

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

Government of Guam

*Year ended September 30, 2024
with Report of Independent Auditors*



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Government of Guam

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

Year ended September 30, 2024

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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 business-type 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, 2024, 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 (collectively referred to as the “basic financial statements”).

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 business-type 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, 2024, 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 94%, respectively, of the assets and net position/fund balances of the aggregate remaining fund information as of September 30, 2024, 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 opinions, 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, and the Schedule of Proportionate Share of the Total OPEB Liability 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 GAAS. 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 basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 April 23, 2026, 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

April 23, 2026

Government of Guam

Management's Discussion and Analysis (Unaudited)

Year Ended September 30, 2024

Introduction

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, 2024. Please read it in conjunction with GovGuam's financial statements, which follow this section. Fiscal year 2023 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. Title 5 GCA Chapter 22 § 22203 designates the Department of Administration as the Executive agency responsible for the preparation of the annual basic financial statements. Title 1 GCA Chapter 19 §1908 requires the Public Auditor to audit these financial statements or cause them to be audited.

Financial Highlights

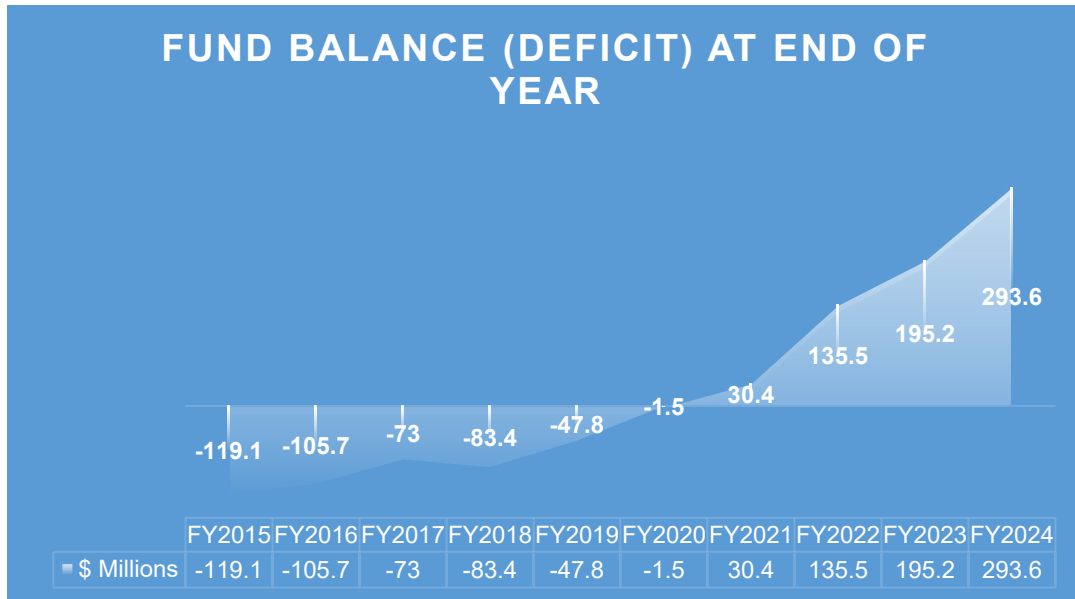
The General Fund is the chief operating fund of GovGuam.

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 2024, GovGuam's General Fund reported a fund balance of \$293.6 million, up from \$195.2 million in 2023, and the fourth positive balance since 2015.

Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

Graph 1
Fund Balance (Deficit) at the End of Year
For Fiscal Years 2015 to 2024



1. Overview of the Financial Statements

This discussion and analysis is an introduction to the GovGuam’s basic financial statements, which include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The report also contains additional required supplementary information and other information.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the GovGuam’s finances in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the GovGuam’s financial position which helps readers determine whether the GovGuam’s financial position has improved or deteriorated during the fiscal year. These statements include all non-fiduciary financial activity on the full accrual basis of accounting. This means that all revenue and expenditures are reflected in the financial statements even if the related cash has not been received or paid as of September 30.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

The Statement of Net Position (pages 26) presents information on all of the GovGuam's assets and deferred outflows of resources, and liabilities and deferred inflows of resources; net position represents the difference between all other elements in a statement of financial position and is displayed in three components – net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may indicate whether the financial position of the GovGuam is improving or deteriorating.

The Statement of Activities (pages 27) presents information showing how GovGuam's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Position and Statement of Activities report three separate activities. These activities are described as follows:

Governmental Activities – account for functions of the GovGuam that are primarily supported by taxes and intergovernmental revenues. The majority of the GovGuam's basic services, such as education, individual and family services, transportation, resources and economic development, administration of justice, and general government, fall within this category.

Business-type Activities – account for functions that are intended to recover all or a significant portion of their costs through user fees and charges. The major business-type activities of the primary government include the Dental and Medical Self-Insurance funds.

Discretely Presented Component Units – account for functions of legally separate entities for which the GovGuam is financially accountable. The GovGuam has 8 major component units that are reported as discretely presented component units. Information regarding the individual financial statements of the component units is presented in the notes to the financial statements.

This report includes two schedules (pages 29 and 31) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (full accrual accounting). The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.

- Capital assets used in governmental activities are not reported on governmental fund statements.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

- Long-term liabilities, unless due and payable, are not included in the fund financial statements. These liabilities are only included in the government-wide statements.
- Internal service funds are reported as governmental activities in the government-wide statements, but are reported as proprietary funds in the fund financial statements.
- Other long-term assets that are not available to pay for current period expenditures are deferred in the governmental fund statements, but not deferred in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures in the fund financial statements.
- Bond proceeds provide current financial resources on the fund financial statements, but are recorded as long-term liabilities in the government-wide financial statements.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GovGuam, like other state, territory, or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the GovGuam's funds can be divided into three categories: governmental, proprietary, and fiduciary. Each of these categories uses different accounting approaches. Fund financial statements begin on page 28 through page 36 and provide detailed information about the major individual funds.

- **Governmental funds** – Most of the basic services provided by the GovGuam are reported in the governmental funds. These statements provide a detailed, short-term view of the functions reported as governmental activities in the government-wide financial statements. The government-wide financial statements are reported using the full accrual basis of accounting, but the governmental fund financial statements are reported using the modified accrual basis of accounting. This allows the reader to focus on assets that can be readily converted to cash and determine whether there are adequate resources to meet the GovGuam's current needs.

Because the focus of governmental funds is more limited than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison can help readers better understand the long-term impact of the GovGuam's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

The GovGuam reports 5 individual governmental funds. Information is presented separately in the governmental fund statements for the General, Federal Grants Assistance, ARPA Assistance, GDOE Federal Grants, and the Chamorro Lands (a Permanent Fund), which are all considered major funds. Data from the other 113 governmental funds (comprised of 106 Special Revenue Funds, 6 Other Capital Project Funds, and 1 Debt Service Fund) are aggregated into a single column on the fund statements. Individual fund data for these nonmajor governmental funds is provided in the combining financial statements immediately following the required supplementary information.

- **Proprietary funds** – The GovGuam maintains one type of proprietary fund: enterprise. This fund reports activities that operate more like those of private-sector business and use the full accrual basis of accounting.

Enterprise funds report activities that charge fees for supplies or services to non-governmental beneficiaries such as the the Dental and Medical Self-Insurance Funds which provide health benefits to employees, retirees, survivors and dependents. Enterprise funds are reported as business-type activities on the government-wide financial statements. The enterprise funds use the full accrual basis of accounting and the only differences between amounts reported on the government-wide statements and the enterprise fund statements are due to internal service fund activity.

The GovGuam reports 2 individual proprietary funds. Information is presented separately in the proprietary fund statements for the Dental and Medical Self-Insurance Fund, all of which are considered major funds.

- **Fiduciary funds** – These funds are used to account for resources held for the benefit of parties outside the government and use the full accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*. Fiduciary funds are excluded from the government-wide financial statements because the resources of these funds are restricted and cannot be used to finance the GovGuam's operations. The GovGuam's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position beginning on page 217.

The primary types of fiduciary funds are Private Purpose Trusts, Pensions and Other Employee Benefit Trusts, and Custodial Funds. The GovGuam's fiduciary funds relate to Pension Funds for the Defined Benefit Plan, the Defined Contribution Plan and the Deferred Section 457 Compensation Plan. In addition, there are 8 Private Trust Funds under the Judicial Branch of the Government, these funds begin on page 220.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

- **Component Units** – The government-wide financial statements report information for all component units aggregated in a single column. Information is provided separately in the 8 component unit fund statements for the 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, and the University of Guam, all of which are considered major component units. Data from the other component units is aggregated into a single column on the fund statements. Individual fund data for all nonmajor component units is provided in the combining financial statements immediately following the required supplementary information. There are 5 nonmajor component units: Guam Housing Corporation, Guam Economic Development Authority, Guam Education Telecommunications Corporation, Guam Preservation Trust, and Guam Visitors Bureau.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles fund balances at September 30. It also includes information concerning net pension liability, other postemployment benefit liability plans, and employer contributions for pension and other postemployment benefit plans, as well as trend information for GovGuam-managed risk pools.

Other Information

The combining statements referred to earlier in connection with nonmajor funds and component units can be found beginning on page 181 of this report. The individual fund information is aggregated into a single total on the combining financial statements, which carries forward to the fund financial statements. Additionally, GovGuam is required, by local statute, to report on Charter Schools, a Schedule of Personnel Count by Department and Funding Source, and Schedule of Continuing Appropriations.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

2. Financial Summary

Government of Guam
Statements of Net Position
September 30
In \$1,000's

	Governmental Activities		Business-type Activities	
	FY2024	FY2023	FY2024	FY2023
Current and Other Assets	\$ 1,164,494	\$ 1,039,025	\$ 33,656	\$ 7,375
Capital assets:	1,396,825	1,364,108	-	-
Total assets	<u>2,561,319</u>	<u>2,403,133</u>	<u>33,656</u>	<u>7,375</u>
Deferred Outflows of Resources	762,363	777,745	-	-
Total Assets and Deferred Outflows of Resources	<u>3,323,682</u>	<u>3,180,878</u>	<u>33,656</u>	<u>7,375</u>
Long-Term Liabilities	4,278,631	4,059,129	-	-
Other Liabilities	668,501	712,375	27,637	7,375
Total Liabilities	<u>4,947,132</u>	<u>4,771,504</u>	<u>27,637</u>	<u>7,375</u>
Deferred Inflows of Resources	<u>518,998</u>	<u>672,715</u>	<u>-</u>	<u>-</u>
Net Position:				
Net investment in Capital Assets	536,354	471,935	-	-
Restricted Net Position	867,921	659,314	6,019	-
Unrestricted Net Position	<u>(3,546,723)</u>	<u>(3,394,590)</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ (2,142,448)</u>	<u>\$ (2,263,341)</u>	<u>\$ 6,019</u>	<u>\$ -</u>

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

Government of Guam				
Statements of Activities				
September 30				
in \$1,000's				
	Governmental Activities		Business-type Activities	
	FY2024	FY2023	FY2024	FY2023
Revenues				
Program Revenues				
Charges for Services	\$ 97,951	\$ 121,452	\$ 172,930	\$ 32,560
Operating Grants and Contributions	799,991	811,078	-	1
Capital Grants and Contributions	-	-	-	-
Total Program Revenues	<u>897,942</u>	<u>932,530</u>	<u>172,930</u>	<u>32,561</u>
General Revenues				
Taxes:				
Income	502,436	436,665	-	-
Gross receipts	473,802	430,424	-	-
Section 30 Federal income tax collections	76,196	70,398	-	-
Property	36,249	35,757	-	-
Excise	4,890	9,118	-	-
Limited gaming	1,738	1,634	-	-
Investment earnings	22,675	17,857	-	-
Other	68,172	28,370	-	-
Total general revenues	<u>1,186,158</u>	<u>1,030,223</u>	<u>-</u>	<u>-</u>
Expenses				
General government	270,365	250,693	-	-
Protection of life and property	191,476	187,455	-	-
Public health	539,259	505,255	-	-
Community services	64,383	86,036	-	-
Culture and recreation	41,960	34,662	-	-
Individual and collective rights	115,717	94,923	-	-
Public welfare	73,776	83,558	-	-
Transportation	33,719	45,952	-	-
Public education	520,887	452,312	-	-
Environmental protection	39,203	34,081	-	-
Economic development	18,856	42,687	-	-
Interest (unallocated)	53,606	66,621	-	-
Dental Self Insurance	-	-	9,965	8,242
Medical Self Insurance	-	-	156,946	38,476
Total Expenses	<u>1,963,207</u>	<u>1,884,235</u>	<u>166,911</u>	<u>46,718</u>
Transfers	-	-	-	14,044
Increase (Decrease) in Net Position	120,893	78,518	6,019	(113)
Net Position at Beginning of Year	(2,263,341)	(2,341,859)	-	113
Net Position at End of Year	<u>\$ (2,142,448)</u>	<u>\$ (2,263,341)</u>	<u>\$ 6,019</u>	<u>\$ -</u>

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

3. Detailed Analysis

Analysis of the Primary Government's Financial Position and Results of Operations.

Government-wide Financial Analysis

The primary government's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources exceeded its by \$2.1 billion during the fiscal year. The net position increased by \$127 million, or 5.6 percent. An increase in Net Position is a very positive sign that the fiscal policies of the Government are sound and increase the fiscal stability of the Government.

Assets under governmental and business-type activities have increased by \$158 million and \$26M, respectively, from the previous year. This is attributed to an increase in cash (unrestricted and restricted) of \$59M, receivables of \$85M, and non-depreciable capital assets of \$31M. These increases were partially offset by a decrease in \$12M in due from other component and private purpose trusts. The Deferred Outflows of Resources have also decreased by \$15M. The major component of this was the decrease in pensions of \$88M and loss on refunding of \$6M with an increase of \$78M in Other Post-Employment Benefits (OPEB).

The largest portion of the primary government's net position reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, construction-in-progress, right-to-use intangible assets, and intangible assets including water rights, easements and software), less any related outstanding debt and deferred inflows of resources used to acquire those assets. These assets are recorded net of depreciation and amortization in the financial statements. The primary government uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the primary government'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 these liabilities.

An additional portion of the primary government's net position represents restricted net position. These resources are subject to external restrictions or constitutional provisions specifying how they may be used. The major change from FY2023 in this category is the Reserve for Indebtedness of \$67.5M and Other Purposes of \$140M. The Government is required to set aside funds to pay down our bonds and other long-term debt. The Other Purposes are mainly externally imposed restrictions from our Federal Grantors.

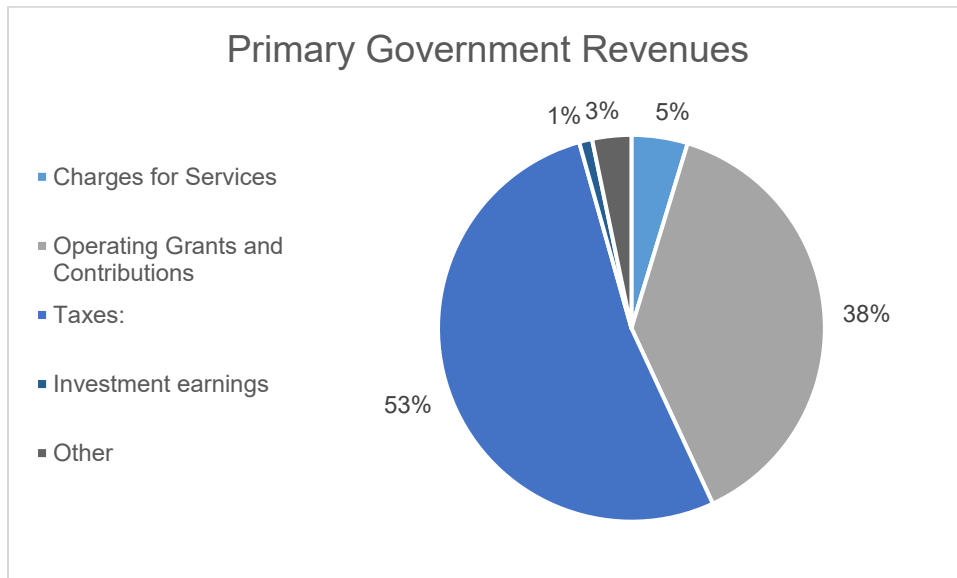
Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

The remaining deficit balance of \$3.5 billion (an increase of \$152M from FY2023) is unrestricted net position. This account is the difference between assets, liabilities and other net position restrictions. This indicates of the shortfall if the Government were to be liquidated today—a highly unlikely scenario. As noted above, the Primary Government was able to reduce this accumulated deficit by \$127M.

For the Primary Government, the total revenues were \$2.1B with total expenses of \$2B creating an increase of Net Position of \$121M. This is a positive metric for the Government of Guam. Compared to Fiscal Year 2023, the Net Position for the year increased by \$39M.

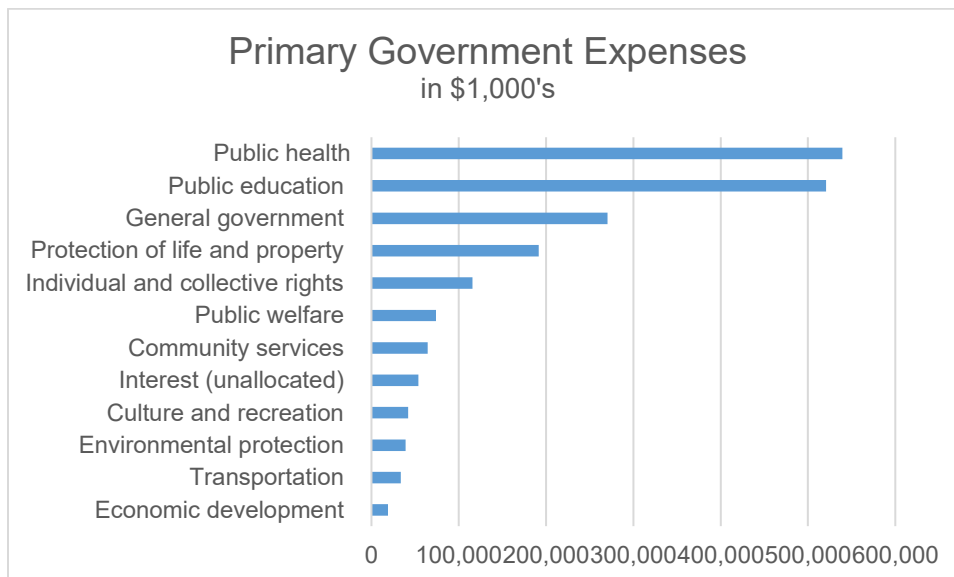
Approximately 54 percent of the primary government’s total revenue came from taxes. Taxes collected for FY2024 were \$1B. The top 5 tax sub-categories account for 53% and is comprised of income taxes (\$502M), Gross Receipts Taxes on \$474M, Section 30 Reimbursement \$76M, and Other \$68M. The next largest category is Operating Grants and Contributions of \$800M, which many consists of Federal grants in aid. Together these two categories make up 91% of the total GovGuam revenue sources.



While the primary government’s expenses cover many services, the largest expenses are for Public Health, Public Education, and General Government. This accounted for 68% of the total expenditures of the primary government. Overall, Government expenditures increased by 4% (or \$79M) over the last fiscal year. All three categories increased year-on-year by \$34M, \$69M, and \$520M, respectively. This increase was offset by reduction in Economic Development (\$23M), Community Services (\$22M), and Interest (\$13M).

Government of Guam

Management’s Discussion and Analysis (Unaudited), continued



Business-Type Financial Analysis

For FY2024, GovGuam has made the decision to present the Medical and Dental Self Insurance activities as a Business-Type Activity. This change better reflects the economic reality of the Self Insurance activities and will improve the relevance and reliability of the activity. Self-Insurance went from a Fund using the modified-accrual basis measuring the flow of financial resources to a proprietary fund using full accrual basis measuring the economic resources.

The total assets for the Self Insurance were \$33.7M for FY2024 which is an increase from the \$7.4M reported in FY2023. Assets are composed of Cash (\$7.3M), Net Receivables from Individuals (\$15.5M), and Receivables from other governmental funds (\$10.9M). Liabilities consist of accounts payable of \$27M up from \$7.4M in the prior year. This left a positive net position of \$6M for FY2024. The Revenues of \$173M came directly from plan participants and government agencies. The Government spent \$10M on dental and \$146.6M on medical costs.

Analysis of fund balance or net position and results of operations of each major fund.

As of the end of the fiscal year, the primary government’s governmental funds reported combined ending fund balances of \$955M. The fund balance includes nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending. As noted above, there are five major funds: The General Fund (composed of 46 separate funds consolidated into the one main account for the government, three are used to account for Federal funds (Federal Grants Funds, ARPA Assistance, and GDOE Federal Grants), and a Permanent Fund that accounts for the CHamoru lands. All other non-major funds are consolidated into the Other Government Funds which include 106 Special Revenue Funds, 6 Capital Projects Funds, and 1 Debt Service Fund.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

The Governmental Funds financial statements can be found at pages 28 and 30. The Department of Administration has direct responsibility for 166 funds.

Primary Government

General Fund Highlights

At the end of the fiscal year, the General Fund reported a combined ending fund balance of \$294 million, an increase of \$98M or 50% in comparison with the prior year. Of this total fund balance, \$4M represents non-spendable fund balance, \$90 million represents restricted fund balance, \$159 million represents committed fund balance, and \$40 million represents unassigned fund balance.

Fiscal year 2024 General Fund revenues were 9 percent, or \$87.8 million, higher than fiscal year 2023 revenues. This revenue change was due primarily to an overall increase in taxes of \$110 million, which was primarily attributable to an increase in individual returns.

Fiscal year 2024 expenditures increased by 3 percent, or \$29 million, when compared to fiscal year 2023. While most expenditures categories increased during fiscal year 2024, the largest increases were primarily attributable to Guam Memorial Hospital Authority of \$38M, debt retirement of \$22M which was offset by a \$50M decrease in public education. While education has decreased in the General Fund, there was a corresponding increase in the Other Governmental Funds.

There was an excess of revenues over expenditures of \$141M in FY2024. This represents a 71% increase from FY2023. Overall Net other financing sources and uses decreased by \$20 million, which is primarily due to higher transfers out of the General fund by \$9M offset by decreased transfers into other funds of \$10M.

Federal Grants Assistance Fund

This major fund is used to account for Federal Grants received by the Primary Government. At the end of the fiscal year, the Federal Grants reported a combined ending fund balance of \$554K, an increase of \$164K or 42% in comparison with the prior year. The total fund balance is considered restricted due to the nature of the fund.

Fiscal year 2024 Federal Grants Fund revenues were 6 percent, or \$36 million, lower than fiscal year 2023 revenues. This revenue change was due primarily to an overall decrease in federal grants as the pandemic era grants started closing out. Federal expenses are the primary driver for revenues. Correspondingly there was a decrease in federal expenditure during 2024 of 2%, or \$11 million, when compared to fiscal year 2023. Expenditures for Community Services and Guam

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

Memorial Hospital payments decreased by \$10M each while being offset by a \$14M increase in Individual and Collective Rights. There was an overall net increase of revenues over expenditures of \$38M in FY2024. This represents an 185% decrease from FY2023. Overall Net other financing sources and uses increased by \$25 million.

ARPA Assistance

This major fund is used to account for Federal Grants received for American Rescue Plan Act grants from 2021. The ARPA grant's obligation end date was December of 2024, and all expenditure must be paid by December 2026. At the end of the fiscal year, the ARPA Grants reported a combined ending fund balance of \$24 million, an increase of \$12M or 99% in comparison with the prior year. The total fund balance is considered committed due to the nature of the fund.

Fiscal year 2024 ARPA Fund revenues were 40 percent, or \$36.9 million, lower than fiscal year 2023 revenues. This revenue change was due primarily to an overall exhaustion of ARPA grants as the period of performance has started close out. Federal expenses are the primary driver for revenues. Correspondingly there was a decrease in ARPA expenditure during 2024 of 46 percent, or \$35.9 million, when compared to fiscal year 2023. There was an overall net increase of revenues over expenditures of \$12M in FY2024. This represents an 8% decrease from FY2023.

GDOE Federal Grants

This major fund is used to account for Federal Grants received by the Guam Department of Education (GDOE). The total fund balance was zero which is considered normal due to the nature of the fund.

Fiscal year 2024 GDOE Federal Grants Fund revenues were 69 percent, or \$75.6 million, higher than fiscal year 2023 revenues. GDOE Federal expenditures are the primary driver for revenues. Correspondingly there was an increase in GDOE federal expenditure during 2024 of 56 percent, or \$65.6 million, when compared to fiscal year 2023. Expenditures were for public education.

Chamorro Lands

This is a permanent fund to account for developed CHamoru land and other real estate owned by GovGuam and held in various land banks. These real properly are statutorily restricted to the extent that only earnings from lease rental payments, and not principal, may be used to support GovGuam operations. The fund balance remains non-spendable at \$459M. These properties have not been revalued in several years. A revaluation, based on commercially equivalent data, will be included in the financial statements for FY2025. There were no revenues or expenditures during 2024.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

Other Governmental Funds Highlights

As noted above, this fund is a consolidation of 106 Special Revenue Funds, 6 Capital Projects Funds, and 1 Debt Service Fund. At the end of the fiscal year, the Other Governmental Fund reported a combined ending fund balance of \$177.6 million, an increase of \$59M or 50% in comparison with the prior year. Of this total fund balance, \$23 million represents restricted fund balance, \$154 million represents committed fund balance, and a \$120K deficit in the unassigned fund balance.

Fiscal year 2024 Other Governmental Funds revenues were 14 percent, or \$31 million, higher than fiscal year 2023 revenues. This revenue change was due primarily to an overall increase in other revenues of \$32 million which was partially offset by a \$12M decrease in intergovernmental sources.

Fiscal year 2024 expenditures decreased by 7 percent, or \$16 million, when compared to fiscal year 2023. The major decreases were in General Government (\$14M), Public Welfare (\$11M) while being offset by a \$9.4M increase to Tourism and \$3M to University of Guam.

There was an excess of revenues over expenditures of \$50M in FY2024. This represents an 1,340% increase, or up \$47M from FY2023 \$3.5M. Overall Net other financing sources and uses increased by \$1.1 million, which is primarily due to higher transfers in from the General fund by \$34M offset by decreased transfers out to other funds of \$25M.

Business-Type Activities

The Self Insurance Fund was converted from a Fund to a Business-Type activity in 2024. GASB Statement No. 100 "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*" requires that we present a comparative statement for the change.

This is the first full year of operation as a business-type activity. The Net Position has increased by \$6M in FY2024. The net position is fully restricted for dental and medical benefits.

The assets have increased from \$7.4K to \$33.7M from 2023 to 2024. Cash has increased by \$6M, Net Receivables have increased by \$15.5M, and internal balances have increased by \$4.8M from the prior year. The liabilities of \$27.6M are for accounts payable to beneficiaries. This is a \$20M increase from the prior year. Due to the nature of the activity, there are no deferred inflow or outflows.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

Revenues of \$173M came from Charges for Services from beneficiaries and their employer contributions to the plan. This is a \$143M increase from 2023. The expenses of the plan were \$10M for dental and \$157M for medical.

4. Significant Capital Assets and Long-Term Financing Activities

Primary Government

Capital Assets and Long-term Debt

	Governmental Activities In \$1,000's		
	FY2024	FY2023	\$ Change
Nondepreciable capital Assets:			
Land	\$ 52,570	\$ 52,570	\$ -
Construction in Progress	87,646	56,324	31,322
Net Nondepreciable Capital Assets	140,216	108,894	31,322
Capital Assets:			
Landfill Cells	35,630	39,534	(3,904)
Right-To-Use Assets	14,608	16,511	(1,903)
Subscription Based IT Assets	20,121	-	20,121
Building	334,702	347,241	(12,539)
Machinery, equipment, and Furniture	19,804	15,329	4,475
Infrastructure	372,695	377,548	(4,853)
Net Depreciable Capital Assets	797,560	796,163	1,397
Total Capital Assets	\$ 937,776	\$ 905,057	\$ 32,719

Capital Assets

The primary government's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$2.1 billion in historical cost with a Net Book Value of (net of accumulated depreciation and amortization) of \$938 million. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, construction-in-progress, and intangible assets including water rights, easements, and software, as well as intangible right-to-use assets. Infrastructure assets are items that are normally immovable such as roads, bridges, drainage systems, and other similar assets.

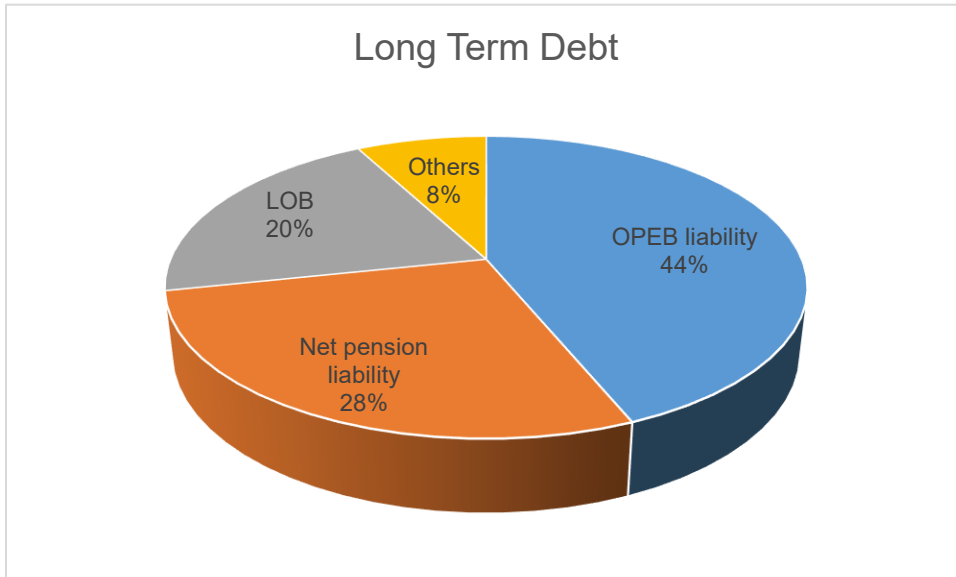
Government of Guam

Management’s Discussion and Analysis (Unaudited), continued

The primary government reports equipment with a value of \$50,000 or greater (individually or in aggregate) and an expected useful life of two or more years. The primary government capitalizes all land, buildings, infrastructure, and non-right-to-use intangible assets that have a cost or value greater than \$100,000, and an expected useful life of two or more years. In addition, the primary government reports right-to-use intangible assets of equipment, land, and buildings with a present value of \$50,000 or greater, subscription-based information technology arrangements with a present value of \$5,000 or greater and an expected useful life of greater than one year. Additional information on the primary government’s capital assets can be found in Note 5, Capital Assets.

The increase in the primary government’s net investment in capital assets was primarily attributable to the addition of construction-in-progress of \$31 million and completed road projects of \$16M predominately from the Federal Highway Grants, which includes the \$8.5M for the Route 14 Resurfacing from Route 1 to Route 14B. Included in the additions for the year were \$26.4M relating to the implementation of the Subscription Based IT Arrangements pursuant to GASB 96. The biggest line item was the new GFMIS at \$20M.

Long-term Debt



The GovGuam is currently carrying \$4.2B of long-term liabilities. This is a 12% reduction from the prior year or \$585M less. The three largest debts of the Government relate to OPEB Liability of \$1.8B, Net Pension Liability of \$1.2B, and the Limited Obligation Bonds, backed by Business Privilege Taxes, of \$858M. The three combined account for 92% of the total long-term debt.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

The remaining 8% or \$327.2M relates to amounts Due for School Lease Financings (\$127M), Landfill Closure Costs (\$46M), Due to Landowners for Land Condemnation (\$29M), Subscription Based IT Arrangements (\$20M), Due to the IRS (\$20M), General Obligation Bonds (\$20M). The remaining 20% relates to compensated absences, lease liabilities, and tax credits payable.

GovGuam has not issued any additional Bond Obligations in FY2024. The bond market upgraded our bond rating from a "Baa3" to a "BB-" in 2024. GovGuam's Debt Ceiling is capped at 10% of the Assessed Land Value (which is 90% of the Taxable Appraised Value) of \$1,401,144,416 at the end of FY2024. There was a total of \$807,536,216 in outstanding bonds leaving a total of \$594M or 42% of the Debt Ceiling Cap available. Additional information on the primary government's long-term debt can be found in Note 6, Long-Term Obligations.

Business-Type Activities

Due to the nature of the Self Insurance Plan, there were no capital assets or long-term debt for either year presented.

5. Currently Known Facts, Decisions, or Conditions

The economic indicators have shown that Guam's economy remains relatively stable for 2025 and 2026.

- Consumer Price Index 2024 169.6 up 4.15 from 2023, 2025 174.3 up 2.8% from 2024.
- The Guam workforce has seen a drop from 68,670 at September 2024 to 67,690 at September 2025, a reduction of 980 across private, federal, and GovGuam sectors. However, the Bureau of Labor and Statistics has noted that there was an increase year-on-year September 2024 to 2025 in the total private sector average hourly wage from \$18.38 to \$18.69.
- The US Federal spending, based on [usaspending.gov](https://www.usaspending.gov) website, indicates that \$3.5B for fiscal Year 20225 and \$608M for Fiscal year 2026 has been obligated for projects on Guam.
- We have seen a slight increase in visitor arrivals from 739,145 in 2024 to 782,840 in 2025 with major increases from Japan, South Korea, and Taiwan during that period.
- Real Estate sales have increased from \$456M in 2024 to \$557M in 2025. Building permits have remained stable during that same period.
- S&P has upgrades the GovGuam bonds from "BB-" in 2024 to "BB" in 2026.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

The Government of Guam expects income taxes to decrease slightly in 2025 and 2026. The One Big Beautiful Bill Act passed in 2025 retroactively affected the 2025 tax returns by exempting some income taxes on tip and overtime income. The full effect of the OBBBA will be seen in 2026.

The American Rescue Plan Act is winding down. All funds must have been obligated by December 31, 2024, and expended before December 31, 2026.

Budget Outlook

For FY2024, the Guam Legislature adopted a General Fund Revenue of \$909.3M. and appropriated the funds based on that revenue adoption. However, the Legislature passed 12 additional appropriations amounting to \$82M without adjusting the FY2024 adopted revenues. This created an unbalanced budget for FY2024.

This was repeated in FY2025. The General Fund Adopted Revenues were \$994.8M. An additional \$15.3M was appropriated without a corresponding increase in Adopted Revenues. This created a second year of unbalanced budget appropriations. The Government has pre-committed projected General Fund Revenues above adopted levels of \$7.3M to fund budgetary shortfalls in the Healthy Future Fund, Tourist Attraction Fund, and CQA Inspection Services Fund. The Legislature overrode the Governor's veto and enacted a FY2026 Budget that appropriates \$34.6M of FY2025 revenues for FY2026 appropriations after the year end. The statute did not recognize that net revenues less net expenditures after a year end form part of the accounting surplus and is considered an addition to the accumulated fund balance. Subsequent appropriations must be reflected as reductions of the fund balance. This statute also appropriates prior year budgetary lapses, generally without stating an actual amount. This practice will result in an instability in government finances since it can, if arbitrarily adopted, appropriate already appropriated fund balances. This practice, which is not adopted by the federal or other state governments, is not considered prudent financial practice. The Administration is continuously monitoring budgetary fund allocations to ensure that the net unassigned fund balance of the General Fund does not fall into a deficit.

For FY2026, as of February 2024, we are tracking a \$48M excess of adopted revenues. However, our projected shortfall in the Special Revenues Funds amounts to \$23M. Additionally, the Guam Legislature has passed PL 38-75 that appropriates \$13.1M from FY2025 Net Unobligated Excess Revenues.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

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 considered the comments of the auditors and of the Public Auditor in past years. The FMIS continues to go through improvements as we roll out additional modules that meet the needs of the Government of Guam. The new system allows documents to be electronically uploaded and has reduced the need for paper documents. We expect that the new system will continue to increase the GovGuam's operational effectiveness and efficiency.

Court Cases

The Elected Attorney General and the Governor of Guam have been locked in legal battles that may have a profound effect on the Government's operations. In the Medical Campus/ARPA Lawsuit, the AG is suing the Governor to stop the Governor from using over \$100M in Federal ARPA funds for a Medical Campus in Mangilao claiming that it violates the Organic Act of Guam. The Governor argues that the lawsuit jeopardizes federal funds and interferes with her Organic Duty over public welfare. The case is still pending but could result in over \$100M loss of federal funds since the funds cannot be reallocated after December 2024.

The Governor has sued the AG in the Dignity Project case. The AG signed a contract with a hotel and threatened Department of Administration staff with criminal prosecution if they did not register the contract of \$1.1M after objection was made that the contract was not perfected since it lacked the Governor's signature. The Superior Court has deemed that the AG violated the Governor's duty to approve contracts. The Superior Court case was appealed to the Supreme Court of Guam and is still pending. The AG's Office is not signing off on certain GovGuam contracts preventing the Government from obtaining goods and services from contractors.

The Governor has filed a petition to the Supreme Court of Guam seeking confirmation that the autonomous agencies, not subject to the Central Accounting Act, can execute contracts without the AG's direct veto power. This case was moved to the District Court of Guam and is still pending. This lawsuit, like the case above, has the potential of stopping autonomous agencies from obtaining goods and services.

There are additional ongoing lawsuits that deal with the powers and duties of the Chief Executive of Guam and the Chief Legal Officer.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

Availability of Accounting Pool

The pool of accountants, like most professional trades, is limited and in high demand. Accountants are needed at the Department of Administration, the Guam Department of Education, the Autonomous Agencies, the Office of Public Accountability, and by our External Auditors.

Audit timeliness

In common with most US territories and some states, the Government of Guam has experienced considerable delays in completing audits in a timely manner. There are several conditions which have led to these delays for Guam. The availability of qualified and experienced accountants to both the Government and auditors is a major contributing factor, especially as Guam is thousands of miles from the US mainland, exacerbating the difficulty of recruitment and retention of these essential professionals. The increase in federal funds available to the Territory has increased, in turn, the work needed to prepare, audit and resolve the work needed to complete the federal compliance report required under the Single Audit Act (PL 98-502). A major audit delay for FY2024 was the late completion of the audit for Guam Department of Education (GDOE).

Although a component part of the General Fund, GDOE is not subject to the Central Accounting Act. This anomaly must be corrected and discussions have started to resolve this, since the Department is large enough and its dependence on General Fund revenues is high enough to warrant a correction.

GovGuam has received some assistance from the US Department of Interior (DOI) to improve audit timeliness since it is the cognizant federal agency for the US territories, except Puerto Rico. As the cognizant agency, DOI is responsible to other federal grantor agencies for audit quality and timeliness. GovGuam, Ernst & Young and DOI are in discussions to improve audit quality and timeliness. The Government has determined that quality should not be adversely impacted by efforts to improve timeliness. Both are important. Guam is mindful that it has an active debt issuance and refinancing program and that Investors view both factors when considering investing in Guam debt. Such debts are long-term investments, generally repayable over thirty years. Guam taxpayers who are responsible for these repayments benefit from favorable bond pricing flowing from accurate and reliable financial reporting.

Government of Guam

Management's Discussion and Analysis (Unaudited), continued

Requests for Information

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.

Government of Guam

Statement of Net Position September 30, 2024 (Amounts in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 677,997	\$ 7,299	\$ 685,296	\$ 257,409
Investments	18,616	---	18,616	53,139
Receivables, net	312,720	15,468	328,188	291,849
Due from primary government	---	---	---	15,464
Due from component units	14,818	---	14,818	---
Due from private purpose trusts	255	---	255	---
Internal balances	(10,889)	10,889	---	---
Inventories	1,997	---	1,997	85,089
Prepayments	3,155	---	3,155	5,151
Deposits and other assets	2,656	---	2,656	20,937
Restricted assets:				
Cash and cash equivalents	138,124	---	138,124	505,541
Investments	5,043	---	5,043	160,114
Unamortized bond issuance costs	-	---	---	4
Capital assets:				
Nondepreciable capital assets	140,216	---	140,216	297,680
Capital assets, net of accumulated depreciation	797,559	---	797,559	1,778,479
Land and other real estate	459,050	---	459,050	---
Land held for development	---	---	---	2,255
Total assets	2,561,319	33,656	2,594,974	3,473,110
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred loss on refunding	71,086	---	71,086	44,406
Deferred outflows from pensions	287,710	---	287,710	148,923
Deferred outflows from OPEB	403,567	---	403,567	216,729
Deferred unrecovered fuel costs	---	---	---	14,559
Total deferred outflows of resources	762,363	---	762,363	424,616
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	128,352	27,634	155,987	94,662
Contracts payable	---	---	---	17,700
Accrued interest payable	13,946	---	13,946	24,588
Accrued payroll and other	24,790	2	24,792	12,105
Payable to federal agencies	281,322	---	281,322	18,373
Provision for tax refunds	74,652	---	74,652	---
Economic stimulus payments payable	14	---	14	---
Claims payable	915	---	915	---
COLA liability	4,394	---	4,394	---
Due to primary government	---	---	---	19,395
Due to component units	9,664	---	9,664	---
Unearned revenues	77,017	---	77,017	26,150
Deposits and other liabilities	53,434	---	53,434	48,781
Long-term liabilities:				
Due within one year	92,533	---	92,533	52,314
Due in more than one year	4,186,098	---	4,186,098	2,870,666
Total liabilities	4,947,132	27,637	4,974,769	3,184,736
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows from pensions	50,663	---	50,663	35,913
Deferred inflows from OPEB	451,306	---	451,306	238,413
Deferred inflows from leases	14,794	---	14,794	79,568
Deferred gain on refunding	2,235	---	2,235	7,923
Total deferred inflows of resources	518,998	---	518,998	361,817
Commitments and contingencies				
<u>NET POSITION</u>				
Net investment in capital assets	536,354	---	536,354	915,954
Restricted for:				
Dental and medical benefits	---	6,019	6,019	---
Capital projects	4,095	---	4,095	26,103
Retirement of indebtedness	85,434	---	85,434	117,886
Endowment - nonexpendable	459,050	---	459,050	58,939
Public health	18,522	---	18,522	---
Environmental protection	26,390	---	26,390	---
Other purposes	274,431	---	274,431	152,873
Unrestricted	(3,546,723)	---	(3,546,723)	(920,582)
Total net position	\$ (2,142,448)	\$ 6,019	\$ (2,136,429)	\$ 351,174

See accompanying notes.

Government of Guam

Statement of Activities
Year ended September 30, 2024
(Amounts in Thousands)

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
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 270,365	\$ 18,131	\$ 44,964	\$ ---	\$ (207,269)	\$ ---	\$ (207,269)	\$ ---
Protection of life and property	191,476	14,151	14,047	---	(163,278)	---	(163,278)	---
Public health	539,259	6,759	379,383	---	(153,117)	---	(153,117)	---
Community services	64,383	5	52,185	---	(12,192)	---	(12,192)	---
Culture and recreation	41,960	1,262	5,563	---	(35,135)	---	(35,135)	---
Individual and collective rights	115,717	2,617	38,261	---	(74,839)	---	(74,839)	---
Public welfare	73,776	---	9,501	---	(64,275)	---	(64,275)	---
Transportation	33,719	10,305	34,197	---	10,782	---	10,782	---
Public education	520,887	13,834	192,186	---	(314,867)	---	(314,867)	---
Environmental protection	39,203	28,709	10,411	---	(83)	---	(83)	---
Economic development	18,856	2,179	19,292	---	2,615	---	2,615	---
Interest (unallocated)	53,606	---	---	---	(53,606)	---	(53,606)	---
Total Governmental Activities	1,963,207	97,951	799,991	---	(1,065,265)	---	(1,065,265)	---
Business-type Activities:								
Dental Self-insured	9,965	10,179	---	---	---	215	215	---
Medical Self-insured	146,594	152,398	---	---	---	5,804	5,804	---
Total Business-type Activities	156,558	162,577	---	---	---	6,019	6,019	---
Total primary government	\$ 2,119,765	\$ 260,529	\$ 799,991	\$ ---	(1,065,265)	6,019	(1,059,246)	---
Component units:								
Antonio B. Won Pat International								
Airport Authority	\$ 97,603	\$ 64,731	\$ 3,453	\$ 5,246	---	---	---	(24,173)
Guam Community College	41,032	7,196	5,033	2,828	---	---	---	(25,975)
Guam Housing and Urban Renewal Authority	71,742	2,204	69,665	509	---	---	---	635
Guam Memorial Hospital Authority	223,651	139,789	1,811	193	---	---	---	(81,859)
Guam Power Authority	555,138	546,329	1,152	---	---	---	---	(7,657)
Guam Waterworks Authority	141,652	129,857	---	2,999	---	---	---	(8,796)
Port Authority of Guam	68,898	58,667	4,586	563	---	---	---	(5,082)
University of Guam	136,077	62,907	8,808	6,722	---	---	---	(57,641)
Nonmajor component units	44,070	8,582	1,539	---	---	---	---	(33,950)
	\$ 1,379,865	\$ 1,020,261	\$ 96,047	\$ 19,059	---	---	---	(244,498)
General revenues:								
Taxes:								
Income					502,436	---	502,436	---
Gross receipts					411,688	---	411,688	---
Section 30 Federal income tax collections					76,196	---	76,196	---
Property					36,249	---	36,249	---
Hotel occupancy					33,973	---	33,973	---
Tobacco					22,537	---	22,537	---
Excise					4,890	---	4,890	---
Alcoholic beverages					3,916	---	3,916	---
Limited gaming					1,738	---	1,738	---
Liquid fuel					1,687	---	1,687	---
Investment earnings					22,675	---	22,675	46,465
Contributions from primary government					---	---	---	175,007
Other					68,172	---	68,172	13,008
Total general revenues					1,186,158	-	1,186,158	234,480
Change in net position					120,894	6,019	126,912	(10,018)
Net position at beginning of year					(2,263,341)	---	(2,263,341)	361,191
Net position at end of year					\$ (2,142,448)	\$ 6,019	\$ (2,136,429)	\$ 351,174

See accompanying notes.

Government of Guam

Balance Sheet
Governmental Funds

September 30, 2024
(Amounts in Thousands)

	101		682		Permanent	Other Governmental Funds	Total
	General	Federal	ARPA	GDOE			
		Grants Assistance	Assistance	Federal Grants			
ASSETS							
Cash and cash equivalents	\$ 317,093	\$ 10,980	\$ 228,986	\$ 2,123	\$ ---	\$ 118,815	\$ 677,997
Investments	1,765	---	---	---	---	16,852	18,616
Land and other real estate	---	---	---	---	459,050	---	459,050
Receivables, net:							
Taxes	80,110	---	---	---	---	5,079	85,189
Federal agencies	2,506	93,967	---	100,404	---	4,821	201,697
Leases	---	---	---	---	---	15,080	15,080
Other	3,274	---	---	---	---	7,480	10,754
Due from component units	14,741	---	---	---	---	77	14,818
Due from other funds	244,011	6,563	---	---	---	69,517	320,091
Due from private purpose trust funds	255	---	---	---	---	---	255
Inventories	1,997	---	---	---	---	---	1,997
Prepayments	569	---	---	---	---	2,585	3,155
Deposits and other assets	2,405	---	---	---	---	1	2,406
Restricted assets:							
Cash and cash equivalents	89,977	---	---	---	---	48,147	138,124
Investments	---	---	---	---	---	5,043	5,043
Total assets	\$ 758,702	\$ 111,510	\$ 228,986	\$ 102,527	\$ 459,050	\$ 293,498	\$ 1,954,273
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 97,107	\$ 228	\$ ---	\$ 25,846	\$ ---	\$ 5,171	\$ 128,352
Accrued payroll and other	14,817	1,635	91	6,382	---	1,865	24,790
Due to component units	---	---	---	---	---	9,664	9,664
Due to other funds	86,969	87,099	32,297	69,172	---	55,443	330,980
Payable to federal agencies	61,516	21,994	172,246	1,127	---	24,438	281,322
Unearned revenues	77,017	---	---	---	---	---	77,017
Provision for tax refunds	74,652	---	---	---	---	---	74,652
Provision for economic stimulus payments	---	---	14	---	---	---	14
COLA liability	4,394	---	---	---	---	---	4,394
Deposits and other liabilities	48,597	---	367	---	---	4,470	53,434
Total liabilities	465,070	110,956	205,015	102,527	---	101,051	984,619
Deferred inflows of resources:							
Leases	---	---	---	---	---	14,794	14,794
Deferred revenues	---	---	---	---	---	45	45
Total deferred inflows of resources	---	---	---	---	---	14,838	14,838
Total liabilities and deferred inflows of resources	465,070	110,956	205,015	102,527	---	115,889	999,458
Fund balances:							
Non-spendable	3,977	---	---	---	459,050	---	463,028
Restricted	90,259	553	---	---	---	23,488	114,301
Committed	158,910	---	23,971	---	---	154,240	337,121
Unassigned:							
General fund	40,486	---	---	---	---	---	40,486
Special revenue funds	---	---	---	---	---	(120)	(120)
Total fund balances	293,632	553	23,971	---	459,050	177,609	954,815
Total liabilities, deferred inflows of resources and fund balances	\$ 758,702	\$ 111,510	\$ 228,986	\$ 102,527	\$ 459,050	\$ 293,498	\$ 1,954,273

See accompanying notes.

Government of Guam

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2024 (Amounts in Thousands)

Total fund balance - governmental funds	\$	954,815
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		250
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
Construction in progress		87,646
Depreciable capital assets and infrastructure		1,990,854
Accumulated depreciation and amortization		(1,193,294)
Capital assets, net of accumulated depreciation and amortization		937,776
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		45
Accrued interest payable is not recognized in governmental funds		(13,946)
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		(986,617)
Notes payable		(14,508)
School financed purchase obligations		(126,902)
Due to IRS		(19,938)
Tax credits payable		(2,126)
Lease payable		(36,521)
Claims payable		(915)
Net pension liability		(1,169,190)
OPEB liability		(1,844,477)
Compensated absences payable		(13,970)
DCRS sick leave liability		(18,029)
Landfill closure and postclosure costs		(46,354)
Long-term liabilities		(4,279,546)
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		71,086
Deferred outflows from pensions		287,710
Deferred outflows from OPEB		403,567
		762,363
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of:		
Deferred gain on refunding		(2,235)
Deferred inflows from pensions		(50,663)
Deferred inflows from OPEB		(451,306)
		(504,204)
Net position of governmental activities	\$	(2,142,448)

See accompanying notes.

Government of Guam

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

Year ended September 30, 2024
(Amounts in Thousands)

	101		682		Permanent		Total
	General	Special Revenue		Chamorro Lands	Other Governmental Funds		
		Federal Grants Assistance	ARPA Assistance			GDOE Federal Grants	
Revenues:							
Taxes	\$ 995,210	\$ ---	\$ ---	\$ ---	\$ ---	\$ 100,101	\$ 1,095,311
Intergovernmental	4,955	543,114	42,294	185,439	---	20,965	796,767
Licenses and permits	922	---	---	---	---	63,302	64,223
Charges for services	4,645	---	---	---	---	28,074	32,719
Fines and forfeits	692	---	---	---	---	456	1,148
Interest and investment earnings	7,262	0	12,020	---	---	3,393	22,675
Contributions from component units	3,137	---	---	---	---	86	3,224
Other	35,696	---	---	---	---	32,476	68,172
Total revenues	<u>1,052,518</u>	<u>543,114</u>	<u>54,314</u>	<u>185,439</u>	<u>---</u>	<u>248,854</u>	<u>2,084,239</u>
Expenditures:							
Current:							
General government	116,002	17,262	22,957	---	---	21,696	177,917
Protection of life and property	155,187	10,197	3,753	---	---	14,595	183,732
Public health	21,023	412,976	1,118	---	---	30,960	466,075
Community services	6,773	50,798	587	---	---	5,461	63,619
Recreation	3,839	4,811	753	---	---	592	9,995
Individual and collective rights	66,119	28,791	883	---	---	11,410	107,203
Public welfare	---	---	---	---	---	7,897	7,897
Transportation	2,717	33,063	1,133	---	---	5,990	42,904
Public education	175,420	---	429	181,879	---	21,823	379,550
Environmental protection	214	7,285	3,125	---	---	21,314	31,938
Economic development	7,882	13,183	331	---	---	695	22,090
Payments to:							
GovGuam Retirement Fund	6,037	---	---	---	---	---	6,037
Guam Community College	13,985	36	---	---	---	8,776	22,797
Guam Economic Development Authority	---	---	779	---	---	---	779
Guam Housing Corporation	221	---	500	---	---	---	721
Guam Housing and Urban Renewal Authority	---	---	300	---	---	---	300
Guam International Airport Authority	2,008	---	5,000	---	---	---	7,008
Guam Memorial Hospital Authority	64,537	2,776	318	---	---	---	67,631
Guam Power Authority	63,224	---	---	---	---	---	63,224
Guam Preservation Trust	---	---	---	---	---	1,370	1,370
Guam Visitors Bureau	---	---	---	---	---	30,383	30,383
University of Guam	37,019	150	108	---	---	7,836	45,113
Miscellaneous appropriations	71,800	---	---	---	---	---	71,800
Capital projects	---	---	---	---	---	3,716	3,716
Debt service:							
Principal retirement	44,303	---	---	---	---	437	44,740
Interest and fiscal charges	52,563	---	---	---	---	3,504	56,066
Total expenditures	<u>910,872</u>	<u>581,329</u>	<u>42,072</u>	<u>181,879</u>	<u>---</u>	<u>198,452</u>	<u>1,914,604</u>
Excess of revenues over expenditures	141,646	(38,215)	12,242	3,560	---	50,402	169,635
Other financing sources (uses):							
Transfers in from other funds	25,536	38,378	---	---	---	34,403	98,318
Transfers out to other funds	(68,776)	---	(300)	(3,560)	---	(25,681)	(98,318)
Total other financing sources (uses), net	<u>(43,240)</u>	<u>38,378</u>	<u>(300)</u>	<u>(3,560)</u>	<u>---</u>	<u>8,722</u>	<u>-</u>
Net change in fund balances	98,406	163	11,941	---	---	59,124	169,635
Fund balances at beginning of year	195,226	390	12,029	---	459,050	118,485	785,180
Fund balances at end of year	<u>\$ 293,632</u>	<u>\$ 553</u>	<u>\$ 23,971</u>	<u>\$ ---</u>	<u>\$ 459,050</u>	<u>\$ 177,609</u>	<u>\$ 954,815</u>

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, 2024 (Amounts in Thousands)

Total net change in fund balances - governmental funds	\$	169,635
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)
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	\$	116,700
Depreciation and amortization expense		(83,981)
		32,719
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		
		(139)
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:		
Repayment of General Obligation bonds		1,960
Repayment of Limited Obligation bonds		10,140
Repayment of Business Privilege Tax bonds		22,610
Repayment of loans		437
Repayment of school financed purchase obligations		9,593
Amortization of loss on defeasance		(5,643)
Amortization of gain on defeasance		124
Amortization of bond premiums		7,400
		46,620
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		580
Change in compensated absences payable		12,567
Change in landfill closure and postclosure care costs		(5,175)
Change in lease liability		(18,276)
Change in tax credits payable		258
Change in DCRS sick leave liability		10,768
Net pension activity		(73,996)
Net OPEB activity		(54,543)
		(127,817)
Change in net position of governmental activities	\$	120,894

See accompanying notes.

Government of Guam

Statement of Net Position
Proprietary Funds

September 30, 2024
(Amounts in Thousands)

	502	503	
	Dental Self Insured	Medical Self Insured	Total
	<hr/>	<hr/>	<hr/>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 682	\$ 6,617	\$ 7,299
Receivables:			
Employees and retirees	31	3,414	3,444,907
Rebates	---	12,023	12,023,218
Due from other funds	301	10,587	10,889
Total assets	<hr/> 1,014	<hr/> 32,641	<hr/> 33,656
<u>LIABILITIES</u>			
Accounts payable	798	26,837	27,634
Accrued payroll and other	2	---	2
Total liabilities	<hr/> 800	<hr/> 26,837	<hr/> 27,637
<u>NET POSITION</u>			
Restricted for:			
Dental and medical benefits	215	5,804	6,019
Total net position	<hr/> \$ 215	<hr/> \$ 5,804	<hr/> \$ 6,019

Government of Guam

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds

Year ended September 30, 2024
(Amounts in Thousands)

	502	503	
	Dental Self Insured	Medical Self Insured	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Premiums:			
Medical premiums	\$ ---	\$ 146,859	\$ 146,859
Dental premiums	10,145	---	10,145
Rebates	---	15,889	15,889
Other	35	2	36
	<u> </u>	<u> </u>	<u> </u>
Total revenues	10,179	162,750	172,930
Less bad debts expense	<u> </u>	<u>(10,352)</u>	<u>(10,352)</u>
Total net revenues	<u>10,179</u>	<u>152,398</u>	<u>162,577</u>
Expenses:			
Benefit claims	<u>9,965</u>	<u>146,594</u>	<u>156,558</u>
Total expenses	<u>9,965</u>	<u>146,594</u>	<u>156,558</u>
Operating income	215	5,804	6,019
Net position at beginning of year	<u> </u>	<u> </u>	<u> </u>
Net position at end of year	<u>\$ 215</u>	<u>\$ 5,804</u>	<u>\$ 6,019</u>

Government of Guam

Statement of Cash Flows Proprietary Funds

Year ended September 30, 2024
(Amounts in Thousands)

	502	503	
	Dental Self Insured	Medical Self Insured	Total
Cash flows from operating activities:			
Cash received from GovGuam employees and retirees	\$ 9,847	\$ 123,770	\$ 133,617
Cash received from rebates	---	2,603	2,603
Cash payments for benefit claims	(9,165)	(119,757)	(128,922)
Net cash provided by operating activities	682	6,617	7,299
Net increase in cash	682	6,617	7,299
Cash at the beginning of the year	---	---	---
Cash at the end of the year	\$ 682	\$ 6,617	\$ 7,299
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 215	\$ 5,804	\$ 6,019
Adjustments to reconcile operating income to net cash provided by operating activities:			
Bad debts expense	---	10,352	10,352
Changes in assets and liabilities:			
Receivables:			
Employees and retirees	(31)	(13,766)	(13,797)
Rebates	---	(12,023)	(12,023)
Due from other funds	(301)	(10,587)	(10,889)
Accounts payable	798	26,837	27,634
Accrued payroll and other	2	---	2
Net cash provided by operating activities	\$ 682	\$ 6,617	\$ 7,299

See accompanying notes.

Government of Guam

Statement of Fiduciary Net Position Fiduciary Funds

September 30, 2024
(Amounts in Thousands)

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
<u>ASSETS</u>			
Cash and cash equivalents	\$ 15,935	\$ 17,614	\$ ---
Investments at fair value:			
Common stocks	1,675,065	---	---
U.S. Government securities	403,835	---	---
Corporate bonds and notes	258,020	---	---
Money market funds	19,454	---	---
Mutual funds	670,499	---	---
Total investments	3,026,873	---	---
Accounts receivable:			
Employer contributions	4,854	---	---
Member contributions	2,454	---	---
Interest and penalties on contributions	95	---	---
Accrued investment income	6,885	---	---
Due from brokers for unsettled trades	605	---	---
Service credits	2,560	---	---
Other	7,248	---	---
Due from DC Plan	600	---	---
Total receivables	25,300	---	---
Deposits and other assets	-	---	8,417
Capital assets	1,180	---	---
Total assets	3,069,288	17,614	8,417
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources from pensions	1,496	---	---
Deferred outflows of resources from OPEB	2,199	---	---
Total deferred outflows from resources	3,695	---	---
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	5,486	---	---
Due to DB Plan	600	---	---
Due to other funds	---	255	---
Deposits and other liabilities	---	15,911	---
Due to brokers for unsettled trades	3,520	---	---
Net pension liability	5,991	---	---
OPEB liability	10,174	---	---
Total liabilities	25,771	16,166	---
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources from pensions	390	---	---
Deferred inflows of resources from OPEB	3,705	---	---
Total deferred inflows from resources	4,096	---	---
<u>NET POSITION</u>			
Restricted for:			
Employees' pension benefits	3,043,117	---	---
Individuals, organizations and other governments	---	1,448	8,417
Total net position	\$ 3,043,117	\$ 1,448	\$ 8,417

See accompanying notes.

Government of Guam

Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year ended September 30, 2024
(Amounts in Thousands)

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
Additions:			
Contributions:			
Employer contributions	\$ 186,799	\$ ---	\$ ---
Member contributions	74,530	---	---
Use of money and property	---	1,582	---
Total contributions and revenues	261,329	1,582	---
Net investment income:			
Net increase in fair value of investments	510,013	---	---
Interest	54,422	---	---
Dividends	17,400	---	---
Other	765	---	---
Total investment income	582,601	---	---
Less: investment expenses	6,900	---	---
Net investment income	575,701	---	---
Total additions	837,030	1,582	---
Deductions:			
Benefits	262,323	---	---
Refunds	28,477	---	---
Interest on refunded contributions	520	---	---
Administrative and general expense	8,932	---	---
Individual and collective rights	---	2,129	---
Total deductions	300,252	2,129	---
Change in net position held in trust for:			
Employees' pension benefits	536,778	---	---
Individuals, organizations, and other governments	---	(546)	---
	536,778	(546)	---
Net position at beginning of year	2,506,339	1,994	8,417
Net position at end of year	\$ 3,043,117	\$ 1,448	\$ 8,417

See accompanying notes.

Government of Guam
Statement of Net Position
Component Units

September 30, 2024
(Amounts in Thousands)

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
ASSETS										
Cash and cash equivalents	\$ 3,019	\$ 27,610	\$ 23,281	\$ 612	\$ 61,702	\$ 51,776	\$ 26,326	\$ 4,569	\$ 58,515	\$ 257,409
Investments	---	---	---	---	---	---	---	16,186	36,953	53,139
Receivables, net	21,936	4,754	17,040	53,979	48,702	19,067	50,013	19,808	56,550	291,849
Due from primary government	9,651	710	---	---	---	---	---	---	5,103	15,464
Inventories	327	543	420	2,799	74,547	4,961	986	507	---	85,089
Prepayments	---	---	350	523	2,548	1,218	420	---	91	5,151
Deposits and other assets	2,375	8,718	---	418	---	3,175	---	5,943	308	20,937
Restricted assets:										
Cash and cash equivalents	---	---	1,025	---	119,029	256,660	99,592	3,987	25,248	505,541
Investments	56,184	22,447	---	---	33,761	---	---	47,554	168	160,114
Unamortized bond issuance costs	---	---	---	---	4	---	---	---	---	4
Capital assets:										
Nondepreciable capital assets	84,282	12,526	9,129	2,876	34,837	81,104	27,336	25,385	20,204	297,680
Capital assets, net of accumulated depreciation	371,779	33,415	15,202	28,662	433,987	730,297	99,866	58,466	6,805	1,778,479
Land held for development	---	---	2,255	---	---	---	---	---	---	2,255
Total assets	<u>549,553</u>	<u>110,722</u>	<u>68,702</u>	<u>89,869</u>	<u>809,117</u>	<u>1,148,258</u>	<u>304,539</u>	<u>182,405</u>	<u>209,946</u>	<u>3,473,110</u>
DEFERRED OUTFLOWS OF RESOURCES										
Deferred amount on refunding	10,558	---	---	---	9,780	24,067	---	---	---	44,406
Deferred outflows from pensions	11,082	10,181	5,097	40,724	20,135	13,057	16,845	25,277	6,524	148,923
Deferred outflows from OPEB	10,802	13,599	4,759	56,584	32,832	28,993	25,686	37,163	6,311	216,729
Unrecovered fuel costs	---	---	---	---	14,559	---	---	---	---	14,559
Total deferred outflows of resources	<u>32,442</u>	<u>23,781</u>	<u>9,856</u>	<u>97,308</u>	<u>77,307</u>	<u>66,117</u>	<u>42,532</u>	<u>62,440</u>	<u>12,834</u>	<u>424,616</u>
LIABILITIES										
Accounts payable	6,654	1,878	1,302	21,715	34,857	5,583	4,043	15,113	3,518	94,662
Contracts payable	4,614	507	---	---	---	12,579	---	---	---	17,700
Accrued interest payable	3,918	---	---	---	13,382	6,852	---	---	436	24,588
Accrued payroll and other	4,740	---	265	3,691	1,058	872	630	---	848	12,105
Payable to federal agencies	2,310	---	17	3,500	---	7,600	---	4,946	---	18,373
Due to primary government	1,247	---	---	18,071	---	---	---	---	77	19,395
Unearned revenue	---	1,230	1,810	---	---	---	229	5,977	16,905	26,150
Deposits and other liabilities	6,887	5,532	1,048	560	27,773	3,851	379	2,391	359	48,781
Long-term liabilities:										
Due within one year	4,601	321	655	3,445	22,970	11,284	4,733	1,526	2,781	52,314
Due in more than one year	282,615	105,079	47,100	386,838	700,936	780,167	237,427	254,687	75,818	2,870,666
Total liabilities	<u>317,586</u>	<u>114,547</u>	<u>52,196</u>	<u>437,819</u>	<u>800,976</u>	<u>828,789</u>	<u>247,441</u>	<u>284,639</u>	<u>100,742</u>	<u>3,184,736</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows from pensions	2,498	2,489	1,021	6,645	7,826	4,909	4,076	5,474	974	35,913
Deferred inflows from OPEB	17,189	14,968	5,330	51,437	49,871	32,477	25,275	34,858	7,008	238,413
Deferred inflows from leases	14,528	---	---	---	---	---	35,967	1,109	27,964	79,568
Deferred amount on refunding	391	---	---	---	---	7,532	---	---	---	7,923
Total deferred inflows of resources	<u>34,606</u>	<u>17,457</u>	<u>6,352</u>	<u>58,082</u>	<u>57,697</u>	<u>44,919</u>	<u>65,318</u>	<u>41,441</u>	<u>35,946</u>	<u>361,817</u>
NET POSITION										
Net investment in capital assets	275,808	42,400	26,586	26,972	17,314	320,671	116,223	72,880	17,101	915,954
Restricted:										
Capital projects	19,308	---	---	---	---	---	815	5,980	---	26,103
Retirement of indebtedness	170	---	---	---	14,291	63,941	39,484	---	---	117,886
Endowment - nonexpendable	---	28,619	---	---	---	---	---	30,321	---	58,939
Other purposes	725	---	25,456	---	15,102	55,958	9,252	21,811	24,569	152,873
Unrestricted (deficit)	(66,209)	(68,520)	(32,032)	(335,696)	(18,956)	(99,902)	(131,462)	(212,227)	44,422	(920,582)
Total net position	<u>\$ 229,803</u>	<u>\$ 2,498</u>	<u>\$ 20,010</u>	<u>\$ (308,724)</u>	<u>\$ 27,751</u>	<u>\$ 340,668</u>	<u>\$ 34,312</u>	<u>\$ (81,235)</u>	<u>\$ 86,092</u>	<u>\$ 351,174</u>

See accompanying notes.

Government of Guam

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

Year ended September 30, 2024
(Amounts in Thousands)

	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	\$ 97,603	\$ 41,032	\$ 71,742	\$ 223,651	\$ 555,138	\$ 141,652	\$ 68,898	\$ 136,077	\$ 44,070	\$ 1,379,865
Program revenues:										
Charges for services	64,731	7,196	2,204	139,789	546,329	129,857	58,667	62,907	8,582	1,020,261
Operating grants and contributions	3,453	5,033	69,665	1,811	1,152	---	4,586	8,808	1,539	96,047
Capital grants and contributions	5,246	2,828	509	193	---	2,999	563	6,722	---	19,059
Total program revenues	73,430	15,057	72,377	141,793	547,481	132,856	63,816	78,437	10,120	1,135,367
Net program revenues (expenses)	(24,173)	(25,975)	635	(81,859)	(7,657)	(8,796)	(5,082)	(57,641)	(33,950)	(244,498)
General revenues:										
Payments from GovGuam	1,629	24,796	606	71,336	---	---	---	43,872	32,769	175,007
Investment earnings	2,665	4,145	6	---	5,114	13,950	3,393	9,308	7,884	46,465
Other	---	2,487	640	198	---	1,000	5,025	1,586	2,071	13,008
Total general revenues	4,294	31,428	1,252	71,533	5,114	14,950	8,418	54,766	42,725	234,480
Change in net position	(19,879)	5,453	1,887	(10,325)	(2,543)	6,153	3,336	(2,875)	8,775	(10,018)
Net position at beginning of year	249,682	(2,955)	18,123	(298,399)	30,293	334,514	30,976	(78,361)	77,317	361,191
Net position at the end of the year	\$ 229,803	\$ 2,498	\$ 20,010	\$ (308,724)	\$ 27,751	\$ 340,668	\$ 34,312	\$ (81,235)	\$ 86,092	\$ 351,174

See accompanying notes.

Government of Guam

Notes to Financial Statements

Year ended September 30, 2024

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, except for 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 can 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.

Blended component units are entities that are legally separate from GovGuam but are so related to GovGuam that they are, in substance, the same as GovGuam or entities providing services entirely or almost entirely to GovGuam. The net position and results of operations of the Medical and Dental self-insured funds are presented as proprietary funds.

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 can 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 can 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 website of the Office of Public Accountability - www.opaguam.org.

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

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

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources that are attributable to related debt are also included in this component.
- Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.
- Unrestricted net position consists of net position, which does not meet the definition of the two preceding categories. Unrestricted net position often is designated (for example, internally restricted), to indicate that management does not consider it to be available for general operations.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

B. Government-Wide Financial Statements, continued

The government-wide Statement of Net Position reports \$873,940,695 of restricted net position, of which \$274,431,052 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, proprietary funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements pursuant to GASB reporting standards, with nonmajor governmental funds being combined into a single column.

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

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary fund, 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.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

Government-Wide Financial Statements, continued:

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 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 based on 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 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.

Proprietary Funds Financial Statements:

Proprietary Funds financial statements account for the business-type activities of GovGuam and reported using the economic resources measurement focus and the accrual basis of accounting whereby all assets and liabilities associated with the operation of these funds are included on the statement of net position.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

Proprietary Funds Financial Statements, continued:

The accrual basis of accounting recognizes revenues when they are earned and expenses when they are incurred, regardless of the timing of related cash flows. The Medical and Dental Self-Insurance Funds account for the costs of providing services to the employees, retirees and dependents of GovGuam. Premiums are recognized as revenue in the period for which coverage is provided. Claims and related expenses are recorded when the loss is incurred, including an estimate for claims that have been incurred but not reported (IBNR).

The Medical and Dental self-insured funds are intended to be self-sustaining through charges to the employees based on the determined rates that cover anticipated claims, administrative costs, and reserves for future claims.

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.

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:

- 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 and provide services.
- 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.
- 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 proprietary and fiduciary fund types:

Proprietary funds:

- Medical self-insured fund - This fund accounts for activities associated with the provision of medical benefits for employees, retirees, and dependents.
- Dental self-insured fund - This fund accounts for activities associated with the provision of dental benefits for employees, retirees, and dependents.

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:

- 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.

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

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

G. Restricted Assets

As of September 30, 2024, 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: \$872,383 externally restricted under a Chamorro Lands loan guarantee program; \$5,344,623 externally restricted for Child Support; \$1,089,744 externally restricted for GDOE extracurricular school activities; \$94,342,655 externally restricted under various bond issues (including \$90,146,008 for future debt service requirements and \$4,196,647 in unspent bond proceeds); \$843,791 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; \$39,183,792 externally restricted for Court ordered post closure costs; and \$588,062 externally restricted for unclaimed deposits.

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.

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.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

I. Receivables and Tax Abatements, continued

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.

K. Interfund Receivables/Payables

During 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.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

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. Except for 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.

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 \$77,017,439, which is recognized as revenues of the following fiscal year.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

N. Unearned Revenue/Payable to Federal Agencies, continued

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 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 \$1,401,114,416 as of October 30, 2024, the date that such certification was performed.

Total debt outstanding as of September 30, 2024, subject to the debt ceiling limitation is as follows:

General Obligation Debt:	
GOB Series 2019 Bonds	\$ 19,760,000
Congress Building Loan	2,930,969
Limited Obligation Debt:	
Business Privilege Tax Bonds, Series 2012B	6,390,000
Business Privilege Tax Bonds, Series 2015D	345,715,000
Section 30 Bonds, Series 2016	174,420,000
Hotel Occupancy Tax Bonds, Series 2021	58,865,000
Business Privilege Tax Bonds, Series 2021E	14,545,000
Business Privilege Tax Bonds, Series 2021F	<u>258,550,000</u>
	<u>\$881,175,969</u>

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 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.

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 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 nor 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 more than 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 \$18,028,577 as of September 30, 2024, for potential future sick leave payments because of this law. 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 and services. As of September 30, 2024, GovGuam has encumbrances summarized as follows:

<u>General</u>	<u>Federal Grants Assistance</u>	<u>ARPA Assistance</u>	<u>GDOE Federal Grants</u>	<u>Other Governmental</u>	<u>Total</u>
<u>\$34,297,443</u>	<u>\$56,167,843</u>	<u>\$2,407,572</u>	<u>\$162,923,021</u>	<u>\$10,831,419</u>	<u>\$266,627,298</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, 2024, GovGuam implemented the following pronouncements:

- GASB Statement No. 99, *Omnibus 2022*, which 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. It also provides guidance on classification and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, which enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which results in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information is provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements results in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The implementation of these Statements did not have a material effect on the accompanying financial statements.

Y. Upcoming Accounting Pronouncements

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 the fiscal year ended September 30, 2025.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

Y. Upcoming Accounting Pronouncements, continued

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 ascertain 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 to 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 the fiscal year ended September 30, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and addressing certain application issues identified through pre-agenda research conducted by the GASB. This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, budgetary comparison information and 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 the fiscal year ending September 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

Y. Upcoming Accounting Pronouncements, continued

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 104 will be effective for the fiscal year ending September 30, 2026.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 105 will be effective for the fiscal year ending September 30, 2027.

Z. 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.

Government of Guam

Notes to Financial Statements, continued

1. Summary of Significant Accounting Policies, continued

Z. Estimates, continued

Management has used rounding conventions in preparing these financial statements to make them easier to read. In doing so, management has encountered rounding differences due to the use of rounding conventions. These rounding differences arise from the rounding of amounts to the nearest thousand dollars. The cumulative effect of rounding differences may result in variances between the totals of the basic financial statements and the sum of the individual amounts.

Management has assessed the materiality of these rounding differences in relation to the basic financial statements as a whole and has determined that they do not have a material impact on the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of GovGuam as of September 30, 2024, and the respective changes in financial position for the year then ended. Consequently, management has elected not to adjust the basic financial statements to eliminate resultant rounding differences.

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. Except for 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.

A. Deposits

As of September 30, 2024, the carrying amount of the primary government's total cash and cash equivalents was \$823,419,912 and the corresponding bank balances were \$839,524,552. Of the bank balances, \$626,722,679 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, 2024, bank deposits in the amount of \$1,001,367 were FDIC insured and bank deposits in the amount of \$336,749 were NCUA insured.

Government of Guam

Notes to Financial Statements, continued

2. Deposits and Investments, continued

A. Deposits, continued

The remaining bank deposits of \$212,801,873 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 these investments were held in GovGuam's name by GovGuam's custodial financial institutions as of September 30, 2024.

As of September 30, 2024, the carrying amount of the fiduciary fund's total cash and cash equivalents was \$33,548,530 and the corresponding bank balances were \$31,065,078, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of \$5,503,032 were FDIC insured.

In accordance with 5 GCA 21, *Investments and Deposits*, GovGuam requires collateralization of deposits more than depository insurance limits in an amount in value at least ten percent more than 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, 2024, substantially all the respective GovGuam and component unit bank deposits more than 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 these investments were held in GovGuam’s name by GovGuam’s custodial financial institutions as of September 30, 2024.

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, 2024, 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	\$ 692,988	\$ 692,988	\$ ---	\$ ---
Fixed corporate bonds	500,223	500,223	---	---
Mutual funds	4,659,369	4,659,369	---	---
Exchange traded products	<u>5,817,629</u>	<u>5,817,629</u>	---	---
Total investments by fair value level	11,670,209	<u>\$ 11,670,209</u>	<u>---</u>	<u>---</u>
Investments measured at amortized cost:				
Time certificates of deposit	<u>11,989,198</u>			
	<u>\$ 23,659,407</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

Government of Guam Retirement Fund (GGRF), 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 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, 2024, are classified as follows:

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>457 Deferred Compensation</u>	<u>Total</u>
Common Stocks	\$1,675,065,102	\$ ---	\$ ---	\$1,675,065,102
Fixed income securities	661,855,441	---	---	661,855,441
Money market funds	19,453,767	---	---	19,453,767
Mutual funds	<u>42,421,944</u>	<u>451,093,083</u>	<u>176,983,852</u>	<u>670,498,879</u>
	<u>\$2,398,796,254</u>	<u>\$ 451,093,083</u>	<u>\$ 176,983,852</u>	<u>\$3,026,873,189</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 \$176,983,852 have exposure to interest rate risk.

As of September 30, 2024, 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	\$ ---	\$ 9,264,966	\$ 82,531,989	\$133,998,575	\$225,795,530
U.S. government agencies	---	10,337,925	7,703,762	159,997,868	178,039,555
Corporate notes and bonds	<u>3,975,221</u>	<u>148,100,125</u>	<u>73,627,194</u>	<u>32,317,816</u>	<u>258,020,356</u>
	<u>\$3,975,221</u>	<u>\$167,703,016</u>	<u>\$163,862,945</u>	<u>\$326,314,259</u>	<u>\$661,855,441</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, 2024, GGRF held mortgage-backed securities valued at approximately \$170,700,000.

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, 2024, is as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Amount</u>
Government Bonds	AAA/AA/A	\$ 58,112,788
Corporate Bonds	BBB/BB/B	175,916,303
Corporate Bonds	CCC/CC/C	15,603,731
Corporate Bonds	D	148,408
U.S. Government Guaranteed	Not Applicable	387,421,445
Not Rated	Not Rated	<u>24,652,766</u>
		<u>\$661,855,441</u>

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. As of September 30, 2024, GGRF 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, 2024, GGRF held approximately \$30,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately \$9,000,000 was issued by Canadian companies, \$4,000,000 by British companies, \$3,000,000 by Dutch companies, \$2,000,000 by Australian companies, \$2,000,000 by German companies, and \$10,000,000 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, 2024, 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, 2024, was approximately \$286,000,000. Of this total, approximately \$82,000,000 relates to companies whose functional currency is the Euro, \$71,000,000 relates to companies whose functional currency is Japanese Yen, \$45,000,000 relates to companies whose functional currency is the British Pound, \$27,000,000 relates to companies whose functional currency is the Swiss Franc, \$15,000,000 relates to companies whose functional currency is the Canadian Dollar, and the remaining \$46,000,000 relates to companies representing 10 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%) more than 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, 2024:

	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	\$1,675,065,102	\$1,675,065,102	\$ ---	\$ ---
U.S. Treasury notes	225,795,530	---	225,795,530	---
Corporate notes and bonds	258,020,356	---	258,020,356	---
Mortgage-backed securities	178,039,555	---	178,039,555	---
Mutual funds	<u>670,498,879</u>	<u>670,498,879</u>	---	---
	3,007,419,422	<u>\$2,345,563,981</u>	<u>\$661,855,441</u>	<u>\$ ---</u>
Investments measured at NAV:				
Money market funds	<u>19,453,767</u>			
	<u>\$3,026,873,189</u>			

3. Receivables and Tax Abatements

A. Receivables

Receivables as of September 30, 2024, 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	Proprietary Funds	Total
Receivables:								
Taxes	\$ 319,104,344	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,265,700	\$ ---	\$ 324,370,044
Federal	2,506,119	93,966,646	---	100,404,045	---	4,820,582	---	201,697,392
Leases	---	---	---	---	---	15,080,030	---	15,080,030
Other	<u>7,330,565</u>	---	---	---	---	<u>11,097,584</u>	<u>25,820,306</u>	<u>44,248,455</u>
	328,941,028	93,966,646	---	100,404,045	---	36,263,896	25,820,306	585,395,921
Allowance	<u>(243,050,961)</u>	---	---	---	---	<u>(3,804,413)</u>	<u>(10,352,181)</u>	<u>(257,207,555)</u>
	<u>\$ 85,890,067</u>	<u>\$ 93,966,646</u>	<u>\$ ---</u>	<u>\$100,404,045</u>	<u>\$ ---</u>	<u>\$ 32,459,483</u>	<u>\$15,468,125</u>	<u>\$ 328,188,366</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, 2024, employer contributions receivable totaled \$4,853,515; member contributions receivable totaled \$2,454,441; 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, 2024, 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 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, 2024, information relevant to the disclosure of these programs is as follows:

Gross Receipts Tax:		
Guam Registered Apprenticeship Program		\$10,848,959
Qualifying Certificate Program		850,503
Real Property Tax:		
Special Hotel Qualifying Certificate Program		<u>750,617</u>
		<u>\$12,450,079</u>

4. Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds as of September 30, 2024, are summarized as follows:

Receivable Fund	Payable Fund	Amount
General	Federal Grants Assistance	\$ 87,098,991
General	ARPA Assistance	32,297,333
General	GDOE Federal Grants	69,171,856
General	Nonmajor governmental funds	55,442,576
Federal Grants Assistance	General	6,563,174
Proprietary	General	10,888,582
Nonmajor governmental funds	General	<u>69,517,308</u>
		<u>\$330,979,820</u>

Receivables and payables between funds reflected as due to/due from component units as of September 30, 2024, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Guam Memorial Hospital Authority	\$14,740,693	\$ ---
Other governmental funds:		
Antonio B. Won Pat International Airport Authority	---	9,663,700
Guam Economic Development Authority	<u>77,410</u>	<u>---</u>
	<u>\$14,818,103</u>	<u>\$ 9,663,700</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, 2024, are as follows:

	Estimated Useful Lives	Balance October 1, 2023	Additions	Transfers	Retirements	Balance September 30, 2024
Governmental activities:						
Nondepreciable capital assets:						
Land		\$ 52,570,435	\$ ---	\$ ---	\$ ---	\$ 52,570,435
Construction in progress		<u>56,323,122</u>	<u>49,177,150</u>	<u>(17,854,210)</u>	---	<u>87,646,062</u>
		<u>108,893,557</u>	<u>49,177,150</u>	<u>(17,854,210)</u>	---	<u>140,216,497</u>
Capital assets being depreciated and amortized:						
Landfill cells	Capacity	101,273,627	---	---	---	101,273,627
Right-to-use assets		32,892,852	8,342,887	---	---	41,235,739
Subscription-based IT assets		---	27,020,001	---	---	27,020,001
Buildings	40-60 yrs.	639,314,272	188,824	1,032,963	---	640,536,059
Machinery, equipment and furniture	5-20 yrs.	142,647,291	8,599,098	687,413	(3,107,334)	148,826,468
Infrastructure	25 yrs.	<u>989,348,942</u>	<u>26,479,083</u>	<u>16,133,834</u>	---	<u>1,031,961,859</u>
		<u>1,905,476,984</u>	<u>70,629,893</u>	<u>17,854,210</u>	<u>(3,107,334)</u>	<u>1,990,853,753</u>
Less accumulated depreciation and amortization:						
Landfill cells		(61,739,542)	(3,904,315)	---	---	(65,643,857)
Right-to-use assets		(16,381,767)	(10,245,754)	---	---	(26,627,521)
Subscription-based IT assets		---	(6,899,275)	---	---	(6,899,275)
Buildings		(292,072,776)	(13,761,498)	---	---	(305,834,274)
Machinery, equipment and furniture		(127,317,932)	(4,811,983)	---	3,107,334	(129,022,581)
Infrastructure		<u>(611,801,467)</u>	<u>(47,465,488)</u>	---	---	<u>(659,266,955)</u>
		<u>(1,109,313,484)</u>	<u>(87,088,313)</u>	---	<u>3,107,334</u>	<u>(1,193,294,463)</u>
		<u>796,163,500</u>	<u>(16,458,420)</u>	<u>17,854,210</u>	---	<u>797,559,290</u>
Capital assets, net		<u>\$ 905,057,057</u>	<u>\$ 32,718,730</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 937,775,787</u>

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

General government	\$13,520,765
Protection of life and property	7,444,470
Public health	1,339,339
Community services	145,137
Recreation	197,405
Individual and collective rights	3,123,053
Transportation	44,518,269
Public education	11,575,232
Environmental protection	4,575,623
Economic development	<u>649,020</u>
	<u>\$87,088,313</u>

Government of Guam

Notes to Financial Statements, continued

6. Long-Term Obligations

General Obligation Bonds (GOB):

As of September 30, 2024, 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	\$19,760,000
Add: unamortized bond premium					<u>2,349,547</u>
					<u>\$22,109,547</u>

A summary of the general obligation bond premium activity for the year ended September 30, 2024, is as follows:

Balance - October 1, 2023	\$2,685,187
Current year amortization	(<u>335,640</u>)
Balance - September 30, 2024	<u>\$2,349,547</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>
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	2,515,000	480,375	2,995,375
2030 – 2032	<u>8,350,000</u>	<u>640,250</u>	<u>8,990,250</u>
	<u>\$19,760,000</u>	<u>\$4,211,000</u>	<u>\$23,971,000</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, 2024, 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	\$ 6,390,000
Series D, (BPT) 2015	September 9, 2015	\$ 410,485,000	4.0% - 5.0%	November 15, 2039	345,715,000
Series A (Section 30), 2016	August 17, 2016	\$ 236,605,000	5%	December 1, 2046	174,420,000
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	14,545,000
Series F (BPT), 2021	October 7, 2021	\$ 258,550,000	4.0% - 5.0%	January 1, 2042	<u>258,550,000</u>
					858,485,000
Add: unamortized bond premium					<u>106,022,637</u>
					<u>\$964,507,637</u>

A summary of the limited obligation bond premium activity for the year ended September 30, 2024, is as follows:

Balance - October 1, 2023	\$113,086,713
Current year amortization	<u>(7,064,076)</u>
Balance - September 30, 2024	<u>\$106,022,637</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>
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	47,175,000	32,559,525	79,734,525
2030 - 2034	273,895,000	124,598,575	398,493,575
2035 - 2039	273,620,000	57,916,025	331,536,025
2040 - 2044	114,610,000	10,514,375	125,124,375
2045 - 2047	<u>12,660,000</u>	<u>970,750</u>	<u>13,630,750</u>
	<u>\$858,485,000</u>	<u>\$374,999,795</u>	<u>\$1,233,484,795</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, 2024.

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

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

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 \$50,630,088 as of September 30, 2024.

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, 2024, principal and interest paid, and total gross receipts tax revenues were \$51,772,773 and \$411,687,628, 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, 2024, 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 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 \$17,744,075 as of September 30, 2024.

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, 2024, principal and interest paid, and total Section 30 revenues were \$19,114,500 and \$76,195,730, 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, 2024, 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, 2024, GovGuam maintains \$18,661,549 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 \$2,712,169 as of September 30, 2024.

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, 2024, principal and interest paid, and total hotel occupancy tax revenues were \$2,943,250 and \$33,973,452, 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, 2024, 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, 2024, GovGuam maintains \$7,191,580 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.

If 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 Depository under any of the provisions of the respective Certificates and Indentures is required to be under the control of and applied by the Trustee as outlined in the respective Certificates and Indentures.

Management of GovGuam believes that it complies with all significant covenants, limitations and restrictions of the respective Certificates and Indentures as of September 30, 2024.

Direct Borrowings:

As of September 30, 2024, 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	\$11,577,077
Congress Building loan	April 28, 2014	\$ 4,000,000	4.5%	September 1, 2030	<u>2,930,969</u>
					<u>\$14,508,046</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>
2025	\$ 439,840	\$ 544,307	\$ 984,147
2026	486,937	522,608	1,009,545
2027	506,891	502,641	1,009,532
2028	526,595	482,923	1,009,518
2029	549,281	460,223	1,009,504
2030 - 2034	3,332,123	1,779,919	5,112,042
2035 - 2039	1,896,696	1,403,504	3,300,200
2040 - 2044	2,268,587	1,031,613	3,300,200
2045 - 2049	2,714,777	585,423	3,300,200
2050 - 2052	<u>1,786,319</u>	<u>101,661</u>	<u>1,887,980</u>
	<u>\$14,508,046</u>	<u>\$7,414,822</u>	<u>\$21,922,868</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 can 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, 2024, principal and interest paid, and total judicial fees, fines and building rental revenues were \$660,040 and \$1,128,333, respectively.

Congress Building Loan

In 2014, GovGuam executed 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 can 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, 2024, principal and interest paid, and total building rental revenues were \$337,200 and \$261,000, respectively.

Management of GovGuam believes that it complies with all significant covenants, limitations and restrictions of the respective credit agreements as of September 30, 2024.

School Financed Purchase Obligations:

GovGuam, on behalf of the Guam Department of Education (GDOE), has executed 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 for 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 executed 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 collateral equipment. Effective February 2015, payments due are to be paid in the form of cash. Annual payments include principal and 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>
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	6,374,595	7,830,493	14,205,088
2030 - 2034	33,174,118	31,304,410	64,478,528
2035 - 2039	44,024,370	14,652,348	58,676,718
2040 - 2041	<u>9,055,051</u>	<u>935,767</u>	<u>9,990,818</u>
	<u>\$126,902,224</u>	<u>\$91,940,712</u>	<u>\$218,842,936</u>

Government of Guam

Notes to Financial Statements, continued

6. Long-Term Obligations, continued

School Financed Purchase Obligations, continued:

Assets acquired through the purchase agreements are as follows:

Assets:		
Buildings and leasehold improvements	\$239,159,248	
Less accumulated depreciation	<u>(65,156,075)</u>	
	174,003,173	
Land	<u>435,280</u>	
	<u>\$174,438,453</u>	

Changes in Long-Term Obligations:

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 21,720,000	\$ ---	\$ (1,960,000)	\$ 19,760,000	\$ 2,060,000
Limited obligation bonds	891,235,000	---	(32,750,000)	858,485,000	32,925,000
Direct borrowings:					
Bank loans	14,944,874	---	(436,828)	14,508,046	439,840
School Financed Purchase Obligations	<u>136,495,052</u>	---	<u>(9,592,828)</u>	<u>126,902,224</u>	<u>10,133,086</u>
	<u>\$ 1,064,394,926</u>	<u>\$ ---</u>	<u>\$ (44,739,656)</u>	<u>\$ 1,019,655,270</u>	<u>\$ 45,557,926</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, 2024, lease receivables and deferred inflow of resources associated with CLTC leases totaled \$5,602,537 and \$5,749,814, 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, 2024, lease receivables and deferred inflow of resources associated with GALC leases totaled \$9,477,493 and \$9,043,952, respectively.

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2024, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 664,774	\$ 403,399	\$ 1,068,173
2026	695,218	383,697	1,078,915
2027	699,338	363,054	1,062,392
2028	579,643	343,879	923,522
2029	529,204	327,868	857,072
2030 - 2034	3,017,308	1,388,807	4,406,115
2035 - 2039	2,320,270	988,995	3,309,265
2040 - 2044	1,983,854	784,721	2,768,575
2045 - 2049	1,415,264	575,173	1,990,437
2050 - 2054	1,540,844	360,614	1,901,458
2055 - 2059	<u>1,634,313</u>	<u>116,703</u>	<u>1,751,016</u>
	<u>\$15,080,030</u>	<u>\$6,036,910</u>	<u>\$21,116,940</u>

Primary Government - as Lessee

The primary government has executed 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, 2024, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,326,027	\$ 369,378	\$ 6,695,405
2026	3,599,910	231,438	3,831,348
2027	1,313,434	154,118	1,467,552
2028	660,321	128,266	788,587
2029	574,423	110,258	684,681
2030 - 2034	2,012,299	315,302	2,327,601
2035 - 2039	551,619	168,381	720,000
2040 - 2044	639,493	80,507	720,000
2045 - 2047	<u>211,021</u>	<u>4,979</u>	<u>216,000</u>
	<u>\$15,888,547</u>	<u>\$1,562,627</u>	<u>\$17,451,174</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, 2024, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net position:

	<u>Balance October 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2024</u>	<u>Due Within One Year</u>
Other long-term liabilities:					
Compensated absences	\$ 26,536,927	\$ 313,280	\$(12,880,032)	\$ 13,970,175	\$ 12,114,541
DCRS sick leave liability	28,796,195	43,149	(10,810,767)	18,028,577	---
Net pension liability	1,190,746,951	---	(21,557,210)	1,169,189,741	---
OPEB liability	1,551,137,956	293,339,523	---	1,844,477,479	---
Tax credits payable	2,383,629	---	(257,894)	2,125,735	2,125,735
Due to IRS	19,937,926	---	---	19,937,926	19,937,926
SBITA liability	---	27,020,001	(6,387,859)	20,632,142	6,471,050
Lease liability	18,245,021	8,342,887	(10,699,361)	15,888,547	6,326,027
Landfill closure	<u>41,178,954</u>	<u>5,174,615</u>	<u>---</u>	<u>46,353,569</u>	<u>---</u>
	<u>\$ 2,878,963,559</u>	<u>\$ 334,233,455</u>	<u>\$(62,593,123)</u>	<u>\$ 3,150,603,891</u>	<u>\$ 46,975,279</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, 2024, tax credits of \$257,894 were redeemed in lieu of payments with a remaining amount of \$2,125,735 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
Nonspendable:							
P.I. Development Bank	\$ 2,000,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,000,000
Land trust	---	---	---	---	459,050,489	---	459,050,489
Inventories	<u>1,977,065</u>	---	---	---	---	---	<u>1,977,065</u>
	<u>3,977,065</u>	---	---	---	<u>459,050,489</u>	---	<u>463,027,554</u>
Restricted:							
Debt service reserve	88,887,113	---	---	---	---	10,492,380	99,379,493
Public education	1,359,744	---	---	---	---	---	1,359,744
Child Tax Credit Admin.	12,271	---	---	---	---	---	12,271
Landfill closure/post closure	---	---	---	---	---	7,851,556	7,851,556
Tourism-related projects	---	---	---	---	---	3,808,205	3,808,205
Chamorro Loan Guarantee	---	---	---	---	---	872,779	872,779
Landfill-related projects	---	---	---	---	---	286,973	286,973
Other	---	<u>553,426</u>	---	---	---	<u>176,347</u>	<u>729,773</u>
	<u>90,259,128</u>	<u>553,426</u>	---	---	---	<u>23,488,240</u>	<u>114,300,794</u>
Committed:							
General government	63,502,826	---	23,970,679	---	---	37,191,652	124,665,157
Ordot dump reserve	---	---	---	---	---	30,715,554	30,715,554
Protection of life and property	---	---	---	---	---	14,068,133	14,068,133
Public health	2,271,610	---	---	---	---	16,262,539	18,534,149
Community services	3,927,662	---	---	---	---	83,262	4,010,924
Recreation	---	---	---	---	---	225,052	225,052
Individual and collective rights	13,258,235	---	---	---	---	5,322,800	18,581,035
Transportation	---	---	---	---	---	10,245,723	10,245,723
Public education	75,949,411	---	---	---	---	16,094,068	92,043,479
Environmental protection	---	---	---	---	---	18,538,117	18,538,117
Economic development	---	---	---	---	---	3,786,974	3,786,974
Other purposes	---	---	---	---	---	<u>1,706,463</u>	<u>1,706,463</u>
	<u>158,909,744</u>	---	<u>23,970,679</u>	---	---	<u>154,240,337</u>	<u>337,120,760</u>
Unassigned	<u>40,485,797</u>	---	---	---	---	<u>(119,889)</u>	<u>40,365,908</u>
	<u>\$ 293,631,734</u>	<u>\$ 553,426</u>	<u>\$ 23,970,679</u>	<u>\$ ---</u>	<u>\$ 459,050,489</u>	<u>\$ 177,608,688</u>	<u>\$ 954,815,016</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, 2024:

Guam Memorial Hospital Authority	\$(<u>308,724,106</u>)
University of Guam	\$(<u>81,235,324</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, 2024, are as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:		
Federal Grants Assistance Fund	\$38,378,415	---
ARPA Assistance Fund	---	300,237
GDOE Federal Grants Fund	---	3,560,233
Nonmajor governmental funds	<u>30,397,666</u>	<u>21,675,693</u>
	<u>68,776,081</u>	<u>25,536,163</u>
Federal Grants Assistance Fund:		
General Fund	<u>---</u>	<u>38,378,415</u>
ARPA Assistance Fund:		
General Fund	<u>300,237</u>	<u>---</u>
GDOE Federal Grants Fund:		
General Fund	<u>3,560,233</u>	<u>---</u>
Nonmajor governmental funds:		
General Fund	21,675,693	30,397,666
Nonmajor governmental funds	<u>4,005,407</u>	<u>4,005,407</u>
	<u>25,681,100</u>	<u>34,403,073</u>
	<u>\$98,317,651</u>	<u>\$98,317,651</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, 2023, 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.

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 29.43% for the year ended September 30, 2024. Employees were required to contribute 9.5% of their annual pay for the year ended September 30, 2024.

GovGuam’s contributions to the DB Plan for the year ended September 30, 2024, were \$60,030,811, 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, 2024, were \$18,592,237, 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, 2024, 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, 2024, were \$55,834,909, which were equal to the statutorily required contributions. Of this amount, \$44,055,847 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, 2024, 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, 2024, the GovGuam reporting entity reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2023, which is comprised of the following:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Defined Benefit Plan	\$ 922,714,223	\$4,512,115	\$469,536,239	\$1,396,762,577
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	188,099,798	1,022,794	79,770,498	268,893,090
Ad Hoc COLA Plan for DCRS Retirees	52,060,417	455,671	25,859,331	78,375,419
Governors/Lt. Governors, Judges and Justices	<u>6,315,303</u>	---	---	<u>6,315,303</u>
	<u>\$1,169,189,741</u>	<u>\$5,990,580</u>	<u>\$575,166,068</u>	<u>\$1,750,346,389</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, 2022, to the current measurement date of September 30, 2023:

	<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, 2022	64.82%	35.18%	70.26%	29.74%	67.42%	32.58%
Proportion at current measurement date, September 30, 2023	66.06%	33.94%	69.98%	30.02%	66.41%	33.59%
Increase/(decrease)	1.24%	-1.24%	-0.28%	0.28%	-1.01%	1.01%

Pension Expense: For the year ended September 30, 2024, the GovGuam reporting entity recognized pension expense 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	\$168,205,629	\$584,485	\$77,050,509	\$245,840,623
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	17,764,529	114,425	8,299,383	26,178,337
Ad Hoc COLA Plan for DCRS Retirees	10,629,847	87,648	5,222,090	15,939,585
Governors/Lt. Governors, Judges and Justices	666,664	---	---	666,664
	<u>\$197,266,669</u>	<u>\$786,558</u>	<u>\$90,571,982</u>	<u>\$288,625,209</u>

Deferred Outflows and Inflows of Resources: As of September 30, 2024, 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	\$ 9,474,406	\$10,379,099	\$ ---	\$ 7,618,136	\$ 5,100,561	\$ 669,752
Net difference between projected and actual earnings on pension plan investments	120,089,922	---	---	---	---	---
Changes of assumptions	---	5,568,413	2,881,695	9,583,344	10,078,929	9,216,457
Contributions subsequent to the measurement date	104,086,657	---	16,317,537	---	2,274,700	---
Changes in proportion and difference between contributions and proportionate share of contributions	13,854,407	3,615,135	365,243	1,253,221	2,635,359	2,759,551
	<u>\$247,505,392</u>	<u>\$19,562,647</u>	<u>\$19,564,475</u>	<u>\$18,454,701</u>	<u>\$20,089,549</u>	<u>\$12,645,760</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 \$550,615 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, 2024, 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>
2025	\$ 42,987,077	\$(12,451,949)	\$ 706,618
2026	26,106,451	(2,465,271)	706,620
2027	65,217,184	(290,543)	706,616
2028	(10,454,625)	---	800,573
2029	---	---	736,442
Thereafter	---	---	<u>1,512,220</u>
	<u>\$123,856,087</u>	<u>\$(15,207,763)</u>	<u>\$5,169,089</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 (9.58 years remaining as of September 30, 2023)
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 upon first eligibility for unreduced retirement benefits. Thereafter, the probability of retirement is 20% for each year until 75 and increases to 100% at age 70.
Mortality:	RP-2000 healthy mortality table (males +3, females +2). Mortality for disabled lives is the RP 2000 disability mortality (males +6, females +4). Both tables are projected generationally from 2016 using 30% of Scale BB.

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2015 to September 30, 2020. 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)	26.0%	7.88%	2.05%
U.S. Equities (small cap)	4.0%	9.44%	0.38%
Non-U.S. Equities	17.0%	10.16%	1.73%
Non-U.S. Equities (emerging markets)	3.0%	12.09%	0.36%
U.S. Fixed Income (aggregate)	22.0%	4.71%	1.04%
Risk Parity	8.0%	6.64%	0.53%
High Yield Bonds	8.0%	6.52%	0.52%
Global Real Estate (REITs)	2.5%	9.38%	0.23%
Global Equity	7.5%	8.73%	0.65%
Global Infrastructure	2.0%	8.20%	0.16%
Expected average return for one year			7.66%
Expected geometric mean (30 years)			6.94%

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2023 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, 2023 was 4.09%, 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 6%	Current Discount Rate 7%	1% Increase in Discount Rate 8%
<u>\$1,715,387,965</u>	<u>\$1,396,762,577</u>	<u>\$1,124,015,857</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
<u>\$293,530,025</u>	<u>\$268,893,090</u>	<u>\$247,627,999</u>

Ad Hoc COLA Plan for DCRS Retirees:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
<u>\$88,455,986</u>	<u>\$78,375,419</u>	<u>\$69,851,825</u>

Governor/Lt. Governor, Judges and Justices:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
<u>\$6,840,495</u>	<u>\$6,315,303</u>	<u>\$5,861,430</u>

C. Payables to the Pension Plans

As of September 30, 2024, GovGuam recorded a payable to GGRF of \$5,144,561, 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 employees, 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, 2024, the GovGuam reporting entity reported a total OPEB liability of \$2,734,605,674 of which GovGuam (the primary government) and its component units (including the fiduciary funds) reported \$1,844,477,479 and \$890,128,195, respectively, for their proportionate share of the total OPEB liability measured as of September 30, 2023. 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, 2022	67.55%	32.45%
Proportion at current measurement date, September 30, 2023	67.45%	32.55%
Increase/(decrease) in proportion	-0.10%	0.10%

The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2023 (the measurement date) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Healthcare cost trend rates: Non-Medicare, Medicare claims and retiree contributions - 8% for FY2023, then 26%, 14% and 0% for FY2024, for non-Medicare, Medicare claims, and retiree contributions, respectively. 7% for FY2025, decreasing 0.5% per year to 4.5% in FY2030 and an ultimate rate of 4.1% for FY2031 and later years.

The trend rates for Medicare Part B and Part D reimbursements are assumed to be 4.25% in year 1 and 3.64% in year 2 to reflect the actual changes in costs through October 1, 2024 and 4.25% per year in subsequent years.

Dental Trend Rates: For claims and retiree contributions, 4.25% for year 1 and 8.21% and 0% for claims and retiree contributions, respectively for year 2. For subsequent years, rate will be 4.25%, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.

Government of Guam

Notes to Financial Statements, continued

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

B. Total OPEB Liability, continued:

Mortality rates:	PUB-2010 Head-count Weighted Mortality Table, set forward 4 years for males and 2 years for females, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020.
Participation rates:	Medical - 100% of active employees covered under a GovGuam medical plan will elect to participate at retirement. Dental - 100% of active employees under a GovGuam dental plan will elect to participate at retirement. Life - 100% of eligible retirees will elect to participate at retirement. Current retirees will continue in the GovGuam plan as provided in the data, and upon attainment of age 65, will remain in that plan or enroll in a Retiree Supplemental Plan per Medicare Enrollment assumption below.
Medicare enrollment:	Based on current over-65 retiree data, 55% of current and future retirees are assumed to enroll in Medicare and will enroll in a Retiree Supplemental Plan upon attainment of age 65. All employees retired prior to September 28, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan.
Disability rates:	Based on an actuarial experience study from 2016-2020, 0.03% for males aged 20-39 years (0.02% for females); 0.05% - 0.10% for males aged 40-49 years (0.03% - 0.05% for females); 0.15% - 0.27% for males aged 50-59 years (0.10% - 0.14% for females); and 0.38% for males aged 60- 64 years (0.19% for females).
Retirement rates:	40% of employees are assumed to retire at earliest eligibility for unreduced benefits under the GovGuam Retirement Fund, 20% per year thereafter until age 75, and 100% at age 75.

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 4.09%. 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, 2024, 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>3.09%</u>	Current Discount Rate <u>4.09%</u>	1% Increase in Discount Rate <u>5.09%</u>
<u>\$ 3,169,838,334</u>	<u>\$ 2,734,605,674</u>	<u>\$ 2,381,393,827</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:

<u>1% Decrease</u>	Healthcare Cost Trend Rates	<u>1% Increase</u>
<u>\$ 2,327,441,833</u>	<u>\$ 2,734,605,674</u>	<u>\$ 3,255,996,859</u>

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

For the year ended September 30, 2024, the GovGuam reporting entity reported total OPEB expense of \$154,128,824 of which GovGuam (the primary government) and its component units (including the fiduciary funds) reported \$101,162,140 and \$52,966,684, respectively, for its proportionate share of the total OPEB expense measured for the year ended September 30, 2023.

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, 2024, 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	\$282,220,898	\$ 77,896,879	\$1,556,652	\$ 429,658	\$134,640,607	\$ 37,162,677
Changes of assumptions	62,326,557	353,421,110	343,776	1,949,373	29,734,460	168,608,466
Contributions subsequent to the measurement date	39,388,218	---	298,699	---	18,028,851	---
Changes in proportion and difference between employer contributions and proportionate share of Contributions	<u>19,631,338</u>	<u>19,987,992</u>	<u>---</u>	<u>1,326,345</u>	<u>34,324,591</u>	<u>32,641,591</u>
	<u>\$403,567,011</u>	<u>\$451,305,981</u>	<u>\$2,199,127</u>	<u>\$3,705,376</u>	<u>\$216,728,509</u>	<u>\$238,412,734</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, 2024, 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	\$(492,685)	\$(316,377)	\$ 3,203,353
2025	(31,484,748)	(452,659)	(12,920,871)
2026	(21,032,724)	(359,672)	(11,213,028)
2027	(32,371,628)	(417,202)	(16,891,204)
2028	(32,371,621)	(417,202)	(16,891,211)
Thereafter	<u>30,626,218</u>	<u>158,164</u>	<u>14,999,884</u>
	<u>\$(87,127,188)</u>	<u>\$(1,804,948)</u>	<u>\$(39,713,077)</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. 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.

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 \$1,262,729 reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during the year ended September 30, 2024. The estimated landfill closure and post closure care liability as of September 30, 2024, is not included in the accompanying governmental fund financial statements. Instead, GovGuam has reported \$34,781,189 as a landfill closure and post closure care liability as of September 30, 2024, within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump. This amount represents an EPA estimate of \$36,043,918, inclusive of 35% industry standard cost contingency, less current year closure and post closure costs of \$1,262,729.

Government of Guam

Notes to Financial Statements, continued

14. Commitments and Contingencies, continued

B. Landfill Closure and Postclosure Costs, continued

In addition, GovGuam has reported an amount of \$11,572,380 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 2024. 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. During the year ended September 30, 2024, GovGuam received \$30,578,439 under this Consent Decree.

C. Sick Leave

GovGuam policy is to record the cost of sick leave when leave is 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, 2024, is \$159,548,340, of which an estimated \$18,028,577 has been accrued and may be convertible to pay DCRS members upon retirement.

D. 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, 2024, refunds were paid within six weeks after filing.

Government of Guam

Notes to Financial Statements, continued

14. Commitments and Contingencies, continued

E. 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, 2024, 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.

F. Self-Insurance

GovGuam does not purchase insurance covering potential risks; it is substantially self-insured against claims for negligence and catastrophic losses. If losses arise from such claims or disasters, the General Fund would be required to pay most 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 losses prior to the previous year because 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.

G. 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

H. 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, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	\$ 6,954,685
Investments	<u>49,229,313</u>
	<u>\$56,183,998</u>
Restricted assets:	
Bond Reserve Funds	\$18,307,683
General Revenue Fund	8,737,782
Debt Service Funds	8,102,858
Self-Insurance Fund	7,721,003
Operations and Maintenance Reserve Fund	3,241,945
Operations and Maintenance Fund	2,820,617
Investment Fund	2,435,328
Capital Improvement Fund	1,966,011
Federal Grants Fund	1,850,336
Renewal and Replacement Fund	1,000,249
Construction Fund	<u>186</u>
	<u>\$56,183,998</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, 2024, GCC maintained restricted assets for various purposes as follows:

Investments	<u>\$22,446,697</u>
Restricted assets:	
Endowment Funds	\$20,593,783
Enhancement of Learning Resources and Technology	<u>1,852,914</u>
	<u>\$22,446,697</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, 2024, restricted cash and cash equivalents held for this purpose amounted to \$1,025,147.

Guam Power Authority (GPA):

The bond indenture agreements for GPA's 2014, 2017, 2022 and 2024 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. As of September 30, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	\$119,029,328
Investments	<u>33,760,658</u>
	<u>\$152,789,986</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	\$ 48,000,774
Surplus Funds	29,379,305
Interest and Principal Funds	27,673,101
Working Capital Funds	15,904,385
Self-insurance Fund	14,481,151
Revenue Funds	9,054,712
Energy Sense Fund	6,047,165
Construction Funds	<u>2,249,393</u>
	<u>\$152,789,986</u>

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA’s 2013, 2014, 2016, 2017, 2020 and 2024 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA’s trustees. As of September 30, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	<u>\$256,660,287</u>
Restricted assets:	
Construction Funds	\$136,761,122
Bond Reserve Funds	42,180,075
Operations, Maintenance, Renewal and Replacement Fund	19,560,351
Debt Service Funds	10,253,706
Revenue Fund	11,507,306
Capital Improvement Fund	20,542,219
Island Water and Sewer Infrastructure Development Fund	7,160,562
Operations and Maintenance Fund	3,083,483
Customer Deposit Fund	2,351,163
Sewer Hook-up Reserve	2,172,114
Bid Escrow Fund	990,824
Legislative Surcharge Fund	74,446
Cost of Issuance Fund	<u>22,916</u>
	<u>\$256,660,287</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, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	<u>\$99,591,640</u>
Restricted assets:	
Construction Fund	\$42,703,379
Operations and Maintenance Reserve Fund	11,752,976
Capital Improvement Fund	11,191,162
Crane Replacement Sinking Fund	9,251,542
Bond Reserve Fund	7,337,736
Working Capital Reserve Fund	6,389,071
Revenue Fund	4,812,297
Renewal and Replacement Reserve Fund	3,900,000
Debt Service Fund	1,438,402
Facility Maintenance Fund	814,679
Operations and Maintenance Fund	<u>396</u>
	<u>\$99,591,640</u>

University of Guam (UOG):

As of September 30, 2024, UOG maintained restricted assets for various purposes as follows:

Cash and cash equivalents	\$ 3,986,543
Investments	<u>47,554,377</u>
	<u>\$51,540,920</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:

Land Grant Endowment Funds	\$19,784,964
Foundation Endowment Funds	19,092,651
Debt Service Fund	2,325,974
Operations and Maintenance Reserve Fund	2,694,208
Other Endowment Funds	1,673,715
International Accounting Institute Fund	954,448
Self-Insurance Fund	295,111
Guam Cancer Trust Fund	2,027,719
Enhancement of Learning Resources and Technology	2,396,663
Other	<u>295,467</u>
	<u>\$51,540,920</u>

Nonmajor Component Units:

As of September 30, 2024, nonmajor component units maintained restricted assets for various purposes as follows:

Cash and cash equivalents	\$25,248,399
Investments	<u>168,168</u>
	<u>\$25,416,567</u>

Restricted assets:

Guam Housing Corporation (GHC)	\$ 4,553,519
Guam Economic Development Authority (GEDA)	6,046,694
Guam Visitors Bureau:	
Cultural and Sports Ambassadors Fund	<u>14,816,354</u>
	<u>\$25,416,567</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, 2024, the carrying amount of AWPIAA’s total cash and cash equivalents was \$12,348,185, of which \$11,727,649 is maintained in banks and, at times, may exceed federal depository insurance limits and represents short-term investments held and administered by AWPIAA’s trustees. Based on negotiated trust and custody agreements, all 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, 2024, \$292,689 of bank deposits was covered by federal depository insurance.

As of September 30, 2024, 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, 2024.

AWPIAA has the following recurring fair value measurements as of September 30, 2024:

	At September 30, 2024		
	Level 1	Level 2	Level 3
Investments by fair value level			
Debt Securities:			
U.S. Treasury Securities	\$ 580,355	\$ 580,355	\$ ---
Exchange traded products (ETP) - Fidelity Investments	7,632,201	7,632,201	---
Corporate Bonds	726,186	---	726,186
Federal Farm Credit Banks Funding Corporation (FFCBFC)	256,950	---	256,950
Federal Home Loan Mortgage Corporation (FHLMC)	44,962	---	44,962
Total investments by fair value level	9,240,654	\$ <u>8,212,556</u>	\$ <u>1,028,098</u>
Investments measured at the net asset value (NAV)			
Money market - Fidelity Investments	13,578,119		
Money market - US Bank, NA	26,410,540		
	\$ <u>49,229,313</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:

As of September 30, 2024, AWPIAA's investments in fixed income debt securities were as follows:

Investment type	2024				
	Total	Less than 1	1 - 5	6 - 10	More than 10
Money market	\$ 39,988,659	\$ 39,988,659	\$ ---	\$ ---	\$ ---
ETP	7,632,201	7,632,201	---	---	---
Corporate bonds	726,186	135,096	591,090	---	---
FFCB	256,950	112,622	144,328	---	---
U.S. Treasury securities	580,355	24,774	555,581	---	---
FHLMC	44,962	44,962	---	---	---
	<u>\$ 49,229,313</u>	<u>\$ 47,938,314</u>	<u>\$ 1,290,999</u>	<u>\$ ---</u>	<u>\$ ---</u>

AWPIAA's exposure to credit risk as of September 30, 2024, was as follows:

Moody's or Standard & Poor's Credit Rating

A	\$ 625,219
Aaa/AAA	394,909
Baa/BBB	<u>7,970</u>
	<u>\$1,028,098</u>

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Community College (GCC):

As of September 30, 2024, the carrying amount of GCC’s cash and cash equivalents was \$26,086,975 and the corresponding bank balance was \$26,852,515, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2024, bank deposits in the amount of \$729,030 were FDIC insured.

GCC has the following recurring fair value measurements as of September 30, 2024:

	<u>Fair Value Measurements Using</u>			
	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level:				
Mutual fund	\$ <u>1,852,914</u>	\$ <u>1,852,914</u>	\$ <u>---</u>	\$ <u>---</u>

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

Restricted for endowments:

Money Market Funds	\$ 1,522,741
Mutual funds	554,769
Fixed income	4,098,563
Exchange-traded funds	2,701,942
Common stocks	<u>11,474,648</u>
	<u>\$20,352,663</u>

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, 2024, the carrying amount of GHURA’s total cash and cash equivalents was \$24,306,052 and the corresponding bank balance was \$24,276,175, 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, 2024, 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, 2024, the carrying amount of GMHA’s total cash and cash equivalents was \$612,105 and the corresponding bank balance was \$605,405, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of \$250,000 were FDIC insured.

Guam Power Authority (GPA):

As of September 30, 2024, the carrying amount of GPA’s total cash and cash equivalents and time certificates of deposit was \$180,731,021 and the corresponding bank balance was \$180,734,791. Of the bank balance amount, \$82,155,868 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$98,578,923 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, 2024, bank deposits in the amount of \$628,626 were FDIC insured.

As of September 30, 2024, 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, 2024.

GPA has the following recurring fair value measurements as of September 30, 2024:

	<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:				
Mutual funds	\$ 4,821,263	<u>\$ 4,821,263</u>	<u>\$ ---</u>	<u>\$ ---</u>
Investments measured at amortized cost:				
Commercial paper	13,740,168			
Guaranteed investment certificate	<u>15,199,227</u>			
	<u>\$ 33,760,658</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, 2024, GPA’s investments in debt securities were as follows:

	Credit Rating	<u>Investment Maturities (In Years)</u>				<u>Total</u>
		Less <u>Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	Greater <u>Than 10</u>	
Guaranteed investment	Aa3	\$ ---	\$ ---	\$ ---	\$15,199,227	\$15,199,227
Mutual funds	Not rated	4,821,263	---	---	---	4,821,263
Commercial paper	Not rated	13,740,168	---	---	---	13,740,168
		<u>\$18,561,431</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$15,199,227</u>	<u>\$33,760,658</u>

Guam Waterworks Authority (GWA):

As of September 30, 2024, the carrying amount of GWA’s total cash and cash equivalents was \$308,436,657 and the corresponding bank balance was \$308,291,829. Of the bank balance amount, \$88,972,984 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$219,318,845 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, 2024, bank deposits in the amount of \$794,784 were FDIC insured.

Port Authority of Guam (PAG):

As of September 30, 2024, the carrying amount of PAG’s total cash and cash equivalents was \$125,917,226 and the corresponding bank balance was \$126,063,373. Of the bank balance amount, \$6,565,805 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$119,497,568 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, 2024, bank deposits in the amount of \$250,000 were FDIC insured.

University of Guam (UOG):

As of September 30, 2024, the carrying amount of UOG’s total cash and cash equivalents was \$8,555,509 and the corresponding bank balance was \$17,390,724. Of the bank balance amount, \$827,599 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, 2024:

	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	\$ 5,431,883	\$ 2,067,034	\$ 3,364,849	\$ ---
Equity securities	15,471,261	15,426,481	44,780	---
Real estate investment trusts	1,864,305	---	1,864,305	---
Alternative cash and investments	1,212,501	---	---	1,212,501
Exchange-traded funds	<u>29,609,295</u>	<u>29,609,295</u>	<u>---</u>	<u>---</u>
Total investments by fair value level	53,589,245	<u>\$ 47,102,810</u>	<u>\$ 5,273,934</u>	<u>\$ 1,212,501</u>
Investments measured at amortized cost:				
Equity securities	896,414			
Cash and cash equivalents	645,280			
Certificates of time deposit	7,049,715			
Money market funds	<u>1,559,654</u>			
		<u>\$ 63,740,308</u>		

As of September 30, 2024, UOG's investments in fixed income debt securities were as follows:

	Investment Maturities (In Years)				Total
	Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. treasury notes	\$ 16,489	\$ 46,215	\$ 1,357,729	\$ 728,851	\$ 2,149,284
U.S. government agencies	---	---	---	2,566,679	2,566,679
Corporate notes and bonds	<u>228,703</u>	<u>84,796</u>	<u>389,851</u>	<u>12,570</u>	<u>715,920</u>
	<u>\$ 245,192</u>	<u>\$ 131,011</u>	<u>\$ 1,747,580</u>	<u>\$ 3,308,100</u>	<u>\$ 5,431,883</u>

UOG's exposure to credit risk as of September 30, 2024, was as follows:

<u>Moody's Rating</u>	<u>Domestic</u>
AAA	\$2,149,284
AA	114,621
A	498,474
BBB	102,825
Not rated	<u>2,566,679</u>
	<u>\$5,431,883</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	\$ 2,766,898
U.S. Government notes and bonds	250,755
Domestic equities	3,672,017
Money market funds	1,559,654
Certificate of time deposit	2,411,027
Cash and cash equivalents	290,465
Exchange-traded funds	<u>9,980,748</u>
	<u><u>\$20,931,564</u></u>

Guam Housing Corporation (GHC):

As of September 30, 2024, the carrying amount of GHC's cash and cash equivalents was \$11,069,453, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of \$4,295,413 were FDIC insured.

GHC has the following recurring fair value measurements as of September 30, 2024:

	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government agencies	\$ 167,174	\$ ---	\$ 167,174	\$ ---
Mutual funds	<u>994</u>	<u>994</u>	<u>---</u>	<u>---</u>
	<u>\$ 168,168</u>	<u>\$ 994</u>	<u>\$ 167,174</u>	<u>\$ ---</u>

As of September 30, 2024, GHC's investments in fixed income debt securities were as follows:

	Moody's Credit Rating	Less Than 1	Investment Maturities (In Years)			Greater Than 10	Total
			1 to 5	6 to 10			
U.S. government agencies:							
Federal Home Loan Mortgage Corp.	Aaa	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 167,174</u>	<u>\$ ---</u>	<u>\$ 167,174</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, 2024, the carrying amount of GEDA’s cash and cash equivalents was \$30,362,213 and the corresponding bank balance was \$19,826,683. Of the bank balance amount, \$1,383,292 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$18,443,391 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, 2024, bank deposits in the amount of \$500,000 were FDIC insured.

GEDA has the following recurring fair value measurements as of September 30, 2024:

	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	\$ 2,144,403	\$ 1,319,920	\$ 824,483	\$ ---
Equity securities	6,263,879	6,263,879	---	---
Exchange-traded funds	<u>23,962,529</u>	<u>23,962,529</u>	---	---
Total investments by fair value level	<u>\$ 32,370,811</u>	<u>\$ 31,546,328</u>	<u>\$ 824,483</u>	<u>\$ ---</u>

Guam Preservation Trust (GPT):

As of September 30, 2024, the carrying amount of GPT’s cash and cash equivalents and time certificates of deposit was \$5,368,428, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of \$1,750,000 were FDIC insured.

GPT has the following recurring fair value measurements as of September 30, 2024:

	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:				
Exchange-traded funds	\$ 2,239,336	\$ 2,239,336	\$ ---	\$ ---
Mutual funds	513,930	513,930	---	---
Equities	<u>238,328</u>	<u>238,328</u>	---	---
Total investments by fair value level	<u>\$ 2,991,594</u>	<u>\$ 2,991,594</u>	<u>\$ ---</u>	<u>\$ ---</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, 2024, the carrying amount of GVB’s cash and cash equivalents and time certificates of deposit was \$39,281,035 and the corresponding bank balance was \$39,416,838, of which \$38,995,182 is maintained in financial institutions subject to FDIC insurance. The remaining amount of \$421,656 represents bank deposits in financial institutions not subject to depository insurance. As of September 30, 2024, bank deposits in the amount of \$2,146,408 were FDIC insured.

As of September 30, 2024, investments include time certificates of deposit in the amount of \$1,590,428 with original maturities of more than three months.

Guam Educational Telecommunications Corporation (GETC):

As of September 30, 2024, the carrying amount of GETC’s cash and cash equivalents was \$2,264,218, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of \$644,500 were FDIC or NCUA insured.

C. Receivables

Receivables as of September 30, 2024, 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	\$ 8,079,050	\$ 2,534,608	\$ 537,969	\$364,711,772	\$48,899,443	\$25,463,068	\$ 10,990,435	\$10,455,077	\$ 25,225	\$ 471,696,647
Federal agencies	1,212,342	1,303,851	1,408,789	2,610,604	859,835	538,199	2,545,705	12,572,842	---	23,052,167
Loans	---	---	15,157,522	---	---	---	---	17,040,909	23,134,237	55,332,668
Leases	12,371,202	---	410,930	---	---	---	36,781,344	1,110,421	28,384,500	79,058,397
Interest	---	---	97,071	---	---	---	---	---	97,836	194,907
Other	<u>1,462,884</u>	<u>2,378,637</u>	<u>488,421</u>	<u>463,532</u>	<u>6,834,577</u>	<u>1,725,880</u>	<u>---</u>	<u>3,081,477</u>	<u>7,144,815</u>	<u>23,580,223</u>
	23,125,478	6,217,096	18,100,702	367,785,908	56,593,855	27,727,147	50,317,484	44,260,726	58,786,613	652,915,009
Allowance	<u>(1,189,371)</u>	<u>(1,463,086)</u>	<u>(1,060,370)</u>	<u>(313,807,195)</u>	<u>(7,891,908)</u>	<u>(8,660,031)</u>	<u>(304,958)</u>	<u>(24,452,638)</u>	<u>(2,236,398)</u>	<u>(361,065,955)</u>
	<u>\$21,936,107</u>	<u>\$ 4,754,010</u>	<u>\$17,040,332</u>	<u>\$ 53,978,713</u>	<u>\$48,701,947</u>	<u>\$19,067,116</u>	<u>\$ 50,012,526</u>	<u>\$19,808,088</u>	<u>\$56,550,215</u>	<u>\$ 291,849,054</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, 2024, lease receivables and deferred inflow of resources associated with leases totaled \$79,058,397 and \$79,567,833, 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, 2024, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,477,107	\$ 246,222	\$ 4,723,329
2026	1,680,113	124,278	1,804,391
2027	628,161	93,741	721,902
2028	333,120	83,860	416,980
2029	334,089	78,540	412,629
2030 - 2034	1,908,159	306,698	2,214,857
2035 - 2039	2,047,899	143,262	2,191,161
2040 - 2041	<u>962,554</u>	<u>11,998</u>	<u>974,552</u>
	<u>\$12,371,202</u>	<u>\$1,088,599</u>	<u>\$13,459,801</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, 2024, loans under GHURA’s Down Payment and Closing Cost Assistance Program of \$202,221 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, 2024, loans under GHURA’s Renewal Homes Program of \$4,051,301 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, 2024, various drawdowns totaling \$12 million were made against this facility. As of September 30, 2024, note receivable from the subrecipient amounted to \$10,904,000.

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, 2024, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,118,837	\$ 648,042	\$ 1,766,879
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	977,414	577,090	1,554,504
2030 - 2034	4,779,657	2,634,079	7,413,736
2035 - 2039	5,152,742	2,197,679	7,350,421
2040 - 2044	4,531,068	1,761,590	6,292,658
2045 - 2049	4,922,773	1,333,410	6,256,183
2050 - 2054	5,391,659	864,525	6,256,184
2055 - 2059	5,905,204	350,979	6,256,183
2060 - 2062	<u>844,490</u>	<u>8,765</u>	<u>853,255</u>
	<u>\$36,781,344</u>	<u>\$12,210,256</u>	<u>\$48,991,600</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, 2024, loan receivables are reserved in the amount of \$17,040,909.

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 meet 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, 2024, UOG recorded total lease receivables of \$1,110,421.

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, 2024, loans under these GHC programs of \$23,134,237 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, 2024, are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 652,642	\$ 483,514	\$ 1,136,156
2026	658,660	473,187	1,131,847
2027	640,754	462,700	1,103,454
2028	651,381	452,073	1,103,454
2029	663,279	441,257	1,104,536
2030 - 2034	3,218,551	2,041,946	5,260,497
2035 - 2039	3,481,681	1,755,848	5,237,529
2040 - 2044	3,833,035	1,440,634	5,273,669
2045 - 2049	4,273,066	1,093,137	5,366,203
2050 - 2054	4,672,536	708,976	5,381,512
2055 - 2059	4,045,721	333,096	4,378,817
2060 - 2064	1,545,536	53,146	1,598,682
2065	<u>47,658</u>	<u>453</u>	<u>48,111</u>
	<u>\$28,384,500</u>	<u>\$9,739,967</u>	<u>\$38,124,467</u>

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government as of September 30, 2024, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
Antonio B. Won Pat International Airport Authority:		
Other nonmajor governmental funds	\$ 9,651,320	\$ 1,247,236
Guam Community College		
General Fund	710,119	---
Guam Memorial Hospital Authority:		
General Fund	---	18,070,735
Nonmajor component units:		
Other nonmajor governmental funds	<u>5,102,817</u>	<u>77,410</u>
	<u>\$15,464,256</u>	<u>\$19,395,381</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, 2024, are as follows:

	Estimated Useful Lives	Balance October 1, 2023	Transfers and Additions	Transfers and Deletions	Balance September 30, 2024
Nondepreciable capital assets:					
Land		\$ 111,969,527	\$ 453,859	\$ (104,949)	\$ 112,318,437
Construction in progress		<u>171,220,778</u>	<u>80,829,222</u>	<u>(66,688,877)</u>	<u>185,361,123</u>
		<u>283,190,305</u>	<u>81,283,081</u>	<u>(66,793,826)</u>	<u>297,679,560</u>
Depreciable capital assets:					
Financed lease assets	20 - 40 yrs.	32,466,516	--	--	32,466,516
Right-to-use assets		12,126,099	1,432,368	(258,620)	13,299,847
Buildings and improvements	5 - 60 yrs.	2,072,761,586	38,647,598	(1,607,930)	2,109,801,254
Lease assets		27,270,800	20,722	(295,471)	26,996,051
Machinery, equipment and Furniture	2 - 40 yrs.	293,380,526	22,884,537	(4,500,166)	311,764,897
Infrastructure	10 - 50 yrs.	<u>1,636,105,291</u>	<u>34,447,509</u>	<u>(4,288,663)</u>	<u>1,666,264,137</u>
		4,074,110,818	97,432,734	(10,950,850)	4,160,592,702
Less accumulated depreciation and amortization		<u>(2,261,871,020)</u>	<u>(128,040,287)</u>	<u>7,797,265</u>	<u>(2,382,114,042)</u>
Depreciable capital assets, net		<u>1,812,239,798</u>	<u>(30,607,553)</u>	<u>(3,153,585)</u>	<u>1,778,478,660</u>
		<u>\$ 2,095,430,103</u>	<u>\$ 50,675,528</u>	<u>\$(69,947,411)</u>	<u>\$ 2,076,158,220</u>

F. Bonds Payable

As of September 30, 2024, 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, 2045	6,845,000
Revenue Bonds Series A, 2017	December 21, 2017	\$ 148,670,000	4.00% - 5.00%	October 1, 2040	143,990,000
Revenue Bonds Series A, 2022	July 7, 2022	\$ 257,570,000	4.00% - 5.00%	October 1, 2044	232,955,000
Revenue Bonds Series A, 2024	July 31, 2024	\$ 54,830,000	5.00%	October 1, 2045	<u>54,830,000</u>
					438,620,000
Add: unamortized bond premium					<u>34,630,893</u>
					<u>\$ 473,250,893</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	\$ ---
Revenue Bonds Series A, 2014	August 7, 2014	\$ 70,000,000	5%	July 1, 2035	---
Revenue Bonds Series A, 2016	February 24, 2016	\$ 143,310,000	5%	January 1, 2046	81,890,000
Revenue Bonds Series A, 2017	December 13, 2017	\$ 107,660,000	5%	July 1, 2040	57,660,000
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	125,835,000
Revenue Bonds Series A, 2024	March 14, 2024	\$133,580,000	5%	January 1, 2046	133,575,000
Revenue Bonds Series B, 2024	April 2, 2024	\$52,280,000	5%	July 1, 2034	<u>51,275,000</u>
					584,235,000
Add: unamortized bond premium					<u>47,116,050</u>
					<u>\$ 631,351,050</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	14,600,000
Revenue Bonds Series C, 2018	July 11, 2018	\$ 18,320,000	3.59% - 4.58%	July 1, 2028	<u>12,635,000</u>
					57,215,000
Add: unamortized bond premium					<u>3,805,190</u>
					<u>\$ 61,020,190</u>
Guam Housing Corporation (GHC):					
Housing Bonds Series A, 1998	April 15, 1998	\$ 50,000,000	4.70% - 5.75%	September 1, 2031	<u>\$ 2,290,000</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	22,935,000
Tobacco Settlement Asset-Backed Bonds Series B, 2007	December 1, 2007	\$ 3,407,077	Accreted	June 1, 2057	<u>16,773,618</u>
					39,708,618
Less: unamortized bond discount					(267,999)
Less: unaccreted capital appreciation bonds					<u>(5,565,247)</u>
					<u>\$ 33,875,372</u>

A summary of bond premium and bond discount activity for the year ended September 30, 2024, is as follows:

	<u>Bond Premium</u>	<u>Bond Discount</u>	<u>Unaccreted Interest</u>	<u>Net</u>
Balance - October 1, 2023	\$76,212,615	\$(321,435)	\$(6,336,487)	\$69,554,693
Current-year amortization	<u>9,364,975</u>	<u>53,436</u>	<u>771,240</u>	<u>10,189,651</u>
Balance - September 30, 2024	<u>\$85,577,590</u>	<u>\$(267,999)</u>	<u>\$(5,565,247)</u>	<u>\$79,744,344</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 \$11,391 as of September 30, 2024. 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 \$10,546,694 as of September 30, 2024.

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 \$390,740 as of September 30, 2024.

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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	11,875,000	6,574,349	18,449,349
2030-2034	59,760,000	25,578,167	85,338,167
2035-2039	37,785,000	15,726,905	53,511,905
2030-2044	<u>47,290,000</u>	<u>5,938,138</u>	<u>53,228,138</u>
	<u>\$194,410,000</u>	<u>\$83,380,750</u>	<u>\$277,790,750</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 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 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.

In July 2024, GPA refunded portion of its 2014 Series bonds through the issuance of the 2024 Series bonds. At the time of refunding, the 2014 Series bonds had a principal balance outstanding of \$58,950,000. The proceeds for the refunding were transferred to an escrow agent who used the proceeds to purchase non-callable and non-prepayable obligations of the United States of America or held uninvested as cash and are to be held in an irrevocable trust to be used for the payment of the principal of and interest on the 2014 Series bonds.

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Power Authority (GPA), continued:

The advance refunding met the requirement of an in-substance defeasance and the portions of the 2014 bonds were removed from GPA's financial statements. The advance refunding resulted in a gain on defeasance totaling \$2,583,926 representing the difference between the reacquisition price and the carrying amount of the 2014 bonds. The advance refunding resulted an economic gain (difference between the present values of the old debt and the new debt service payments) of \$4,619,292.

The loss on refunding of the bonds is being amortized using the effective interest method over the average remaining life of the old bonds which approximated the average life of the new bonds. As of September 30, 2024, the net unamortized balance of the loss on refunding amounted to \$9,780,478.

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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 15,855,000	\$ 20,090,813	\$ 35,945,813
2026	16,525,000	20,675,125	37,200,125
2027	17,350,000	19,828,250	37,178,250
2028	18,220,000	18,939,000	37,159,000
2029	19,130,000	18,005,250	37,135,250
2030-2034	110,985,000	74,302,875	185,287,875
2035-2039	99,315,000	46,977,375	146,292,375
2040-2044	114,760,000	21,346,650	136,106,650
2045	<u>26,480,000</u>	<u>656,600</u>	<u>27,136,600</u>
	<u>\$438,620,000</u>	<u>\$240,821,938</u>	<u>\$ 679,441,938</u>

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

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. On March 14, 2024, the remaining outstanding balance were fully refunded through the issuance of \$133,575,000 2024A refunding bonds.

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. On April 2, 2024, these bonds were fully refunded through the issuance of \$51,275,000 2024B refunding bonds.

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. On March 14, 2024, these bonds were partially refunded through the issuance of \$133,575,000 2024A refunding bonds.

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.

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Waterworks Authority (GWA), continued:

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 bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method. On March 14, 2024, these bonds were partially refunded through the issuance of \$133,575,000 2024A refunding bonds.

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.

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. On March 14, 2024, these bonds were partially refunded through the issuance of \$133,575,000 2024A refunding bonds.

On March 14, 2024, GWA issued \$133.58 million in Refunding Bonds to refund \$18.37 million of outstanding 2013 Series bonds, \$51.39 million outstanding 2016 Series bonds, \$40.91 million of outstanding 2017 Series bonds and \$40.24 million outstanding of 2020B Series bonds. The net proceeds of \$151.09 million (after payment of \$1.96 million in underwriting fees, insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments.

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Waterworks Authority (GWA), continued:

On April 2, 2024, GWA issued \$51.28 million in Refunding Bonds to refund \$55.84 million outstanding 2014 Series bonds. The net proceeds of \$56.48 million (after payment of \$0.67 million in underwriting fees, insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments.

The refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$7.74 million.

GWA revenue bonds are payable solely from and collateralized by a pledge of GWA revenues, which includes all rates and charges received by GWA (except for 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>
2025	\$ 10,445,000	\$ 27,409,343	\$ 37,854,343
2026	10,965,000	26,887,093	37,852,093
2027	11,510,000	26,338,843	37,848,843
2028	13,300,000	25,763,343	39,063,343
2029	14,675,000	25,110,718	39,785,718
2030-2034	83,575,000	115,079,238	198,654,238
2035-2039	106,035,000	94,478,215	200,513,215
2040-2044	136,290,000	68,025,255	204,315,255
2045-2049	160,780,000	32,775,375	193,555,375
2050	<u>36,660,000</u>	<u>916,500</u>	<u>37,576,500</u>
	<u>\$584,235,000</u>	<u>\$442,783,923</u>	<u>\$1,027,018,923</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 (except for 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 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 September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,350,000	2,229,000	3,579,000
2030-2034	7,820,000	10,063,750	17,883,750
2035-2039	9,985,000	7,902,500	17,887,500
2040-2044	12,740,000	5,144,750	17,884,750
2045-2049	<u>12,685,000</u>	<u>1,624,000</u>	<u>14,309,000</u>
	<u>\$57,215,000</u>	<u>\$37,350,332</u>	<u>\$94,565,332</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 require the establishment of special funds and accounts to be held and administered by GHC’s trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	345,000	57,788	402,788
2030-2031	<u>745,000</u>	<u>54,048</u>	<u>799,048</u>
	<u>\$2,290,000</u>	<u>\$522,675</u>	<u>\$2,812,675</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 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>
2025	\$ 1,635,000	\$ 318,727	\$ 1,953,727
2026	4,757,533	242,578	5,000,111
2027	2,017,055	---	2,017,055
2028	2,042,426	---	2,042,426
2029	2,068,495	---	2,068,495
2030-2033	<u>27,188,109</u>	<u>---</u>	<u>27,188,109</u>
	<u>\$39,708,618</u>	<u>\$561,305</u>	<u>\$40,269,923</u>

Changes in Bonds Payable:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Bonds payable:					
AWPIAA	\$ 194,410,000	\$ ---	\$ ---	\$ 194,410,000	\$ 4,015,000
GPA	467,420,000	54,830,000	(83,630,000)	438,620,000	15,855,000
GWA	613,560,000	184,850,000	(214,175,000)	584,235,000	10,445,000
PAG	60,035,000	---	(2,820,000)	57,215,000	2,955,000
GHC	2,550,000	---	(260,000)	2,290,000	275,000
GEDA	<u>39,893,618</u>	<u>---</u>	<u>(185,000)</u>	<u>39,708,618</u>	<u>1,635,000</u>
	<u>\$ 1,377,868,618</u>	<u>\$ 239,680,000</u>	<u>\$ (301,070,000)</u>	<u>\$ 1,316,478,618</u>	<u>\$ 35,180,000</u>

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

G. Direct Borrowings

As of September 30, 2024, 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	\$ ---
Guam Housing and Urban Renewal Authority (GHURA): FmHA loan	March 26, 1980	\$ 2,000,000	6%	March 26, 2030	473,374
Loan guarantee assistance loan	December 3, 2020	\$ 12,000,000	3-month T Bill	August 1, 2040	10,904,000
University of Guam (UOG): USDA rural development loan	June 12, 2003	\$ 13,500,000	4.50%	June 12, 2044	<u>9,335,035</u>
					<u>\$ 20,712,409</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. On January 23, 2024, the principal balance and all accrued interest have been fully paid by AWPIAA.

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. If 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>
2025	\$100,800	\$25,480	\$126,280
2026	107,000	19,480	126,480
2027	114,000	12,480	126,480
2028	121,000	5,480	126,480
2029	<u>30,574</u>	<u>1,726</u>	<u>32,300</u>
	<u>\$473,374</u>	<u>\$64,646</u>	<u>\$538,020</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>	<u>Interest</u>	<u>Total</u>
2025	\$ 486,000	\$ 492,861	\$ 978,861
2026	495,000	470,894	965,894
2027	505,000	448,520	953,520
2028	515,000	425,694	940,694
2029	526,000	402,416	928,416
2030 through 2034	2,787,000	378,640	3,165,640
2035 through 2039	3,075,000	252,668	3,327,668
2040	<u>2,515,000</u>	<u>113,678</u>	<u>2,628,678</u>
	<u>\$10,904,000</u>	<u>\$2,985,371</u>	<u>\$13,889,371</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>
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	411,420	338,640	750,060
2030-2034	2,354,116	1,396,184	3,750,300
2035-2039	2,937,840	812,460	3,750,300
2040-2043	<u>2,156,707</u>	<u>148,519</u>	<u>2,305,226</u>
	<u>\$9,335,035</u>	<u>\$4,221,091</u>	<u>\$13,556,126</u>

Changes in Direct Borrowings:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Direct borrowings:					
AWPIAA	\$ 591,770	\$ ---	\$ (591,770)	\$ ---	\$ ---
GHURA:					
FmHA loan	568,705	---	(95,331)	473,374	100,800
Loan guarantee	11,380,000	---	(476,000)	10,904,000	486,000
UOG	9,657,156	---	(322,121)	9,335,035	344,608
	<u>\$ 22,197,631</u>	<u>\$ ---</u>	<u>\$ (1,485,222)</u>	<u>\$ 20,712,409</u>	<u>\$ 931,408</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, 2024, the related lease assets under this agreement are as follows:

Right-to-use assets	\$3,673,853
Less accumulated amortization	<u>(357,482)</u>
	<u>\$3,316,371</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>
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	56,509	143,891	200,400
2030-2034	321,248	680,752	1,002,000
2035-2039	396,707	605,293	1,002,000
2040-2044	489,891	512,109	1,002,000
2045-2049	604,964	397,036	1,002,000
2050-2054	747,066	254,934	1,002,000
2055-2058	<u>721,236</u>	<u>79,452</u>	<u>800,688</u>
	<u>\$3,541,254</u>	<u>\$3,271,434</u>	<u>\$6,812,688</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):

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, 2024, the related lease assets under this agreement is as follows:

Subscription-based IT assets	\$6,579,716
Less accumulated amortization	<u>(2,013,852)</u>
	<u>\$4,565,864</u>

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

<u>Year ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 950,170	\$208,080	\$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>1,045,384</u>	<u>17,616</u>	<u>1,063,000</u>
	<u>\$5,053,813</u>	<u>\$642,187</u>	<u>\$5,696,000</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, 2024, the related lease assets under these various agreements are as follows:

Right-to-use assets	\$21,115,196
Less accumulated amortization	<u>(14,231,785)</u>
	<u>\$ 6,883,411</u>

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

H. Leased Assets, continued

Guam Power Authority (GPA), continued:

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>
2025	\$4,802,469	\$100,578	\$4,903,047
2026	1,880,763	22,437	1,903,200
2027	<u>100,248</u>	<u>1,992</u>	<u>102,240</u>
	<u>\$6,783,480</u>	<u>\$125,007</u>	<u>\$6,908,487</u>

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, 2024, the related lease assets under these various agreements are as follows:

Right-to-use assets	\$2,595,473
Less accumulated amortization	<u>(1,321,829)</u>
	<u>\$1,273,644</u>

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$204,576	\$10,033	\$214,609
2026	62,073	3,153	65,226
2027	<u>34,147</u>	<u>1,376</u>	<u>35,523</u>
	<u>\$300,796</u>	<u>\$14,562</u>	<u>\$315,358</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. Although the updated rate for the period of 2024 to 2025 is currently under negotiation, GEDA is continuing its monthly payments of \$25,450 as per the previous agreement. At the termination of the lease, the lessor will retain ownership of the office space. As of September 30, 2024, the related lease assets under this agreement are as follows:

Right-to-use assets	\$658,282
Less accumulated amortization	<u>(474,415)</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>
2025	<u>\$287,626</u>	<u>\$803</u>	<u>\$288,429</u>

I. Changes in Other Long-Term Liabilities

During the year ended September 30, 2024, the following changes occurred in other long-term liabilities:

	Balance October 1, 2023	<u>Additions</u>	<u>Reductions</u>	Balance September 30, 2024	Due Within One Year
Compensated absences	\$ 19,609,015	\$ 13,146,786	\$ (11,651,860)	\$ 21,103,941	\$ 9,483,630
Lease obligations	16,410,411	20,722	(5,368,300)	11,062,833	5,269,139
Subscription-based obligations	9,293,191	131,624	(2,431,101)	6,993,714	1,245,603
DCRS sick leave	15,029,885	2,524,126	(5,790,499)	11,763,512	---
Net pension liability	612,889,007	1,644,434	(39,367,373)	575,166,068	140,605
OPEB liability	<u>736,728,651</u>	<u>143,225,919</u>	<u>---</u>	<u>879,954,570</u>	<u>63,351</u>
	<u>\$ 1,409,960,160</u>	<u>\$ 160,693,611</u>	<u>\$ (64,609,133)</u>	<u>\$ 1,506,044,638</u>	<u>\$ 16,202,328</u>

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, 2024, GPA extended the contract until December 31, 2024.

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Fuel Purchase Contracts, continued:

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. In March 2024, both parties amended the second one-year term extension, extending the contract for two years, with the Fuel Purchase Contract expiring on August 31, 2026. The minimum purchase under the contract is 1,000,000 barrels per year of Ultra-Low Sulfur Fuel Oil.

In February 2024, GPA entered into a bulk supply contract for diesel fuel with Hyundai Corporation. The agreement is for three years commencing on or about February 6, 2024 and continuing until February 5, 2027 with options to extend for two (2) additional one (1) year terms, upon mutual agreement of both parties.

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, 2024, the minimum future fixed management fees are as follows:

Year Ending <u>September 30,</u>	
2025	\$3,633,854
2026	<u>363,003</u>
	<u>\$3,996,857</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 2023, GPA entered into an agreement for the management and operation of its fuel bulk storage facility. The agreement is for three years, to take effect October 1, 2023 until September 30, 2026, with an option to extend the contract for two additional one-year terms.

Renewable Energy Contracts:

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, 2024, the minimum future renewable energy purchases are as follows:

<u>Year Ending</u> <u>September 30,</u>	
2025	\$ 20,784,159
2026	20,883,476
2027	20,942,081
2028	20,988,248
2029	21,054,053
2030-2034	106,064,403
2035-2039	108,138,665
2040-2044	72,879,096
2045-2047	<u>34,014,167</u>
	<u>\$425,748,348</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 until 2047. 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. The other remaining 60MW project was terminated in March 2025.

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 amended, effective January 30, 2024, the recapitalization fees clause was deleted in its entirety and the related prepaid expenses and other current assets and liabilities reversed in GPA's statement of net position.

U.S. Environmental Protection Agency (EPA):

In 1986, the administrator of the U.S. EPA granted a continuing exemption to 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 subjected to RICE MACT and EGU MACT, GPA and EPA entered 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 US District Court approved the consent decree on April 20, 2020 and this approval shall constitute the final judgement to GPA. Due to the COVID-19 pandemic, GPA encountered delays in completing some of the objectives set forth in the consent decree. In 2022, the US 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 consent decree requires monetary penalties for not accomplishing the various objectives by the required dates. Some of the objectives of the consent decree follow:

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

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

- a. Permanently retire Cabras 1 and 2 units by October 31, 2024.
- b. 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.
- c. Construct a new power plant that will comply with the requirements of Clean Air Act to be activated by April 30, 2024.
- d. Pay a sum of \$400,000 as a civil penalty. This penalty was settled on May 1, 2020.

Additionally, the timelines for a and c are further delayed due to Typhoon Mawar in May 2023. GPA now anticipates the completion of the new power plant by September 30, 2025 and the permanent retirement of Cabras 1 and 2 units by March 31, 2026. GPA applied to the USEPA for extensions of time to meet these milestones in the consent decree and all the requests were approved on December 9, 2024.

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 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, 2024, AWPIAA estimated that its pollution remediation obligations amounted to \$111,661.

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

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.

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

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Stipulated Order, continued:

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 from June 23, 2023, to December 31, 2025. The Court approved the extension and GWA continues its work to complete the sole remaining compliance requirement by the new deadline.

In further regulatory enforcement efforts, GWA and the U.S. EPA entered and filed a Partial Consent Decree (Partial CD) in the Guam U.S. District Court on January 31, 2024. In August 2024, the federal court entered an Order accepting the Partial CD making it effective August 9, 2024. The Order triggers proximate deadlines from August 9, 2024, for GWA to address a series of assessments, planning, reporting, rule updates, and construction measures within a 10-year period to avoid stipulated penalties. The deadlines to be completed vary from months to years over the 10-year period. To date, GWA is on track to meet all deadlines due.

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. If 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. While a final judgement has not been issued, an April 2024 decision and order by the Superior Court granted title to the opposing party. In May 2024, GWA sought an interlocutory appeal on the trial court's April order and an earlier decision.

Government of Guam

Notes to Financial Statements, continued

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Litigation, continued:

In January 2025, the Guam Supreme Court granted GWA's request to appeal. The appeal remains ongoing and as a result, GWA's quiet-title litigation before the Superior Court is stayed until the Guam Supreme Court appeal is resolved.

GWA is of the opinion that based on the 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.

16. Subsequent Events

On April 12, 2025, Public Law 38-8 was enacted whereby \$5,750,984 was appropriated from the 2025 General Fund surplus to provide funding to the University of Guam for the purpose of repairs, maintenance, capital improvement projects and accreditation related priorities.

On September 17, 2025, Public Law 38-59 was enacted whereby \$40,000,000 was appropriated from the General Fund to fund the operational costs and capital projects for the Guam Memorial Hospital Authority.

On October 27, 2025, Public Law 38-75 was enacted whereby \$13,100,000 was appropriated from 2025 net unobligated excess revenues to fund Supplemental Nutritional Assistance Program (SNAP) and Woman, Infants, and Children (WIC) Program for the month of November.

On December 16, 2025, Public Law 38-80 was enacted whereby \$19,745,714 was appropriated from the General Fund realized from Bond Refunding Savings, which was not factored into the 2026 budget to fund the capital improvement projects and life saving supplies and materials for the Guam Memorial Hospital Authority.

On April 8, 2026, Public Law 38-119 was enacted whereby \$890,000 was appropriated from excess accumulated General Fund revenues for Fiscal Year 2026, to *I Liheslaturan Guåhan* for its cybersecurity and Information Technology (IT) needs.

On April 8, 2026, Public Law 38-115 was enacted establishing statutory authority for the Department of Revenue and Taxation to establish a Tax Amnesty Program.

On April 14, 2026, the island of Guam experienced damages caused by typhoon Sinlaku. As of the date of issuance of the financial statements, GovGuam is unable to reasonably estimate the full financial impact of typhoon Sinlaku on its future financial statements.

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, 2024 (Amounts in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis) (See Note 1)	Final Budget - Positive (Negative)
Revenues:				
Taxes:				
Income tax:				
Gross income tax	\$ 469,747	\$ 469,747	\$ 545,988	\$ 76,241
Provision for tax refund payments	(57,273)	(57,273)	(52,928)	4,345
	412,474	412,474	493,060	80,586
Gross receipts	357,498	357,498	430,307	72,809
Section 30 Federal income tax collections	75,449	75,449	76,196	747
Immigration fees	1,289	1,289	2,179	890
Contributions from component units	-	-	4,127	4,127
Other	5,267	68,579	31,097	(37,482)
Total revenues	851,977	915,289	1,036,966	121,677
Expenditures by Department:				
Executive Branch:				
Office of the Governor	8,041	8,129	9,161	(1,032)
Office of I Segundu Na Maga'lahan Guahan	356	319	581	(262)
Bureau of Budget and Management Research	1,184	1,184	1,150	34
Civil Service Commission	1,340	1,340	1,278	62
Department of Administration	50,955	53,506	49,564	3,942
Guam Election Commission	2,154	2,569	2,234	335
Department of Revenue and Taxation	14,532	14,532	12,834	1,698
Bureau of Statistics and Plans	1,680	1,680	1,489	191
Department of Public Works	46	46	2	44
Office of the Attorney General	18,955	18,955	14,892	4,063
Office of Public Accountability	2,031	2,031	2,012	19
Guam Police Department	44,135	44,035	41,949	2,086
Department of Corrections	38,311	38,311	38,739	(428)
Department of Agriculture	5,152	5,152	4,629	523
Department of Public Health and Social Services	62,320	64,977	58,433	6,544
Department of Education	232,296	232,296	234,791	(2,495)
Department of Youth Affairs	8,368	8,618	7,598	1,020
Guam Behavioral Health and Wellness Center	367	467	120	347
Department of Labor	-	-	3	(3)
Department of Parks and Recreation	4,165	4,165	3,736	429
Department of Integrated Services for Individuals with Disabilities	1,368	1,368	753	615
Mayors' Council of Guam	9,229	9,229	8,108	1,121
Chief Medical Examiner	708	708	496	212
Customs and Quarantine Agency	14,467	14,467	12,251	2,216
Department of Chamorro Affairs	2,580	2,580	1,450	1,130
Department of Military Affairs	1,061	1,061	744	317
Guam Fire Department	36,911	36,911	34,510	2,401
Guam Environmental Protection Agency	297	297	103	194
Bureau of Women's Affairs	189	189	169	20
Payments to Component Units:				
Guam Memorial Hospital	8,491	9,464	9,464	-
Guam Power Authority	-	63,312	63,224	88
GovGuam Retirement Fund appropriations	6,020	6,020	6,588	(568)
Retiree Healthcare Premiums	39,927	39,927	74,425	(34,498)
University of Guam	33,419	37,019	37,019	-
Guam Mass Transit Authority	2,419	2,419	2,715	(296)
Guam Community College	13,985	13,985	14,608	(623)
Hagatna Restoration and Redevelopment	409	409	204	205
Guam Ethics Commission	405	531	466	65
Guahan Charter School Council	18,863	19,863	17,013	2,850
Council of Arts and Humanities	586	586	452	134
Chamorro Land Trust Commission	717	2,358	257	2,101
Office of Technology	3,711	3,711	3,264	447
Other	75	75	45	30
Legislative Branch:				
Guam Legislature	9,194	9,194	9,194	-
Judicial Branch:				
Unified Courts of Guam	41,462	41,462	41,462	-
Public Defender	7,873	7,873	7,873	-
Transfers Out				
Supplemental Annuity	5,660	5,660	6,365	(705)
Cost of Living Allowance (Annual)	16,432	16,432	16,317	115
GSWA New Cell	-	-	3,048	(3,048)
MIP Payment Fund	5,523	2,866	931	1,935
Residential Treatment Fund	2,500	2,500	3,347	(847)
GMHA Pharm	-	-	21,714	(21,714)
Debt service	84,590	84,590	84,590	-
Total expenditures	865,459	939,378	968,364	(28,986)
Excess (deficiency) of revenues over (under) expenditures	(13,482)	(24,089)	68,602	92,691
Other financing sources:				
Transfers in from Guam Solid Waste Authority	-	-	3,048	3,048
Adjustment to prior years revenues	-	-	(12,546)	(12,546)
Other financing uses:				
Transfers out to Rainy Day Fund	(16,577)	(16,577)	(16,577)	-
Net change in fund balance	\$ (30,059)	\$ (40,666)	\$ 42,527	\$ 83,193

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the Net Pension Liability	66.06%	64.82%	64.53%	64.43%	64.71%	65.68%	66.37%	66.76%	67.12%	67.89%
GovGuam's proportionate share of the Net Pension Liability	\$922,714,223	\$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
GovGuam's covered-employee payroll *	\$394,069,469	\$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
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	234.15%	267.67%	180.96%	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%

* 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the Net Pension Liability	69.98%	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	\$188,099,798	\$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

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the Net Pension Liability	66.41%	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	\$ 52,060,417	\$ 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

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$122,678,895	\$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
Contributions in relation to the contractually required contributio	122,835,564	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
Contribution deficiency (excess)	\$ (156,669)	\$ 6,313	\$ 52,181	\$ (9,937)	\$ (47,823)	\$ 18,705	\$ (13,596)	\$ (27,174)	\$ (4,959)	\$ (6,894)
GovGuam's covered-employee payroll *	\$394,069,469	\$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
Contributions as a percentage of covered-employee payroll	31.17%	32.14%	30.49%	29.23%	28.94%	28.29%	29.70%	28.94%	29.92%	31.95%

* 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)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
GovGuam's proportion of the total OPEB Liability	67.45%	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	\$ 1,844,477,479	\$ 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 2015 is not available

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Notes to Required Supplementary Information (Unaudited)
Year ended September 30, 2024

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, continued

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 2024, Public Law No. 36-042, was approved for the Executive branch and the Legislative branch. The accompanying Schedule of Revenues, Expenditures by Department, and Changes in Fund Balance - 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 (Amounts in Thousands)

Net change in fund balance - budgetary basis	\$42,527
Net change in fund balance of GASB 54 Funds included within the General Fund	<u>55,879</u>
Net change in fund balance - General Fund	<u>\$98,406</u>

GOVERNMENT OF GUAM

Schedules of Required Supplementary Information

Notes to Required Supplementary Information, continued

3. Changes in Assumptions – Pension Plans

Amounts reported in 2023 actuarial valuation reflected an assumption related to administrative expenses to increase to \$6,798,000 per year.

Amounts reported in 2022 actuarial valuation reflected an assumption related to administrative expenses to remain at \$6,565,000 per year.

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 Postemployment Benefit Plan

The information presented has no assets accumulated in a trust to pay related benefits.

Supplementary Information

Government of Guam

General Fund September 30, 2024

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, 2024, 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.

Autonomous Medical Insurance Premiums – This fund was created to track all medical insurance premiums received from Autonomous Agencies.

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.

Board of Barbering and Cosmetology – This fund was created to track all proceeds from fees and fines collected by the Board.

Census 2020 Fund - This fund accounts for activities of the United States Census 2020 conducted by the Guam Census Office.

Child Tax Credit – This fund was created for handling Child Tax Credit Payments from Federal Treasury. This fund provides financial support to parents and caregivers to help them manage the costs associated with raising children.

Compact Impact Offset – This fund was created to monitor the funds received under Compacts of Free Association with FSM, Palau, Marshall Islands in exchange for granting the US land for military purposes.

Dental Self-Insured Fund - This fund accounts for activities associated with the provision of dental benefits for employees and retirees

Government of Guam

General Fund, continued September 30, 2024

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.

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.

EITC Reimbursement – This fund was created to handle EITC reimbursements from Federal Treasury. The purpose of the fund is to provide financial assistance to low-to-moderate-income workers and families, particularly those with children, by reducing their tax liability.

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.

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, 2024

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 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.

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.

Government of Guam

General Fund, continued September 30, 2024

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.

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.

Government of Guam

General Fund, continued
September 30, 2024

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, 2024

D365 Fund Number	100	618	505	290	628	633	686	818	502	255	214	106	
	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	Compact Impact Offset	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract
ASSETS													
Cash and cash equivalents	\$ 196,856,467	\$ 18,947,862	\$ ---	\$ 3,965,495	\$ 45,422	\$ ---	\$ ---	\$ 9,254,422	\$ ---	\$ ---	\$ 19,431	\$ ---	\$ 1,895
Investments	210,624	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	80,110,109	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	1,630,508	---	---	---	---	---	---	---	---	---	---	---
Other	955,011	63,823	---	---	---	---	---	---	---	---	---	---	---
Due from component units	14,740,693	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	220,618,523	69,171,856	---	---	---	1,042,425	---	18,976,040	13,762,887	---	---	---	---
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	---	---	---	---	---	---	---
Prepayments	270,000	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other assets	2,000,000	10,850	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	67,780,274	1,089,744	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 583,541,701</u>	<u>\$ 90,914,643</u>	<u>\$ ---</u>	<u>\$ 3,965,495</u>	<u>\$ 45,422</u>	<u>\$ 1,042,425</u>	<u>\$ ---</u>	<u>\$ 28,230,462</u>	<u>\$ 13,762,887</u>	<u>\$ ---</u>	<u>\$ 19,431</u>	<u>\$ ---</u>	<u>\$ 1,895</u>
LIABILITIES AND FUND BALANCE (DEFICIT)													
Accounts payable	\$ 88,275,612	\$ 5,229,831	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 31,803	\$ ---	\$ ---
Accrued payroll and other	3,920,347	8,645,657	---	---	---	---	---	---	---	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	200,706,885	---	---	3,940,154	41,641	---	---	---	---	---	---	---	1,147
Payable to federal agencies	---	---	---	---	---	---	---	28,218,191	---	---	---	---	---
Unearned revenue	77,010,836	---	---	---	---	---	---	---	---	---	---	---	---
Provision for tax refunds	74,652,363	---	---	---	---	---	---	---	---	---	---	---	---
COLA liability	4,393,680	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	29,067,339	---	---	23,132	---	---	---	---	17,697,094	---	---	---	748
Total liabilities	<u>478,027,062</u>	<u>13,875,488</u>	<u>---</u>	<u>3,963,286</u>	<u>41,641</u>	<u>---</u>	<u>---</u>	<u>28,218,191</u>	<u>17,697,094</u>	<u>---</u>	<u>31,803</u>	<u>---</u>	<u>1,895</u>
Fund balance (deficit):													
Non-spendable	2,000,000	---	---	---	---	---	---	---	---	---	---	---	---
Restricted	68,050,274	1,089,744	---	---	---	---	---	12,271	---	---	---	---	---
Committed	---	75,949,411	---	2,209	3,781	1,042,425	---	---	---	---	---	---	---
Unassigned	35,464,365	---	---	---	---	---	---	---	(3,934,207)	---	(12,372)	---	---
Total fund balance (deficit)	<u>105,514,639</u>	<u>77,039,155</u>	<u>---</u>	<u>2,209</u>	<u>3,781</u>	<u>1,042,425</u>	<u>---</u>	<u>12,271</u>	<u>(3,934,207)</u>	<u>---</u>	<u>(12,372)</u>	<u>---</u>	<u>---</u>
Total liabilities and fund balance (deficit)	<u>\$ 583,541,701</u>	<u>\$ 90,914,643</u>	<u>\$ ---</u>	<u>\$ 3,965,495</u>	<u>\$ 45,422</u>	<u>\$ 1,042,425</u>	<u>\$ ---</u>	<u>\$ 28,230,462</u>	<u>\$ 13,762,887</u>	<u>\$ ---</u>	<u>\$ 19,431</u>	<u>\$ ---</u>	<u>\$ 1,895</u>

(continued)

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 Fund Number	638	685	104	299	229	404	649	239	617	616	676
	DPHSS Sanitary Inspection Revolving	EITC Reimbursement	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
ASSETS											
Cash and cash equivalents	\$ 1,942,698	\$ 11,347,741	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Investments	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:											
Taxes	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	28,738	19,661	---	---	---	---	---	595,887	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	22,929,618	---	262,558	19,900	375,546	---	195	565,000	---	---
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	1,831,333	---	---	---	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---
Deposits and other assets	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:											
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 1,942,698</u>	<u>\$ 34,277,359</u>	<u>\$ 28,738</u>	<u>\$ 282,219</u>	<u>\$ 19,900</u>	<u>\$ 2,206,879</u>	<u>\$ ---</u>	<u>\$ 195</u>	<u>\$ 565,000</u>	<u>\$ 595,887</u>	<u>\$ ---</u>
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	1,651	---	---	---	595	---	---	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	238,218	---	28,738	---	---	---	---	---	---	595,887	---
Payable to federal agencies	---	33,297,995	---	---	---	---	---	---	---	---	---
Unearned revenue	---	---	---	---	---	---	---	---	---	---	---
Provision for tax refunds	---	---	---	---	---	---	---	---	---	---	---
COLA liability	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	<u>239,869</u>	<u>33,297,995</u>	<u>28,738</u>	<u>---</u>	<u>595</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>595,887</u>	<u>---</u>
Fund balance (deficit):											
Non-spendable	---	---	---	---	---	1,831,333	---	---	---	---	---
Restricted	---	---	---	---	---	---	---	---	---	---	---
Committed	1,702,829	979,364	---	282,219	19,305	---	---	195	565,000	---	---
Unassigned	---	---	---	---	---	375,546	---	---	---	---	---
Total fund balance (deficit)	<u>1,702,829</u>	<u>979,364</u>	<u>---</u>	<u>282,219</u>	<u>19,305</u>	<u>2,206,879</u>	<u>---</u>	<u>195</u>	<u>565,000</u>	<u>---</u>	<u>---</u>
Total liabilities and fund balance (deficit)	<u>\$ 1,942,698</u>	<u>\$ 34,277,359</u>	<u>\$ 28,738</u>	<u>\$ 282,219</u>	<u>\$ 19,900</u>	<u>\$ 2,206,879</u>	<u>\$ ---</u>	<u>\$ 195</u>	<u>\$ 565,000</u>	<u>\$ 595,887</u>	<u>\$ ---</u>

(continued)

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 Fund Number	201	298	303	321		293	329				288
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
ASSETS											
Cash and cash equivalents	\$ ---	\$ ---	\$ ---	\$ 783	\$ 2,278,442	\$ ---	\$ ---	\$ 94,967	\$ 85,049	\$ 2,869,460	\$ 560,319
Investments	---	---	---	---	---	---	---	1,554,000	---	---	---
Receivables, net:											
Taxes	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	21,310	---	---	---
Other	211,611	---	---	---	1,430	---	---	1,535	159,667	1,207,304	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	92,238	104,721	518,983	280,424	---	4,482,596	13,213	---	---	---	56,911,767
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	---	---	---	---	---
Prepayments	---	---	---	---	---	---	---	7,229	55,179	236,966	---
Deposits and other assets	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:											
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 303,849</u>	<u>\$ 104,721</u>	<u>\$ 518,983</u>	<u>\$ 281,207</u>	<u>\$ 2,279,872</u>	<u>\$ 4,482,596</u>	<u>\$ 13,213</u>	<u>\$ 1,679,041</u>	<u>\$ 299,895</u>	<u>\$ 4,313,730</u>	<u>\$ 57,472,086</u>
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ 104,958	\$ 849,889	\$ ---	\$ 178,138	\$ 11,160	\$ 44,503	\$ ---
Accrued payroll and other	---	5,674	---	---	156,406	---	---	---	234,919	902,216	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	---	---	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---
Unearned revenue	---	---	---	---	---	---	---	---	3	6,600	---
Provision for tax refunds	---	---	---	---	---	---	---	---	---	---	---
COLA liability	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	8,894	---	---	---	726,084	---	13,213	---	31,465	627,121	---
Total liabilities	<u>8,894</u>	<u>5,674</u>	<u>---</u>	<u>---</u>	<u>987,448</u>	<u>849,889</u>	<u>13,213</u>	<u>178,138</u>	<u>277,547</u>	<u>1,580,440</u>	<u>---</u>
Fund balance (deficit):											
Non-spendable	---	---	---	---	---	---	---	---	---	---	---
Restricted											
Committed	294,955	99,047	518,983	281,207	1,292,424	3,632,707	---	1,500,903	22,348	2,733,290	57,472,086
Unassigned	---	---	---	---	---	---	---	---	---	---	---
Total fund balance (deficit)	<u>294,955</u>	<u>99,047</u>	<u>518,983</u>	<u>281,207</u>	<u>1,292,424</u>	<u>3,632,707</u>	<u>---</u>	<u>1,500,903</u>	<u>22,348</u>	<u>2,733,290</u>	<u>57,472,086</u>
Total liabilities and fund balance (deficit)	<u>\$ 303,849</u>	<u>\$ 104,721</u>	<u>\$ 518,983</u>	<u>\$ 281,207</u>	<u>\$ 2,279,872</u>	<u>\$ 4,482,596</u>	<u>\$ 13,213</u>	<u>\$ 1,679,041</u>	<u>\$ 299,895</u>	<u>\$ 4,313,730</u>	<u>\$ 57,472,086</u>

(continued)

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 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 Tax Revenues	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
ASSETS												
Cash and cash equivalents	\$ 34,891	\$ ---	\$ ---	\$ 246	\$ ---	\$ 10,877,056	\$ 57,910,210	\$ ---	\$ ---	\$ 317,092,856	\$ ---	\$ 317,092,856
Investments	---	---	---	---	---	---	---	---	---	1,764,624	---	1,764,624
Receivables, net:												
Taxes	---	---	---	---	---	---	---	---	---	80,110,109	---	80,110,109
Federal agencies	---	---	---	---	---	854,301	---	---	---	2,506,119	---	2,506,119
Other	19,514	---	---	---	---	9,658	---	---	---	3,273,839	---	3,273,839
Due from component units	---	---	---	---	---	---	---	---	---	14,740,693	---	14,740,693
Due from other funds	---	12,459	---	---	7,150,138	1,329,477	---	---	---	418,620,564	(174,609,808)	244,010,756
Due from private purpose trust funds	---	---	---	---	---	255,007	---	---	---	255,007	---	255,007
Inventories	165,412	---	---	---	---	---	---	---	---	1,996,745	---	1,996,745
Prepayments	---	---	---	---	---	---	---	---	---	569,374	---	569,374
Deposits and other assets	---	---	---	---	---	394,068	---	---	---	2,404,918	---	2,404,918
Restricted assets:												
Cash and cash equivalents	---	---	---	---	---	---	---	18,661,549	2,445,290	89,976,857	---	89,976,857
Total assets	\$ 219,817	\$ 12,459	\$ ---	\$ 246	\$ 7,150,138	\$ 13,719,567	\$ 57,910,210	\$ 18,661,549	\$ 2,445,290	\$ 933,311,705	\$ (174,609,808)	\$ 758,701,897
LIABILITIES AND FUND BALANCE (DEFICIT)												
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ 500,000	\$ 1,879,565	\$ 2,000	\$ ---	\$ ---	\$ 97,107,459	\$ ---	\$ 97,107,459
Accrued payroll and other	---	---	---	---	---	949,272	---	---	---	14,816,737	---	14,816,737
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	74,085	---	---	---	---	---	55,952,117	---	---	261,578,872	(174,609,808)	86,969,064
Payable to federal agencies	---	---	---	---	---	---	---	---	---	61,516,186	---	61,516,186
Unearned revenue	---	---	---	---	---	---	---	---	---	77,017,439	---	77,017,439
Provision for tax refunds	---	---	---	---	---	---	---	---	---	74,652,363	---	74,652,363
COLA liability	---	---	---	---	---	---	---	---	---	4,393,680	---	4,393,680
Deposits and other liabilities	---	---	---	14,012	---	388,133	---	---	---	48,597,235	---	48,597,235
Total liabilities	74,085	---	---	14,012	500,000	3,216,970	55,954,117	---	---	639,679,971	(174,609,808)	465,070,163
Fund balance (deficit):												
Non-spendable	145,732	---	---	---	---	---	---	---	---	3,977,065	---	3,977,065
Restricted	---	---	---	---	---	---	---	18,661,549	2,445,290	90,259,128	---	90,259,128
Committed	---	12,459	---	---	---	10,502,597	---	---	---	158,909,744	---	158,909,744
Unassigned	---	---	---	(13,766)	6,650,138	---	1,956,093	---	---	40,485,797	---	40,485,797
Total fund balance (deficit)	145,732	12,459	---	(13,766)	6,650,138	10,502,597	1,956,093	18,661,549	2,445,290	293,631,734	---	293,631,734
Total liabilities and fund balance (deficit)	\$ 219,817	\$ 12,459	\$ ---	\$ 246	\$ 7,150,138	\$ 13,719,567	\$ 57,910,210	\$ 18,661,549	\$ 2,445,290	\$ 933,311,705	\$ (174,609,808)	\$ 758,701,897

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	100	618	505	290	628	633	686	818	502	255	214	106	
	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	Compact Impact Offset	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract
Revenues:													
Taxes:													
Income	\$ 502,436,468	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gross receipts	411,687,628	---	---	---	---	---	---	---	---	---	---	---	---
Excise	4,890,086	---	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	76,195,730	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	1,246,146	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	13,926	---	---	---	---	7,758	---	---	---	---	---	---	---
Charges for services	2,178,745	1,483,657	---	---	---	---	---	---	---	---	---	982,983	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	5,456,242	---	---	1,136	2,530	---	---	4,286	---	---	2,526	---	---
Contributions from component units	3,137,200	---	---	---	---	---	---	---	---	---	---	---	---
Other	26,301,298	200,877	---	---	---	---	---	---	---	---	---	---	---
Total revenues	1,032,297,323	2,930,680	---	1,136	2,530	7,758	---	4,286	---	---	2,526	982,983	---
Expenditures by Function:													
Current:													
General government	96,187,151	---	---	---	---	907,610	---	---	3,934,207	34,165	---	---	---
Protection of life and property	153,786,999	---	---	---	---	---	---	---	---	---	---	1,400,239	---
Public health	18,200,627	---	---	---	---	---	---	---	---	---	11,467	---	---
Community services	6,772,916	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	3,839,490	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	13,411,189	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	2,717,299	---	---	---	---	---	---	---	---	---	---	---	---
Public education	8,625,234	166,794,596	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	205,807	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	6,213,131	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
GovGuam Retirement Fund	6,037,475	---	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	13,985,046	---	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	220,889	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	2,008,039	---	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	42,822,270	---	---	---	---	---	---	---	---	---	---	---	---
Guam Power Authority	63,223,600	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	37,019,056	---	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	65,434,941	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	22,610,000	9,592,828	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	30,812,359	11,286,015	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	594,133,518	187,673,439	---	---	---	907,610	---	---	3,934,207	34,165	11,467	1,400,239	---
Excess (deficiency) of revenues over (under) expenditures	438,163,805	(184,742,759)	---	1,136	2,530	(899,852)	---	4,286	(3,934,207)	(34,165)	(8,941)	(417,256)	---
Other financing sources (uses):													
Transfers in from other funds	3,831,745	252,111,758	234,865,770	---	---	1,671,588	---	---	---	---	---	417,256	---
Transfers out to other funds	(430,210,512)	---	(234,865,770)	---	---	---	(6,800)	---	---	---	---	---	(1,193)
Total other financing sources (uses), net	(426,378,767)	252,111,758	---	---	---	1,671,588	(6,800)	---	---	---	---	417,256	(1,193)
Net change in fund balances (deficit)	11,785,038	67,368,999	---	1,136	2,530	771,736	(6,800)	4,286	(3,934,207)	(34,165)	(8,941)	---	(1,193)
Fund balances (deficit) at beginning of year	93,729,601	9,670,156	---	1,073	1,251	270,689	6,800	7,985	---	34,165	(3,431)	---	1,193
Fund balances (deficit) at end of year	\$ 105,514,639	\$ 77,039,155	\$ ---	\$ 2,209	\$ 3,781	\$ 1,042,425	\$ ---	\$ 12,271	\$ (3,934,207)	\$ ---	\$ (12,372)	\$ ---	\$ ---

(continued)

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	638	685	104	299	229	404	649	239	617	616	676
	DPHSS Sanitary Inspection Revolving	EITC Reimbursement	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	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	512,586	---	---	37,707	---	269,146	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	470	534,548	---	---	---	---	---	---	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---
Total revenues	<u>513,056</u>	<u>534,548</u>	<u>---</u>	<u>37,707</u>	<u>---</u>	<u>269,146</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Expenditures by Function:											
Current:											
General government	---	25	---	4,732	37,836	---	17,353	44,887	---	---	6,048
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---
Public health	114,013	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	7,753	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---
Payments to:											
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	21,714,329	---	---
Guam Power Authority	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	---	---	---	---	---	---	---	---	---	---	---
Debt service:											
Principal retirement	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	<u>114,013</u>	<u>25</u>	<u>7,753</u>	<u>4,732</u>	<u>37,836</u>	<u>---</u>	<u>17,353</u>	<u>44,887</u>	<u>21,714,329</u>	<u>---</u>	<u>6,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>399,043</u>	<u>534,523</u>	<u>(7,753)</u>	<u>32,975</u>	<u>(37,836)</u>	<u>269,146</u>	<u>(17,353)</u>	<u>(44,887)</u>	<u>(21,714,329)</u>	<u>---</u>	<u>(6,048)</u>
Other financing sources (uses):											
Transfers in from other funds	---	---	73,992	---	---	---	17,353	45,082	21,714,329	---	6,048
Transfers out to other funds	---	---	---	---	---	---	---	---	---	(775,919)	---
Total other financing sources (uses), net	---	---	<u>73,992</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>17,353</u>	<u>45,082</u>	<u>21,714,329</u>	<u>(775,919)</u>	<u>6,048</u>
Net change in fund balances (deficit)	<u>399,043</u>	<u>534,523</u>	<u>66,239</u>	<u>32,975</u>	<u>(37,836)</u>	<u>269,146</u>	<u>---</u>	<u>195</u>	<u>---</u>	<u>(775,919)</u>	<u>---</u>
Fund balances (deficit) at beginning of year	<u>1,303,786</u>	<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>565,000</u>	<u>775,919</u>	<u>---</u>
Fund balances (deficit) at end of year	<u>\$ 1,702,829</u>	<u>\$ 979,364</u>	<u>\$ ---</u>	<u>\$ 282,219</u>	<u>\$ 19,305</u>	<u>\$ 2,206,879</u>	<u>\$ ---</u>	<u>\$ 195</u>	<u>\$ 565,000</u>	<u>\$ ---</u>	<u>\$ ---</u>

(continued)

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	201	298	303	321		293	329				288
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
Revenues:											
Taxes:											
Income	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Gross receipts	---	---	---	---	---	---	---	---	---	---	---
Excise	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	---	39,325	---	---	---	---	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	---	---	759	---	---	14,088	---	---	260
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	2,517,764	---	469	---	---	---
Total revenues	---	39,325	---	---	759	2,517,764	---	14,557	---	---	260
Expenditures by Function:											
Current:											
General government	---	270,066	---	---	8,941,280	---	3,593,321	2,018,634	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	2,696,440	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	1,716,076	6,133,552	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	1,668,371
Payments to:											
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Power Authority	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	---	---	---	---	---	---	---	---	---	---	---
Debt service:											
Principal retirement	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	---	270,066	---	---	8,941,280	2,696,440	3,593,321	2,018,634	1,716,076	6,133,552	1,668,371
Excess (deficiency) of revenues over (under) expenditures	---	(230,741)	---	---	(8,940,521)	(178,676)	(3,593,321)	(2,004,077)	(1,716,076)	(6,133,552)	(1,668,111)
Other financing sources (uses):											
Transfers in from other funds	---	---	---	---	9,193,660	930,904	3,582,714	2,030,737	1,562,160	6,191,099	16,577,444
Transfers out to other funds	---	---	---	---	(352,000)	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	8,841,660	930,904	3,582,714	2,030,737	1,562,160	6,191,099	16,577,444
Net change in fund balances (deficit)	---	(230,741)	---	---	(98,861)	752,228	(10,607)	26,660	(153,916)	57,547	14,909,333
Fund balances (deficit) at beginning 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
Fund balances (deficit) at end of year	\$ 294,955	\$ 99,047	\$ 518,983	\$ 281,207	\$ 1,292,424	\$ 3,632,707	\$ ---	\$ 1,500,903	\$ 22,348	\$ 2,733,290	\$ 57,472,086

(continued)

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 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 Tax Revenues	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:												
Taxes:												
Income	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 502,436,468	\$ ---	\$ 502,436,468
Gross receipts	---	---	---	---	---	---	---	---	---	411,687,628	---	411,687,628
Excise	---	---	---	---	---	---	---	---	---	4,890,086	---	4,890,086
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	76,195,730	---	76,195,730
Intergovernmental	---	---	---	---	---	3,708,692	---	---	---	4,954,838	---	4,954,838
Licenses and permits	41,155	---	---	---	---	---	---	---	---	921,603	---	921,603
Charges for services	---	---	---	---	---	---	---	---	---	4,645,385	---	4,645,385
Fines and forfeits	---	---	---	---	---	691,521	---	---	---	691,521	---	691,521
Interest and investment earnings	7	---	---	---	---	---	824,239	343,500	77,562	7,262,153	---	7,262,153
Contributions from component units	---	---	---	---	---	---	---	---	---	3,137,200	---	3,137,200
Other	---	---	---	---	6,675,138	---	---	---	---	35,695,546	---	35,695,546
Total revenues	41,162	---	---	---	6,675,138	4,400,213	824,239	343,500	77,562	1,052,518,158	---	1,052,518,158
Expenditures by Function:												
Current:												
General government	5,074	---	---	---	---	---	---	---	---	116,002,389	---	116,002,389
Protection of life and property	---	---	---	---	---	---	---	---	---	155,187,238	---	155,187,238
Public health	---	---	---	---	---	---	---	---	---	21,022,547	---	21,022,547
Community services	---	---	---	---	---	---	---	---	---	6,772,916	---	6,772,916
Recreation	---	---	---	---	---	---	---	---	---	3,839,490	---	3,839,490
Individual and collective rights	---	---	---	---	---	44,858,184	---	---	---	66,119,001	---	66,119,001
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	2,717,299	---	2,717,299
Public education	---	---	---	---	---	---	---	---	---	175,419,830	---	175,419,830
Environmental protection	---	---	---	---	---	---	---	---	---	213,560	---	213,560
Economic development	---	---	---	---	---	---	---	---	---	7,881,502	---	7,881,502
Payments to:												
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	6,037,475	---	6,037,475
Guam Community College	---	---	---	---	---	---	---	---	---	13,985,046	---	13,985,046
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	220,889	---	220,889
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	2,008,039	---	2,008,039
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	---	64,536,599	---	64,536,599
Guam Power Authority	---	---	---	---	---	---	---	---	---	63,223,600	---	63,223,600
University of Guam	---	---	---	---	---	---	---	---	---	37,019,056	---	37,019,056
Miscellaneous appropriations	---	---	6,365,000	---	---	---	---	---	---	71,799,941	---	71,799,941
Debt service:												
Principal retirement	---	---	---	---	---	---	---	10,140,000	1,960,000	44,302,828	---	44,302,828
Interest and fiscal charges	---	---	---	---	---	452,928	---	8,974,500	1,037,000	52,562,802	---	52,562,802
Total expenditures	5,074	---	6,365,000	---	---	45,311,112	---	19,114,500	2,997,000	910,872,047	---	910,872,047
Excess (deficiency) of revenues over (under) expenditures	36,088	---	(6,365,000)	---	6,675,138	(40,910,899)	824,239	(18,771,000)	(2,919,438)	141,646,111	---	141,646,111
Other financing sources (uses):												
Transfers in from other funds	---	---	6,365,000	---	---	40,958,763	---	17,777,041	3,047,833	622,972,276	(597,436,113)	25,536,163
Transfers out to other funds	---	---	---	---	---	---	---	---	---	(666,212,194)	597,436,113	(68,776,081)
Total other financing sources (uses), net	---	---	6,365,000	---	---	40,958,763	---	17,777,041	3,047,833	(43,239,918)	---	(43,239,918)
Net change in fund balances (deficit)	36,088	---	---	---	6,675,138	47,864	824,239	(993,959)	128,395	98,406,193	---	98,406,193
Fund balances (deficit) at beginning 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
Fund balances (deficit) at end of year	\$ 145,732	\$ 12,459	\$ ---	\$ (13,766)	\$ 6,650,138	\$ 10,502,597	\$ 1,956,093	\$ 18,661,549	\$ 2,445,290	\$ 293,631,734	\$ ---	\$ 293,631,734

Government of Guam

Nonmajor Governmental Funds

September 30, 2024

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, 2024

Fund Number				354	
<u>ASSETS</u>	Other	Other	Other	Debt Service	Total
	Special Revenue	Capital Project			
Cash and cash equivalents	\$ 116,223,498	\$ 2,591,888	\$ ---	\$ ---	\$ 118,815,386
Investments	16,851,646	---	---	---	16,851,646
Receivables, net:					
Taxes	5,078,944	---	---	---	5,078,944
Federal agencies	4,820,582	---	---	---	4,820,582
Leases	15,080,030	---	---	---	15,080,030
Other	7,479,927	---	---	---	7,479,927
Due from component units	77,410	---	---	---	77,410
Due from other funds	68,888,642	335,532	293,134	---	69,517,308
Prepayments	2,585,325	---	---	---	2,585,325
Deposits and other assets	---	1,000	---	---	1,000
Restricted assets:					
Cash and cash equivalents	40,599,966	355,614	7,191,580	---	48,147,160
Investments	300,000	4,743,137	---	---	5,043,137
Total assets	<u>\$ 277,985,970</u>	<u>\$ 8,027,171</u>	<u>\$ 7,484,714</u>	<u>\$ ---</u>	<u>\$ 293,497,855</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 5,167,622	\$ 3,428	\$ ---	\$ ---	\$ 5,171,050
Accrued payroll and other	1,865,056	---	---	---	1,865,056
Due to component units	9,663,700	---	---	---	9,663,700
Due to other funds	54,004,887	1,437,689	---	---	55,442,576
Payable to federal agencies	24,437,878	---	---	---	24,437,878
Deposits and other liabilities	4,310,850	159,633	---	---	4,470,483
Total liabilities	<u>99,449,993</u>	<u>1,600,750</u>	<u>---</u>	<u>---</u>	<u>101,050,743</u>
Deferred inflows of resources:					
Leases	14,793,766	---	---	---	14,793,766
Deferred revenues	44,658	---	---	---	44,658
Total deferred inflows	<u>14,838,424</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>14,838,424</u>
Total liabilities and deferred inflows of resources	<u>114,288,417</u>	<u>1,600,750</u>	<u>---</u>	<u>---</u>	<u>115,889,167</u>
Fund balances:					
Restricted	9,568,574	6,434,952	7,484,714	---	23,488,240
Committed	154,240,337	---	---	---	154,240,337
Unassigned	(111,358)	(8,531)	---	---	(119,889)
Total fund balances	<u>163,697,553</u>	<u>6,426,421</u>	<u>7,484,714</u>	<u>---</u>	<u>177,608,688</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 277,985,970</u>	<u>\$ 8,027,171</u>	<u>\$ 7,484,714</u>	<u>\$ ---</u>	<u>\$ 293,497,855</u>

Government of Guam

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Function, and
Changes in Fund Balances

Year ended September 30, 2024

Fund Number	Other		354	
	Special Revenue	Capital Project	Other Debt Service	Total
Revenues:				
Taxes:				
Property	\$ 36,249,105	\$ ---	\$ ---	\$ 36,249,105
Hotel	33,973,452	---	---	33,973,452
Liquid fuel	1,686,883	---	---	1,686,883
Tobacco	22,537,418	---	---	22,537,418
Alcoholic beverages	3,916,083	---	---	3,916,083
Limited gaming	1,738,219	---	---	1,738,219
Intergovernmental	20,964,816	---	---	20,964,816
Licenses and permits	61,832,712	1,468,976	---	63,301,688
Charges for services	28,073,670	---	---	28,073,670
Fines and forfeits	---	456,147	---	456,147
Interest and investment earnings	2,691,478	365,237	336,576	3,393,291
Contributions from component units	86,470	---	---	86,470
Other	32,476,274	---	---	32,476,274
Total revenues	246,226,580	2,290,360	336,576	248,853,516
Expenditures by Function:				
Current:				
General government	21,695,849	---	---	21,695,849
Protection of life and property	14,594,577	---	---	14,594,577
Public health	30,959,782	---	---	30,959,782
Community services	5,460,576	---	---	5,460,576
Recreation	591,840	---	---	591,840
Individual and collective rights	10,863,632	546,010	---	11,409,642
Public welfare	7,896,729	---	---	7,896,729
Transportation	5,990,378	---	---	5,990,378
Public education	21,822,542	---	---	21,822,542
Environmental protection	21,314,305	---	---	21,314,305
Economic development	694,853	---	---	694,853
Payments to:				
Guam Community College	8,775,861	---	---	8,775,861
Guam Preservation Trust	1,370,000	---	---	1,370,000
Guam Visitors Bureau	30,382,970	---	---	30,382,970
University of Guam	7,835,914	---	---	7,835,914
Capital projects	---	3,715,516	---	3,715,516
Debt service:				
Principal retirement	200,039	236,789	---	436,828
Interest and fiscal charges	137,161	423,251	2,943,250	3,503,662
Total expenditures	190,587,008	4,921,566	2,943,250	198,451,824
Excess (deficiency) of revenues over (under) expenditures	55,639,572	(2,631,206)	(2,606,674)	50,401,692
Other financing sources (uses):				
Transfers in from other funds	31,459,823	---	2,943,250	34,403,073
Transfers out to other funds	(25,681,100)	---	---	(25,681,100)
Total other financing sources (uses), net	5,778,723	---	2,943,250	8,721,973
Net change in fund balances	61,418,295	(2,631,206)	336,576	59,123,665
Fund balances at beginning of year	102,279,258	9,057,627	7,148,138	118,485,023
Fund balances at end of year	\$ 163,697,553	\$ 6,426,421	\$ 7,484,714	\$ 177,608,688

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds

September 30, 2024

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, 2024, 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.

Cannabis Fund – This fund was created to record the excise tax related to the sale or transfer of cannabis and is administered by DoA. 50% of fund is to go to DPHSS, GPD, GCQA, DRT, GBHWC, & DoA COLES to fund various cannabis related equipment or activities.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

CARES Act Unemployment Assistance – This fund was established to provide temporary financial support to individuals who are not eligible for regular unemployment compensation or have exhausted their benefits.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

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.

Corona Virus Capital – This fund was established by the U.S. Department of the Treasury to provide \$10 billion to states, territories, freely associated states, and Tribal governments for critical capital projects. The fund aims to enable work, education, and health monitoring in response to the public health emergency caused by COVID-19.

COVID-19 – This fund was created to and track COVID-19 expenses prior to receiving official documentation for federal stimulus funding.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

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.

Education Stabilization – This fund was created to provide rapid financial relief and support for educational institutions as they prevent, prepare for, and respond to the impacts of the national emergency.

Emergency Rental Assistance – This was created to track assistance programs to provide financial support to renters facing eviction or struggling to pay rent, utilities, or related housing costs.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

GMHA Healthcare Trust and Development Fund - This fund was created by Public Law 32-60 to account for license fees, business privilege tax, and income tax collected from companies involved in gaming to be used by designated public healthcare agencies of GovGuam.

Guam Ancestral Lands Commission (GALC) Operations Fund - This fund was established by Public Law 25-45 for the purpose of accounting for the payment of operational costs associated with the GALC.

Guam Ancestral Land Bank Fund - This fund was created for the purpose of accounting for all assets and revenues of the Land Bank, which consists of former Spanish Crown Lands and other non-ancestral lands conveyed by the United States federal government to GovGuam. The GALC acts as a developer of the lands with resulting lease rental income used to provide just compensation for those dispossessed landowners whose properties cannot be returned.

Guam Landowner's Recovery Fund - This fund was created for the purpose of accounting for the purpose of granting loans, loan guarantees or grant-in-aid to landowners, or to defer costs or fees for professional services required by those landowners or class of landowners who have ancestral land claims.

Guam Ancestral Lands Commission Survey Infrastructure and Development Fund - This fund was created for the purpose of accounting for the proceeds of lease revenues earned from all leases of Apra Harbor Reservation F-12 and Parcel N14-1 (the Polaris Point parcels) under the jurisdiction of the GALC. This fund shall be used for the surveying and mapping, purchase and installation of infrastructure, including paved access roads and commercial development, of the GALC properties, and for the administrative, operational, and financial support of these efforts.

Guam 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.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

Guam Plant Inspection and Permit Fund - This fund was created by Public Law 27-29 for the administration, operation, maintenance and improvement of the Plant Inspection Station of the Department of Agriculture.

Guam Invasive Species Inspection Fee Fund - This fund was created by Public Law 31-43 to account for fees collected by the Guam Department of Agriculture for the inspection, quarantine, and eradication of invasive species contained in any freight brought into Guam.

Guam 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.

Hessler Building Rental – This fund was created by MOA 2021-01-23 between DOA and GEDA for the General Property Management of the Hessler Building in Hagatna.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

Homeowner's Assistance – This fund was established under Section 3206 of the American Rescue Plan Act of 2021 to mitigate hardships associated with the COVID-19 Pandemic.

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.

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.

Inmate Phone Access Fund – Fund used to account for expenses related to inmate and detainees access to amenities without compromising prison safety and security. Up to 50% of net proceeds to develop or enhance inmate welfare and the other 50% for rehabilitation programs within DoC.

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.

Litter Control Revolving – This was created to receive 70% of assessments, fines, bail forfeitures, and other funds collected and is to be used to fund clean up equipment and work as well as awareness and advertising for anti-litter.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

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.

Non-Entitlement Local Government – This fund was created to track funds being provided to non-entitlement local governments, often referred to as non-entitlement units of local government (NEUs), are typically smaller municipalities that do not receive direct federal funding based on population size.

Notary Public Revolving Fund - This fund was created by Public Law 21-106 to account for revenues received under the Model Notary Law.

Office of the Attorney General Fund - This fund was created to account for collections received by the Office of the Attorney General.

Office of Vital Statistics Revolving Fund - This fund was created by Public Law 31-213 to account for revenues received by the Territorial Registrar, Office of Vital Statistics, within the Department of Public Health and Social Services.

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.

Ordot Dump Reserve – This fund is established for settlement proceeds of Government of Guam vs. United States. This fund was earmarked for maintenance of Ordot Dump and mandated that this is separate from General Fund and is not subject to appropriation, transfer to GF at end of Fiscal year or Governor's transfer authority.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

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 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

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

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.

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.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

Territorial Highway Fund - This fund was created for the purpose of obtaining proper maintenance and construction of highways and for the implementation of Highway Safety plans, programs and projects. Revenues are derived from Federal grants, certain liquid fuels taxes, vehicle registration fees and local appropriations.

Tourist Attraction Fund - This fund was created to finance the improvement of the physical facilities of Guam's parks and recreation areas. Financing is provided by the imposition of an 11 percent tax on lodging provided to transients.

Truck Enforcement Screening Station Facility Fund - This fund was created by Public Law 33-106 to account for fees collected from the monitoring of size, weight and load limitations and restriction of certain vehicles operating on Guam roads.

Underground Storage Tank Management Fund - This fund was created by Public Law 20-106 to account for collections received under the Underground Storage of Regulated Substances Act.

UOG Capital Improvements Fund - This fund was created by Public Law 26-48 to account for the design, construction and collateral equipment of the College of Business and Public Administration, and for the replacement of the roof of the Fine Arts Building.

Victim/Witness Travelling-Housing Fund - This fund was created by Public Law 30-60 to account for fees received by the Office of the Attorney General for requested statements issued about the disposition of a person's criminal arrest or criminal case.

Water Protection Fund - This fund was created by Public Law 22-47 to provide funding for the administration and implementation and enforcement of the Water Pollution Control Act and regulations promulgated from said Act, for educational programs and grants for research and development, advertisement promotions, and inspections of facilities to prevent or minimize erosion that contributes to pollution of the waters.

Water Research and Development Fund - This fund was created by Public Law 22-47 to conduct water resource research which will contribute to the effective planning and management of Guam's underground and surface water, and to the development of programs which promote the best use of these resources.

Wildlife Conservation Fund - This fund was created to preserve, manage, enhance and protect the Government's wildlife resources and their environment. Revenues are derived principally from the sale of hunting, fishing and harvesting licenses, fees and permits.

Workers Request Fund – This fund was established to trace those locally funded worker's request (all others).

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds, continued

September 30, 2024

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, 2024

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
ASSETS														
Cash and cash equivalents	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 56,297	\$ 1,132,855	\$ ---	\$ ---	\$ ---	\$ 2,988,196	\$ 67	\$ ---	\$ ---
Investments	---	---	---	---	---	---	---	---	345,772	---	---	---	---	---
Receivables, net:														
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	7,704	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	5,474,274	128,263	---	---
Other	---	---	---	---	---	---	23,550	---	---	---	17,634	16,723	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	77,410	---	---	---
Due from other funds	400,919	5,287	301,528	264,295	---	1,279,779	---	---	9,345,877	121,551	---	228,551	782,323	83,262
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:														
Cash and cash equivalents	---	---	---	---	---	---	---	843,791	---	---	---	---	572,383	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	300,000	---
Total assets	<u>\$ 400,919</u>	<u>\$ 5,287</u>	<u>\$ 301,528</u>	<u>\$ 264,295</u>	<u>\$ ---</u>	<u>\$ 1,336,076</u>	<u>\$ 1,156,405</u>	<u>\$ 843,791</u>	<u>\$ 9,691,649</u>	<u>\$ 121,551</u>	<u>\$ 8,557,514</u>	<u>\$ 373,604</u>	<u>\$ 1,662,410</u>	<u>\$ 83,262</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 9,793	\$ ---	\$ 3,409,116	\$ ---	\$ 16,130	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	---	---	---	2,057	---	---	---	70,222	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	5,300	---	---	---	706,675	---	695,855	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	5,575,014	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	---	---	---	---	5,300	2,057	9,793	---	9,690,805	70,222	711,985	---	---	---
Deferred inflows of resources:														
Leases	---	---	---	---	---	---	---	---	---	---	5,619,429	130,385	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	5,619,429	130,385	---	---
Total liabilities and deferred inflows of resources	---	---	---	---	5,300	2,057	9,793	---	9,690,805	70,222	6,331,414	130,385	---	---
Fund balances (deficit):														
Restricted	---	---	---	---	---	---	---	843,791	844	---	---	---	872,383	---
Committed	400,919	5,287	301,528	264,295	---	1,334,019	1,146,612	---	---	51,329	2,226,100	243,219	790,027	83,262
Unassigned	---	---	---	---	(5,300)	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	<u>400,919</u>	<u>5,287</u>	<u>301,528</u>	<u>264,295</u>	<u>(5,300)</u>	<u>1,334,019</u>	<u>1,146,612</u>	<u>843,791</u>	<u>844</u>	<u>51,329</u>	<u>2,226,100</u>	<u>243,219</u>	<u>1,662,410</u>	<u>83,262</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 400,919</u>	<u>\$ 5,287</u>	<u>\$ 301,528</u>	<u>\$ 264,295</u>	<u>\$ ---</u>	<u>\$ 1,336,076</u>	<u>\$ 1,156,405</u>	<u>\$ 843,791</u>	<u>\$ 9,691,649</u>	<u>\$ 121,551</u>	<u>\$ 8,557,514</u>	<u>\$ 373,604</u>	<u>\$ 1,662,410</u>	<u>\$ 83,262</u>

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

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	
ASSETS																
Cash and cash equivalents	\$ 8,160,947	\$ ---	\$ 2,722,250	\$ ---	\$ ---	\$ ---	\$ 1,228,129	\$ 6,447,539	\$ ---	\$ 2,949	\$ ---	\$ ---	\$ ---	\$ 11,844,896	\$ 4,365,607	
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Receivables, net:																
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Federal agencies	767,328	---	---	---	3,088,960	---	---	---	---	---	---	---	69,195	---	---	
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Other	---	---	---	---	---	---	---	2,030,690	---	---	---	---	---	---	405,350	
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Due from other funds	---	310,343	---	1,184,783	---	---	220,472	---	328,560	---	2,809,638	68,447	---	1,935,439	---	
Prepayments	---	---	---	---	---	---	---	2,585,325	---	---	---	---	---	---	---	
Restricted assets:																
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Total assets	\$ 8,928,275	\$ 310,343	\$ 2,722,250	\$ 1,184,783	\$ 3,088,960	\$ ---	\$ 1,448,601	\$ 11,063,554	\$ 328,560	\$ 2,949	\$ 2,809,638	\$ 68,447	\$ 69,195	\$ 13,780,335	\$ 4,770,957	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)																
Liabilities:																
Accounts payable	\$ 105,831	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 169	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 244,110	
Accrued payroll and other	142,807	---	15,582	---	---	939	---	125,189	---	---	31,537	---	---	19,634	39,824	
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Due to other funds	5,983,734	---	903,428	---	3,088,960	2,547	---	3,758,876	---	1	---	---	69,195	5,761,044	3,001,318	
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	7,999,657	---	
Deposits and other liabilities	---	---	---	---	---	---	210,162	---	---	---	---	---	---	---	---	
Total liabilities	6,232,372	---	919,010	---	3,088,960	3,486	210,331	3,884,065	---	1	31,537	---	69,195	13,780,335	3,285,252	
Deferred inflows of resources:																
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Total liabilities and deferred inflows of resources	6,232,372	---	919,010	---	3,088,960	3,486	210,331	3,884,065	---	1	31,537	---	69,195	13,780,335	3,285,252	
Fund balances (deficit):																
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Committed	2,695,903	310,343	1,803,240	1,184,783	---	---	1,238,270	7,179,489	328,560	2,948	2,778,101	68,447	---	---	1,485,705	
Unassigned	---	---	---	---	---	(3,486)	---	---	---	---	---	---	---	---	---	
Total fund balances (deficit)	2,695,903	310,343	1,803,240	1,184,783	---	(3,486)	1,238,270	7,179,489	328,560	2,948	2,778,101	68,447	---	---	1,485,705	
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 8,928,275	\$ 310,343	\$ 2,722,250	\$ 1,184,783	\$ 3,088,960	\$ ---	\$ 1,448,601	\$ 11,063,554	\$ 328,560	\$ 2,949	\$ 2,809,638	\$ 68,447	\$ 69,195	\$ 13,780,335	\$ 4,770,957	

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	600	642	640	614	231	656				673	692	641	639
	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
ASSETS													
Cash and cash equivalents	\$ 1,191,992	\$ 522,465	\$ ---	\$ 228,852	\$ ---	\$ 3,438,437	\$ 1,855	\$ 728,763	\$ 5,055	\$ 573,901	\$ ---	\$ 30	\$ 3,308
Investments	---	---	---	---	---	---	---	16,505,874	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	453,585	---	---	---	---	---	---	---	---	183,384	---	---
Leases	---	---	---	---	---	---	---	1,545,272	---	7,932,221	---	---	---
Other	---	---	---	---	---	---	---	1,119,077	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	1,491,598	272,902	79,974	117,491	745,999	---	---	---	---	---	10,013	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	\$ 2,683,590	\$ 1,248,952	\$ 79,974	\$ 346,343	\$ 745,999	\$ 3,438,437	\$ 1,855	\$ 19,898,986	\$ 5,055	\$ 8,506,122	\$ 193,397	\$ 30	\$ 3,308
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ 447	\$ ---	\$ ---	\$ 91,513	\$ ---	\$ 73,589	\$ ---	\$ ---	\$ ---
Accrued payroll and other	17,051	---	---	---	---	---	---	---	---	9,328	11,601	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	453,585	---	---	---	378,570	---	---	---	723,803	80,575	30	63,761
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	77,410	---	---	---	---	---
Total liabilities	17,051	453,585	---	---	447	378,570	---	168,923	---	806,720	92,176	30	63,761
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	1,344,550	---	7,699,402	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	1,344,550	---	7,699,402	---	---	---
Total liabilities and deferred inflows of resources	17,051	453,585	---	---	447	378,570	---	1,513,473	---	8,506,122	92,176	30	63,761
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	2,666,539	795,367	79,974	346,343	745,552	3,059,867	1,855	18,385,513	5,055	---	101,221	---	---
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	(60,453)
Total fund balances (deficit)	2,666,539	795,367	79,974	346,343	745,552	3,059,867	1,855	18,385,513	5,055	---	101,221	---	(60,453)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 2,683,590	\$ 1,248,952	\$ 79,974	\$ 346,343	\$ 745,999	\$ 3,438,437	\$ 1,855	\$ 19,898,986	\$ 5,055	\$ 8,506,122	\$ 193,397	\$ 30	\$ 3,308

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	245	608	662	326	651	270	602	241	311	271	634	687
	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	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
ASSETS												
Cash and cash equivalents	\$ 1,137,390	\$ 395,523	\$ 771,668	\$ 665,428	\$ ---	\$ 386,278	\$ 7,251,201	\$ ---	\$ 24,049	\$ ---	\$ ---	\$ 276,126
Investments	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:												
Taxes	---	---	---	---	---	---	2,104,509	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	---	1,364,649	---	1,931	102,251	---	764,290	---	1,372,497	15,035	150,399
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:												
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	\$ 1,137,390	\$ 395,523	\$ 2,136,317	\$ 665,428	\$ 1,931	\$ 488,529	\$ 9,355,710	\$ 764,290	\$ 24,049	\$ 1,372,497	\$ 15,035	\$ 426,525
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 181,957	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	3,001	---	16,579	---	---	---	326,588	3,473	---	---	---	936
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	370,657	71,809	---	570,796	---	---	8,847,165	---	10,907	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	425,636
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	373,658	71,809	16,579	570,796	---	---	9,355,710	3,473	10,907	---	---	426,572
Deferred inflows of resources:												
Leases	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities and deferred inflows of resources	373,658	71,809	16,579	570,796	---	---	9,355,710	3,473	10,907	---	---	426,572
Fund balances (deficit):												
Restricted	---	---	---	---	---	---	---	---	---	---	---	---
Committed	763,732	323,714	2,119,738	94,632	1,931	488,529	---	760,817	13,142	1,372,497	15,035	---
Unassigned	---	---	---	---	---	---	---	---	---	---	---	(47)
Total fund balances (deficit)	763,732	323,714	2,119,738	94,632	1,931	488,529	---	760,817	13,142	1,372,497	15,035	(47)
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 1,137,390	\$ 395,523	\$ 2,136,317	\$ 665,428	\$ 1,931	\$ 488,529	\$ 9,355,710	\$ 764,290	\$ 24,049	\$ 1,372,497	\$ 15,035	\$ 426,525

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	652	658	632	351	222	655	223	232	671	653	688	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Litter Control Revolving	Manpower Development	Medical Use of Cannabis	MHSA Services	Non- Entitlement Local Government	Notary Public Revolving	Office of Attorney General
ASSETS													
Cash and cash equivalents	\$ ---	\$ 715	\$ 43	\$ 181	\$ ---	\$ 140	\$ ---	\$ 13,209,730	\$ 11,651	\$ ---	\$ 13,247,841	\$ ---	\$ 915,781
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	97,268	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	500	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	53	2,527,981	1,076,643	70	472,853	3,382,671	1,371	---	11,602	2,044,071	---	336,587	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	\$ 53	\$ 2,528,696	\$ 1,076,686	\$ 251	\$ 472,853	\$ 3,480,079	\$ 1,371	\$ 13,209,730	\$ 23,253	\$ 2,044,071	\$ 13,247,841	\$ 337,087	\$ 915,781
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ ---	\$ ---	\$ 9	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,000	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	36,252	---	67,219	---	---	71,604	---	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	---	8,541,664	---	---	2,763,328	---	228,386
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	10,437,571	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	1,814,289	---	---	---	---	---
Total liabilities	---	---	36,261	---	67,219	---	---	10,428,557	---	---	13,200,899	---	228,386
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	44,658	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	44,658	---	---	---	---	---
Total liabilities and deferred inflows of resources	---	---	36,261	---	67,219	---	---	10,473,215	---	---	13,200,899	---	228,386
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	53	2,528,696	1,040,425	251	405,634	3,480,079	1,371	2,736,515	23,253	2,044,071	46,942	337,087	687,395
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	53	2,528,696	1,040,425	251	405,634	3,480,079	1,371	2,736,515	23,253	2,044,071	46,942	337,087	687,395
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 53	\$ 2,528,696	\$ 1,076,686	\$ 251	\$ 472,853	\$ 3,480,079	\$ 1,371	\$ 13,209,730	\$ 23,253	\$ 2,044,071	\$ 13,247,841	\$ 337,087	\$ 915,781

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	650	689	695	212	107	629	211	663	263	644	215	604	620
	Office of Vital Statistics Revolving	Opiod Recovery Trust	Ordot Dump Reserve	Inmate Phone Access	Cannabis	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 Recreation Services
ASSETS													
Cash and cash equivalents	\$ 39,159	\$ 3,953,065	\$ ---	\$ ---	\$ 5,107	\$ ---	\$ ---	\$ 1	\$ ---	\$ ---	\$ 34,752	\$ 1,989,018	\$ 263,093
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	474,254	---	---	9,754	31,975	664,533	81,622	883,625	1,430,662	4,359	74,762	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	30,715,554	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	<u>\$ 513,413</u>	<u>\$ 3,953,065</u>	<u>\$ 30,715,554</u>	<u>\$ 9,754</u>	<u>\$ 37,082</u>	<u>\$ 664,533</u>	<u>\$ 81,622</u>	<u>\$ 883,626</u>	<u>\$ 1,430,662</u>	<u>\$ 4,359</u>	<u>\$ 109,514</u>	<u>\$ 1,989,018</u>	<u>\$ 263,093</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	1,763	---	---	---	---	---	---	---	15,714	---	6,815	---	135
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	83,626	---	---	---	---	---	---	---	---	---	368,194	157,327
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	<u>1,763</u>	<u>83,626</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>15,714</u>	<u>---</u>	<u>6,815</u>	<u>368,194</u>	<u>157,462</u>
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total liabilities and deferred inflows of resources	<u>1,763</u>	<u>83,626</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>15,714</u>	<u>---</u>	<u>6,815</u>	<u>368,194</u>	<u>157,462</u>
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	511,650	3,869,439	30,715,554	9,754	37,082	664,533	81,622	883,626	1,414,948	4,359	102,699	1,620,824	105,631
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	<u>511,650</u>	<u>3,869,439</u>	<u>30,715,554</u>	<u>9,754</u>	<u>37,082</u>	<u>664,533</u>	<u>81,622</u>	<u>883,626</u>	<u>1,414,948</u>	<u>4,359</u>	<u>102,699</u>	<u>1,620,824</u>	<u>105,631</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 513,413</u>	<u>\$ 3,953,065</u>	<u>\$ 30,715,554</u>	<u>\$ 9,754</u>	<u>\$ 37,082</u>	<u>\$ 664,533</u>	<u>\$ 81,622</u>	<u>\$ 883,626</u>	<u>\$ 1,430,662</u>	<u>\$ 4,359</u>	<u>\$ 109,514</u>	<u>\$ 1,989,018</u>	<u>\$ 263,093</u>

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

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
ASSETS													
Cash and cash equivalents	\$ ---	\$ ---	\$ 7,549,922	\$ ---	\$ ---	\$ 114,671	\$ ---	\$ ---	\$ 5,419,275	\$ 559,619	\$ ---	\$ ---	\$ ---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	258,130	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	3,866,403	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	241,093	495,406	142,795	8,750	---	21,480	108,131	---	---	3,408	---	868,618
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	8,468,238	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	\$ ---	\$ 241,093	\$ 8,045,328	\$ 142,795	\$ 8,750	\$ 114,671	\$ 21,480	\$ 108,131	\$ 17,753,916	\$ 817,749	\$ 3,408	\$ ---	\$ 868,618
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,033,283	\$ ---	\$ ---	\$ ---	\$ ---
Accrued payroll and other	---	---	1,344	---	---	---	---	---	347,702	---	---	---	17,192
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	137,223	---	---	1,074,209	394,827	---	19,520	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	192,238	---	---	---	---
Total liabilities	---	---	1,344	---	---	137,223	---	---	2,647,432	394,827	---	19,520	17,192
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities and deferred inflows of resources	---	---	1,344	---	---	137,223	---	---	2,647,432	394,827	---	19,520	17,192
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	7,851,556	---	---	---	---
Committed	---	241,093	8,043,984	142,795	8,750	---	21,480	108,131	7,254,928	422,922	3,408	---	851,426
Unassigned	---	---	---	---	---	(22,552)	---	---	---	---	---	(19,520)	---
Total fund balances (deficit)	---	241,093	8,043,984	142,795	8,750	(22,552)	21,480	108,131	15,106,484	422,922	3,408	(19,520)	851,426
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ ---	\$ 241,093	\$ 8,045,328	\$ 142,795	\$ 8,750	\$ 114,671	\$ 21,480	\$ 108,131	\$ 17,753,916	\$ 817,749	\$ 3,408	\$ ---	\$ 868,618

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	205	208	206	257	636	297	637	283	300	203	862	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	Workers Request	Workman's Compensation	Youth Tobacco Education and Prevention	
ASSETS														
Cash and cash equivalents	\$ 4,387,461	\$ 4,132,041	\$ 3,472,328	\$ ---	\$ 360,002	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,849	\$ 116,223,498
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	\$ 16,851,646
Receivables, net:														
Taxes	595,033	290,759	1,983,671	---	---	---	---	---	---	---	---	---	---	5,078,944
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	4,820,582
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	15,080,030
Other	---	---	---	---	---	---	---	---	---	---	---	---	---	7,479,927
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	77,410
Due from other funds	6,462,652	17,148,871	---	582,023	---	500,000	17,386	477,607	147,655	125,050	27,706	1,825,335	15,145	68,888,642
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---	2,585,325
Restricted assets:														
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---	40,599,966
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	300,000
Total assets	\$ 11,445,146	\$ 21,571,671	\$ 5,455,999	\$ 582,023	\$ 360,002	\$ 500,000	\$ 17,386	\$ 477,607	\$ 147,655	\$ 125,050	\$ 27,706	\$ 1,825,335	\$ 20,994	\$ 277,985,970
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	\$ 675	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,167,622
Accrued payroll and other	207,096	228,166	---	---	---	---	---	---	---	---	27,706	---	---	1,865,056
Due to component units	---	9,663,700	---	---	---	---	---	---	---	---	---	---	---	9,663,700
Due to other funds	---	---	4,560,242	---	127,750	---	---	---	---	---	---	---	---	54,004,887
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	24,437,878
Deposits and other liabilities	646	2,016,105	---	---	---	---	---	---	---	---	---	---	---	4,310,850
Total liabilities	208,417	11,907,971	4,560,242	---	127,750	---	---	---	---	---	27,706	---	---	99,449,993
Deferred inflows of resources:														
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	14,793,766
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	44,658
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---	14,838,424
Total liabilities and deferred inflows of resources	208,417	11,907,971	4,560,242	---	127,750	---	---	---	---	---	27,706	---	---	114,288,417
Fund balances (deficit):														
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---	9,568,574
Committed	11,236,729	9,663,700	895,757	582,023	232,252	500,000	17,386	477,607	147,655	125,050	---	1,825,335	20,994	154,240,337
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	---	(111,358)
Total fund balances (deficit)	11,236,729	9,663,700	895,757	582,023	232,252	500,000	17,386	477,607	147,655	125,050	---	1,825,335	20,994	163,697,553
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 11,445,146	\$ 21,571,671	\$ 5,455,999	\$ 582,023	\$ 360,002	\$ 500,000	\$ 17,386	\$ 477,607	\$ 147,655	\$ 125,050	\$ 27,706	\$ 1,825,335	\$ 20,994	\$ 277,985,970

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, 2024

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
Revenues:														
Taxes:														
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 212,724	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	75,800	4,773	137,221	62,585	---	658,588	843,660	---	---	671,273	1,009,198	6,083	---	7,965
Charges for services	---	---	---	---	---	---	---	261,000	---	---	---	---	---	---
Interest and investment earnings	---	---	---	---	---	15	57,173	199	---	---	701	---	98	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	(301)	---	---	573	---	---
Total revenues	75,800	4,773	137,221	62,585	---	658,603	900,833	261,199	(301)	671,273	1,009,899	6,656	212,822	7,965
Expenditures by Function:														
Current:														
General government	---	---	---	1,425	---	124,762	475,842	52,200	---	---	---	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	630,429	---	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	5,300	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	607,422	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	798	---	1,492	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:														
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	225,000	---	---	---	---	---	---	---
Debt service:														
Principal retirement	---	---	---	---	---	---	---	200,039	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	137,161	---	---	---	---	---	---
Total expenditures	798	---	1,492	1,425	5,300	124,762	700,842	389,400	---	630,429	607,422	---	---	---
Excess (deficiency) of revenues over (under) expenditures	75,002	4,773	135,729	61,160	(5,300)	533,841	199,991	(128,201)	(301)	40,844	402,477	6,656	212,822	7,965
Other financing sources (uses):														
Transfers in from other funds	---	---	---	---	---	---	---	352,000	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	352,000	---	---	---	---	---	---
Net change in fund balances (deficit)	75,002	4,773	135,729	61,160	(5,300)	533,841	199,991	223,799	(301)	40,844	402,477	6,656	212,822	7,965
Fund balances (deficit) at beginning of year	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
Fund balances (deficit) at end of year	\$ 400,919	\$ 5,287	\$ 301,528	\$ 264,295	\$ (5,300)	\$ 1,334,019	\$ 1,146,612	\$ 843,791	\$ 844	\$ 51,329	\$ 2,226,100	\$ 243,219	\$ 1,662,410	\$ 83,262

(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, 2024

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
Revenues:															
Taxes:															
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	574,055	---	---	---	4,191,271	---	---	---	---	---	---	---	586,456	8,746,137	---
Licenses and permits	2,758,176	---	888,681	252,510	---	---	50,583	7,622,914	---	---	644,909	9,167	---	---	2,228,681
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	593	---	---	---	338	966	---	1	---	---	---	---	1,032
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	71,555	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	3,403,786	---	889,274	252,510	4,191,271	---	50,921	7,623,880	---	1	644,909	9,167	586,456	8,746,137	2,229,713
Expenditures by Function:															
Current:															
General government	---	---	814,540	---	80,357	3,486	---	---	---	---	1,301,735	---	586,456	1,604,338	---
Protection of life and property	---	---	---	---	---	---	27,342	5,391,985	---	---	---	---	---	---	3,926,105
Public health	7,440,909	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	7,141,799	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:															
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	4,110,914	---	---	---	---	---	---	---	---	---	---
Debt service:															
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	7,440,909	---	814,540	---	4,191,271	3,486	27,342	5,391,985	---	---	1,301,735	---	586,456	8,746,137	3,926,105
Excess (deficiency) of revenues over (under) expenditures	(4,037,123)	---	74,734	252,510	---	(3,486)	23,579	2,231,895	---	1	(656,826)	9,167	---	---	(1,696,392)
Other financing sources (uses):															
Transfers in from other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Net change in fund balances (deficit)	(4,037,123)	---	74,734	252,510	---	(3,486)	23,579	2,231,895	---	1	(656,826)	9,167	---	---	(1,696,392)
Fund balances (deficit) at beginning of year	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
Fund balances (deficit) at end of year	\$ 2,695,903	\$ 310,343	\$ 1,803,240	\$ 1,184,783	\$ ---	\$ (3,486)	\$ 1,238,270	\$ 7,179,489	\$ 328,560	\$ 2,948	\$ 2,778,101	\$ 68,447	\$ ---	\$ ---	\$ 1,485,705

(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, 2024

Fund Number	600	642	640	614	231	656				673	692	641	639
	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
Revenues:													
Taxes:													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	642,100	---	---	---	---	---	---	---
Intergovernmental	---	96,532	---	---	---	---	28,021	---	---	---	532,825	---	---
Licenses and permits	1,630,907	---	24,118	122,560	732,066	---	---	709,706	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	333	143	---	58	---	824	2	1,831,300	---	---	---	---	2
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	3,815	---	17	---	---	---	2,002
Total revenues	1,631,240	96,675	24,118	122,618	732,066	642,924	31,838	2,541,006	17	---	532,825	---	2,002
Expenditures by Function:													
Current:													
General government	---	854	---	17,988	---	---	30,811	120,444	---	---	431,604	---	---
Protection of life and property	---	63,409	---	---	709,495	---	---	---	---	---	---	---	---
Public health	1,253,953	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	874,303	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	13,336,958
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	1,253,953	64,263	---	17,988	709,495	---	30,811	120,444	---	874,303	431,604	---	13,336,958
Excess (deficiency) of revenues over (under) expenditures	377,287	32,412	24,118	104,630	22,571	642,924	1,027	2,420,562	17	(874,303)	101,221	---	(13,334,956)
Other financing sources (uses):													
Transfers in from other funds	---	---	---	---	---	---	---	---	---	533,026	---	---	13,274,503
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	---	---	533,026	---	---	13,274,503
Net change in fund balances (deficit)	377,287	32,412	24,118	104,630	22,571	642,924	1,027	2,420,562	17	(341,277)	101,221	---	(60,453)
Fund balances (deficit) at beginning of year	2,289,252	762,955	55,856	241,713	722,981	2,416,943	828	15,964,951	5,038	341,277	---	---	---
Fund balances (deficit) at end of year	\$ 2,666,539	\$ 795,367	\$ 79,974	\$ 346,343	\$ 745,552	\$ 3,059,867	\$ 1,855	\$ 18,385,513	\$ 5,055	\$ ---	\$ 101,221	\$ ---	\$ (60,453)

(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, 2024

Fund Number	245	608	662 Guam Invasive Species Inspection Fee	326 Guam Preservation Trust	651 Guam Procurement Advisory Council Support	270 Health and Human Services	602 Healthy Futures	241 Health Professional Licensure	311 Health and Security Trust	271 Hessler Building Rental	634 Historic Preservation Archaeological Mitigation	687 Homeowner's Assistance
Revenues:												
Taxes:												
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	22,537,418	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	3,916,083	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	754,930
Licenses and permits	251,626	121,888	1,971,104	1,194,348	---	28,000	---	329,104	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	615,024	---	---
Interest and investment earnings	268	92	212	119	---	18,650	775	---	1,167	---	---	(1,689)
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	251,894	121,980	1,971,316	1,194,467	---	46,650	26,454,276	329,104	1,167	615,024	---	753,241
Expenditures by Function:												
Current:												
General government	---	---	---	---	---	2,600	---	---	---	235,257	---	---
Protection of life and property	---	---	---	---	---	---	99,999	---	---	---	---	---
Public health	---	---	---	---	---	---	21,595,468	293,242	---	---	---	---
Community services	---	---	---	---	---	---	4,280,243	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	45,155	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	754,930
Transportation	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	378,326	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	82,684	607,756	---	---	---	---	---	---	---	---	---
Payments to:												
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	1,370,000	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	3,000,000	---	---	---	---	---
Debt service:												
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	378,326	82,684	607,756	1,370,000	---	2,600	28,975,710	293,242	---	235,257	45,155	754,930
Excess (deficiency) of revenues over (under) expenditures	(126,432)	39,296	1,363,560	(175,533)	---	44,050	(2,521,434)	35,862	1,167	379,767	(45,155)	(1,689)
Other financing sources (uses):												
Transfers in from other funds	---	---	---	---	---	---	2,521,434	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	2,521,434	---	---	---	---	---
Net change in fund balances (deficit)	(126,432)	39,296	1,363,560	(175,533)	---	44,050	---	35,862	1,167	379,767	(45,155)	(1,689)
Fund balances (deficit) at beginning of year	890,164	284,418	756,178	270,165	1,931	444,479	---	724,955	11,975	992,730	60,190	1,642
Fund balances (deficit) at end of year	\$ <u>763,732</u>	\$ <u>323,714</u>	\$ <u>2,119,738</u>	\$ <u>94,632</u>	\$ <u>1,931</u>	\$ <u>488,529</u>	\$ <u>---</u>	\$ <u>760,817</u>	\$ <u>13,142</u>	\$ <u>1,372,497</u>	\$ <u>15,035</u>	\$ <u>(47)</u>

(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, 2024

Fund Number	652	658	632	351	222	655	223	232	671	653	688	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Litter Control Revolving	Manpower Development	Medical Use of Cannabis	MHSA Services	Non- Entitlement Local Government	Notary Public Revolving	Office of Attorney General
Revenues:													
Taxes:													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	1,096,119	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	4,491,583	---	---
Licenses and permits	---	---	---	---	2,225,415	---	---	11,145,999	235	933,403	---	51,450	270,428
Charges for services	---	---	2,068,042	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	1	---	---	---	130	---	2,520	2	---	---	---	232
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	---	1	2,068,042	---	2,225,415	1,096,249	---	11,148,519	237	933,403	4,491,583	51,450	270,660
Expenditures by Function:													
Current:													
General government	---	---	1,487,763	---	3,362,272	35	---	---	---	---	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	---	---	---	200	292,880	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	505,740	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	163,103	---	3,943,630	---	---	4,448,707	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	460,445	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	8,575,461	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	460,445	---	1,487,763	---	3,362,272	668,878	---	12,519,091	200	292,880	4,448,707	---	---
Excess (deficiency) of revenues over (under) expenditures	(460,445)	1	580,279	---	(1,136,857)	427,371	---	(1,370,572)	37	640,523	42,876	51,450	270,660
Other financing sources (uses):													
Transfers in from other funds	460,445	---	---	---	---	---	1,371	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	(346,514)	---	---	---	---	---	---	---
Total other financing sources (uses), net	460,445	---	---	---	---	(346,514)	1,371	---	---	---	---	---	---
Net change in fund balances (deficit)	---	1	580,279	---	(1,136,857)	80,857	1,371	(1,370,572)	37	640,523	42,876	51,450	270,660
Fund balances (deficit) at beginning of year	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
Fund balances (deficit) at end of year	\$ 53	\$ 2,528,696	\$ 1,040,425	\$ 251	\$ 405,634	\$ 3,480,079	\$ 1,371	\$ 2,736,515	\$ 23,253	\$ 2,044,071	\$ 46,942	\$ 337,087	\$ 687,395

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	650	689	695	212	107	629	211	663	263	644	215	604	620
	Office of Vital Statistics Revolving	Opioid Recovery Trust	Ordot Dump Reserve	Inmate Phone Access	Cannabis	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 Recreation Services
Revenues:													
Taxes:													
Property	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	963,006	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	220,459	---	---	---	16,952	206,467	8,671	344,111	1,077,117	---	277,064	1,159,647	67,455
Charges for services	---	86,466	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	11	982	128,790	---	1	---	---	---	---	---	9	418	63
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	30,586,764	---	---	---	---	---	---	---	---	---	---
Total revenues	220,470	1,050,454	30,715,554	---	16,953	206,467	8,671	344,111	1,077,117	---	277,073	1,160,065	67,518
Expenditures by Function:													
Current:													
General government	---	35	---	---	122	---	---	---	---	---	321,940	---	---
Protection of life and property	---	331,143	---	---	---	---	---	163,870	717,629	---	---	---	---
Public health	83,130	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	40,945
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	83,130	331,178	---	---	122	---	---	163,870	717,629	---	321,940	---	40,945
Excess (deficiency) of revenues over (under) expenditures	137,340	719,276	30,715,554	---	16,831	206,467	8,671	180,241	359,488	---	(44,867)	1,160,065	26,573
Other financing sources (uses):													
Transfers in from other funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	(362,864)	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	---	---	---	---	(362,864)	---
Net change in fund balances (deficit)	137,340	719,276	30,715,554	---	16,831	206,467	8,671	180,241	359,488	---	(44,867)	797,201	26,573
Fund balances (deficit) at beginning of year	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
Fund balances (deficit) at end of year	\$ 511,650	\$ 3,869,439	\$ 30,715,554	\$ 9,754	\$ 37,082	\$ 664,533	\$ 81,622	\$ 883,626	\$ 1,414,948	\$ 4,359	\$ 102,699	\$ 1,620,824	\$ 105,631

(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, 2024

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	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	---	57,045	2,765,746	15,121	---	27,109	---	9,850	---	---	100	4,152,790	1,159,466
Charges for services	3,105	---	---	---	---	---	---	---	25,040,033	---	---	---	---
Interest and investment earnings	---	---	2,079	---	---	27	---	---	378,612	154	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	3,105	57,045	2,767,825	15,121	---	27,136	---	9,850	25,418,645	154	100	4,152,790	1,159,466
Expenditures by Function:													
Current:													
General government	---	---	---	---	---	---	---	---	---	---	---	4,172,310	931,210
Protection of life and property	---	---	---	---	---	50,291	---	---	---	153,238	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	189,207	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	1,189,896	3,980	---	---	---	9,300	19,126,940	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	189,207	---	1,189,896	3,980	---	50,291	---	9,300	19,126,940	153,238	---	4,172,310	931,210
Excess (deficiency) of revenues over (under) expenditures	(186,102)	57,045	1,577,929	11,141	---	(23,155)	---	550	6,291,705	(153,084)	100	(19,520)	228,256
Other financing sources (uses):													
Transfers in from other funds	186,102	---	---	---	---	---	---	---	385,624	---	---	---	---
Transfers out to other funds	---	---	(385,624)	---	---	---	---	---	(3,508,278)	---	---	---	---
Total other financing sources (uses), net	186,102	---	(385,624)	---	---	---	---	---	(3,122,654)	---	---	---	---
Net change in fund balances (deficit)	---	57,045	1,192,305	11,141	---	(23,155)	---	550	3,169,051	(153,084)	100	(19,520)	228,256
Fund balances (deficit) at beginning of year	---	184,048	6,851,679	131,654	8,750	603	21,480	107,581	11,937,433	576,006	3,308	---	623,170
Fund balances (deficit) at end of year	\$ ---	\$ 241,093	\$ 8,043,984	\$ 142,795	\$ 8,750	\$ (22,552)	\$ 21,480	\$ 108,131	\$ 15,106,484	\$ 422,922	\$ 3,408	\$ (19,520)	\$ 851,426

(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, 2024

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	862 Workers Request	310 Workman's Compensation	276 Youth Tobacco Education and Prevention	Total
Revenues:														
Taxes:														
Property	\$ 36,036,381	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 36,249,105
Hotel	---	---	33,973,452	---	---	---	---	---	---	---	---	---	---	33,973,452
Liquid fuel	---	1,686,883	---	---	---	---	---	---	---	---	---	---	---	1,686,883
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	22,537,418
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	3,916,083
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	1,738,219
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---	20,964,816
Licenses and permits	---	10,301,660	---	29,800	79,069	---	10,680	59,629	83,630	19,950	---	---	8,000	61,832,712
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---	28,073,670
Interest and investment earnings	1,142	760	261,795	---	94	---	---	---	---	---	---	---	284	2,691,478
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	86,470	---	86,470
Other	---	---	---	---	---	---	---	---	---	---	---	1,811,851	---	32,476,274
Total revenues	<u>36,037,523</u>	<u>11,989,303</u>	<u>34,235,247</u>	<u>29,800</u>	<u>79,163</u>	<u>---</u>	<u>10,680</u>	<u>59,629</u>	<u>83,630</u>	<u>19,950</u>	<u>---</u>	<u>1,898,321</u>	<u>8,284</u>	<u>246,226,580</u>
Expenditures by Function:														
Current:														
General government	---	5,521,393	13,270	---	---	---	---	---	---	---	---	---	800	21,695,849
Protection of life and property	---	2,310,764	---	---	---	---	18,878	---	---	---	---	---	---	14,594,577
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---	30,959,782
Community services	1,175,033	---	---	---	---	---	---	---	---	---	---	---	---	5,460,576
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	591,840
Individual and collective rights	335,505	---	---	---	---	---	---	---	---	---	---	490,962	---	10,863,632
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	7,896,729
Transportation	---	5,801,171	---	---	---	---	---	---	---	---	---	---	---	5,990,378
Public education	8,485,584	---	---	---	---	---	---	---	---	---	---	---	---	21,822,542
Environmental protection	---	---	---	---	7,128	---	---	56,000	80,000	---	---	---	---	21,314,305
Economic development	---	---	---	---	---	---	---	---	---	4,413	---	---	---	694,853
Payments to:														
Guam Community College	200,400	---	---	---	---	---	---	---	---	---	---	---	---	8,775,861
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	1,370,000
Guam Visitors Bureau	---	---	30,382,970	---	---	---	---	---	---	---	---	---	---	30,382,970
University of Guam	---	---	---	---	---	500,000	---	---	---	---	---	---	---	7,835,914
Debt service:														
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---	200,039
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---	137,161
Total expenditures	<u>10,196,522</u>	<u>13,633,328</u>	<u>30,396,240</u>	<u>---</u>	<u>7,128</u>	<u>500,000</u>	<u>18,878</u>	<u>56,000</u>	<u>80,000</u>	<u>4,413</u>	<u>---</u>	<u>490,962</u>	<u>800</u>	<u>190,587,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,841,001</u>	<u>(1,644,025)</u>	<u>3,839,007</u>	<u>29,800</u>	<u>72,035</u>	<u>(500,000)</u>	<u>(8,198)</u>	<u>3,629</u>	<u>3,630</u>	<u>15,537</u>	<u>---</u>	<u>1,407,359</u>	<u>7,484</u>	<u>55,639,572</u>
Other financing sources (uses):														
Transfers in from other funds	---	12,327,342	---	---	---	1,000,000	---	---	---	---	---	417,976	---	31,459,823
Transfers out to other funds	(17,114,953)	(1,019,617)	(2,943,250)	---	---	---	---	---	---	---	---	---	---	(25,681,100)
Total other financing sources (uses), net	<u>(17,114,953)</u>	<u>11,307,725</u>	<u>(2,943,250)</u>	<u>---</u>	<u>---</u>	<u>1,000,000</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>417,976</u>	<u>---</u>	<u>5,778,723</u>
Net change in fund balances (deficit)	<u>8,726,048</u>	<u>9,663,700</u>	<u>895,757</u>	<u>29,800</u>	<u>72,035</u>	<u>500,000</u>	<u>(8,198)</u>	<u>3,629</u>	<u>3,630</u>	<u>15,537</u>	<u>---</u>	<u>1,825,335</u>	<u>7,484</u>	<u>61,418,295</u>
Fund balances (deficit) at beginning of year	<u>2,510,681</u>	<u>---</u>	<u>---</u>	<u>552,223</u>	<u>160,217</u>	<u>---</u>	<u>25,584</u>	<u>473,978</u>	<u>144,025</u>	<u>109,513</u>	<u>---</u>	<u>---</u>	<u>13,510</u>	<u>102,279,258</u>
Fund balances (deficit) at end of year	<u>\$ 11,236,729</u>	<u>\$ 9,663,700</u>	<u>\$ 895,757</u>	<u>\$ 582,023</u>	<u>\$ 232,252</u>	<u>\$ 500,000</u>	<u>\$ 17,386</u>	<u>\$ 477,607</u>	<u>\$ 147,655</u>	<u>\$ 125,050</u>	<u>\$ ---</u>	<u>\$ 1,825,335</u>	<u>\$ 20,994</u>	<u>\$ 163,697,553</u>

Government of Guam

Nonmajor Governmental Funds - Capital Project Funds

September 30, 2024

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, 2024, 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.

Layon Landfill Cell 3 Fund – This fund is used to account for bond proceeds issued by GovGuam for the purpose of financing Cell 3 for Solid Waste management System of Guam.

Ordot Chalan Pago Multi-Purpose Center – This fund is used to account for the construction of the Ordot Chalan Pago Multi-Purpose Center.

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, 2024

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
<u>ASSETS:</u>							
Cash and cash equivalents	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,591,888	\$ 2,591,888
Due from other funds	175,899	---	---	---	159,633	---	335,532
Deposits and other assets	---	---	---	---	---	1,000	1,000
Restricted assets:							
Cash and cash equivalents	---	62,044	---	293,570	---	---	355,614
Investments	---	3,841,033	---	---	---	902,104	4,743,137
Total assets	<u>\$ 175,899</u>	<u>\$ 3,903,077</u>	<u>\$ ---</u>	<u>\$ 293,570</u>	<u>\$ 159,633</u>	<u>\$ 3,494,992</u>	<u>\$ 8,027,171</u>
<u>LIABILITIES AND FUND BALANCES (DEFICIT)</u>							
Liabilities:							
Accounts payable	\$ ---	\$ 1,788	\$ ---	\$ ---	\$ ---	\$ 1,640	\$ 3,428
Due to other funds	---	93,084	8,531	6,597	---	1,329,477	1,437,689
Deposits and other liabilities	---	---	---	---	159,633	---	159,633
Total liabilities	<u>---</u>	<u>94,872</u>	<u>8,531</u>	<u>6,597</u>	<u>159,633</u>	<u>1,331,117</u>	<u>1,600,750</u>
Fund balances (deficit):							
Restricted	175,899	3,808,205	---	286,973	---	2,163,875	6,434,952
Unassigned	---	---	(8,531)	---	---	---	(8,531)
Total liabilities and fund balances (deficit)	<u>\$ 175,899</u>	<u>\$ 3,903,077</u>	<u>\$ ---</u>	<u>\$ 293,570</u>	<u>\$ 159,633</u>	<u>\$ 3,494,992</u>	<u>\$ 8,027,171</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, 2024

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
Revenues:							
Licenses and permits	\$ ---	\$ ---	\$ ---	\$ ---	\$ 796,790	\$ 672,186	\$ 1,468,976
Fines and forfeits	---	---	---	---	---	456,147	456,147
Interest and investment earnings	---	351,006	---	14,231	---	---	365,237
Total revenues	<u>---</u>	<u>351,006</u>	<u>---</u>	<u>14,231</u>	<u>796,790</u>	<u>1,128,333</u>	<u>2,290,360</u>
Expenditures by function:							
Current:							
Individual and collective rights	---	---	---	---	---	546,010	546,010
Capital projects	---	2,451,655	---	---	744,739	519,122	3,715,516
Debt service:							
Principal retirement	---	---	---	---	---	236,789	236,789
Interest and fiscal charges	---	---	---	---	---	423,251	423,251
Total expenditures	<u>---</u>	<u>2,451,655</u>	<u>---</u>	<u>---</u>	<u>744,739</u>	<u>1,725,172</u>	<u>4,921,566</u>
Net change in fund balances (deficit)	---	(2,100,649)	---	14,231	52,051	(596,839)	(2,631,206)
Fund balances (deficit) at beginning of year	<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>
Fund balances (deficit) at end of year	<u>\$ 175,899</u>	<u>\$ 3,808,205</u>	<u>\$ (8,531)</u>	<u>\$ 286,973</u>	<u>\$ ---</u>	<u>\$ 2,163,875</u>	<u>\$ 6,426,421</u>

Government of Guam

Nonmajor Governmental Funds - Debt Service Funds

September 30, 2024

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, 2024, 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, 2024

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, 2024, 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, 2024

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 13,280,191	\$ 2,224,131	\$ 430,180	\$ 15,934,502
Investments at fair value:				
Common stocks	1,675,065,102	---	---	1,675,065,102
U.S. Government securities	403,835,085	---	---	403,835,085
Corporate bonds and notes	258,020,356	---	---	258,020,356
Money market funds	19,453,767	---	---	19,453,767
Mutual funds	42,421,944	451,093,083	176,983,852	670,498,879
Total investments	2,398,796,254	451,093,083	176,983,852	3,026,873,189
Accounts receivable:				
Employer contributions, net	4,449,520	403,995	---	4,853,515
Member contributions	904,343	402,514	1,147,584	2,454,441
Interest and penalties on contributions	95,356	---	---	95,356
Accrued investment income	6,884,823	---	---	6,884,823
Due from brokers for unsettled trades	605,110	---	---	605,110
Service credits	2,559,697	---	---	2,559,697
Other	769,176	82,949	6,395,484	7,247,609
Due from DC plan	599,850	---	---	599,850
Total receivables	16,867,875	889,458	7,543,068	25,300,401
Capital assets	1,172,972	7,390	---	1,180,362
Total assets	2,430,117,292	454,214,062	184,957,100	3,069,288,454
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows of resources from pensions	1,141,635	353,878	---	1,495,513
Deferred outflows of resources from OPEB	2,199,127	---	---	2,199,127
Total deferred outflows of resources	3,340,762	353,878	---	3,694,640
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	4,842,487	643,989	---	5,486,476
Due to DB plan	---	599,850	---	599,850
Due to brokers for unsettled trades	3,520,116	---	---	3,520,116
Net pension liability	5,534,909	455,671	---	5,990,580
OPEB liability	10,173,626	---	---	10,173,626
Total liabilities	24,071,138	1,699,510	---	25,770,648
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows of resources from pensions	190,759	199,410	---	390,169
Deferred inflows of resources from OPEB	3,705,376	---	---	3,705,376
Total deferred inflows of resources	3,896,135	199,410	---	4,095,545
<u>NET POSITION</u>				
Restricted for:				
Employees' pension benefits	\$ 2,405,490,781	\$ 452,669,020	\$ 184,957,100	\$ 3,043,116,901

Government of Guam

Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds - Pension (and Other Employee Benefit) Trusts

Year ended September 30, 2024

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
Additions:				
Contributions:				
Employer	\$ 167,809,996	\$ 18,988,959	\$ ---	\$ 186,798,955
Member	36,458,165	18,891,399	19,180,266	74,529,830
Total contributions	<u>204,268,161</u>	<u>37,880,358</u>	<u>19,180,266</u>	<u>261,328,785</u>
Net investment income:				
Net increase in fair value of investments	419,499,135	80,299,916	10,213,982	510,013,033
Interest	29,289,475	16,955,124	8,177,303	54,421,902
Dividends	17,400,279	---	---	17,400,279
Other	522,858	242,438	---	765,296
Total investment income	<u>466,711,747</u>	<u>97,497,478</u>	<u>18,391,285</u>	<u>582,600,510</u>
Less: investment expenses	<u>6,074,152</u>	<u>157,024</u>	<u>668,500</u>	<u>6,899,676</u>
Net investment income	<u>460,637,595</u>	<u>97,340,454</u>	<u>17,722,785</u>	<u>575,700,834</u>
Total additions	<u>664,905,756</u>	<u>135,220,812</u>	<u>36,903,051</u>	<u>837,029,619</u>
Deductions:				
Benefits	255,171,862	---	7,151,017	262,322,879
Refunds	3,352,557	25,124,757	---	28,477,314
Interest on refunded contributions	519,638	---	---	519,638
Administrative and general expenses	6,724,091	2,208,195	---	8,932,286
Total deductions	<u>265,768,148</u>	<u>27,332,952</u>	<u>7,151,017</u>	<u>300,252,117</u>
Change in net position held in trust for employees' pension benefits	399,137,608	107,887,860	29,752,034	536,777,502
Net transfers from DC to DB Plan	132,711,988	(132,711,988)	---	---
Net position at beginning of year	<u>1,873,641,185</u>	<u>477,493,148</u>	<u>155,205,066</u>	<u>2,506,339,399</u>
Net position at end of year	<u>\$ 2,405,490,781</u>	<u>\$ 452,669,020</u>	<u>\$ 184,957,100</u>	<u>\$ 3,043,116,901</u>

Government of Guam

Fiduciary Funds – Private Purpose Trusts

September 30, 2024

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, 2024, 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, 2024

	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	\$ 13,593	\$ 11,304,032	\$ 9,595	\$ 2,732,571	\$ 1,603,606	\$ 220,001	\$ 1,730,623	\$ 7	\$ 17,614,028	\$ ---	\$ 17,614,028
Due from other funds	---	---	55,643	---	66	38,094	151,716	32,077	277,596	(277,596)	---
Total assets	13,593	11,304,032	65,238	2,732,571	1,603,672	258,095	1,882,339	32,084	17,891,624	(277,596)	17,614,028
<u>LIABILITIES</u>											
Due to other funds	---	339,713	---	192,891	---	---	---	---	532,604	(277,596)	255,008
Deposits and other liabilities	12,710	10,964,319	65,238	2,539,680	1,603,672	212,719	480,567	32,084	15,910,989	---	15,910,989
Total liabilities	12,710	11,304,032	65,238	2,732,571	1,603,672	212,719	480,567	32,084	16,443,593	(277,596)	16,165,997
<u>NET POSITION</u>											
Restricted for:											
Individuals, organizations, and other governments	\$ 883	\$ ---	\$ ---	\$ ---	\$ ---	\$ 45,376	\$ 1,401,772	\$ ---	\$ 1,448,031	\$ ---	\$ 1,448,031

Government of Guam

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Changes in Fiduciary Net Position

Year ended September 30, 2024

	20	21	22	23	24	25	26			
	PDSC Land Claims Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total
Additions:										
Use of money and property	\$ 42	\$ ---	\$ ---	\$ ---	\$ 235	\$ 1,459,490	\$ 122,644	\$ 1,582,411	\$ ---	\$ 1,582,411
Transfers in from other funds	---	---	---	---	496,552	20,475	43,893	560,920	(560,920)	---
Total additions	42	---	---	---	496,787	1,479,965	166,537	2,143,331	(560,920)	1,582,411
Deductions:										
Individual and collective rights	---	---	---	---	496,552	1,486,148	146,062	2,128,762	---	2,128,762
Transfers out to other funds	---	---	---	---	---	540,445	20,475	560,920	(560,920)	---
Total deductions	---	---	---	---	496,552	2,026,593	166,537	2,689,682	(560,920)	2,128,762
Change in net position held in trust for individuals, organizations, and other governments	42	---	---	---	235	(546,628)	---	(546,351)	---	(546,351)
Net position at beginning of year	841	---	---	---	45,141	1,948,400	---	1,994,382	---	1,994,382
Net position at end of year	\$ 883	\$ ---	\$ ---	\$ ---	\$ 45,376	\$ 1,401,772	\$ ---	\$ 1,448,031	\$ ---	\$ 1,448,031

Government of Guam
Fiduciary Funds – Custodial
September 30, 2024

Custodial funds are used to report resources held by GovGuam in a purely custodial capacity.

Government of Guam

Nonmajor Component Units

September 30, 2024

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, 2024, 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, 2024

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, 2024

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
<u>ASSETS</u>						
Cash and cash equivalents	\$ 6,684,102	\$ 24,315,519	\$ 2,376,834	\$ 22,874,253	\$ 2,264,218	\$ 58,514,926
Investments	---	32,370,811	2,991,594	1,590,428	---	36,952,833
Receivables, net	24,649,198	31,399,762	364,814	30,022	106,419	56,550,215
Due from primary government	---	---	---	5,102,817	---	5,102,817
Prepayments	60,026	---	---	31,154	---	91,180
Deposits and other assets	102,082	61,206	---	45,078	99,815	308,181
Restricted assets:						
Cash and cash equivalents	4,385,351	6,046,694	---	14,816,354	---	25,248,399
Investments	168,168	---	---	---	---	168,168
Capital assets:						
Nondepreciable capital assets	2,934,227	---	11,259,667	5,992,415	18,000	20,204,309
Capital assets, net of accumulated depreciation	3,773,650	686,275	30,233	889,341	1,425,004	6,804,503
Total assets	<u>42,756,804</u>	<u>94,880,267</u>	<u>17,023,142</u>	<u>51,371,862</u>	<u>3,913,456</u>	<u>209,945,531</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred outflows from pensions	1,095,449	1,961,583	---	2,937,546	529,006	6,523,584
Deferred outflows from OPEB	1,562,292	2,290,660	---	1,538,397	919,397	6,310,746
Total deferred outflows of resources	<u>2,657,741</u>	<u>4,252,243</u>	<u>---</u>	<u>4,475,943</u>	<u>1,448,403</u>	<u>12,834,330</u>
<u>LIABILITIES</u>						
Accounts payable	298,577	35,810	244,901	2,928,470	10,361	3,518,119
Accrued interest payable	10,973	424,687	---	---	---	435,660
Accrued payroll and other	---	401,452	---	446,735	---	848,187
Due to primary government	---	77,410	---	---	---	77,410
Unearned revenue	1,626,886	108,588	---	14,550,979	618,084	16,904,537
Deposits and other liabilities	247,035	18,322	8,000	65,001	20,860	359,218
Long-term liabilities:						
Due within one year	398,726	1,922,626	36,144	219,547	203,956	2,780,999
Due in more than one year	13,426,788	44,702,650	24,080	14,211,552	3,452,573	75,817,643
Total liabilities	<u>16,008,985</u>	<u>47,691,545</u>	<u>313,125</u>	<u>32,422,284</u>	<u>4,305,834</u>	<u>100,741,773</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred inflows from pensions	382,645	245,890	---	269,449	75,795	973,779
Deferred inflows from OPEB	2,041,819	1,704,397	---	2,277,327	984,339	7,007,882
Deferred inflows from leases	---	27,964,249	---	---	---	27,964,249
Total deferred inflows of resources	<u>2,424,464</u>	<u>29,914,536</u>	<u>---</u>	<u>2,546,776</u>	<u>1,060,134</u>	<u>35,945,910</u>
<u>NET POSITION</u>						
Net investment in capital assets	6,707,877	686,275	1,381,685	6,881,756	1,443,004	17,100,597
Restricted:						
Other purposes	4,719,385	6,046,694	13,577,004	226,073	---	24,569,156
Unrestricted (deficit)	15,553,834	14,793,460	1,751,328	13,770,916	(1,447,113)	44,422,425
Total net position	<u>\$ 26,981,096</u>	<u>\$ 21,526,429</u>	<u>\$ 16,710,017</u>	<u>\$ 20,878,745</u>	<u>\$ (4,109)</u>	<u>\$ 86,092,178</u>

Government of Guam
Nonmajor Component Units
Combining Statement of Revenues, Expenses, and Changes in Net Position
Year ended September 30, 2024

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm- unications Corporation	Total
Expenses	\$ 3,505,533	\$ 8,547,562	\$ 2,106,906	\$ 27,205,310	\$ 2,704,693	\$ 44,070,004
Program revenues:						
Charges for services	2,663,498	4,807,790	249,659	564,829	295,816	8,581,592
Operating grants and contributions	---	666,111	74,496	---	798,109	1,538,716
Total program revenues	2,663,498	5,473,901	324,155	564,829	1,093,925	10,120,308
Net program revenues (expenses)	(842,035)	(3,073,661)	(1,782,751)	(26,640,481)	(1,610,768)	(33,949,696)
General revenues:						
Payments from GovGuam	412,305	---	1,194,808	30,356,848	805,029	32,768,990
Investment earnings	---	7,150,641	584,741	148,053	794	7,884,229
Other	---	---	---	2,071,336	---	2,071,336
Total general revenues	412,305	7,150,641	1,779,549	32,576,237	805,823	42,724,555
Change in net position	(429,730)	4,076,980	(3,202)	5,935,756	(804,945)	8,774,859
Net position at beginning of year	27,410,826	17,449,449	16,713,219	14,942,989	800,836	77,317,319
Net position at the end of the year	\$ 26,981,096	\$ 21,526,429	\$ 16,710,017	\$ 20,878,745	\$ (4,109)	\$ 86,092,178

Government of Guam

Other Information

September 30, 2024

A brief discussion of other information presented for additional analysis as of September 30, 2024, follows:

Charter Schools:

iLearn Academy Charter School:

Guahan Academy Charter School:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures By Object 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, 2024

	<u>iLearn Academy Charter School</u>	<u>Guahan Academy Charter School</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 298,615	\$ 779,546	\$ 1,078,161
Receivables, net:			
Other	8,802	409,206	418,008
Inventories	41,769	-	41,769
Prepayments	-	-	-
Deposits and other assets	-	128,183	128,183
Total assets	<u>\$ 349,186</u>	<u>\$ 1,316,935</u>	<u>\$ 1,666,121</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Accounts payable	\$ 11,611	\$ 614,952	\$ 626,563
Accrued payroll and other	-	-	-
Deposits and other liabilities	-	-	-
Total liabilities	<u>11,611</u>	<u>614,952</u>	<u>626,563</u>
Fund balance:			
Unassigned	<u>337,575</u>	<u>701,983</u>	<u>1,039,558</u>
Total fund balance	<u>337,575</u>	<u>701,983</u>	<u>1,039,558</u>
Total liabilities and fund balance	<u>\$ 349,186</u>	<u>\$ 1,316,935</u>	<u>\$ 1,666,121</u>

Government of Guam

Charter Schools Combining Statement of Revenues, Expenditures By Object, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

	iLearn Academy Charter School	Guahan Academy Charter School	Total
Revenues:			
Charges for services	\$ 6,088,091	\$ 4,951,128	\$ 11,039,219
Operating grants and contributions	948,551	552,267	1,500,818
Other	115,728	463,962	579,690
	7,152,370	5,967,357	13,119,727
Expenditures by Object:			
Salaries and wages - regular	2,678,433	-	2,678,433
Contractual services	21,522	-	21,522
Miscellaneous	4,131,123	5,419,664	9,550,787
Total expenditures	6,831,078	5,419,664	12,250,742
Net change in fund balances	321,292	547,693	868,985
Fund balances at beginning of year	16,283	154,290	170,573
Fund balances at end of year	\$ 337,575	\$ 701,983	\$ 1,039,558

Government of Guam

Schedule of Personnel Count - Primary Government

Year ended September 30, 2024

<u>Department</u>	<u>Number of Employees</u>	<u>Amount</u>
Bureau of Budget and Management Research	13	1,457,790
Bureau of Statistics and Plans	28	2,934,110
Bureau of Women's Affairs	2	186,486
Chamorro Land Trust Commission	9	715,350
Chief Medical Examiner	2	436,135
Civil Service Commission	10	1,092,668
Customs and Quarantine	178	15,201,863
Department of Administration	117	11,174,397
Department of Agriculture	115	6,955,446
Department of Chamorro Affairs	27	1,077,379
Department of Corrections	222	24,716,700
Department of Education	3,205	186,121,589
Department of Integrated Services for Individuals with Disabilities	33	1,683,796
Department of Labor	187	13,155,317
Department of Land Management	35	2,967,338
Department of Military Affairs	62	5,260,611
Department of Parks and Recreation	57	3,397,392
Department of Public Health and Social Services	506	41,113,480
Department of Public Works	242	19,180,582
Department of Revenue and Taxation	155	12,324,526
Department of Youth Affairs	71	7,727,644
Guam Behavioral Health and Wellness Center	272	22,712,886
Guam Commission for Educator Certification	3	179,281
Guam Council on the Arts and Humanities Agency	5	607,709
Guam Educational and Telecommunications Corporation - KGTF	10	705,239
Guam Election Commission	18	1,523,378
Guam Energy Office	13	827,874
Guam Environmental Protection Agency	54	4,691,325
Guam Ethics Commission	4	333,987
Guam Fire Department	250	35,670,260
Guam Legislature	147	5,815,741
Guam Police Department	361	42,624,263
Guam Public Library System	15	1,001,355
Guam Regional Transit Authority	47	3,429,784
Guam Solid Waste Authority	73	3,845,301
Hagatna Restoration and Redevelopment	3	178,021
Mayors' Council of Guam	244	10,901,008
Office of I Maga'Hagan Guahan	109	9,526,883
Office of I Segundu Na Maga'Lahen Guahan	17	948,724
Office of Public Accountability	18	1,616,876
Office of Technology	20	1,653,650
Office of the Attorney General	185	15,121,651
Public Defender Service Corporation	69	5,816,787
Post Commission	1	110,315
State Homeland Security Program	37	2,299,282
Unified Courts of Guam	425	37,837,107
Veteran's Affairs Office	19	874,747
	<u>7,695</u>	<u>\$ 569,734,033</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 354,445,606
Federal Grants Assistance Fund	67,824,960
ARPA Assistance	7,491,224
GDOE Federal Grants Fund	69,326,147
Other Governmental Funds	70,646,096
	<u>\$ 569,734,033</u>

Government of Guam

Schedule of Continuing Appropriations - Primary Government
Year ended September 30, 2024

<u>Department</u>	<u>Amount</u>
Bureau of Budget and Management Research	\$ -
Bureau of Statistics and Plans	8,770,517
Bureau of Women's Affairs	-
CAHA (Council of Arts and Humanities)	24,400
Chamorro Land Trust Commission	275
Chief Medical Examiner	111,646
Civil Service Commission	-
Customs and Quarantine	1,407,521
Department of Administration	294,468
Department of Agriculture	3,219,092
Department of Chamorro Affairs	53,246
Department of Corrections	364,030
Department of Integrated Services for Individuals with Disabilities	1,122,295
Department of Labor	22,202
Department of Land Management	600
Department of Mental Health and Substance Abuse	2,459,563
Department of Military Affairs	871,189
Department of Parks and Recreation	624,285
Department of Public Health and Social Services	11,121,677
Department of Public Works	18,210,654
Department of Revenue and Taxation	63,542
Department of Youth Affairs	73,275
General Services Agency	-
Government Ethics Commission	5,446
Government of Guam Retirement Fund	27,221,185
Guahan Charter School	-
Guam Airport Authority	-
Guam Catholic Schools	-
Guam Department of Education	-
Guam Economic Development Authority	1,786,633
Guam Election Commission	47,724
Guam Energy Office	2,313,615
Guam Environmental Protection Agency	61,118
Guam Fire Department	5,725
Guam Memorial Hospital Authority	-
Guam Police Department	5,116,960
Guam Power Authority	-
Guam Public Library System	62,248
Guam Regional Transit Authority	218,263
Guam Solid Waste Authority	48,755
Hagatna Restoration and Redevelopment	240,000
Mayors' Council of Guam	3,221,937
Office of I Maga'lahaen Guahan	10,437,944
Office of I Segundu Na Maga'lahaen Guahan	25,003
Office of Technology	3,994
Office of the Attorney General	3,308,213
Unified Courts of Guam	-
University of Guam	-
	<u>\$ 102,939,240</u>

<u>Funding Source</u>	<u>Amount</u>
General Fund	\$ 33,807,202
Federal Grants Assistance Fund	56,167,845
Other Governmental Funds	12,964,193
	<u>\$ 102,939,240</u>