 12,697,756	\$ 68,412,066	\$ 19,655,508	\$ 2,316,895	\$ 760,523,879	\$ (152,629,971)	\$ 607,893,908
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>												
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,175,138	\$ 793,579	\$ 2,000	\$ ---	\$ ---	\$ 123,922,040	\$ ---	\$ 123,922,040
Accrued payroll and other	---	---	---	---	---	1,263,706	---	---	---	12,457,112	---	12,457,112
Due to component units	---	---	---	---	---	---	---	---	---	4,061,937	---	4,061,937
Due to other funds	94,849	---	---	---	---	---	67,278,212	---	---	194,813,483	(152,629,971)	42,183,512
Payable to federal agencies	---	---	---	---	---	---	---	---	---	61,516,186	---	61,516,186
Unearned revenue	---	---	---	---	---	---	---	---	---	76,817,342	---	76,817,342
Provision for tax refunds	---	---	---	---	---	---	---	---	---	59,471,927	---	59,471,927
COLA liability	---	---	---	---	---	---	---	---	---	4,393,680	---	4,393,680
Deposits and other liabilities	---	---	---	14,012	---	185,738	---	---	---	27,844,631	---	27,844,631
Total liabilities	94,849	---	---	14,012	7,175,138	2,243,023	67,280,212	---	---	565,298,338	(152,629,971)	412,668,367
Fund balance (deficit):												
Non-spendable	109,644	---	---	---	---	---	---	---	---	3,961,784	---	3,961,784
Restricted	---	---	---	---	---	---	---	19,655,508	2,316,895	95,161,377	---	95,161,377
Committed	---	12,459	---	---	---	10,454,733	---	---	---	67,041,760	---	67,041,760
Unassigned	---	---	---	(13,766)	(25,000)	---	1,131,854	---	---	29,060,620	---	29,060,620
Total fund balance (deficit)	109,644	12,459	---	(13,766)	(25,000)	10,454,733	1,131,854	19,655,508	2,316,895	195,225,541	---	195,225,541
Total liabilities and fund balance (deficit)	\$ 204,493	\$ 12,459	\$ ---	\$ 246	\$ 7,150,138	\$ 12,697,756	\$ 68,412,066	\$ 19,655,508	\$ 2,316,895	\$ 760,523,879	\$ (152,629,971)	\$ 607,893,908

**Government of Guam**

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)  
General Fund

Year ended September 30, 2023

Fund Number	100	618	505	290	628	633	686	502	255	214	106	638	
	Department of Administration	Guam Department of Education	Department of Education Operations	Autonomous Medical Insurance Premiums	Board of Barbering and Cosmetology	Better Public Service	Census 2020	Child Tax Credit	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
<b>Revenues:</b>													
Taxes:													
Income	\$ 436,664,293	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gross receipts	368,613,203	---	---	---	---	---	---	---	---	---	---	---	---
Excise	9,118,435	---	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	70,398,471	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	522,202	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	144,017	---	---	---	---	555	---	---	---	---	---	---	428,502
Charges for services	1,228,995	1,595,423	---	---	---	---	---	8,163,166	---	1,013,436	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	2,597,867	---	---	1,073	1,251	---	---	1,299	279	79	---	1	276
Contributions from component units	3,995,696	329,000	---	---	---	---	---	---	---	---	---	---	---
Other	28,192,338	102,286	---	---	---	---	---	---	(794)	---	---	---	---
<b>Total revenues</b>	<b>920,953,315</b>	<b>2,548,911</b>	<b>---</b>	<b>1,073</b>	<b>1,251</b>	<b>555</b>	<b>---</b>	<b>1,299</b>	<b>8,162,651</b>	<b>79</b>	<b>1,013,436</b>	<b>1</b>	<b>428,778</b>
<b>Expenditures by Function:</b>													
Current:													
General government	41,310,517	---	---	---	---	1,318,432	---	5	8,241,668	---	---	---	---
Protection of life and property	140,328,026	---	---	---	---	---	---	---	---	2,130,783	---	---	---
Public health	8,419,990	---	---	---	---	---	---	---	---	30,865	---	---	91,048
Community services	11,629,817	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	2,975,575	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	18,636,214	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	1,688,259	---	---	---	---	---	---	---	---	---	---	---	---
Public education	416,461	225,529,932	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	148,496	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	5,446,760	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
GovGuam Retirement Fund	5,912,030	---	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	16,714,007	625,588	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	167,051	---	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	7,402,709	---	---	---	---	---	---	---	---	---	---	---	---
Guam Power Authority	63,220,100	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	5,814,293	---	---	---	---	---	---	---	---	---	---	---	---
Guam Waterworks Authority	2,000,000	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	31,895,542	1,174,370	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	62,127,118	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	4,395,000	5,044,706	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	34,409,353	14,120,278	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>465,057,318</b>	<b>246,494,874</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,318,432</b>	<b>---</b>	<b>5</b>	<b>8,241,668</b>	<b>30,865</b>	<b>2,130,783</b>	<b>---</b>	<b>91,048</b>
Excess (deficiency) of revenues over (under) expenditures	455,895,997	(243,945,963)	---	1,073	1,251	(1,317,877)	---	1,294	(79,017)	(30,786)	(1,117,347)	1	337,730
Other financing sources (uses):													
Transfers in from other funds	5,573,041	245,098,273	215,900,462	---	---	1,590,459	---	---	---	---	1,080,616	---	---
Transfers out to other funds	(419,428,917)	---	(215,905,490)	---	---	---	---	---	---	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>(413,855,876)</b>	<b>245,098,273</b>	<b>(5,028)</b>	<b>---</b>	<b>---</b>	<b>1,590,459</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1,080,616</b>	<b>---</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>42,040,121</b>	<b>1,152,310</b>	<b>(5,028)</b>	<b>1,073</b>	<b>1,251</b>	<b>272,582</b>	<b>---</b>	<b>1,294</b>	<b>(79,017)</b>	<b>(30,786)</b>	<b>(36,731)</b>	<b>1</b>	<b>337,730</b>
Fund balances (deficit) at beginning of year	51,689,480	8,517,846	5,028	---	---	(1,893)	6,800	6,691	113,182	27,355	36,731	1,192	966,056
<b>Fund balances (deficit) at end of year</b>	<b>\$ 93,729,601</b>	<b>\$ 9,670,156</b>	<b>\$ ---</b>	<b>\$ 1,073</b>	<b>\$ 1,251</b>	<b>\$ 270,689</b>	<b>\$ 6,800</b>	<b>\$ 7,985</b>	<b>\$ 34,165</b>	<b>\$ (3,431)</b>	<b>\$ ---</b>	<b>\$ 1,193</b>	<b>\$ 1,303,786</b>

*(continued)*

**Government of Guam**

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)  
General Fund

Year ended September 30, 2023

Fund Number	685	104	299	229	404	649	239	659	617	616	676
	EITC Reimbursement	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Medicaid	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
Revenues:											
Taxes:											
Income	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gross receipts	---	---	---	---	---	---	---	---	---	---	---
Excise	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	---	---	44,196	140	272,345	---	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	407,127	96	---	---	---	---	---	---	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	31,716	---	---	---	---	---
Total revenues	407,127	96	44,196	140	272,345	31,716	---	---	---	---	---
Expenditures by Function:											
Current:											
General government	---	---	72,653	---	---	27,169	29,115	---	---	---	190,411
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	---	---	---	774,681	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	15,533	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---
Payments to:											
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	18,856,832	---	---
Guam Power Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---
Guam Waterworks Authority	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	---	---	---	---	---	---	---	---	---	---	3,121,547
Debt service:											
Principal retirement	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	---	15,533	72,653	---	---	27,169	29,115	---	19,631,513	---	3,311,958
Excess (deficiency) of revenues over (under) expenditures	407,127	(15,437)	(28,457)	140	272,345	4,547	(29,115)	---	(19,631,513)	---	(3,311,958)
Other financing sources (uses):											
Transfers in from other funds	---	---	---	---	---	2,778	29,115	---	20,196,513	---	3,339,444
Transfers out to other funds	---	---	(225,000)	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	(225,000)	---	---	2,778	29,115	---	20,196,513	---	3,339,444
Net change in fund balances (deficit)	407,127	(15,437)	(253,457)	140	272,345	7,325	---	---	565,000	---	27,486
Fund balances (deficit) at beginning of year	37,714	(50,802)	502,701	57,001	1,665,388	(7,325)	---	---	---	775,919	(27,486)
Fund balances (deficit) at end of year	\$ 444,841	\$ (66,239)	\$ 249,244	\$ 57,141	\$ 1,937,733	\$ ---	\$ ---	\$ ---	\$ 565,000	\$ 775,919	\$ ---

*(continued)*

**Government of Guam**

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)  
General Fund

Year ended September 30, 2023

Fund Number	201	298	303	321	503	293	329				288	
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medical Self Insured	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
Revenues:												
Taxes:												
Income	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gross receipts	---	---	---	---	---	---	---	---	---	---	---	---
Excise	---	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	28,433	---	279,834	---
Licenses and permits	---	20,200	---	---	---	---	---	---	---	---	---	---
Charges for services	---	---	---	---	---	24,397,106	---	---	---	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	---	1	643	1,157	---	---	6,271	---	---	3,415
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	9,026	---	---	---	465	---	---	---
Total revenues	---	20,200	---	1	9,669	24,398,263	---	---	35,169	---	279,834	3,415
Expenditures by Function:												
Current:												
General government	---	39,576	---	---	8,648,297	38,475,923	---	2,819,607	1,580,623	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	2,051,904	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	1,831,853	6,073,338	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:												
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	---	---	---	---
Guam Power Authority	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---
Guam Waterworks Authority	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:												
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	---	39,576	---	---	8,648,297	38,475,923	2,051,904	2,819,607	1,580,623	1,831,853	6,073,338	---
Excess (deficiency) of revenues over (under) expenditures	---	(19,376)	---	1	(8,638,628)	(14,077,660)	(2,051,904)	(2,819,607)	(1,545,454)	(1,831,853)	(5,793,504)	3,415
Other financing sources (uses):												
Transfers in from other funds	---	225,000	---	---	8,593,736	14,077,660	2,051,904	2,765,850	2,024,805	1,435,226	5,763,598	14,556,248
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	225,000	---	---	8,593,736	14,077,660	2,051,904	2,765,850	2,024,805	1,435,226	5,763,598	14,556,248
Net change in fund balances (deficit)	---	205,624	---	1	(44,892)	---	---	(53,757)	479,351	(396,627)	(29,906)	14,559,663
Fund balances (deficit) at beginning of year	294,955	124,164	518,983	281,206	1,436,177	---	2,880,479	64,364	994,892	572,891	2,705,649	28,003,090
Fund balances (deficit) at end of year	\$ 294,955	\$ 329,788	\$ 518,983	\$ 281,207	\$ 1,391,285	\$ ---	\$ 2,880,479	\$ 10,607	\$ 1,474,243	\$ 176,264	\$ 2,675,743	\$ 42,562,753

*(continued)*

**Government of Guam**

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)  
General Fund

Year ended September 30, 2023

Fund Number	314	103	607	645	678	355	363	364				
	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Unfunded Liability	Unified Courts of Guam	Section 30 Bond	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:												
Taxes:												
Income	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 436,664,293	\$ ---	\$ 436,664,293
Gross receipts	---	---	---	---	---	---	---	---	---	368,613,203	---	368,613,203
Excise	---	---	---	---	---	---	---	---	---	9,118,435	---	9,118,435
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	70,398,471	---	70,398,471
Intergovernmental	---	---	---	---	---	4,174,920	---	---	---	5,005,389	---	5,005,389
Licenses and permits	2,674	---	---	---	---	---	---	---	---	912,629	---	912,629
Charges for services	---	---	---	---	---	---	---	---	---	36,398,126	---	36,398,126
Fines and forfeits	---	---	---	---	---	537,910	---	---	---	537,910	---	537,910
Interest and investment earnings	4	13	---	---	---	---	1,128,282	223,863	56,586	4,429,583	---	4,429,583
Contributions from component units	---	---	---	---	---	---	---	---	---	4,324,696	---	4,324,696
Other	24,940	---	---	---	---	---	---	---	---	28,359,977	---	28,359,977
Total revenues	27,618	13	---	---	---	4,712,830	1,128,282	223,863	56,586	964,762,712	---	964,762,712
Expenditures by Function:												
Current:												
General government	12,008	---	---	---	---	---	---	---	---	102,766,004	---	102,766,004
Protection of life and property	---	---	---	---	---	---	---	---	---	142,458,809	---	142,458,809
Public health	---	---	---	---	---	---	---	---	---	9,316,584	---	9,316,584
Community services	---	---	---	---	---	---	---	---	---	13,681,721	---	13,681,721
Recreation	---	---	---	---	---	---	---	---	---	2,975,575	---	2,975,575
Individual and collective rights	---	---	---	---	---	43,002,618	---	---	---	69,544,023	---	69,544,023
Transportation	---	---	---	---	---	---	---	---	---	1,688,259	---	1,688,259
Public education	---	---	---	---	---	---	---	---	---	225,946,393	---	225,946,393
Environmental protection	---	---	---	---	---	---	---	---	---	164,029	---	164,029
Economic development	---	---	---	---	---	---	---	---	---	5,446,760	---	5,446,760
Payments to:												
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	5,912,030	---	5,912,030
Guam Community College	---	---	---	---	---	---	---	---	---	17,339,595	---	17,339,595
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	167,051	---	167,051
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	---	26,259,541	---	26,259,541
Guam Power Authority	---	---	---	---	---	---	---	---	---	63,220,100	---	63,220,100
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	5,814,293	---	5,814,293
Guam Waterworks Authority	---	---	---	---	---	---	---	---	---	2,000,000	---	2,000,000
University of Guam	---	---	---	---	---	---	---	---	---	33,069,912	---	33,069,912
Miscellaneous appropriations	---	---	6,772,000	---	---	---	---	---	---	72,020,665	---	72,020,665
Debt service:												
Principal retirement	---	---	---	---	---	---	---	11,475,000	1,865,000	22,779,706	---	22,779,706
Interest and fiscal charges	---	---	---	---	---	---	---	9,514,875	1,132,625	59,177,131	---	59,177,131
Total expenditures	12,008	---	6,772,000	---	---	43,002,618	---	20,989,875	2,997,625	881,748,181	---	881,748,181
Excess (deficiency) of revenues over (under) expenditures	15,610	13	(6,772,000)	---	---	(38,289,788)	1,128,282	(20,766,012)	(2,941,039)	83,014,531	---	83,014,531
Other financing sources (uses):												
Transfers in from other funds	---	---	6,772,000	---	---	39,037,902	---	19,149,820	3,037,757	612,302,207	(576,028,931)	36,273,276
Transfers out to other funds	---	---	---	---	---	---	---	---	---	(635,559,407)	576,028,931	(59,530,476)
Total other financing sources (uses), net	---	---	6,772,000	---	---	39,037,902	---	19,149,820	3,037,757	(23,257,200)	---	(23,257,200)
Net change in fund balances (deficit)	15,610	13	---	---	---	748,114	1,128,282	(1,616,192)	96,718	59,757,331	---	59,757,331
Fund balances (deficit) at beginning of year	94,034	12,446	---	(13,766)	(25,000)	9,706,619	3,572	21,271,700	2,220,177	135,468,210	---	135,468,210
Fund balances (deficit) at end of year	\$ 109,644	\$ 12,459	\$ ---	\$ (13,766)	\$ (25,000)	\$ 10,454,733	\$ 1,131,854	\$ 19,655,508	\$ 2,316,895	\$ 195,225,541	\$ ---	\$ 195,225,541

# Government of Guam

## Nonmajor Governmental Funds

September 30, 2023

The Nonmajor Governmental Funds statements include the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for nonmajor special revenue funds, nonmajor capital projects funds, and nonmajor debt service funds that comprise the other governmental funds column in the basic financial statements. The combining nonmajor special revenue funds statements, the combining nonmajor capital projects funds statements, and the combining nonmajor debt service funds are detailed behind the special revenue funds, capital project funds and debt service funds dividers.

**Government of Guam**

Nonmajor Governmental Funds  
Combining Balance Sheet

September 30, 2023

Fund Number			354		
<u>ASSETS</u>	Other	Other	Other	Total	
	Special Revenue	Capital Project	Debt Service		
Cash and cash equivalents	\$ 96,835,573	\$ 3,759,580	\$ ---	\$ 100,595,153	
Investments	15,409,801	---	---	15,409,801	
Receivables, net:					
Taxes	3,420,224	---	---	3,420,224	
Federal agencies	3,193,884	---	---	3,193,884	
Leases	15,721,216	---	---	15,721,216	
Other	6,805,443	---	---	6,805,443	
Due from component units	1,609,505	---	---	1,609,505	
Due from other funds	41,911,440	272,072	---	42,183,512	
Prepayments	85,350	---	---	85,350	
Deposits and other assets	---	1,000	---	1,000	
Restricted assets:					
Cash and cash equivalents	7,155,859	6,265,181	7,148,138	20,569,178	
Investments	300,000	902,104	---	1,202,104	
Total assets	<u>\$ 192,448,295</u>	<u>\$ 11,199,937</u>	<u>\$ 7,148,138</u>	<u>\$ 210,796,370</u>	
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 3,666,998	\$ 1,948	\$ ---	\$ 3,668,946	
Accrued payroll and other	1,354,650	---	---	1,354,650	
Due to component units	9,254,625	---	---	9,254,625	
Due to other funds	27,459,198	1,992,138	---	29,451,336	
Payable to federal agencies	29,288,035	---	---	29,288,035	
Deposits and other liabilities	3,557,581	148,224	---	3,705,805	
Total liabilities	<u>74,581,087</u>	<u>2,142,310</u>	<u>---</u>	<u>76,723,397</u>	
Deferred inflows of resources:					
Leases	15,404,518	---	---	15,404,518	
Deferred revenues	183,432	---	---	183,432	
Total deferred inflows	<u>15,587,950</u>	<u>---</u>	<u>---</u>	<u>15,587,950</u>	
Total liabilities and deferred inflows of resources	<u>90,169,037</u>	<u>2,142,310</u>	<u>---</u>	<u>92,311,347</u>	
Fund balances:					
Restricted	7,457,004	9,118,209	7,148,138	23,723,351	
Committed	94,822,254	---	---	94,822,254	
Unassigned	---	(60,582)	---	(60,582)	
Total fund balances	<u>102,279,258</u>	<u>9,057,627</u>	<u>7,148,138</u>	<u>118,485,023</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 192,448,295</u>	<u>\$ 11,199,937</u>	<u>\$ 7,148,138</u>	<u>\$ 210,796,370</u>	

**Government of Guam**

Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures by Function, and  
Changes in Fund Balances

Year ended September 30, 2023

Fund Number	Other		354 Other	
	Special Revenue	Capital Project	Debt Service	Total
<b>Revenues:</b>				
Taxes:				
Property	\$ 35,757,107	\$ ---	\$ ---	\$ 35,757,107
Hotel	28,514,576	---	---	28,514,576
Liquid fuel	3,123,976	---	---	3,123,976
Tobacco	26,132,790	---	---	26,132,790
Alcoholic beverages	4,039,143	---	---	4,039,143
Limited gaming	1,634,457	---	---	1,634,457
Intergovernmental	33,422,678	---	---	33,422,678
Licenses and permits	58,427,551	661,157	---	59,088,708
Charges for services	24,167,561	---	---	24,167,561
Fines and forfeits	---	354,913	---	354,913
Interest and investment earnings	908,195	194,540	297,196	1,399,931
Contributions from component units	35,791	---	---	35,791
Other	10,442	---	---	10,442
<b>Total revenues</b>	<b>216,174,267</b>	<b>1,210,610</b>	<b>297,196</b>	<b>217,682,073</b>
<b>Expenditures by Function:</b>				
Current:				
General government	36,589,494	---	---	36,589,494
Protection of life and property	13,600,973	---	---	13,600,973
Public health	33,072,215	---	---	33,072,215
Community services	9,283,658	---	---	9,283,658
Recreation	826,108	---	---	826,108
Individual and collective rights	8,519,034	272,735	---	8,791,769
Public welfare	19,203,808	---	---	19,203,808
Transportation	3,674,230	---	---	3,674,230
Public education	19,369,284	---	---	19,369,284
Environmental protection	19,349,070	---	---	19,349,070
Economic development	932,255	---	---	932,255
Payments to:				
Guam Community College	5,734,320	---	---	5,734,320
Guam International Airport Authority	9,254,625	---	---	9,254,625
Guam Preservation Trust	1,050,000	---	---	1,050,000
Guam Visitors Bureau	20,890,043	---	---	20,890,043
University of Guam	4,659,030	---	---	4,659,030
Capital projects	---	4,055,787	---	4,055,787
Debt service:				
Principal retirement	191,621	186,134	---	377,755
Interest and fiscal charges	145,579	377,960	2,943,250	3,466,789
<b>Total expenditures</b>	<b>206,345,347</b>	<b>4,892,616</b>	<b>2,943,250</b>	<b>214,181,213</b>
Excess (deficiency) of revenues over (under) expenditures	9,828,920	(3,682,006)	(2,646,054)	3,500,860
<b>Other financing sources (uses):</b>				
Loan proceeds	---	5,232,332	---	5,232,332
Transfers in from other funds	40,447,911	---	2,677,724	43,125,635
Transfers out to other funds	(38,459,574)	(52,051)	---	(38,511,625)
<b>Total other financing sources (uses), net</b>	<b>1,988,337</b>	<b>5,180,281</b>	<b>2,677,724</b>	<b>9,846,342</b>
<b>Net change in fund balances</b>	<b>11,817,257</b>	<b>1,498,275</b>	<b>31,670</b>	<b>13,347,202</b>
Fund balances at beginning of year	90,462,001	7,559,352	7,116,468	105,137,821
<b>Fund balances at end of year</b>	<b>\$ 102,279,258</b>	<b>\$ 9,057,627</b>	<b>\$ 7,148,138</b>	<b>\$ 118,485,023</b>



## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds

September 30, 2023

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. A brief discussion of GovGuam's nonmajor governmental funds - special revenue funds as of September 30, 2023, follows.

Aboveground Storage Tank Management Fund - The fund was created by Public Law 34-140 to account for all fees, assessments, fines, and forfeitures collected relative to the regulation of above ground storage facilities.

Accessible Parking Fund - The fund was created by Public Law 18-28 to ensure that disabled persons are given equal access to government offices and services. Revenues are generated from fines collected from those parked illegally in handicapped parking spaces. Expenditures are authorized for maintenance of disabled parking areas.

Air Pollution Control Fund - This fund was created by Public Law 24-40 to provide a coordinated Territory-wide program of air pollution prevention, abatement, and control. Revenues are derived primarily from permit application fees and annual emission fees.

Alcoholic Beverage Compliance Fees and Fines Fund - The fund was created by Public Law 31-199 to account for all fees and fines collected relative to the regulated conduct of special tasting and sampling events at approved locations.

Arts in Public Buildings Fund - This fund was created by Public Law 31-118 to assist in the promotion of local art on display in government public buildings.

Banking and Insurance Enforcement Fund - This fund was created by Public Law 33-91 for the purpose of monitoring and enforcing regulations associated with the banking and insurance industries.

Board of Accountancy Fund - This fund was created for the purpose of regulating aspects of the practice of public accountancy. The Guam Code Annotated Title 22, Subsection 35104(d) states, "all fees and money collected by the Board under this Chapter shall be accounted for by the Board and deposited in a special fund known as the 'Guam Board of Accountancy Fund.'" Sources of revenues are from the issuance of certificates and permit fees collected from public accountants and firms practicing public accountancy. Monies shall be expended for administering the Guam Accountancy Act of 2003.

Capitol District Fund - This fund was created by Public Law 29-69 for the sole purpose of funding the repair, restoration, renovation, or refurbishment of the Guam Congress Building or other Capitol District properties. Income received pursuant to any lease of property within the Capitol District shall be deposited into this fund.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Carrier Off-Duty Services Revolving Fund - This fund was created by Public Law 25-138. Charges from this fund are from services performed by Customs and Quarantine Officers, in the performance of their duties on any day of the week upon special request by the Director of Customs and Quarantine outside of normal working hours.

Chamorro Land Trust Operations Fund - This fund was created by Public Law 28-68 to account for the proceeds from all land use permits, monetary contributions and fees for the benefit of the Chamorro Land Trust Commission (CLTC).

Chamorro Land Trust Survey and Infrastructure Fund - This fund was created for the purpose of accounting for the receipt of all proceeds from the sale of bull cart trails and land remnants and proceeds from the sale of land under the Land for the Landless program that will be used solely for the surveying of CLTC land and for the operational needs in support thereof.

Chamorro Loan Guarantee Fund - This fund was created by Public Law 12-226 to account for loans made by governmental agencies or lending institutions to those holding leases or licenses issued by the Chamorro Land Trust Commission that may be guaranteed. This guarantee may be for home or commercial loan purposes. The loan guarantees shall be subject to certain restrictions.

Child Care Revolving Fund - This fund was created by Public Law 31-73 to account for all funds received under the Child Welfare Services Act.

Community Health Centers Fund - This fund was created to provide for both the Northern and Southern Guam Community Health Centers. Revenues are derived from fees charged to health service recipients utilizing the Center. Revenues are applied to expenditures applicable to the operation of the Center.

Consumer Protection Fund - This fund was created by Public Law 21-18 to account for fees collected by the Attorney General's Office under the Consumer Protection Act.

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

Controlled Substance Diversion Fund - This fund was created by Public Law 24-149 for use by the Department of Public Health for programs to monitor controlled substances, to identify and detect its diversion, equipment, supplies and contracts necessary to monitor controlled substances, and training of employees tasked with administering the Act. Revenues for this fund are provided for by fees assessed in relation to the registration and control of the manufacture, distribution and dispensing of controlled substances in Guam.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Criminal Injuries Compensation Fund - The Criminal Injuries Compensation Fund was enacted under Public Law 20-155. The fund was created for the purpose of compensating victims injured through criminal mischief. Public Law 20-155 created the Criminal Injuries Commission, which was created to determine, on a case-by-case basis, who is worthy of compensation. Sources of funding are prosecuted criminals (offenders) and Government appropriations. Per Public Law 20-155, compensation must be made within 18 months of date of injury. In addition, no claim will be awarded in excess of \$10,000.

Customs, Agriculture, and Quarantine Inspection Services Fund - This fund was created by Public Law 23-45 and amended by Public Law 23-96 Section 73145 of the Government Code of Guam. The law requires that each aircraft landing at the Guam International Airport Terminal (GIAT) shall be levied a customs, agriculture, and quarantine inspection service charge reasonably related to the cost incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining and operating the service charge facilities, and shall be allocated among air carriers in such a manner reasonably related to the relative demand for such services attributable to each carrier. All expenditures of the Fund shall be made exclusively by appropriation of the Guam Legislature. The Fund shall not be commingled with the General Fund and shall be kept in a separate bank account.

Dededo Buffer Strip Revolving Fund - This fund was created as a result of the re-enactment of Section 68901(1) of Title 21 of the Guam Code Annotated as amended by Public Law 24-59. This authorizes the Department of Land Management to enter into commercial leases, not exceeding ten (10) years, for the use of the Dededo and Yigo Municipal Planning Councils (two-thirds to Dededo and one-third to Yigo) for the upkeep and maintenance of sports and recreational facilities.

DLM Building Construction Fund - This fund was created by Public Law 29-46 to account for all monies received from FEMA for the construction of the Department of Land Management building.

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

Drivers' Education Fund - This fund was created by Public Law 22-20 to be expended on personnel, travel, purchase of vehicles, insurance, fuel and maintenance, textbooks and materials, driving simulators, a consultant and for teachers' stipends.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Enhanced 911 Emergency Reporting System Fund - This fund was created by Public Law 25-55. The fund is created to provide a source of funding for cost associated with the “911” Emergency Reporting System by charging a monthly surcharge known as the “911 Surcharge” paid by Local Exchange Telephone and Commercial Mobil Radio Service subscribers. All money and interest earned by this fund will be used by the Guam Fire Department solely for enhanced “911” equipment and systems.

Environmental Health Fund - This fund was created by Public Law 25-120 to account for all fees and penalties collected pursuant to laws enforced by the Division of Environmental Health of the Department of Public Health and Social Services.

Equitable Sharing Program Fund - This fund accounts for proceeds received from the U.S. Department of Justice Asset Forfeiture Program, which encompasses the seizure and forfeiture of assets that represent the proceeds of or were used to facilitate federal crimes.

Examiner Off-Duty Services Fund - This fund was created by Public Law 30-140 to account for hourly charges for services required by Department of Revenue and Taxation examiners outside of normal working hours.

Government Ethics Fund - This fund was created for the purpose of accounting for transactions associated with enforcement by the Guam Ethics Commission.

GFD Capital Revolving Fund - This fund was created by Public Law 22-52 to establish a capital outlay revolving fund within the Guam Fire Department to purchase essential emergency rescue and firefighting vehicles and emergency and life support equipment.

GMHA Healthcare Trust and Development Fund - This fund was created by Public Law 32-60 to account for license fees, business privilege tax, and income tax collected from companies involved in gaming to be used by designated public healthcare agencies of GovGuam.

Guam Ancestral Lands Commission (GALC) Operations Fund - This fund was established by Public Law 25-45 for the purpose of accounting for the payment of operational costs associated with the GALC.

Guam Ancestral Land Bank Fund - This fund was created for the purpose of accounting for all assets and revenues of the Land Bank, which consists of former Spanish Crown Lands and other non-ancestral lands conveyed by the United States federal government to GovGuam. The GALC acts as a developer of the lands with resulting lease rental income used to provide just compensation for those dispossessed landowners whose properties cannot be returned.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Guam Landowner's Recovery Fund - This fund was created for the purpose of accounting for the purpose of granting loans, loan guarantees or grant-in-aid to landowners, or to defer costs or fees for professional services required by those landowners or class of landowners who have ancestral land claims.

Guam Ancestral Lands Commission Survey Infrastructure and Development Fund - This fund was created for the purpose of accounting for the proceeds of lease revenues earned from all leases of Apra Harbor Reservation F-12 and Parcel N14-1 (the Polaris Point parcels) under the jurisdiction of the GALC. This fund shall be used for the surveying and mapping, purchase and installation of infrastructure, including paved access roads and commercial development, of the GALC properties, and for the administrative, operational, and financial support of these efforts.

Guam Broadband Infrastructure Fund - This fund accounts for U.S. federal funds used to bring qualified broadband to unserved households on Guam.

Guam Cancer Trust Fund - This fund was created to provide financial assistance to organizations that provide patient directed services for the prevention of cancers, its treatment, diagnosis, and other services that *may* be required to access treatment, including, but *not limited to*, off-island transportation and temporary housing.

Guam Charter Schools Fund - This fund was created by Public Law 29-140 to account for all funds received under the Guam Academy Charter Schools Act of 2009.

GCC Capital Improvements Fund - This fund was created by Public Law 31-229 to account for lease rental payments payable pursuant to the lease-back agreement entered into to secure financing for the construction, expansion, renovation, and/or hardening of the Gregorio G. Perez Crime Lab Building, and GCC Building # 100 and # 200.

Guam Environmental Trust Fund - This fund was created through Public Law 21-10. The fund is administered by the Guam Environmental Protection Agency and was created to clean up hazardous materials and to restore and repair damage to the environment. Revenues are generated through collection of a 2% assessment fee on all commercial and industrial liability insurance premiums which will be collected by the Department of Revenue and Taxation.

Guam Plant Inspection and Permit Fund - This fund was created by Public Law 27-29 for the administration, operation, maintenance and improvement of the Plant Inspection Station of the Department of Agriculture.

Guam Invasive Species Inspection Fee Fund - This fund was created by Public Law 31-43 to account for fees collected by the Guam Department of Agriculture for the inspection, quarantine, and eradication of invasive species contained in any freight brought into Guam.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Guam Museum Fund - This fund was created by Public Law 25-69 to account for funds received separate and apart from other funds of the Guam Museum to fund the operations of the Guam Museum Board of Advisors.

Guam Preservation Trust Fund - This fund was created by Public Law 20-151 for the purpose of the preservation of the island's many historical and cultural locations. Revenues are derived from building permit fees assessed to contractors before the issuance of any type of building permit.

Guam Procurement Advisory Council Support Fund - This fund was created by Public Law 31-93 to account for the operations of the Guam Procurement Advisory Council.

Health and Human Services Fund - This fund was created by Public Law 24-174 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement for settlements received from the tobacco industry.

Healthy Futures Fund - This fund was created by Public Law 27-05 to account for 50% of proceeds received on alcoholic beverages excise taxes and all tobacco-related taxes to be expended for health and education programs relating to tobacco and alcohol prevention, cessation, treatment and control, and to improving overall health and well-being.

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

Health and Security Trust Fund - This fund was created by Public Law 24-174 to account for 50% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be expended for the operations and capital expenditures of the Guam Memorial Hospital Authority.

Historic Preservation Archaeological Mitigation Fund - This fund was created by Public Law 29-147 to account for penalties and fines imposed by the Historic Preservation Office for failure to comply with the obtaining of a Certificate of Approval.

Host Community Benefits Fund - This fund was created by Public Law 30-165 to recognize the impact on the villages of Inarajan and Ordot as host communities to the Layon landfill and the Ordot Dump and funded by revenue from tipping fees.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Hotel Occupancy Tax Surplus Fund - This fund was created by Public Law 32-68 to account for hotel occupancy tax collections received by the Tourist Attraction Fund in excess of Bureau of Budget and Management Research revenue estimates.

Indirect Cost Fund - This fund was created by Public Law 29-113 to account for appropriations for the following purposes: (a) training such as Continuing Professional Education Credits, CPE; (b) negotiating and administering GovGuam's indirect cost rate; (c) purchasing of supplies and equipment associated with negotiating and administering GovGuam's indirect cost rate; and (d) automated budget development and maintenance.

Land Acquisition Fund - This fund was created by Public Law 9-170 to account for all costs of acquiring private land for public purposes.

Land Survey Revolving Fund - This fund was created to administer the surveying, mapping, and registration of all government-owned properties. Revenues are derived from certain documentary fees and proceeds from leases of government land. Funds are expended after allotments authorizing their expenditure are created by the Bureau of Budget and Management Research.

Limited Gaming Fund - This fund was created by Public Law 26-52 to account for activities under the Gaming Control Act.

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

Medical Use of Cannabis Fund - This fund was created by Public Law 32-134 to account for activities associated with the legal use of cannabis for medicinal purposes.

Mental Health and Substance Abuse Fund - This fund was created by Public Law 26-68 to account for all proceeds received by the Youth Tobacco Education and Prevention Fund to be expended for youth compliance monitoring and tobacco and drug prevention and education programs.

MHSA Services Fund - This fund was created by Public Law 31-233 to account for proceeds from the collection of any fees by the Department of Mental Health and Substance Abuse.

Notary Public Revolving Fund - This fund was created by Public Law 21-106 to account for revenues received under the Model Notary Law.

Office of the Attorney General Fund - This fund was created to account for collections received by the Office of the Attorney General.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Office of Vital Statistics Revolving Fund - This fund was created by Public Law 31-213 to account for revenues received by the Territorial Registrar, Office of Vital Statistics, within the Department of Public Health and Social Services.

Opioid Recovery Trust Fund - This fund was created Public Law No. 36-64 to account for settlement monies secured by the Office of the Attorney General for Guam.

Pesticide Management Fund - This fund was created by Public Law 29-46 to account for fees collected by the Guam Environmental Protection Agency to be used for the purchase of equipment, payment of personnel costs, public outreach, training, contracts, and disposal of confiscated pesticides and devices associated with the Pesticide Enforcement program.

Plant Nursery Revolving Fund - This fund was created by Public Law 26-140 to account for fees collected under the Department of Agriculture's Fee Schedule for plant nursery services and activities.

Police Patrol Vehicle and Equipment Revolving Fund - This fund was created by Public Law 32-205 to account for the collection of vehicle safety inspection fees to be used for the acquisition of vehicles and associated equipment by the Guam Police Department.

Police Services Fund - This fund was created by Public Law 24-23 for the purpose of funding the general operational needs of the Guam Police Department. Revenues are derived mainly from miscellaneous services and fees provided by the department.

Prison Industries Revolving Fund - This fund was created by Public Law 29-94 to account for all revenues collected under the Department of Correction's Prison Industries program that was established as a means for inmates to receive job training and skills development.

Professional Engineers', Architects' and Surveyors' Fund - This fund was created to receive fees from licenses and license renewals and to use those funds to administer and enforce the laws relating to professional engineers, architects and land surveyors.

Public Library System Fund - This fund accounts for the operations of all libraries in the Library System on Guam in accordance with the rules and regulations promulgated by the Library Board.

Public Market Revolving Fund - This fund was created by Public Law 28-68 to account for fees paid by producers or sellers for the use of space at public markets under the control of the Department of Chamorro Affairs.



## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Public Recreation Services Fund - This fund was created by Public Law 27-106 to account for the maintenance, upgrade and upkeep of all parks and recreational facilities within the jurisdiction of the Department of Parks and Recreation, and the creation and continuance of existing community related programs and activities for the benefit of the island.

Public Transit Fund - This fund was created by Public Law 26-76 under the authority of the Department of Administration to operate Guam's mass transit system.

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

Recycling Revolving Fund - This fund was created by Public Law 28-171 to account for recycling fees levied upon the registered owner of a motor vehicle to assist in the recycling and disposal of motor vehicles and other recyclable materials.

Safe Drinking Water Fund - This fund was created to account for fees, monetary charges and other funds collected or received by the Guam Environmental Protection Agency pursuant to the Safe Drinking Water Act to be used for the administration and implementation of the Safe Drinking Water Program; for public education and similar outreach programs; and promotions aimed at increasing awareness of the dangers of using pipes, plumbing fittings or fixtures containing lead over the acceptable limit set by this Act or regulations.

Safe Homes, Safe Streets Fund - This fund was created by Public Law 27-104 to account for public safety and social programs that enforce alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-related violence and abuse, and/or support community-based drug and substance abuse prevention programs at the Guam Police Department, the Guam Public School System, the Department of Public Health and Social Services, the Department of Youth Affairs, the Department of Mental Health & Substance Abuse

Safe Streets Fund - This fund was created by Public Law 22-41 to account for fines collected for certain offenses involving alcohol and controlled substances, convictions involving children, vehicular negligence and homicide, and drinking while driving a motor vehicle. Funds are appropriated to the Department of Corrections to be used to compensate staff and provide supplies or facilities to house incarcerated persons convicted of misdemeanors and persons convicted of abovementioned offenses.

Section 2718 Fund - This fund was created by Public Law 31-77 to account for all proceeds from rebates paid to and entitled to GovGuam pursuant to Section 2718(b)(1)(A) of the Public Health Services Act, as amended by the Patient Protection and Affordable Care Act (PPACA), Public Law 111-148.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Solid Waste Management Plan - This fund was created by Public Law 25-175 to be administered by the Guam Environmental Protection Agency to deal with solid waste management.

Solid Waste Operations Fund - This fund was created by Public Law 24-272 to account for the operations of the Guam Solid Waste Authority and to provide a financing source for GovGuam's costs and expenses directly related to the closure and post-closure of the solid waste landfill.

Special Assets Forfeiture Fund - This fund was created by Public Law 26-120 to account for property that is forfeited under any local law enforced or administered by the Guam Police Department.

Stray Dog Revolving Fund - This fund was created by Public Law 28-108 to account for the imposition of mandatory fines on owners of impounded dogs.

Street Light Fund - This fund was created by Public Law 27-38 to pay for the installation and operation of public streetlights.

Tax Collection Fund - This fund was created by Public Law 27-05. Fifty percent (50%) of the fund is earmarked for the purposes of employing tax technicians, revenue agents, revenue officers, and for other related expenses to increase collection of taxes and for the salaries of employees serving as Passport Acceptance Agents. The remaining fifty percent (50%) is to be deposited in the Public School Library Resources Fund.

Territorial Educational Facilities Fund (TEF) - TEF was created by Public Law 22-19 (as amended by Public Law 23-14) to account for all real property tax revenues received by or on behalf of GovGuam. These revenues are used for the debt service payments of the General Obligation Bonds, 1993 Series A and 1995 Series A.

Territorial Highway Fund - This fund was created for the purpose of obtaining proper maintenance and construction of highways and for the implementation of Highway Safety plans, programs and projects. Revenues are derived from Federal grants, certain liquid fuels taxes, vehicle registration fees and local appropriations.

Tourist Attraction Fund - This fund was created to finance the improvement of the physical facilities of Guam's parks and recreation areas. Financing is provided by the imposition of an 11 percent tax on lodging provided to transients.

Truck Enforcement Screening Station Facility Fund - This fund was created by Public Law 33-106 to account for fees collected from the monitoring of size, weight and load limitations and restriction of certain vehicles operating on Guam roads.

## Government of Guam

### Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2023

Underground Storage Tank Management Fund - This fund was created by Public Law 20-106 to account for collections received under the Underground Storage of Regulated Substances Act.

UOG Capital Improvements Fund - This fund was created by Public Law 26-48 to account for the design, construction and collateral equipment of the College of Business and Public Administration, and for the replacement of the roof of the Fine Arts Building.

Victim/Witness Travelling-Housing Fund - This fund was created by Public Law 30-60 to account for fees received by the Office of the Attorney General for requested statements issued about the disposition of a person's criminal arrest or criminal case.

Water Protection Fund - This fund was created by Public Law 22-47 to provide funding for the administration and implementation and enforcement of the Water Pollution Control Act and regulations promulgated from said Act, for educational programs and grants for research and development, advertisement promotions, and inspections of facilities to prevent or minimize erosion that contributes to pollution of the waters.

Water Research and Development Fund - This fund was created by Public Law 22-47 to conduct water resource research which will contribute to the effective planning and management of Guam's underground and surface water, and to the development of programs which promote the best use of these resources.

Wildlife Conservation Fund - This fund was created to preserve, manage, enhance and protect the Government's wildlife resources and their environment. Revenues are derived principally from the sale of hunting, fishing and harvesting licenses, fees and permits.

Workmen's Compensation Fund - This fund was authorized to be created by Public Law 1-88. Section 37042 of the Government Code of Guam requires a fund sufficient to secure compensation payments under Title XXXIII of the Government Code in respect to employees of GovGuam, its agencies and instrumentalities, including any public corporation. Funds are disbursed upon the order of the Workers Compensation Commission, of which the Director of Labor is the Commissioner.

Youth Tobacco Education and Prevention Fund - This fund was created by Public Law 25-187 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be utilized by the Department of Mental Health and Substance Abuse, for youth compliance monitoring and tobacco and drug prevention and education programs.

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	674	236	265	667	661	611	266		679	282	624	669	415	646
	Aboveground Storage Tank Management	Accessible Parking	Air Pollution Control	Alcoholic Beverage Compliance Fees and Fines	Arts in Public Buildings	Banking and Insurance Enforcement	Board of Accountancy	Capitol District	CARES Act Unemployment Assistance	Carrier Off-duty Services Revolving	Chamorro Land Trust Operations	Chamorro Land Trust Survey and Infrastructure	Chamorro Loan Guarantee	Child Care Revolving
<b>ASSETS</b>														
Cash and cash equivalents	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 56,280	\$ 908,258	\$ ---	\$ ---	\$ ---	\$ 2,003,540	\$ 67	\$ ---	\$ ---
Investments	---	---	---	---	---	---	---	---	262,562	---	---	---	---	---
Receivables, net:														
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	17,871	---
Federal agencies	---	---	---	---	---	---	---	---	448,710	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	5,474,274	128,263	---	---
Other	---	---	---	---	---	---	70,530	---	---	---	95,044	16,723	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	325,917	514	165,799	203,135	---	745,569	---	---	---	14,101	---	221,895	559,440	75,297
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:														
Cash and cash equivalents	---	---	---	---	---	---	---	619,992	---	---	---	---	572,277	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	300,000	---
Total assets	\$ 325,917	\$ 514	\$ 165,799	\$ 203,135	\$ ---	\$ 801,849	\$ 978,788	\$ 619,992	\$ 711,272	\$ 14,101	\$ 7,572,858	\$ 366,948	\$ 1,449,588	\$ 75,297
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>														
Liabilities:														
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 32,167	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	---	---	---	1,671	---	---	---	3,616	10,647	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	---	---	710,127	---	119,159	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	---	---	---	---	---	1,671	32,167	---	710,127	3,616	129,806	---	---	---
Deferred inflows of resources:														
Leases	---	---	---	---	---	---	---	---	---	---	5,482,030	129,010	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	137,399	1,375	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	5,619,429	130,385	---	---
Total liabilities and deferred inflows of resources	---	---	---	---	---	1,671	32,167	---	710,127	3,616	5,749,235	130,385	---	---
Fund balances:														
Restricted	---	---	---	---	---	---	---	619,992	1,145	---	---	---	872,277	---
Committed	325,917	514	165,799	203,135	---	800,178	946,621	---	---	10,485	1,823,623	236,563	577,311	75,297
Total fund balances	325,917	514	165,799	203,135	---	800,178	946,621	619,992	1,145	10,485	1,823,623	236,563	1,449,588	75,297
Total liabilities, deferred inflows of resources and fund balances	\$ 325,917	\$ 514	\$ 165,799	\$ 203,135	\$ ---	\$ 801,849	\$ 978,788	\$ 619,992	\$ 711,272	\$ 14,101	\$ 7,572,858	\$ 366,948	\$ 1,449,588	\$ 75,297

(continued)

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	105	250	213	272	690	677	325	209	267	630	235	246	683	681	281	
	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	CoronaVirus Capital	COVID-19	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Education Stabilization	Emergency Rental Assistance	Enhanced 911 Emergency Reporting System	
<b>ASSETS</b>																
Cash and cash equivalents	\$ 7,811,180	\$ ---	\$ 1,849,877	\$ ---	\$ ---	\$ ---	\$ 1,227,760	\$ 974,882	\$ ---	\$ 2,948	\$ ---	\$ ---	\$ ---	\$ 9,165,860	\$ 3,614,309	
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Receivables, net:																
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Federal agencies	---	---	---	---	759,030	---	---	---	---	---	---	---	1,986,144	---	---	
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Other	---	---	---	---	---	---	---	1,998,037	---	---	---	---	---	---	---	
Due from component units	---	---	---	---	---	---	---	1,532,095	---	---	---	---	---	---	---	
Due from other funds	---	310,343	---	932,273	---	1,154	197,262	403,382	328,560	---	3,447,015	59,280	---	4,074,436	---	
Prepayments	---	---	---	---	---	---	---	85,350	---	---	---	---	---	---	---	
Restricted assets:																
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
<b>Total assets</b>	<b>\$ 7,811,180</b>	<b>\$ 310,343</b>	<b>\$ 1,849,877</b>	<b>\$ 932,273</b>	<b>\$ 759,030</b>	<b>\$ 1,154</b>	<b>\$ 1,425,022</b>	<b>\$ 4,993,746</b>	<b>\$ 328,560</b>	<b>\$ 2,948</b>	<b>\$ 3,447,015</b>	<b>\$ 59,280</b>	<b>\$ 1,986,144</b>	<b>\$ 13,240,296</b>	<b>\$ 3,614,309</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>																
Liabilities:																
Accounts payable	\$ 106,250	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 169	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	
Accrued payroll and other	103,765	---	13,565	---	---	159	---	46,152	---	---	12,088	---	3,500	19,744	31,235	
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Due to other funds	868,139	---	107,806	---	759,030	---	---	---	---	1	---	---	1,982,644	---	400,977	
Payable to federal agencies	---	---	---	---	---	995	---	---	---	---	---	---	---	13,220,552	---	
Deposits and other liabilities	---	---	---	---	---	---	210,162	---	---	---	---	---	---	---	---	
<b>Total liabilities</b>	<b>1,078,154</b>	<b>---</b>	<b>121,371</b>	<b>---</b>	<b>759,030</b>	<b>1,154</b>	<b>210,331</b>	<b>46,152</b>	<b>---</b>	<b>1</b>	<b>12,088</b>	<b>---</b>	<b>1,986,144</b>	<b>13,240,296</b>	<b>432,212</b>	
Deferred inflows of resources:																
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
<b>Total deferred inflows</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	
<b>Total liabilities and deferred inflows of resources</b>	<b>1,078,154</b>	<b>---</b>	<b>121,371</b>	<b>---</b>	<b>759,030</b>	<b>1,154</b>	<b>210,331</b>	<b>46,152</b>	<b>---</b>	<b>1</b>	<b>12,088</b>	<b>---</b>	<b>1,986,144</b>	<b>13,240,296</b>	<b>432,212</b>	
Fund balances:																
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Committed	6,733,026	310,343	1,728,506	932,273	---	---	1,214,691	4,947,594	328,560	2,947	3,434,927	59,280	---	---	3,182,097	
<b>Total fund balances</b>	<b>6,733,026</b>	<b>310,343</b>	<b>1,728,506</b>	<b>932,273</b>	<b>---</b>	<b>---</b>	<b>1,214,691</b>	<b>4,947,594</b>	<b>328,560</b>	<b>2,947</b>	<b>3,434,927</b>	<b>59,280</b>	<b>---</b>	<b>---</b>	<b>3,182,097</b>	
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,811,180</b>	<b>\$ 310,343</b>	<b>\$ 1,849,877</b>	<b>\$ 932,273</b>	<b>\$ 759,030</b>	<b>\$ 1,154</b>	<b>\$ 1,425,022</b>	<b>\$ 4,993,746</b>	<b>\$ 328,560</b>	<b>\$ 2,948</b>	<b>\$ 3,447,015</b>	<b>\$ 59,280</b>	<b>\$ 1,986,144</b>	<b>\$ 13,240,296</b>	<b>\$ 3,614,309</b>	

*(continued)*

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	600	642	640	614	231	656					673	692	641	639	657
	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services	Government Ethics	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Survey Infrastructure and Development	Guam Broadband Infrastructure	Guam Cancer Trust	Guam Charter Schools	Guam Community College Capital Improvements	
<b>ASSETS</b>															
Cash and cash equivalents	\$ 1,276,135	\$ 522,308	\$ ---	\$ 165,727	\$ ---	\$ 2,813,376	\$ 828	\$ 385,074	\$ 5,038	\$ 966,049	\$ ---	\$ 30	\$ 1,307	\$ ---	
Investments	---	---	---	---	---	---	---	15,147,239	---	---	---	---	---	---	
Receivables, net:															
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Leases	---	---	---	---	---	---	---	2,186,458	---	7,932,221	---	---	---	---	
Other	---	---	---	---	---	---	---	418,808	---	---	---	---	---	---	
Due from component units	---	---	---	---	---	---	---	77,410	---	---	---	---	---	---	
Due from other funds	1,041,754	240,647	55,856	75,986	723,428	---	---	---	---	---	3,982	---	---	---	
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Restricted assets:															
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
<b>Total assets</b>	<b>\$ 2,317,889</b>	<b>\$ 762,955</b>	<b>\$ 55,856</b>	<b>\$ 241,713</b>	<b>\$ 723,428</b>	<b>\$ 2,813,376</b>	<b>\$ 828</b>	<b>\$ 18,214,989</b>	<b>\$ 5,038</b>	<b>\$ 8,898,270</b>	<b>\$ 3,982</b>	<b>\$ 30</b>	<b>\$ 1,307</b>	<b>\$ ---</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>															
Liabilities:															
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ 447	\$ ---	\$ ---	\$ 78,552	\$ ---	\$ 4,220	\$ ---	\$ ---	\$ ---	\$ ---	
Accrued payroll and other	28,637	---	---	---	---	---	---	---	---	13,227	3,982	---	---	---	
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Due to other funds	---	---	---	---	---	396,433	---	---	---	770,775	---	30	1,307	---	
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Deposits and other liabilities	---	---	---	---	---	---	---	77,410	---	69,369	---	---	---	---	
<b>Total liabilities</b>	<b>28,637</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>447</b>	<b>396,433</b>	<b>---</b>	<b>155,962</b>	<b>---</b>	<b>857,591</b>	<b>3,982</b>	<b>30</b>	<b>1,307</b>	<b>---</b>	
Deferred inflows of resources:															
Leases	---	---	---	---	---	---	---	2,094,076	---	7,699,402	---	---	---	---	
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
<b>Total deferred inflows</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2,094,076</b>	<b>---</b>	<b>7,699,402</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	
<b>Total liabilities and deferred inflows of resources</b>	<b>28,637</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>447</b>	<b>396,433</b>	<b>---</b>	<b>2,250,038</b>	<b>---</b>	<b>8,556,993</b>	<b>3,982</b>	<b>30</b>	<b>1,307</b>	<b>---</b>	
Fund balances:															
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Committed	2,289,252	762,955	55,856	241,713	722,981	2,416,943	828	15,964,951	5,038	341,277	---	---	---	---	
<b>Total fund balances</b>	<b>2,289,252</b>	<b>762,955</b>	<b>55,856</b>	<b>241,713</b>	<b>722,981</b>	<b>2,416,943</b>	<b>828</b>	<b>15,964,951</b>	<b>5,038</b>	<b>341,277</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,317,889</b>	<b>\$ 762,955</b>	<b>\$ 55,856</b>	<b>\$ 241,713</b>	<b>\$ 723,428</b>	<b>\$ 2,813,376</b>	<b>\$ 828</b>	<b>\$ 18,214,989</b>	<b>\$ 5,038</b>	<b>\$ 8,898,270</b>	<b>\$ 3,982</b>	<b>\$ 30</b>	<b>\$ 1,307</b>	<b>\$ ---</b>	

(continued)

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	245	608	662	244	326	651	270	602	241	311	271	634	687
	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	Guam Museum	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Hessler Building Rental	Historic Preservation Archaeological Mitigation	Homeowner's Assistance
<b>ASSETS</b>													
Cash and cash equivalents	\$ 795,783	\$ 298,057	\$ 771,436	\$ ---	\$ 237,037	\$ ---	\$ 365,628	\$ 1,023,994	\$ ---	\$ 22,882	\$ ---	\$ ---	\$ 1,337,796
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	1,193,920	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	98,242	---	1,436	---	33,128	1,931	78,851	---	729,119	---	992,730	60,190	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total assets</b>	<b>\$ 894,025</b>	<b>\$ 298,057</b>	<b>\$ 772,872</b>	<b>\$ ---</b>	<b>\$ 270,165</b>	<b>\$ 1,931</b>	<b>\$ 444,479</b>	<b>\$ 2,217,914</b>	<b>\$ 729,119</b>	<b>\$ 22,882</b>	<b>\$ 992,730</b>	<b>\$ 60,190</b>	<b>\$ 1,337,796</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
<b>Liabilities:</b>													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 181,957	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	3,861	---	16,694	---	---	---	---	383,081	4,164	---	---	---	19,797
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	13,639	---	---	---	---	---	1,652,876	---	10,907	---	---	136,144
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	1,180,213
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total liabilities</b>	<b>3,861</b>	<b>13,639</b>	<b>16,694</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2,217,914</b>	<b>4,164</b>	<b>10,907</b>	<b>---</b>	<b>---</b>	<b>1,336,154</b>
<b>Deferred inflows of resources:</b>													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total deferred inflows</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>3,861</b>	<b>13,639</b>	<b>16,694</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2,217,914</b>	<b>4,164</b>	<b>10,907</b>	<b>---</b>	<b>---</b>	<b>1,336,154</b>
<b>Fund balances:</b>													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	890,164	284,418	756,178	---	270,165	1,931	444,479	---	724,955	11,975	992,730	60,190	1,642
<b>Total fund balances</b>	<b>890,164</b>	<b>284,418</b>	<b>756,178</b>	<b>---</b>	<b>270,165</b>	<b>1,931</b>	<b>444,479</b>	<b>---</b>	<b>724,955</b>	<b>11,975</b>	<b>992,730</b>	<b>60,190</b>	<b>1,642</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 894,025</b>	<b>\$ 298,057</b>	<b>\$ 772,872</b>	<b>\$ ---</b>	<b>\$ 270,165</b>	<b>\$ 1,931</b>	<b>\$ 444,479</b>	<b>\$ 2,217,914</b>	<b>\$ 729,119</b>	<b>\$ 22,882</b>	<b>\$ 992,730</b>	<b>\$ 60,190</b>	<b>\$ 1,337,796</b>

(continued)

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	652	658	632	351	222	655	232	671	294	653	688	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Non- Entitlement Local Government	Notary Public Revolving	Office of Attorney General
<b>ASSETS</b>													
Cash and cash equivalents	\$ ---	\$ 714	\$ 43	\$ 181	\$ ---	\$ 140	\$ 5,773,222	\$ 11,648	\$ ---	\$ ---	\$ 15,359,525	\$ ---	\$ 645,048
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	92,944	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	53	2,527,981	493,034	70	1,602,614	3,306,138	---	11,568	---	1,409,401	---	285,637	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total assets</b>	<b>\$ 53</b>	<b>\$ 2,528,695</b>	<b>\$ 493,077</b>	<b>\$ 251</b>	<b>\$ 1,602,614</b>	<b>\$ 3,399,222</b>	<b>\$ 5,773,222</b>	<b>\$ 23,216</b>	<b>\$ ---</b>	<b>\$ 1,409,401</b>	<b>\$ 15,359,525</b>	<b>\$ 285,637</b>	<b>\$ 645,048</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
<b>Liabilities:</b>													
Accounts payable	\$ ---	\$ ---	\$ 9	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	32,922	---	60,123	---	42,826	---	---	5,853	801	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	151,322	---	---	---	468,383	---	228,313
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	14,886,275	---	---
Deposits and other liabilities	---	---	---	---	---	---	1,427,329	---	---	---	---	---	---
<b>Total liabilities</b>	<b>---</b>	<b>---</b>	<b>32,931</b>	<b>---</b>	<b>60,123</b>	<b>---</b>	<b>1,621,477</b>	<b>---</b>	<b>---</b>	<b>5,853</b>	<b>15,355,459</b>	<b>---</b>	<b>228,313</b>
<b>Deferred inflows of resources:</b>													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	44,658	---	---	---	---	---	---
<b>Total deferred inflows</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>44,658</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>---</b>	<b>---</b>	<b>32,931</b>	<b>---</b>	<b>60,123</b>	<b>---</b>	<b>1,666,135</b>	<b>---</b>	<b>---</b>	<b>5,853</b>	<b>15,355,459</b>	<b>---</b>	<b>228,313</b>
<b>Fund balances:</b>													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	53	2,528,695	460,146	251	1,542,491	3,399,222	4,107,087	23,216	---	1,403,548	4,066	285,637	416,735
<b>Total fund balances</b>	<b>53</b>	<b>2,528,695</b>	<b>460,146</b>	<b>251</b>	<b>1,542,491</b>	<b>3,399,222</b>	<b>4,107,087</b>	<b>23,216</b>	<b>---</b>	<b>1,403,548</b>	<b>4,066</b>	<b>285,637</b>	<b>416,735</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 53</b>	<b>\$ 2,528,695</b>	<b>\$ 493,077</b>	<b>\$ 251</b>	<b>\$ 1,602,614</b>	<b>\$ 3,399,222</b>	<b>\$ 5,773,222</b>	<b>\$ 23,216</b>	<b>\$ ---</b>	<b>\$ 1,409,401</b>	<b>\$ 15,359,525</b>	<b>\$ 285,637</b>	<b>\$ 645,048</b>

(continued)



**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	650	689	212	107	629	211	663	263	644	215	604	666	620
	Office of Vital Statistics Revolving	Opioid Recovery Trust	Park	Peace Officer Standards and Training Commission Revolving	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Market Revolving	Public Recreation Services
<b>ASSETS</b>													
Cash and cash equivalents	\$ 39,147	\$ 3,233,705	\$ ---	\$ 4,026	\$ ---	\$ ---	\$ 1	\$ ---	\$ ---	\$ 36,579	\$ 1,556,120	\$ ---	\$ 195,379
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	336,712	---	9,754	16,225	458,066	72,951	703,384	1,067,969	4,359	116,374	---	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total assets</b>	<b>\$ 375,859</b>	<b>\$ 3,233,705</b>	<b>\$ 9,754</b>	<b>\$ 20,251</b>	<b>\$ 458,066</b>	<b>\$ 72,951</b>	<b>\$ 703,385</b>	<b>\$ 1,067,969</b>	<b>\$ 4,359</b>	<b>\$ 152,953</b>	<b>\$ 1,556,120</b>	<b>\$ ---</b>	<b>\$ 195,379</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
Liabilities:													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	1,549	---	---	---	---	---	---	12,509	---	5,387	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	83,542	---	---	---	---	---	---	---	---	732,497	---	116,321
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total liabilities</b>	<b>1,549</b>	<b>83,542</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>12,509</b>	<b>---</b>	<b>5,387</b>	<b>732,497</b>	<b>---</b>	<b>116,321</b>
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total deferred inflows</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,549</b>	<b>83,542</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>12,509</b>	<b>---</b>	<b>5,387</b>	<b>732,497</b>	<b>---</b>	<b>116,321</b>
Fund balances:													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	374,310	3,150,163	9,754	20,251	458,066	72,951	703,385	1,055,460	4,359	147,566	823,623	---	79,058
<b>Total fund balances</b>	<b>374,310</b>	<b>3,150,163</b>	<b>9,754</b>	<b>20,251</b>	<b>458,066</b>	<b>72,951</b>	<b>703,385</b>	<b>1,055,460</b>	<b>4,359</b>	<b>147,566</b>	<b>823,623</b>	<b>---</b>	<b>79,058</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 375,859</b>	<b>\$ 3,233,705</b>	<b>\$ 9,754</b>	<b>\$ 20,251</b>	<b>\$ 458,066</b>	<b>\$ 72,951</b>	<b>\$ 703,385</b>	<b>\$ 1,067,969</b>	<b>\$ 4,359</b>	<b>\$ 152,953</b>	<b>\$ 1,556,120</b>	<b>\$ ---</b>	<b>\$ 195,379</b>

(continued)

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	317	285	619	289	601	217	647	284	416	605	625	202	603
	Public Transit	Rabies Prevention	Recycling Revolving	Safe Drinking Water	Safe Homes Safe Streets	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	Stray Dog Revolving	Street Light	Tax Collection
<b>ASSETS</b>													
Cash and cash equivalents	\$ ---	\$ ---	\$ 7,547,676	\$ ---	\$ ---	\$ 87,532	\$ ---	\$ ---	\$ 5,689,017	\$ 559,450	\$ ---	\$ ---	\$ ---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	4,206,301	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	184,048	---	131,654	8,750	---	21,480	107,581	---	16,556	3,308	---	632,410
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	5,963,590	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total assets</b>	<b>\$ ---</b>	<b>\$ 184,048</b>	<b>\$ 7,547,676</b>	<b>\$ 131,654</b>	<b>\$ 8,750</b>	<b>\$ 87,532</b>	<b>\$ 21,480</b>	<b>\$ 107,581</b>	<b>\$ 15,858,908</b>	<b>\$ 576,006</b>	<b>\$ 3,308</b>	<b>\$ ---</b>	<b>\$ 632,410</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
<b>Liabilities:</b>													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,451,376	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	1,457	---	---	---	---	---	66,873	---	---	---	9,240
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	694,540	---	---	86,929	---	---	2,248,015	---	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	155,211	---	---	---	---
<b>Total liabilities</b>	<b>---</b>	<b>---</b>	<b>695,997</b>	<b>---</b>	<b>---</b>	<b>86,929</b>	<b>---</b>	<b>---</b>	<b>3,921,475</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>9,240</b>
<b>Deferred inflows of resources:</b>													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total deferred inflows</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>---</b>	<b>---</b>	<b>695,997</b>	<b>---</b>	<b>---</b>	<b>86,929</b>	<b>---</b>	<b>---</b>	<b>3,921,475</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>9,240</b>
<b>Fund balances:</b>													
Restricted	---	---	---	---	---	---	---	---	5,963,590	---	---	---	---
Committed	---	184,048	6,851,679	131,654	8,750	603	21,480	107,581	5,973,843	576,006	3,308	---	623,170
<b>Total fund balances</b>	<b>---</b>	<b>184,048</b>	<b>6,851,679</b>	<b>131,654</b>	<b>8,750</b>	<b>603</b>	<b>21,480</b>	<b>107,581</b>	<b>11,937,433</b>	<b>576,006</b>	<b>3,308</b>	<b>---</b>	<b>623,170</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ ---</b>	<b>\$ 184,048</b>	<b>\$ 7,547,676</b>	<b>\$ 131,654</b>	<b>\$ 8,750</b>	<b>\$ 87,532</b>	<b>\$ 21,480</b>	<b>\$ 107,581</b>	<b>\$ 15,858,908</b>	<b>\$ 576,006</b>	<b>\$ 3,308</b>	<b>\$ ---</b>	<b>\$ 632,410</b>

(continued)

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Balance Sheet

September 30, 2023

Fund Number	205	208	206	257 Truck Enforcement Screening Station Facility	636 Under- ground Storage Tank Management	297 University of Guam Capital Improve- ments	637 Victim/ Witness Travel- Housing	283 Water Protection	300 Water Research and Development	203 Wildlife Conservation	310 Workman's Compensation	276 Youth Tobacco Education and Prevention	Total
	Territorial Educational Facilities	Territorial Highway	Tourist Attraction										
<b>ASSETS</b>													
Cash and cash equivalents	\$ 5,440,721	\$ 1,762,730	\$ 9,988,409	\$ ---	\$ 295,549	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,565	\$ 96,835,573
Investments	---	---	---	---	---	---	---	---	---	---	---	---	15,409,801
Receivables, net:													
Taxes	361,734	272,634	1,481,121	---	---	---	---	---	---	---	---	---	3,420,224
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	3,193,884
Leases	---	---	---	---	---	---	---	---	---	---	---	---	15,721,216
Other	---	---	---	---	---	---	---	---	---	---	---	---	6,805,443
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	1,609,505
Due from other funds	---	9,053,545	---	552,223	---	---	25,584	473,978	146,072	109,513	1,811,851	7,945	41,911,440
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	85,350
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	7,155,859
Investments	---	---	---	---	---	---	---	---	---	---	---	---	300,000
Total assets	\$ 5,802,455	\$ 11,088,909	\$ 11,469,530	\$ 552,223	\$ 295,549	\$ ---	\$ 25,584	\$ 473,978	\$ 146,072	\$ 109,513	\$ 1,811,851	\$ 13,510	\$ 192,448,295
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
Liabilities:													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,811,851	\$ ---	\$ 3,666,998
Accrued payroll and other	175,345	216,830	---	---	1,303	---	---	---	2,047	---	---	---	1,354,650
Due to component units	---	9,254,625	---	---	---	---	---	---	---	---	---	---	9,254,625
Due to other funds	3,115,783	---	11,469,530	---	134,029	---	---	---	---	---	---	---	27,459,198
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	29,288,035
Deposits and other liabilities	646	1,617,454	---	---	---	---	---	---	---	---	---	---	3,557,581
Total liabilities	3,291,774	11,088,909	11,469,530	---	135,332	---	---	---	2,047	---	1,811,851	---	74,581,087
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	15,404,518
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	183,432
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	15,587,950
Total liabilities and deferred inflows of resources	3,291,774	11,088,909	11,469,530	---	135,332	---	---	---	2,047	---	1,811,851	---	90,169,037
Fund balances:													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	7,457,004
Committed	2,510,681	---	---	552,223	160,217	---	25,584	473,978	144,025	109,513	---	13,510	94,822,254
Total fund balances	2,510,681	---	---	552,223	160,217	---	25,584	473,978	144,025	109,513	---	13,510	102,279,258
Total liabilities, deferred inflows of resources and fund balances	\$ 5,802,455	\$ 11,088,909	\$ 11,469,530	\$ 552,223	\$ 295,549	\$ ---	\$ 25,584	\$ 473,978	\$ 146,072	\$ 109,513	\$ 1,811,851	\$ 13,510	\$ 192,448,295

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	674	236	265	667	661	611	266		679	282	624	669	415	646
	Aboveground Storage Tank Management	Accessible Parking	Air Pollution Control	Alcoholic Beverage Compliance Fees and Fines	Arts in Public Buildings	Banking and Insurance Enforcement	Board of Accountancy	Capitol District	CARES Act Unemployment Assistance	Carrier Off-duty Services Revolving	Chamorro Land Trust Operations	Chamorro Land Trust Survey and Infrastructure	Chamorro Loan Guarantee	Child Care Revolving
<b>Revenues:</b>														
Taxes:														
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 169,076	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	73,850	2,033	67,642	63,525	---	401,498	732,080	---	---	669,395	888,294	11,438	---	7,700
Charges for services	---	---	---	---	---	---	---	228,406	---	---	---	---	---	---
Interest and investment earnings	---	---	---	---	---	18	48,487	173	---	---	589	---	11,048	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	343	---	---	---	6,945	---
<b>Total revenues</b>	<b>73,850</b>	<b>2,033</b>	<b>67,642</b>	<b>63,525</b>	<b>---</b>	<b>401,516</b>	<b>780,567</b>	<b>228,579</b>	<b>343</b>	<b>669,395</b>	<b>888,883</b>	<b>11,438</b>	<b>187,069</b>	<b>7,700</b>
<b>Expenditures by Function:</b>														
Current:														
General government	---	---	---	9,691	---	47,434	452,568	---	---	---	16,015	50	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	652,860	---	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	707,709	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	27,283	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:														
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	400,000	---	---	---	---	---	---	---
Debt service:														
Principal retirement	---	---	---	---	---	---	---	191,621	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	145,579	---	---	---	---	---	---
<b>Total expenditures</b>	<b>---</b>	<b>---</b>	<b>27,283</b>	<b>9,691</b>	<b>---</b>	<b>47,434</b>	<b>852,568</b>	<b>337,200</b>	<b>---</b>	<b>652,860</b>	<b>723,724</b>	<b>50</b>	<b>---</b>	<b>---</b>
Excess (deficiency) of revenues over (under) expenditures	73,850	2,033	40,359	53,834	---	354,082	(72,001)	(108,621)	343	16,535	165,159	11,388	187,069	7,700
<b>Other financing sources (uses):</b>														
Transfers in from other funds	---	---	---	---	59,712	---	---	---	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	(30,037)	---	---	---	---	---	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>29,675</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>73,850</b>	<b>2,033</b>	<b>40,359</b>	<b>53,834</b>	<b>29,675</b>	<b>354,082</b>	<b>(72,001)</b>	<b>(108,621)</b>	<b>343</b>	<b>16,535</b>	<b>165,159</b>	<b>11,388</b>	<b>187,069</b>	<b>7,700</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>252,067</b>	<b>(1,519)</b>	<b>125,440</b>	<b>149,301</b>	<b>(29,675)</b>	<b>446,096</b>	<b>1,018,622</b>	<b>728,613</b>	<b>802</b>	<b>(6,050)</b>	<b>1,658,464</b>	<b>225,175</b>	<b>1,262,519</b>	<b>67,597</b>
<b>Fund balances at end of year</b>	<b>\$ 325,917</b>	<b>\$ 514</b>	<b>\$ 165,799</b>	<b>\$ 203,135</b>	<b>\$ ---</b>	<b>\$ 800,178</b>	<b>\$ 946,621</b>	<b>\$ 619,992</b>	<b>\$ 1,145</b>	<b>\$ 10,485</b>	<b>\$ 1,823,623</b>	<b>\$ 236,563</b>	<b>\$ 1,449,588</b>	<b>\$ 75,297</b>

*(continued)*

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	105	250	213	272	690	677	325	209 Customs, Agriculture and Quarantine Inspection Services	267	630	235	246	683	681	281
	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	CoronaVirus Capital	COVID-19	Criminal Injuries Compensation		Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Education Stabilization	Emergency Rental Assistance	Enhanced 911 Emergency Reporting System
<b>Revenues:</b>															
<b>Taxes:</b>															
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	3,079,563	---	---	---	759,030	---	---	---	---	---	---	---	6,291,240	12,071,785	---
Licenses and permits	2,338,463	---	906,256	240,570	---	---	56,590	7,420,723	---	---	709,658	7,600	---	---	2,008,288
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	411	---	---	---	275	322	---	2	---	---	---	163,873	909
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total revenues</b>	<b>5,418,026</b>	<b>---</b>	<b>906,667</b>	<b>240,570</b>	<b>759,030</b>	<b>---</b>	<b>56,865</b>	<b>7,421,045</b>	<b>---</b>	<b>2</b>	<b>709,658</b>	<b>7,600</b>	<b>6,291,240</b>	<b>12,235,658</b>	<b>2,009,197</b>
<b>Expenditures by Function:</b>															
<b>Current:</b>															
General government	225	---	709,217	---	---	---	---	---	---	---	701,034	---	13,385,916	---	---
Protection of life and property	---	6,275	---	---	---	---	(1,343)	2,473,451	---	---	---	---	---	---	2,684,016
Public health	6,868,226	---	---	3,348	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	12,235,658	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	759,030	---	---	---	---	---	---	---	---	---	---
Debt service:	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>6,868,451</b>	<b>6,275</b>	<b>709,217</b>	<b>3,348</b>	<b>759,030</b>	<b>---</b>	<b>(1,343)</b>	<b>2,473,451</b>	<b>---</b>	<b>---</b>	<b>701,034</b>	<b>---</b>	<b>13,385,916</b>	<b>12,235,658</b>	<b>2,684,016</b>
Excess (deficiency) of revenues over (under) expenditures	(1,450,425)	(6,275)	197,450	237,222	---	---	58,208	4,947,594	---	2	8,624	7,600	(7,094,676)	---	(674,819)
<b>Other financing sources (uses):</b>															
Transfers in from other funds	---	---	---	---	---	317	---	---	---	---	---	---	7,112,185	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>317</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>7,112,185</b>	<b>---</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>(1,450,425)</b>	<b>(6,275)</b>	<b>197,450</b>	<b>237,222</b>	<b>---</b>	<b>317</b>	<b>58,208</b>	<b>4,947,594</b>	<b>---</b>	<b>2</b>	<b>8,624</b>	<b>7,600</b>	<b>17,509</b>	<b>---</b>	<b>(674,819)</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>8,183,451</b>	<b>316,618</b>	<b>1,531,056</b>	<b>695,051</b>	<b>---</b>	<b>(317)</b>	<b>1,156,483</b>	<b>---</b>	<b>328,560</b>	<b>2,945</b>	<b>3,426,303</b>	<b>51,680</b>	<b>(17,509)</b>	<b>---</b>	<b>3,856,916</b>
<b>Fund balances at end of year</b>	<b>\$ 6,733,026</b>	<b>\$ 310,343</b>	<b>\$ 1,728,506</b>	<b>\$ 932,273</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 1,214,691</b>	<b>\$ 4,947,594</b>	<b>\$ 328,560</b>	<b>\$ 2,947</b>	<b>\$ 3,434,927</b>	<b>\$ 59,280</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 3,182,097</b>

*(continued)*

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	600	642	640	614	231	656				673	692	641	639	657
	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services	Government Ethics	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Survey Infrastructure and Development	Guam Broadband Infrastructure	Guam Cancer Trust	Guam Charter Schools	Guam Community College Capital Improvements
<b>Revenues:</b>														
Taxes:														
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	540,118	---	---	---	---	---	---	---	---
Intergovernmental	---	304,952	---	---	---	---	40,981	---	---	---	91,362	---	---	---
Licenses and permits	1,523,532	---	31,888	114,300	846,574	100	---	858,363	---	392,148	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	292	117	---	29	---	527	1	479,056	---	---	---	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	1,911	---	---	---	---	---	500	---
<b>Total revenues</b>	<b>1,523,824</b>	<b>305,069</b>	<b>31,888</b>	<b>114,329</b>	<b>846,574</b>	<b>540,745</b>	<b>42,893</b>	<b>1,337,419</b>	<b>---</b>	<b>392,148</b>	<b>91,362</b>	<b>---</b>	<b>500</b>	<b>---</b>
<b>Expenditures by Function:</b>														
Current:														
General government	---	354	---	31,895	---	2,381	44,646	290,579	---	---	171,937	---	---	---
Protection of life and property	---	8,215	---	---	802,785	---	---	---	---	---	---	---	---	---
Public health	1,605,749	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	402,916	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	12,349,883	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:														
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:														
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>1,605,749</b>	<b>8,569</b>	<b>---</b>	<b>31,895</b>	<b>802,785</b>	<b>2,381</b>	<b>44,646</b>	<b>290,579</b>	<b>---</b>	<b>402,916</b>	<b>171,937</b>	<b>---</b>	<b>12,349,883</b>	<b>---</b>
Excess (deficiency) of revenues over (under) expenditures	(81,925)	296,500	31,888	82,434	43,789	538,364	(1,753)	1,046,840	---	(10,768)	(80,575)	---	(12,349,383)	---
<b>Other financing sources (uses):</b>														
Transfers in from other funds	---	---	---	---	---	---	---	---	---	---	80,575	15	12,359,222	23,244
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>80,575</b>	<b>15</b>	<b>12,359,222</b>	<b>23,244</b>
<b>Net change in fund balances (deficit)</b>	<b>(81,925)</b>	<b>296,500</b>	<b>31,888</b>	<b>82,434</b>	<b>43,789</b>	<b>538,364</b>	<b>(1,753)</b>	<b>1,046,840</b>	<b>---</b>	<b>(10,768)</b>	<b>---</b>	<b>15</b>	<b>9,839</b>	<b>23,244</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>2,371,177</b>	<b>466,455</b>	<b>23,968</b>	<b>159,279</b>	<b>679,192</b>	<b>1,878,579</b>	<b>2,581</b>	<b>14,918,111</b>	<b>5,038</b>	<b>352,045</b>	<b>---</b>	<b>(15)</b>	<b>(9,839)</b>	<b>(23,244)</b>
<b>Fund balances at end of year</b>	<b>\$ 2,289,252</b>	<b>\$ 762,955</b>	<b>\$ 55,856</b>	<b>\$ 241,713</b>	<b>\$ 722,981</b>	<b>\$ 2,416,943</b>	<b>\$ 828</b>	<b>\$ 15,964,951</b>	<b>\$ 5,038</b>	<b>\$ 341,277</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>

*(continued)*

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	245	608	662 Guam Invasive Species Inspection Fee	244	326	651	270	602	241	311	271	634	687
	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	Guam Museum	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Hessler Building Rental	Historic Preservation Archaeological Mitigation	Homeowner's Assistance
<b>Revenues:</b>													
<b>Taxes:</b>													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	26,132,790	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	4,039,143	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	6,968,150
Licenses and permits	503,042	86,977	812,714	2,195	1,014,325	---	10,750	---	345,149	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	601,680	---	---
Interest and investment earnings	192	68	149	---	52	---	14,187	287	---	888	---	---	899
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	743
<b>Total revenues</b>	<b>503,234</b>	<b>87,045</b>	<b>812,863</b>	<b>2,195</b>	<b>1,014,377</b>	<b>---</b>	<b>24,937</b>	<b>30,172,220</b>	<b>345,149</b>	<b>888</b>	<b>601,680</b>	<b>---</b>	<b>6,969,792</b>
<b>Expenditures by Function:</b>													
<b>Current:</b>													
General government	---	---	---	---	---	---	---	2,195,995	---	---	219,870	---	---
Protection of life and property	---	---	---	---	---	---	---	950,074	---	---	---	---	---
Public health	---	---	---	---	---	---	---	23,729,763	254,973	---	---	---	---
Community services	---	---	---	---	---	---	---	8,121,166	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	285,997	---	---	---	---	---	---	---	28,641	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	6,968,150
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	307,873	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	85,335	831,590	---	---	---	---	---	---	---	---	---	---
<b>Payments to:</b>													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	1,050,000	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	3,000,000	---	---	---	---	---
<b>Debt service:</b>													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>307,873</b>	<b>85,335</b>	<b>831,590</b>	<b>285,997</b>	<b>1,050,000</b>	<b>---</b>	<b>---</b>	<b>37,996,998</b>	<b>254,973</b>	<b>---</b>	<b>219,870</b>	<b>28,641</b>	<b>6,968,150</b>
Excess (deficiency) of revenues over (under) expenditures	195,361	1,710	(18,727)	(283,802)	(35,623)	---	24,937	(7,824,778)	90,176	888	381,810	(28,641)	1,642
<b>Other financing sources (uses):</b>													
Transfers in from other funds	---	---	---	203,742	---	---	---	5,002,899	---	---	---	---	---
Transfers out to other funds	(50,304)	---	---	---	---	---	(1,075)	(911,168)	---	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>(50,304)</b>	<b>---</b>	<b>---</b>	<b>203,742</b>	<b>---</b>	<b>---</b>	<b>(1,075)</b>	<b>4,091,731</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>145,057</b>	<b>1,710</b>	<b>(18,727)</b>	<b>(80,060)</b>	<b>(35,623)</b>	<b>---</b>	<b>23,862</b>	<b>(3,733,047)</b>	<b>90,176</b>	<b>888</b>	<b>381,810</b>	<b>(28,641)</b>	<b>1,642</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>745,107</b>	<b>282,708</b>	<b>774,905</b>	<b>80,060</b>	<b>305,788</b>	<b>1,931</b>	<b>420,617</b>	<b>3,733,047</b>	<b>634,779</b>	<b>11,087</b>	<b>610,920</b>	<b>88,831</b>	<b>---</b>
<b>Fund balances at end of year</b>	<b>\$ 890,164</b>	<b>\$ 284,418</b>	<b>\$ 756,178</b>	<b>\$ ---</b>	<b>\$ 270,165</b>	<b>\$ 1,931</b>	<b>\$ 444,479</b>	<b>\$ ---</b>	<b>\$ 724,955</b>	<b>\$ 11,975</b>	<b>\$ 992,730</b>	<b>\$ 60,190</b>	<b>\$ 1,642</b>

*(continued)*

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	652	658	632	351	222	655	232	671	294	653	688	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Manpower Development	Medical Use of Cannabis	Mental Health and Substance Abuse	MHSA Services	Non- Entitlement Local Government	Notary Public Revolving	Office of Attorney General
<b>Revenues:</b>													
Taxes:													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	1,094,339	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	1,565,263	---	---
Licenses and permits	---	---	---	---	3,148,400	---	9,510,211	530	---	377,978	---	54,800	5,404
Charges for services	---	---	1,529,518	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	---	---	---	---	1,165	3	---	---	4,063	---	144
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total revenues</b>	<b>---</b>	<b>---</b>	<b>1,529,518</b>	<b>---</b>	<b>3,148,400</b>	<b>1,094,339</b>	<b>9,511,376</b>	<b>533</b>	<b>---</b>	<b>377,978</b>	<b>1,569,326</b>	<b>54,800</b>	<b>5,548</b>
<b>Expenditures by Function:</b>													
Current:													
General government	---	---	1,494,172	---	3,117,497	37,216	---	---	---	---	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	---	---	---	---	401,881	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	740,079	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	186,709	2,105,075	---	---	---	1,565,260	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	375,780	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	5,533,920	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>375,780</b>	<b>---</b>	<b>1,494,172</b>	<b>---</b>	<b>3,117,497</b>	<b>964,004</b>	<b>7,638,995</b>	<b>---</b>	<b>---</b>	<b>401,881</b>	<b>1,565,260</b>	<b>---</b>	<b>---</b>
Excess (deficiency) of revenues over (under) expenditures	(375,780)	---	35,346	---	30,903	130,335	1,872,381	533	---	(23,903)	4,066	54,800	5,548
<b>Other financing sources (uses):</b>													
Transfers in from other funds	375,780	---	---	---	---	---	---	---	989	---	---	---	---
Transfers out to other funds	---	---	---	---	---	(380,225)	(47,000)	---	---	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>375,780</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>(380,225)</b>	<b>(47,000)</b>	<b>---</b>	<b>989</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>---</b>	<b>---</b>	<b>35,346</b>	<b>---</b>	<b>30,903</b>	<b>(249,890)</b>	<b>1,825,381</b>	<b>533</b>	<b>989</b>	<b>(23,903)</b>	<b>4,066</b>	<b>54,800</b>	<b>5,548</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>53</b>	<b>2,528,695</b>	<b>424,800</b>	<b>251</b>	<b>1,511,588</b>	<b>3,649,112</b>	<b>2,281,706</b>	<b>22,683</b>	<b>(989)</b>	<b>1,427,451</b>	<b>---</b>	<b>230,837</b>	<b>411,187</b>
<b>Fund balances at end of year</b>	<b>\$ 53</b>	<b>\$ 2,528,695</b>	<b>\$ 460,146</b>	<b>\$ 251</b>	<b>\$ 1,542,491</b>	<b>\$ 3,399,222</b>	<b>\$ 4,107,087</b>	<b>\$ 23,216</b>	<b>\$ ---</b>	<b>\$ 1,403,548</b>	<b>\$ 4,066</b>	<b>\$ 285,637</b>	<b>\$ 416,735</b>

*(continued)*



**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	650	689	212	107	629	211	663	263	644	215	604	666	620
	Office of Vital Statistics Revolving	Opioid Recovery Trust	Park	Peace Officer Standards and Training Commission Revolving	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Market Revolving	Public Recreation Services
<b>Revenues:</b>													
<b>Taxes:</b>													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	2,250,352	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	211,829	---	3,939	16,525	259,084	13,285	321,509	1,001,028	1,530	276,560	1,224,868	---	108,069
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	9	610	---	1	---	---	---	---	---	9	241	---	29
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total revenues</b>	<b>211,838</b>	<b>2,250,962</b>	<b>3,939</b>	<b>16,526</b>	<b>259,084</b>	<b>13,285</b>	<b>321,509</b>	<b>1,001,028</b>	<b>1,530</b>	<b>276,569</b>	<b>1,225,109</b>	<b>---</b>	<b>108,098</b>
<b>Expenditures by Function:</b>													
<b>Current:</b>													
General government	19,800	20	---	---	---	---	---	---	---	290,753	---	---	---
Protection of life and property	---	83,460	770	---	---	---	220,075	759,197	---	---	---	---	---
Public health	208,275	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	57,388
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	7,838	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Payments to:</b>													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Debt service:</b>													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>228,075</b>	<b>83,480</b>	<b>770</b>	<b>---</b>	<b>7,838</b>	<b>---</b>	<b>220,075</b>	<b>759,197</b>	<b>---</b>	<b>290,753</b>	<b>---</b>	<b>---</b>	<b>57,388</b>
Excess (deficiency) of revenues over (under) expenditures	(16,237)	2,167,482	3,169	16,526	251,246	13,285	101,434	241,831	1,530	(14,184)	1,225,109	---	50,710
<b>Other financing sources (uses):</b>													
Transfers in from other funds	---	---	---	---	---	---	---	---	---	---	---	4,576	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	(686,994)	---	---
<b>Total other financing sources (uses), net</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>(686,994)</b>	<b>4,576</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>(16,237)</b>	<b>2,167,482</b>	<b>3,169</b>	<b>16,526</b>	<b>251,246</b>	<b>13,285</b>	<b>101,434</b>	<b>241,831</b>	<b>1,530</b>	<b>(14,184)</b>	<b>538,115</b>	<b>4,576</b>	<b>50,710</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>390,547</b>	<b>982,681</b>	<b>6,585</b>	<b>3,725</b>	<b>206,820</b>	<b>59,666</b>	<b>601,951</b>	<b>813,629</b>	<b>2,829</b>	<b>161,750</b>	<b>285,508</b>	<b>(4,576)</b>	<b>28,348</b>
<b>Fund balances at end of year</b>	<b>\$ 374,310</b>	<b>\$ 3,150,163</b>	<b>\$ 9,754</b>	<b>\$ 20,251</b>	<b>\$ 458,066</b>	<b>\$ 72,951</b>	<b>\$ 703,385</b>	<b>\$ 1,055,460</b>	<b>\$ 4,359</b>	<b>\$ 147,566</b>	<b>\$ 823,623</b>	<b>\$ ---</b>	<b>\$ 79,058</b>

*(continued)*

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	317	285	619	289	601	217	647	284	416	605	625	202	603
	Public Transit	Rabies Prevention	Recycling Revolving	Safe Drinking Water	Safe Homes Safe Streets	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	Stray Dog Revolving	Street Light	Tax Collection
Revenues:													
Taxes:													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	5,816	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	---	47,087	2,706,587	20,442	---	81,777	---	52,299	---	---	300	4,057,413	1,225,091
Charges for services	2,867	---	---	---	---	---	---	---	21,805,090	---	---	---	---
Interest and investment earnings	---	---	3,657	---	---	16	---	---	2,418	125	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total revenues</b>	<b>8,683</b>	<b>47,087</b>	<b>2,710,244</b>	<b>20,442</b>	<b>---</b>	<b>81,793</b>	<b>---</b>	<b>52,299</b>	<b>21,807,508</b>	<b>125</b>	<b>300</b>	<b>4,057,413</b>	<b>1,225,091</b>
Expenditures by Function:													
Current:													
General government	---	---	---	---	---	---	---	---	---	---	---	4,626,322	697,164
Protection of life and property	---	---	---	---	---	28,489	---	---	---	124,325	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	353,365	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	1,487,490	15,368	---	---	---	7,584	16,977,110	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
<b>Total expenditures</b>	<b>353,365</b>	<b>---</b>	<b>1,487,490</b>	<b>15,368</b>	<b>---</b>	<b>28,489</b>	<b>---</b>	<b>7,584</b>	<b>16,977,110</b>	<b>124,325</b>	<b>---</b>	<b>4,626,322</b>	<b>697,164</b>
Excess (deficiency) of revenues over (under) expenditures	(344,682)	47,087	1,222,754	5,074	---	53,304	---	44,715	4,830,398	(124,200)	300	(568,909)	527,927
Other financing sources (uses):													
Transfers in from other funds	356,078	---	---	---	---	---	---	---	400,000	---	---	448,502	---
Transfers out to other funds	---	---	(400,000)	---	---	(51,418)	---	---	(3,421,634)	---	---	---	---
<b>Total other financing sources (uses), net</b>	<b>356,078</b>	<b>---</b>	<b>(400,000)</b>	<b>---</b>	<b>---</b>	<b>(51,418)</b>	<b>---</b>	<b>---</b>	<b>(3,021,634)</b>	<b>---</b>	<b>---</b>	<b>448,502</b>	<b>---</b>
<b>Net change in fund balances (deficit)</b>	<b>11,396</b>	<b>47,087</b>	<b>822,754</b>	<b>5,074</b>	<b>---</b>	<b>1,886</b>	<b>---</b>	<b>44,715</b>	<b>1,808,764</b>	<b>(124,200)</b>	<b>300</b>	<b>(120,407)</b>	<b>527,927</b>
<b>Fund balances (deficit) at beginning of year</b>	<b>(11,396)</b>	<b>136,961</b>	<b>6,028,925</b>	<b>126,580</b>	<b>8,750</b>	<b>(1,283)</b>	<b>21,480</b>	<b>62,866</b>	<b>10,128,669</b>	<b>700,206</b>	<b>3,008</b>	<b>120,407</b>	<b>95,243</b>
<b>Fund balances at end of year</b>	<b>\$ ---</b>	<b>\$ 184,048</b>	<b>\$ 6,851,679</b>	<b>\$ 131,654</b>	<b>\$ 8,750</b>	<b>\$ 603</b>	<b>\$ 21,480</b>	<b>\$ 107,581</b>	<b>\$ 11,937,433</b>	<b>\$ 576,006</b>	<b>\$ 3,308</b>	<b>\$ ---</b>	<b>\$ 623,170</b>

**Government of Guam**

Nonmajor Governmental Funds - Special Revenue Funds  
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2023

Fund Number	205	208	206	257	636	297	637	283	300	203	310	276	Total
	Territorial Educational Facilities	Territorial Highway	Tourist Attraction	Truck Enforcement Screening Station Facility	Under- ground Storage Tank Management	University of Guam Capital Improve- ments	Victim/ Witness Travel- Housing	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	
<b>Revenues:</b>													
<b>Taxes:</b>													
Property	\$ 35,588,031	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 35,575,107
Hotel	---	---	28,514,576	---	---	---	---	---	---	---	---	---	28,514,576
Liquid fuel	---	3,118,160	---	---	---	---	---	---	---	---	---	---	3,123,976
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	26,132,790
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	4,039,143
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	1,634,457
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	33,422,678
Licenses and permits	---	10,073,524	---	62,410	73,250	---	10,620	200,643	94,015	38,884	---	---	58,427,551
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	24,167,561
Interest and investment earnings	1,284	212	171,078	---	64	---	---	---	---	---	---	216	908,195
Contributions from component units	---	---	---	---	---	---	---	---	---	---	35,791	---	35,791
Other	---	---	---	---	---	---	---	---	---	---	---	---	10,442
<b>Total revenues</b>	<b>35,589,315</b>	<b>13,191,896</b>	<b>28,685,654</b>	<b>62,410</b>	<b>73,314</b>	<b>---</b>	<b>10,620</b>	<b>200,643</b>	<b>94,015</b>	<b>38,884</b>	<b>35,791</b>	<b>216</b>	<b>216,174,267</b>
<b>Expenditures by Function:</b>													
<b>Current:</b>													
General government	66,272	5,470,297	2,490,174	---	---	---	---	---	---	---	---	---	36,589,494
Protection of life and property	---	4,799,908	2,442	---	---	---	5,974	---	---	---	---	---	13,600,973
Public health	---	---	---	---	---	---	---	---	---	---	---	---	33,072,215
Community services	1,162,492	---	---	---	---	---	---	---	---	---	---	---	9,283,658
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	826,108
Individual and collective rights	176,022	9,354	86,808	---	---	---	---	---	---	---	2,993,184	---	8,519,034
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	19,203,808
Transportation	---	3,250,965	---	69,900	---	---	---	---	---	---	---	---	3,674,230
Public education	7,011,236	8,165	---	---	---	---	---	---	---	---	---	---	19,369,284
Environmental protection	---	---	---	---	72,760	---	---	1,537	68,447	---	---	---	19,349,070
Economic development	---	---	9,400	---	---	---	---	---	---	5,930	---	---	932,255
<b>Payments to:</b>													
Guam Community College	200,400	---	---	---	---	---	---	---	---	---	---	---	5,734,320
Guam International Airport Authority	---	9,254,625	---	---	---	---	---	---	---	---	---	---	9,254,625
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	1,050,000
Guam Visitors Bureau	---	---	20,890,043	---	---	---	---	---	---	---	---	---	20,890,043
University of Guam	---	---	---	---	---	500,000	---	---	---	---	---	---	4,659,030
<b>Debt service:</b>													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	191,621
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	145,579
<b>Total expenditures</b>	<b>8,616,422</b>	<b>22,793,314</b>	<b>23,478,867</b>	<b>69,900</b>	<b>72,760</b>	<b>500,000</b>	<b>5,974</b>	<b>1,537</b>	<b>68,447</b>	<b>5,930</b>	<b>2,993,184</b>	<b>---</b>	<b>206,345,347</b>
Excess (deficiency) of revenues over (under) expenditures	26,972,893	(9,601,418)	5,206,787	(7,490)	554	(500,000)	4,646	199,106	25,568	32,954	(2,957,393)	216	9,828,920
<b>Other financing sources (uses):</b>													
Transfers in from other funds	---	10,562,682	---	---	---	500,000	---	---	---	---	2,957,393	---	40,447,911
Transfers out to other funds	(26,252,705)	(1,020,227)	(5,206,787)	---	---	---	---	---	---	---	---	---	(38,459,574)
<b>Total other financing sources (uses), net</b>	<b>(26,252,705)</b>	<b>9,542,455</b>	<b>(5,206,787)</b>	<b>---</b>	<b>---</b>	<b>500,000</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2,957,393</b>	<b>---</b>	<b>1,988,337</b>
Net change in fund balances (deficit)	720,188	(58,963)	---	(7,490)	554	---	4,646	199,106	25,568	32,954	---	216	11,817,257
Fund balances (deficit) at beginning of year	1,790,493	58,963	---	559,713	159,663	---	20,938	274,872	118,457	76,559	---	13,294	90,462,001
<b>Fund balances at end of year</b>	<b>\$ 2,510,681</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 552,223</b>	<b>\$ 160,217</b>	<b>\$ ---</b>	<b>\$ 25,584</b>	<b>\$ 473,978</b>	<b>\$ 144,025</b>	<b>\$ 109,513</b>	<b>\$ ---</b>	<b>\$ 13,510</b>	<b>\$ 102,279,258</b>

## Government of Guam

### Nonmajor Governmental Funds - Capital Project Funds

September 30, 2023

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. A brief discussion of GovGuam's nonmajor governmental funds - capital projects funds as of September 30, 2023, follows:

Limited Obligation Highway Improvement Bonds Fund - This fund is used to account for the construction of highway improvement projects from Limited Obligation Highway Improvement bond proceeds.

Limited Obligation Infrastructure Improvement Bonds Fund - This fund is used to account for the construction of capital improvement projects from Limited Obligation Infrastructure Improvement bond proceeds.

Layon Landfill Fund - This fund is used to account for bond proceeds issued by GovGuam for the purpose of financing facilities of the Solid Waste Management System of Guam.

Judicial Building Fund - This fund is used to account for the construction of miscellaneous capital improvements of the Superior Court of Guam and to redeem loan principal and to pay loan interest as such becomes due.

**Government of Guam**

**Nonmajor Governmental Funds - Capital Projects Funds  
Combining Balance Sheet**

September 30, 2023

Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	258 Layon Landfill Cell 3	684 Ordot Chalan Pago Multi- Purpose Center	Judicial Building	Total
<b>ASSETS:</b>							
Cash and cash equivalents	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,759,580	\$ 3,759,580
Due from other funds	175,899	---	---	---	96,173	---	272,072
Deposits and other assets	---	---	---	---	---	1,000	1,000
Restricted assets:							
Cash and cash equivalents	---	5,985,842	---	279,339	---	---	6,265,181
Investments	---	---	---	---	---	902,104	902,104
Total assets	<u>\$ 175,899</u>	<u>\$ 5,985,842</u>	<u>\$ ---</u>	<u>\$ 279,339</u>	<u>\$ 96,173</u>	<u>\$ 4,662,684</u>	<u>\$ 11,199,937</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>							
Liabilities:							
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,948	\$ 1,948
Due to other funds	---	76,988	8,531	6,597	---	1,900,022	1,992,138
Deposits and other liabilities	---	---	---	---	148,224	---	148,224
Total liabilities	<u>---</u>	<u>76,988</u>	<u>8,531</u>	<u>6,597</u>	<u>148,224</u>	<u>1,901,970</u>	<u>2,142,310</u>
Fund balances (deficit):							
Restricted	175,899	5,908,854	---	272,742	---	2,760,714	9,118,209
Unassigned	<u>---</u>	<u>---</u>	<u>(8,531)</u>	<u>---</u>	<u>(52,051)</u>	<u>---</u>	<u>(60,582)</u>
Total liabilities and fund balances (deficit)	<u>\$ 175,899</u>	<u>\$ 5,985,842</u>	<u>\$ ---</u>	<u>\$ 279,339</u>	<u>\$ 96,173</u>	<u>\$ 4,662,684</u>	<u>\$ 11,199,937</u>

**Government of Guam**

**Nonmajor Governmental Funds - Capital Projects Funds  
Combining Statement of Revenues, Expenditures by Function,  
and Changes in Fund Balances (Deficit)**

Year ended September 30, 2023

Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	258 Layon Landfill Cell 3	684 Ordot Chalan Pago Multi- Purpose Center	Judicial Building	Total
<b>Revenues:</b>							
Licenses and permits	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 661,157	\$ 661,157
Fines and forfeits	---	---	---	---	---	354,913	354,913
Interest and investment earnings	---	183,715	---	10,825	---	---	194,540
<b>Total revenues</b>	<u>---</u>	<u>183,715</u>	<u>---</u>	<u>10,825</u>	<u>---</u>	<u>1,016,070</u>	<u>1,210,610</u>
<b>Expenditures by function:</b>							
<b>Current:</b>							
Individual and collective rights	---	---	---	---	---	272,735	272,735
Capital projects	---	738,751	---	---	---	3,317,036	4,055,787
<b>Debt service:</b>							
Principal retirement	---	---	---	---	---	186,134	186,134
Interest and fiscal charges	---	---	---	---	---	377,960	377,960
<b>Total expenditures</b>	<u>---</u>	<u>738,751</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>4,153,865</u>	<u>4,892,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>---</u>	<u>(555,036)</u>	<u>---</u>	<u>10,825</u>	<u>---</u>	<u>(3,137,795)</u>	<u>(3,682,006)</u>
<b>Other financing uses:</b>							
Loan proceeds	---	---	---	---	---	5,232,332	5,232,332
Transfers out to other funds	---	---	---	---	(52,051)	---	(52,051)
	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(52,051)</u>	<u>5,232,332</u>	<u>5,180,281</u>
<b>Net change in fund balances (deficit)</b>	<u>---</u>	<u>(555,036)</u>	<u>---</u>	<u>10,825</u>	<u>(52,051)</u>	<u>2,094,537</u>	<u>1,498,275</u>
<b>Fund balances (deficit) at beginning of year</b>	<u>175,899</u>	<u>6,463,890</u>	<u>(8,531)</u>	<u>261,917</u>	<u>---</u>	<u>666,177</u>	<u>7,559,352</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 175,899</u>	<u>\$ 5,908,854</u>	<u>\$ (8,531)</u>	<u>\$ 272,742</u>	<u>\$ (52,051)</u>	<u>\$ 2,760,714</u>	<u>\$ 9,057,627</u>

## Government of Guam

### Nonmajor Governmental Funds - Debt Service Funds

September 30, 2023

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment. A brief discussion of GovGuam's nonmajor governmental funds - debt service funds as of September 30, 2023, follows:

Limited Obligation Infrastructure Improvement Bonds Fund - This fund is used to account for funds required by the Limited Obligation Infrastructure Improvement bond indenture to redeem bond principal and to pay bond interest as such becomes due.

## Government of Guam

### Fiduciary Funds - Pension Trusts

September 30, 2023

Pension trusts are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and defined contribution plans. A brief discussion of GovGuam's fiduciary funds - pension trusts as of September 30, 2023, follows:

Defined Benefit Plan - GovGuam participates in the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan administered by the GovGuam Retirement Fund (GGRF). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995 as well as plan members enrolled in the DB 1.75 Plan.

Defined Contribution Plan - All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS) administered by GGRF.

Deferred Section 457 Compensation Plan - a nonqualified deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. Participation is voluntary for GovGuam employees who are members of the Defined Benefit Plan and the Defined Contribution Plan and mandatory for GovGuam employees who are members of the DB 1.75 Plan.



## Government of Guam

### Combining Statement of Fiduciary Net Position Fiduciary Funds - Pension (and Other Employee Benefit) Trusts

September 30, 2023

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 8,481,607	\$ 1,008,264	\$ 518,548	\$ 10,008,419
Investments at fair value:				
Common stocks	1,328,842,274	---	---	1,328,842,274
U.S. Government securities	265,370,061	---	---	265,370,061
Corporate bonds and notes	216,239,024	---	---	216,239,024
Money market funds	26,811,000	---	---	26,811,000
Mutual funds	35,165,559	476,015,884	148,966,854	660,148,297
Total investments	1,872,427,918	476,015,884	148,966,854	2,497,410,656
Accounts receivable:				
Employer contributions, net	5,095,624	775,444	---	5,871,068
Member contributions	780,485	773,963	754,928	2,309,376
Interest and penalties on contributions	95,356	---	---	95,356
Accrued investment income	5,884,730	---	---	5,884,730
Due from brokers for unsettled trades	8,457,347	---	---	8,457,347
Service credits	789,591	---	---	789,591
Supplemental/Insurance benefits advanced	1,996,097	---	---	1,996,097
Other	725,085	147,561	4,964,736	5,837,382
Due from DC plan	293,590	---	---	293,590
Total receivables	24,117,905	1,696,968	5,719,664	31,534,537
Capital assets	627,477	21,043	---	648,520
Total assets	1,905,654,907	478,742,159	155,205,066	2,539,602,132
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred outflows of resources from pensions	1,581,779	320,383	---	1,902,162
Deferred outflows of resources from OPEB	1,751,095	---	---	1,751,095
Total deferred outflows of resources	3,332,874	320,383	---	3,653,257
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expenses	4,174,536	722,872	---	4,897,408
Due to DB plan	---	293,590	---	293,590
Due to brokers for unsettled trades	11,725,236	---	---	11,725,236
Net pension liability	5,655,587	326,572	---	5,982,159
OPEB liability	8,580,923	---	---	8,580,923
Total liabilities	30,136,282	1,343,034	---	31,479,316
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred inflows of resources from pensions	381,175	226,360	---	607,535
Deferred inflows of resources from OPEB	4,829,139	---	---	4,829,139
Total deferred inflows of resources	5,210,314	226,360	---	5,436,674
<b><u>NET POSITION</u></b>				
Restricted for:				
Employees' pension benefits	\$ 1,873,641,185	\$ 477,493,148	\$ 155,205,066	\$ 2,506,339,399

## Government of Guam

### Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds - Pension (and Other Employee Benefit) Trusts

Year ended September 30, 2023

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
Additions:				
Contributions:				
Employer	\$ 147,930,940	\$ 22,048,006	\$ ---	\$ 169,978,946
Member	24,023,499	21,961,495	15,825,905	61,810,899
Total contributions	<u>171,954,439</u>	<u>44,009,501</u>	<u>15,825,905</u>	<u>231,789,845</u>
Net investment income:				
Net increase in fair value of investments	166,394,961	39,063,687	15,845,975	221,304,623
Interest	20,763,507	16,221,108	4,977,309	41,961,924
Dividends	17,285,665	---	---	17,285,665
Other	1,007,377	231,788	---	1,239,165
Total investment income	<u>205,451,510</u>	<u>55,516,583</u>	<u>20,823,284</u>	<u>281,791,377</u>
Add: investment expenses	<u>5,313,438</u>	<u>230,985</u>	<u>533,965</u>	<u>6,078,388</u>
Net investment income	<u>200,138,072</u>	<u>55,285,598</u>	<u>20,289,319</u>	<u>275,712,989</u>
Total additions	<u>372,092,511</u>	<u>99,295,099</u>	<u>36,115,224</u>	<u>507,502,834</u>
Deductions:				
Benefits	253,023,271	---	6,419,664	259,442,935
Refunds	2,945,758	27,751,980	---	30,697,738
Interest on refunded contributions	228,123	---	---	228,123
Administrative and general expenses	3,153,721	2,312,873	---	5,466,594
Total deductions	<u>259,350,873</u>	<u>30,064,853</u>	<u>6,419,664</u>	<u>295,835,390</u>
Change in net position held in trust for employees' pension benefits	112,741,638	69,230,246	29,695,560	211,667,444
Net position at beginning of year	<u>1,760,899,547</u>	<u>408,262,902</u>	<u>125,509,506</u>	<u>2,294,671,955</u>
Net position at end of year	<u>\$ 1,873,641,185</u>	<u>\$ 477,493,148</u>	<u>\$ 155,205,066</u>	<u>\$ 2,506,339,399</u>

## Government of Guam

### Fiduciary Funds – Private Purpose Trusts

September 30, 2023

Private purpose trusts are used to report any trust arrangement not properly reported in a pension trust fund or an investment trust fund under which principal and income benefit individuals, private organizations, or other governments. A brief discussion of GovGuam’s fiduciary funds - private purpose trusts as of September 30, 2023, follows:

Trust Fund - this fund was established to account for judgments compelling individuals to award payments arising from various civil and criminal cases.

Traffic Court Trust Fund - this fund was established to account for deposits made by accused traffic offenders who are contesting charges against them.

Guardianship Trust Fund - this fund was established by Public Law 25-103 to account for the financial affairs of individuals for whom the Court has been petitioned to act as a guardian.

Land Condemnation Trust Fund - this fund was established as an escrow account for governmental land acquisitions.

Jury Trust Fund - this fund was established by Public Law 19-28 to account for funds awarded and to be awarded to citizens who serve on juries. Funding is derived from local appropriations.

Judicial Client Service Trust Fund - this fund was established by Public Law 27-55 to account for funds collected for: (i) the appointment of Counsel of Indigent Defendants including, but not limited to, attorney fees, investigator fees, interpreter fees, expert fees, jury fees, and any other related expenses approved by the Superior Court of Guam or the Supreme Court of Guam; (ii) Law Enforcement Escort Costs; and (iii) operations of Erica’s House.

Safe Streets Trust Fund - this fund was established by Public Law 34-107 to account for the operations of the Driving While Intoxicated Court program.

PDSC Land Claims Trust Fund - this fund was established to account for land claims adjudication assisted by the Public Defender.

**Government of Guam**

Fiduciary Funds - Private Purpose Trusts  
Combining Statement of Fiduciary Net Position

September 30, 2023

	20	21	22	23	24	25	26				
	PDSC Land Claims Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total	
<u>ASSETS:</u>											
Cash and cash equivalents	\$ 13,509	\$ 11,794,907	\$ 9,555	\$ 2,603,338	\$ 1,603,158	\$ 185,675	\$ 2,279,026	\$ 58,861	\$ 18,548,029	\$ ---	\$ 18,548,029
Due from other funds	---	---	37	---	66	34,035	---	---	34,138	(34,138)	---
Total assets	<u>13,509</u>	<u>11,794,907</u>	<u>9,592</u>	<u>2,603,338</u>	<u>1,603,224</u>	<u>219,710</u>	<u>2,279,026</u>	<u>58,861</u>	<u>18,582,167</u>	<u>(34,138)</u>	<u>18,548,029</u>
<u>LIABILITIES</u>											
Due to other funds	---	305,949	---	123,702	---	---	181,309	58,861	669,821	(34,138)	635,683
Deposits and other liabilities	<u>12,668</u>	<u>11,488,958</u>	<u>9,592</u>	<u>2,479,636</u>	<u>1,603,224</u>	<u>174,569</u>	<u>149,317</u>	<u>---</u>	<u>15,917,964</u>	<u>---</u>	<u>15,917,964</u>
Total liabilities	<u>12,668</u>	<u>11,794,907</u>	<u>9,592</u>	<u>2,603,338</u>	<u>1,603,224</u>	<u>174,569</u>	<u>330,626</u>	<u>58,861</u>	<u>16,587,785</u>	<u>(34,138)</u>	<u>16,553,647</u>
<u>NET POSITION</u>											
Restricted for:											
Individuals, organizations, and other governments	<u>\$ 841</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 45,141</u>	<u>\$ 1,948,400</u>	<u>\$ ---</u>	<u>\$ 1,994,382</u>	<u>\$ ---</u>	<u>\$ 1,994,382</u>

**Government of Guam**

Fiduciary Funds - Private Purpose Trusts  
Combining Statement of Changes in Fiduciary Net Position

Year ended September 30, 2023

	20	21	22	23	24	25	26			
	PDSC Land Claims Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total
<b>Additions:</b>										
Use of money and property	\$ 23	\$ ---	\$ ---	\$ ---	\$ 436	\$ 1,402,565	\$ 93,331	\$ 1,496,355	\$ ---	\$ 1,496,355
Transfers in from other funds	---	---	---	---	422,588	1,285	61,948	485,821	(12,821)	473,000
<b>Total additions</b>	<b>23</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>423,024</b>	<b>1,403,850</b>	<b>155,279</b>	<b>1,982,176</b>	<b>(12,821)</b>	<b>1,969,355</b>
<b>Deductions:</b>										
Individual and collective rights	153	---	---	---	422,588	1,535,827	155,279	2,113,847	---	2,113,847
Transfers out to other funds	---	---	---	---	---	12,821	---	12,821	(12,821)	---
<b>Total deductions</b>	<b>153</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>422,588</b>	<b>1,548,648</b>	<b>155,279</b>	<b>2,126,668</b>	<b>(12,821)</b>	<b>2,113,847</b>
Change in net position held in trust for individuals, organizations, and other governments	(130)	---	---	---	436	(144,798)	---	(144,492)	---	(144,492)
Net position at beginning of year	971	---	---	---	44,705	2,093,198	---	2,138,874	---	2,138,874
Net position at end of year	\$ 841	\$ ---	\$ ---	\$ ---	\$ 45,141	\$ 1,948,400	\$ ---	\$ 1,994,382	\$ ---	\$ 1,994,382

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Government of Guam  
Fiduciary Funds – Custodial  
September 30, 2023

Custodial funds are used to report resources held by GovGuam in a purely custodial capacity.

# Government of Guam

## Nonmajor Component Units

September 30, 2023

Component units are legally separate organizations for which the elected officials of GovGuam are financially accountable. Nonmajor component units are defined as those component units whose activities are not significant or material to that of the primary government or to all component units as a whole. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi - business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds. Generally accepted accounting principles are generally those applicable to similar businesses in the private sector: the measurement focus is on determination of the change in net position, financial position and cash flows. A brief discussion of GovGuam's nonmajor component units as of September 30, 2023, follows:

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

Guam Economic Development Authority (GEDA) - GEDA was created to assist in the implementation of an integrated program for the economic development of Guam. Enabling legislation set forth several specific purposes for the establishment of GEDA to include:

- a) Aiding private enterprise without competing with it;
- b) Expansion of the money supply to finance housing facilities; and
- c) Providing the means necessary for acquisition of hospital facilities.

To accomplish the stated purposes, GEDA is authorized to conduct research of, invest in, provide loans to operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain Government of Guam land; purchase mortgages; and recommend to the Governor of Guam businesses qualifying for tax rebates and abatements. GEDA utilizes certain Trust Funds, such as the Guam Development Fund Act and the Agricultural Development Fund to accomplish certain of the stated purposes.

Guam Preservation Trust (GPT) - This fund was created by Public Law 20-151 to establish a program for historic preservation at all levels of government and to promote the use and conservation of such preservations for education, inspiration, pleasure and enrichment of the residents of the Territory. GovGuam has the ability to impose its will on GPT.

Government of Guam

Nonmajor Component Units, continued

September 30, 2023

Guam Visitors Bureau (GVB) - GVB is a public corporation created for the purpose of promoting the visitor industry in Guam. Funding is provided from transfers of appropriations from the Tourist Attraction Fund and interest income. GovGuam provides financial support to GVB through legislative appropriations.

Guam Educational Telecommunications Corporation (GETC) - GETC, also known as KGTF-TV, was created as a public corporation by Public Law 12-194, as approved on January 2, 1975. The law sets forth the purpose of the Corporation to present educational television to the people of Guam and involve the people of Guam in its activities to the maximum extent possible. Funding is primarily derived from appropriations from the General Fund, community service grants and contributions from the public. GovGuam provides financial support to GETC through legislative appropriations.



**Government of Guam**  
**Nonmajor Component Units**  
**Combining Statement of Net Position**

September 30, 2023

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,118,449	\$ 22,885,673	\$ 1,712,161	\$ 17,193,002	\$ 2,401,005	\$ 51,310,290
Investments	---	26,900,968	4,141,131	1,499,605	---	32,541,704
Receivables, net	23,896,749	32,197,418	42,883	222,507	186,358	56,545,915
Due from primary government	---	---	---	4,061,937	---	4,061,937
Prepayments	51,839	---	17,196	15,746	---	84,781
Deposits and other assets	102,082	11,206	---	45,078	---	158,366
Restricted assets:						
Cash and cash equivalents	5,322,448	5,763,444	---	14,837,584	---	25,923,476
Investments	220,543	---	---	---	---	220,543
Capital assets:						
Nondepreciable capital assets	2,934,227	---	10,873,408	5,992,415	18,000	19,818,050
Capital assets, net of accumulated depreciation	3,952,995	708,935	33,726	1,028,921	1,837,182	7,561,759
Total assets	<u>43,599,332</u>	<u>88,467,644</u>	<u>16,820,505</u>	<u>44,896,795</u>	<u>4,442,545</u>	<u>198,226,821</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows from pensions	1,449,698	2,197,120	---	2,272,064	490,004	6,408,886
Deferred outflows from OPEB	1,222,693	2,395,276	---	1,150,107	871,573	5,639,649
Total deferred outflows of resources	<u>2,672,391</u>	<u>4,592,396</u>	<u>---</u>	<u>3,422,171</u>	<u>1,361,577</u>	<u>12,048,535</u>
<b>LIABILITIES</b>						
Accounts payable	302,837	18,626	29,476	3,007,003	17,941	3,375,883
Accrued interest payable	12,219	424,687	---	---	---	436,906
Accrued payroll and other	---	309,612	---	305,874	---	615,486
Due to primary government	---	77,410	---	---	---	77,410
Unearned revenue	1,642,458	108,588	---	14,532,879	385,920	16,669,845
Deposits and other liabilities	192,989	93,321	8,000	65,001	20,492	379,803
Long-term liabilities:						
Due within one year	388,171	1,922,626	18,230	318,036	124,856	2,771,919
Due in more than one year	12,880,103	42,820,976	51,580	11,992,997	2,940,087	70,685,743
Total liabilities	<u>15,418,777</u>	<u>45,775,846</u>	<u>107,286</u>	<u>30,221,790</u>	<u>3,489,296</u>	<u>95,012,995</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows from pensions	312,034	226,165	---	198,330	67,628	804,157
Deferred inflows from OPEB	3,130,086	2,248,445	---	2,955,857	1,446,362	9,780,750
Deferred inflows from leases	---	27,360,135	---	---	---	27,360,135
Total deferred inflows of resources	<u>3,442,120</u>	<u>29,834,745</u>	<u>---</u>	<u>3,154,187</u>	<u>1,513,990</u>	<u>37,945,042</u>
<b>NET POSITION</b>						
Net investment in capital assets	6,887,222	708,935	1,001,455	7,021,336	1,855,182	17,474,130
Restricted:						
Other purposes	5,329,736	5,763,444	14,862,574	247,304	---	26,203,058
Unrestricted (deficit)	15,193,868	10,977,070	849,190	7,674,349	(1,054,346)	33,640,131
Total net position	<u>\$ 27,410,826</u>	<u>\$ 17,449,449</u>	<u>\$ 16,713,219</u>	<u>\$ 14,942,989</u>	<u>\$ 800,836</u>	<u>\$ 77,317,319</u>

**Government of Guam**  
**Nonmajor Component Units**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Year ended September 30, 2023**

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
Expenses	\$ 2,373,279	\$ 9,367,653	\$ 672,735	\$ 21,240,115	\$ 3,153,821	\$ 36,807,603
Program revenues:						
Charges for services	2,439,364	4,208,255	---	586,702	357,281	7,591,602
Operating grants and contributions	---	21,304,063	308,114	26,922	446,292	22,085,391
Total program revenues	<u>2,439,364</u>	<u>25,512,318</u>	<u>308,114</u>	<u>613,624</u>	<u>803,573</u>	<u>29,676,993</u>
Net program revenues (expenses)	<u>66,085</u>	<u>16,144,665</u>	<u>(364,621)</u>	<u>(20,626,491)</u>	<u>(2,350,248)</u>	<u>(7,130,610)</u>
General revenues:						
Payments from GovGuam	277,939	---	1,014,377	26,704,337	882,624	28,879,277
Investment earnings	---	3,825,565	142,611	71,213	715	4,040,104
Other	2,948,104	11,126,575	217,843	22,250	---	14,314,772
Total general revenues	<u>3,226,043</u>	<u>14,952,140</u>	<u>1,374,831</u>	<u>26,797,800</u>	<u>883,339</u>	<u>47,234,153</u>
Change in net position	3,292,128	31,096,805	1,010,210	6,171,309	(1,466,909)	40,103,543
Net position at beginning of year	24,118,698	(13,647,356)	15,703,009	8,771,680	2,267,745	37,213,776
Net position at the end of the year	<u>\$ 27,410,826</u>	<u>\$ 17,449,449</u>	<u>\$ 16,713,219</u>	<u>\$ 14,942,989</u>	<u>\$ 800,836</u>	<u>\$ 77,317,319</u>

# Government of Guam

## Other Information

September 30, 2023

A brief discussion of other information presented for additional analysis as of September 30, 2023, follows:

### Charter Schools:

iLearn Academy Charter School:

Guahan Academy Charter School:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit)

### Schedule of Personnel Count:

Primary Government

### Schedule of Continuing Appropriations:

Primary Government

**Government of Guam**  
**Charter Schools**  
**Combining Balance Sheet**

September 30, 2023

	<u>iLearn Academy Charter School</u>	<u>Guahan Academy Charter School</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 34,359	\$ 555,476	\$ 589,835
Receivables, net:			
Other	473,600	184,573	658,173
Inventories	21,276	---	21,276
Deposits and other assets	30,461	128,184	158,645
Total assets	<u>\$ 559,696</u>	<u>\$ 868,233</u>	<u>\$ 1,427,929</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Accounts payable	\$ 543,413	\$ 713,943	\$ 1,257,356
Fund balance:			
Unassigned	16,283	154,290	170,573
Total fund balance	<u>16,283</u>	<u>154,290</u>	<u>170,573</u>
Total liabilities and fund balance	<u>\$ 559,696</u>	<u>\$ 868,233</u>	<u>\$ 1,427,929</u>

# Government of Guam

## Charter Schools Combining Statement of Revenues, Expenditures By Object, and Changes in Fund Balances

Year ended September 30, 2023

	iLearn Academy Charter School	Guahan Academy Charter School	Total
<b>Revenues:</b>			
Charges for services	\$ 5,768,188	\$ 4,231,993	\$ 10,000,181
Operating grants and contributions	45,931	174,228	220,159
Other	175,089	33,689	208,778
	5,989,208	4,439,910	10,429,118
<b>Expenditures by Object:</b>			
Salaries and wages - regular	2,550,146	---	2,550,146
Contractual services	19,000	---	19,000
Miscellaneous	3,601,603	4,381,381	7,982,984
Total expenditures	6,170,749	4,381,381	10,552,130
Net change in fund balances	(181,541)	58,529	(123,012)
Fund balances at beginning of year	197,824	95,761	293,585
Fund balances at end of year	\$ 16,283	\$ 154,290	\$ 170,573

# Government of Guam

## Schedule of Personnel Count - Primary Government

Year ended September 30, 2023

<u>Department</u>	<u>Number of Employees</u>	<u>Amount</u>
Bureau of Budget and Management Research	15	1,215,535
Bureau of Statistics and Plans	40	2,792,275
Bureau of Women's Affairs	3	217,256
Chamorro Land Trust Commission	10	728,972
Chief Medical Examiner	2	464,207
Civil Service Commission	10	1,022,557
Customs and Quarantine	160	13,973,667
Department of Administration	130	11,453,156
Department of Agriculture	83	5,978,838
Department of Chamorro Affairs	18	1,245,903
Department of Corrections	171	21,954,888
Department of Education	3,471	182,486,824
Department of Integrated Services for Individuals with Disabilities	24	1,668,924
Department of Labor	296	7,526,298
Department of Land Management	43	2,875,450
Department of Military Affairs	81	5,287,649
Department of Parks and Recreation	46	2,578,359
Department of Public Health and Social Services	500	37,328,613
Department of Public Works	240	16,372,882
Department of Revenue and Taxation	165	11,779,017
Department of Youth Affairs	70	6,355,346
Guam Behavioral Health and Wellness Center	295	21,632,958
Guam Commission for Educator Certification	3	303,609
Guam Council on the Arts and Humanities Agency	6	651,799
Guam Educational and Telecommunications Corporation - KGTF	12	798,927
Guam Election Commission	16	1,389,969
Guam Energy Office	9	464,152
Guam Environmental Protection Agency	51	3,979,258
Guam Ethics Commission	4	277,492
Guam Fire Department	238	36,255,471
Guam Legislature	161	5,883,869
Guam Police Department	341	40,002,190
Guam Public Library System	18	1,049,602
Guam Regional Transit Authority	62	3,305,583
Guam Solid Waste Authority	50	3,382,757
Hagatna Restoration and Redevelopment	2	223,469
Mayors' Council of Guam	244	10,141,857
Office of Civil Defense	24	92,094
Office of I Maga'Hagan Guahan	122	17,867,383
Office of I Segundu Na Maga'Lahen Guahan	16	836,564
Office of Public Accountability	15	1,313,518
Office of Technology	19	1,564,984
Office of the Attorney General	163	15,599,224
Public Defender Service Corporation	69	4,879,773
Unified Courts of Guam	428	24,027,419
Veteran's Affairs Office	18	591,478
	<u>7,964</u>	<u>\$ 531,822,015</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 363,151,577
Federal Grants Assistance Fund	58,138,995
ARPA Assistance	10,544,564
GDOE Federal Grants Fund	32,391,983
Other Governmental Funds	67,594,896
	<u>\$ 531,822,015</u>

## Government of Guam

### Schedule of Continuing Appropriations - Primary Government

Year ended September 30, 2023

<u>Department</u>	<u>Amount</u>
Bureau of Budget and Management Research	\$ 12,565
Bureau of Statistics and Plans	15,694,325
Bureau of Women's Affairs	19,674
CAHA (Council of Arts and Humanities)	40,710
Chamorro Land Trust Commission	58,665
Chief Medical Examiner	122,560
Civil Service Commission	27,500
Customs and Quarantine	1,542,361
Department of Administration	3,594,427
Department of Agriculture	3,504,152
Department of Chamorro Affairs	367,525
Department of Corrections	(181,948)
Department of Integrated Services for Individuals with Dis	1,164,896
Department of Labor	534,930
Department of Land Management	98,565
Department of Mental Health and Substance Abuse	2,235,072
Department of Military Affairs	554,690
Department of Parks and Recreation	5,124,568
Department of Public Health and Social Services	7,950,791
Department of Public Works	45,388,927
Department of Revenue and Taxation	191,348
Department of Youth Affairs	149,332
Government Ethics Commission	16,208
GovGuam Retirement Fund	325,516
Guam Commission for Educator Certification	1,911
Guam Economic Development Authority	3,693,223
Guam Election Commission	95,511
Guam Energy Office	272,995
Guam Environmental Protection Agency	1,850,614
Guam Fire Department	1,551,222
Guam Police Department	2,184,117
Guam Public Library System	205,318
Guam Regional Transit Authority	457,985
Guam Solid Waste Authority	3,026,818
Hagatna Restoration and Redevelopment	40,390
Mayors' Council of Guam	10,916,093
Office of I Maga'lahaen Guahan	44,038,534
Office of I Segundu Na Maga'lahaen Guahan	533,268
Office of Technology	220,733
Office of the Attorney General	4,670,218
	\$ 162,296,309

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 13,238,921
Federal Grants Assistance Fund	111,199,007
Other Governmental Funds	37,858,381
	\$ 162,296,309