

GOVERNMENT OF GUAM

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

YEAR ENDED SEPTEMBER 30, 1999

GOVERNMENT OF GUAM

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Government of Guam, as set forth in Section II of the foregoing table of contents, as of and for the year ended September 30, 1999. These general purpose financial statements are the responsibility of the management of the Government of Guam. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Guam Housing Corporation, the Guam Rental Corporation, the Guam Power Authority, and the Guam Educational Telecommunications Corporation which represent 5.0%, 0.6%, 40.2%, and .2%, respectively, of the assets and operating revenues of the Component Units - Proprietary Funds. We also did not audit the financial statements of the Tourist Attraction Fund which represent 11.4% of the assets and revenues of the Special Revenue Funds, 48.2% of the assets and revenues of the Capital Projects Funds (Infrastructure Improvement Bond Fund), 21.6% of the assets and revenues of the Debt Service Funds (the Ltd. Obligation Infrastructure Improvement Bond Fund) – all Governmental Fund Types and 12.3% of the General Long-Term Debt Account Group. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Component Units - Proprietary Funds, Special Revenue Funds, Capital Project Funds, Debt Service Funds – all Governmental Fund Types and the General Long-Term Debt Account Group is based solely on the reports of the other auditors.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

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

General fund expenditures recorded for public education only include amounts transferred from the general fund to the Department of Education (DOE) and not the actual expenditures incurred by DOE, due to the non-availability of financial information from that entity. The DOE was previously presented under the Higher Education Fund in fiscal year 1997. However financial statements were not available for the prior or current financial presentation. In addition, P.L. 25-03 sect. 18, passed in fiscal year 1999 reverts control of the DOE to the executive branch of GovGuam as a line agency. We were unable to apply audit procedures to DOE balances due to the non-availability of financial information.

The General Fixed Assets Account Group has only recorded assets acquired during fiscal years 1987 and thereafter. Assets acquired prior to fiscal year 1987 and disposals since fiscal year 1987 have not been recorded. We were unable to ensure the physical presence of recorded assets and the Government has not performed a comprehensive inventory of its fixed assets or of its land holdings. Additionally, the Guam Community College does not maintain a comprehensive listing of fixed assets substantiating balances and we were unable to satisfy ourselves with respect to these balances by means of other auditing procedures.

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

Our audit of the general purpose financial statements did not include the financial activities of the Guam Memorial Hospital Authority (GMHA), which represents 4.8% and 17.0% of total assets and operating revenues, respectively, of the Component Units - Proprietary Funds, and the Guam Preservation Trust Fund which represents 24.5% and 64.8% of total assets and operating revenues of the Fiduciary Fund Type - Expendable Trust.

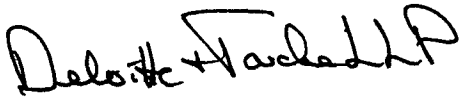
The general purpose financial statements referred to above do not include the Pension Trust Fund, the Guam Housing and Urban Renewal Authority (GHURA), a component unit – proprietary fund, the Guam Council on the Arts and Humanities Agency (CAHA), a special revenue fund, the Supreme Court of Guam, a special revenue fund, the Guam Legislature Operations, a special revenue fund, the Guam Visitors' Bureau (GVB), a component unit – proprietary fund and the Port Authority of Guam (PAG), a component unit – proprietary fund which, in our opinion, should be included in order to conform with generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors, except for the effects on the general purpose financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to access Revenue and Taxation records, had we been able to apply audit procedures to DOE balances, had we been able to assure ourselves as to the propriety of the General Fixed Assets Account Group, had we been able to determine the amount to be recorded for the closure and post-closure costs of the solid waste landfill in the General Long-Term Debt Account Group, had we audited the financial statements of the GMHA, and the Guam Preservation Trust Fund, as discussed in the third through seventh paragraphs above, and the omission of the Pension Trust Fund, GHURA, CAHA, the Supreme Court of Guam, the Guam Legislature Operations, GVB and PAG as discussed in the eighth paragraph, such general purpose financial statements, as set forth in Section II of the table of contents, with the exception of the General Fixed Assets Account Group upon which we are unable to express an opinion because of the matters set forth in the fifth paragraph above, present fairly, in all material respects, the financial position of the Government of Guam, as of September 30, 1999, and the results of its operations and the cash flows of its Proprietary Fund Types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in Section III of the forgoing table of contents, which are also the responsibility of

the management of the Government of Guam, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Government of Guam. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, except for the effect of the items described in the third through seventh paragraphs above and the omissions discussed in the eighth paragraph, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2000 on our consideration of the Government of Guam's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, appearing to read "Deloitte & Touche LLP", is written over the printed name of the firm.

October 13, 2000

GOVERNMENT OF GUAM
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Units
September 30, 1999
(With Comparative Totals As Of September 30, 1998)

| ASSETS | Governmental Fund Types | | | | Proprietary Fund Types | | Fiduciary Fund Types | | Account Groups | | Higher Education Funds | Totals Primary Government (Memorandum Only) | Component Units | Totals Reporting Entity (Memorandum Only) | |
|--|-------------------------|-----------------|------------------|----------------|------------------------|------------------|----------------------|---------------|----------------------|------------------------|------------------------|--|-------------------|--|------------------|
| | General | Special Revenue | Capital Projects | Debt Service | Enterprise | Internal Service | Expendable Trust | Agency Fund | General Fixed Assets | General Long-Term Debt | College and University | | Proprietary Funds | Reporting Entity | |
| | | | | | | | | | | | | | | 1999 | 1998 |
| Cash and equivalents | \$ 30,539,670 | \$ 27,866,735 | \$ 41,155,773 | \$ 95,020,174 | \$ 949,401 | \$ 2,301,501 | \$ 6,535,219 | \$ - | \$ - | \$ - | \$ 3,876,992 | \$ 208,245,465 | \$ 24,250,205 | \$ 232,495,670 | \$ 248,414,178 |
| Investments | - | - | 46,436,381 | 1,716,870 | - | - | - | - | - | - | 13,394,147 | 61,547,398 | 4,482,796 | 66,030,194 | 104,759,055 |
| Taxes receivable, net | 94,120,475 | 27,510,721 | - | - | - | - | - | - | - | - | - | 121,631,196 | - | 121,631,196 | 55,934,597 |
| Receivables, net | 1,516,092 | 18,417,326 | 3,797,185 | 67,026 | 237,848 | 19,073 | 10,304,245 | - | - | - | 6,348,294 | 40,707,089 | 163,030,348 | 203,737,437 | 205,681,736 |
| Receivables from federal agencies | 791,324 | 20,291,346 | - | - | - | - | - | - | - | - | - | 21,082,670 | 4,770,918 | 25,853,588 | 32,915,852 |
| Interfund receivables, net | 85,802,756 | 23,856,023 | 1,362,343 | 3,528,632 | - | 835,113 | 7,472,257 | - | - | - | - | 122,857,124 | - | 122,857,124 | 139,535,042 |
| Other receivables | - | - | - | - | - | - | - | - | - | - | 806,250 | 806,250 | - | 806,250 | 2,161,306 |
| Notes receivable | - | - | - | - | - | - | - | - | - | - | - | - | 11,386 | 11,386 | 14,749 |
| Inventories | - | 13,394,257 | - | - | - | 10,274,085 | - | - | - | - | 670,659 | 24,339,001 | 36,954,050 | 61,293,051 | 60,231,851 |
| Prepayments | - | - | - | - | - | - | 115,106 | - | - | - | 930,226 | 1,045,332 | 2,239,814 | 3,285,146 | 2,009,052 |
| Deposits and other assets | - | 80,910 | 5,656 | - | - | 410,800 | - | 13,804,511 | - | - | - | 14,301,877 | 13,142,104 | 27,443,981 | 13,622,163 |
| | 212,770,317 | 131,417,318 | 92,757,338 | 100,332,702 | 1,187,249 | 13,840,572 | 24,426,827 | 13,804,511 | - | - | 26,026,568 | 616,563,402 | 248,881,621 | 865,445,023 | 865,279,581 |
| Restricted assets (note 11) | - | - | - | - | - | - | - | - | - | - | 3,069,681 | 3,069,681 | 246,457,222 | 249,526,903 | 286,168,585 |
| Fixed assets (net, where applicable, of accumulated depreciation): | | | | | | | | | | | | | | | |
| Support assets | - | - | - | - | - | - | - | - | 177,440,435 | - | 11,305,540 | 188,745,975 | 50,713,320 | 239,459,295 | 225,636,138 |
| Capital leases and improvements | - | - | - | - | - | - | - | - | - | - | - | - | 3,514,742 | 3,514,742 | 496,560 |
| Building and improvements | - | - | - | - | - | - | - | - | 128,660,889 | - | 86,896,766 | 215,557,655 | 109,519,741 | 325,077,396 | 319,322,058 |
| Plant in service | - | - | - | - | - | - | - | - | - | - | - | - | 1,401,990,042 | 1,401,990,042 | 1,373,219,947 |
| | - | - | - | - | - | - | - | - | 306,101,324 | - | 98,202,306 | 404,303,630 | 1,565,737,845 | 1,970,041,475 | 1,918,674,703 |
| Less: Accumulated depreciation | - | - | - | - | - | - | - | - | - | - | 32,283,040 | 32,283,040 | 464,267,539 | 496,550,579 | 426,813,062 |
| | - | - | - | - | - | - | - | - | 306,101,324 | - | 65,919,266 | 372,020,590 | 1,101,470,306 | 1,473,490,896 | 1,491,861,641 |
| Construction-in-progress | - | - | - | - | - | - | - | - | - | - | 1,166,661 | 1,166,661 | 110,481,190 | 111,647,851 | 87,122,781 |
| Land | - | - | - | - | - | - | - | - | 8,273,639 | - | 4,492,112 | 12,765,751 | 12,104,996 | 24,870,747 | 31,297,761 |
| Other | - | - | - | - | - | - | - | - | 358,857 | - | - | 358,857 | 2,603,473 | 2,962,330 | 12,489,297 |
| | - | - | - | - | - | - | - | - | 314,733,820 | - | 71,578,039 | 386,311,859 | 1,226,659,965 | 1,612,971,824 | 1,622,771,480 |
| Other debits: | | | | | | | | | | | | | | | |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - | - | - | - | - | 585,359,909 | 95,000 | 585,454,909 | 28,836,490 | 614,291,399 | 641,534,423 |
| Amount available in debt service funds | - | - | - | - | - | - | - | - | - | 40,532,167 | - | 40,532,167 | - | 40,532,167 | 35,505,843 |
| Total assets | \$ 212,770,317 | \$ 131,417,318 | \$ 92,757,338 | \$ 100,332,702 | \$ 1,187,249 | \$ 13,840,572 | \$ 24,426,827 | \$ 13,804,511 | \$ 314,733,820 | \$ 625,892,076 | \$ 100,769,288 | \$ 1,631,932,018 | \$ 1,750,835,298 | \$ 3,382,767,316 | \$ 3,451,259,912 |

See accompanying notes to financial statements.

| GOVERNMENT OF GUAM | | | | | | | | | | | | | | | |
|---|-------------------------|-----------------|------------------|----------------|------------------------|------------------|----------------------|---------------|----------------------|------------------------|------------------------|--|--------------------------------------|--|------------------|
| Combined Balance Sheet, Continued | | | | | | | | | | | | | | | |
| All Fund Types, Account Groups and Discretely Presented Component Units | | | | | | | | | | | | | | | |
| September 30, 1999 | | | | | | | | | | | | | | | |
| (With Comparative Totals As Of September 30, 1998) | | | | | | | | | | | | | | | |
| LIABILITIES AND FUND EQUITY (DEFICIENCY) | Governmental Fund Types | | | | Proprietary Fund Types | | Fiduciary Fund Types | | Account Groups | | Higher Education Funds | Totals Primary Government (Memorandum Only) | Component Units Proprietary Funds | Totals Reporting Entity (Memorandum Only) | |
| | General | Special Revenue | Capital Projects | Debt Service | Enterprise | Internal Service | Expendable Trust | Agency Fund | General Fixed Assets | General Long-Term Debt | College and University | | | 1999 | 1998 |
| | | | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | | | |
| Bank overdraft | \$ 707,753 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 707,753 | \$ - | \$ 707,753 | \$ 10,107,708 |
| Current portion of long-term debt (note 2) | - | - | - | - | - | - | - | - | - | - | - | - | 13,828,075 | 13,828,075 | 19,561,654 |
| Notes payable (note 2) | - | - | - | - | - | - | - | - | - | - | - | - | 26,217,174 | 26,217,174 | 71,217,174 |
| Notes payable and bonds payable (note 2) | - | - | - | - | - | - | - | - | - | - | - | - | 876,951,633 | 1,295,896,271 | 1,256,760,603 |
| Accounts payable | 34,323,362 | 1,382,714 | 1,330,935 | - | - | - | 2,251,121 | - | - | - | 735,000 | 418,944,638 | 55,284,280 | 100,432,707 | 115,923,011 |
| Accrued payroll and other | 20,556,016 | 5,237,875 | 6,555,207 | 6,505 | - | - | 139,484 | - | - | - | 5,860,295 | 45,148,427 | 7,406,398 | 43,913,176 | 60,859,029 |
| Interfund payables | 24,851,218 | 31,347,698 | 3,685,543 | 59,794,030 | 549,538 | 2,362,770 | 266,327 | - | - | - | 4,011,691 | 36,506,778 | 1,976,916 | 124,834,040 | 142,196,409 |
| Payable to federal agencies | - | 9,163,469 | - | - | - | - | - | - | - | - | - | 122,857,124 | 8,885,144 | 18,048,613 | 7,151,937 |
| Deferred revenue | 131,180,076 | 44,423,569 | 2,770,264 | - | - | - | 4,639,769 | - | - | - | 5,705,911 | 188,719,589 | 7,266,677 | 195,986,266 | 128,874,928 |
| Provision for tax refunds | 93,476,654 | 11,010,280 | - | - | - | - | 5,192,264 | - | - | - | - | 109,679,198 | - | 109,679,198 | 93,398,159 |
| Deposits and other liabilities | 9,243,850 | 198,269 | - | - | - | 475,000 | 5,000,658 | 13,804,511 | - | - | 1,187,154 | 29,909,442 | 34,535,462 | 64,444,904 | 53,103,012 |
| Vacation leave accrual | 7,369,408 | - | - | - | - | - | - | - | - | 14,862,857 | - | 22,232,265 | 7,336,353 | 29,568,618 | 29,219,017 |
| Contracts and leases | - | - | - | - | - | - | - | - | - | - | 1,158,935 | 1,158,935 | 7,665,710 | 8,824,645 | 1,943,715 |
| Accrued unfunded retirement liability (note 5) | - | - | - | - | - | - | - | - | - | 192,819,581 | - | 192,819,581 | 52,524,552 | 245,344,133 | 273,346,780 |
| Total liabilities | 321,708,337 | 102,763,874 | 14,341,949 | 59,800,535 | 549,538 | 2,837,770 | 17,489,623 | 13,804,511 | - | 625,892,076 | 18,658,986 | 1,177,847,199 | 1,099,878,374 | 2,277,725,573 | 2,263,663,136 |
| Fund equity (deficiency): | | | | | | | | | | | | | | | |
| Investment in general fixed assets | - | - | - | - | - | - | - | - | 314,733,820 | - | 68,842,035 | 383,575,855 | - | 383,575,855 | 385,951,681 |
| Contributed capital: | | | | | | | | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - | - | - | - | - | 178,282,942 | 178,282,942 | 189,178,305 |
| Federal government | - | - | - | - | - | 8,212,794 | - | - | - | - | - | 8,212,794 | 155,235,912 | 163,448,706 | 154,943,066 |
| In aid of construction | - | - | - | - | - | - | - | - | - | - | - | - | 60,622,485 | 60,622,485 | 61,097,095 |
| Retained earnings: | | | | | | | | | | | | | | | |
| Restricted | - | - | - | - | 429,660 | 1,632,108 | - | - | - | - | - | 2,061,768 | 4,616,731 | 6,678,499 | 5,917,961 |
| Unrestricted | - | - | - | - | 208,051 | 1,157,900 | - | - | - | - | - | 1,365,951 | 252,198,854 | 253,564,805 | 275,284,868 |
| Fund balances: | | | | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | | | | |
| Specific purposes | - | - | 694,313 | - | - | - | - | - | - | - | 1,200,250 | 1,894,563 | - | 1,894,563 | 1,036,379 |
| Debt service | - | - | - | 38,095,845 | - | - | - | - | - | - | 95,000 | 38,190,845 | - | 38,190,845 | 35,559,461 |
| Related assets (note 9) | 48,858 | 14,578,402 | - | - | - | - | 200 | - | - | - | - | 14,627,460 | - | 14,627,460 | 16,830,806 |
| Encumbrances | 16,952,238 | 54,103,098 | 7,918,000 | - | - | - | 32,767 | - | - | - | - | 79,006,103 | - | 79,006,103 | 101,986,172 |
| Continuing appropriations (note 1Q) | 16,616,091 | 84,586,672 | 55,873,681 | - | - | - | 1,077,174 | - | - | - | - | 158,153,618 | - | 158,153,618 | 222,675,156 |
| Unreserved (deficit) | (142,555,207) | (124,614,728) | 13,929,395 | 2,436,322 | - | - | 5,827,063 | - | - | - | 11,973,017 | (233,004,138) | - | (233,004,138) | (262,864,174) |
| Fund equity (deficiency) | (108,938,020) | 28,653,444 | 78,415,389 | 40,532,167 | 637,711 | 11,002,802 | 6,937,204 | - | 314,733,820 | - | 82,110,302 | 454,084,819 | 650,956,924 | 1,105,041,743 | 1,187,596,776 |
| Commitments and contingencies (note 3) | | | | | | | | | | | | | | | |
| Total liabilities and fund equity (deficiency) | \$ 212,770,317 | \$ 131,417,318 | \$ 92,757,338 | \$ 100,332,702 | \$ 1,187,249 | \$ 13,840,572 | \$ 24,426,827 | \$ 13,804,511 | \$ 314,733,820 | \$ 625,892,076 | \$ 100,769,288 | \$ 1,631,932,018 | \$ 1,750,835,298 | \$ 3,382,767,316 | \$ 3,451,259,912 |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
All Governmental Fund Types and Expendable Trust Funds
Year Ended September 30, 1999
(With Comparative Totals For The Year Ended September 30, 1998)

| | Governmental Fund Types | | | | Fiduciary Fund Type Expendable Trust | Totals Reporting Entity (Memorandum Only) | |
|---|-------------------------|--------------------|---------------------|-----------------|---|---|----------------|
| | General | Special Revenue | Capital Projects | Debt Service | | 1999 | 1998 |
| Revenues: | | | | | | | |
| Taxes | \$ 405,827,570 | \$ 46,040,169 | \$ - | \$ - | \$ - | \$ 451,867,739 | \$ 505,593,143 |
| Licenses, fees and permits | 1,885,380 | 17,648,372 | 24,800 | - | 805,580 | 20,364,132 | 12,884,437 |
| Use of money and property | 1,617,977 | 2,525,088 | 7,337,546 | 9,648,194 | 49,648 | 21,178,453 | 19,676,106 |
| Federal contributions | 58,492,665 | 102,972,200 | 3,808,883 | - | - | 165,273,748 | 221,698,772 |
| Other | 1,564,233 | 3,888,422 | - | - | 474,002 | 5,926,657 | 13,883,325 |
| Total revenues | 469,387,825 | 173,074,251 | 11,171,229 | 9,648,194 | 1,329,230 | 664,610,729 | 773,735,783 |
| Expenditures: | | | | | | | |
| General government | 53,352,398 | 10,337,467 | 36,825 | - | 71,337 | 63,798,027 | 83,321,125 |
| Protection of life and property | 74,635,341 | 18,823,286 | - | - | 545,298 | 94,003,925 | 99,745,095 |
| Public health | 22,636,698 | 9,548,519 | 1,884,458 | - | - | 34,069,675 | 34,235,077 |
| Community services | 5,977,938 | 17,954,669 | - | - | 257 | 23,932,864 | 20,737,445 |
| Recreation | 3,253,705 | 9,515,823 | 2,261,674 | - | - | 15,031,202 | 9,363,066 |
| Individual and collective rights | 8,912,453 | 26,550,763 | - | - | 7,369,604 | 42,832,820 | 50,087,895 |
| Transportation | 2,782,326 | 22,331,999 | 9,725,919 | - | - | 34,840,244 | 22,006,158 |
| Public education | 138,869,793 | 6,035,887 | 9,581,492 | - | - | 154,487,172 | 39,579,856 |
| Environmental protection | 3,480,734 | 16,810,926 | 1,764,593 | - | - | 22,056,253 | 22,334,678 |
| Economic development | 5,651,893 | 6,100,802 | 8,874,851 | - | - | 20,627,546 | 16,057,316 |
| Transfers to persons | 22,004,070 | 37,693,481 | - | - | - | 59,697,551 | 120,226,781 |
| Capital projects | - | - | 2,400,289 | - | - | 2,400,289 | 6,001,450 |
| Debt service: | | | | | | | |
| Principal retirement | - | - | - | 29,180,000 | - | 29,180,000 | 29,065,000 |
| Interest and fiscal charges | 692,318 | - | - | 24,160,574 | - | 24,852,892 | 25,226,217 |
| Total expenditures | 342,249,667 | 181,703,622 | 36,530,101 | 53,340,574 | 7,986,496 | 621,810,460 | 577,987,159 |
| Excess (deficiency) of revenues over (under) expenditures | 127,138,158 | (8,629,371) | (25,358,872) | (43,692,380) | (6,657,266) | 42,800,269 | 195,748,624 |
| Other financing sources (uses): | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | 78,386,241 |
| Transfers in (notes 4 and 7) | 31,445,015 | 85,537,339 | 472,674 | 72,774,989 | 6,478,834 | 196,708,851 | 284,184,683 |
| Transfers out (note 7) | (173,117,824) | (95,311,124) | (472,674) | (23,978,310) | (879,367) | (293,759,299) | (551,642,318) |
| Other sources | 26,277 | 89,356 | 39,452 | - | 18 | 155,103 | 35,682 |
| Other uses | (69,136) | (23,299) | (28,929) | (77,975) | (69,985) | (269,324) | (25,341,371) |
| Total other financing sources (uses), net | (141,715,668) | (9,707,728) | 10,523 | 48,718,704 | 5,529,500 | (97,164,669) | (214,377,083) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (14,577,510) | (18,337,099) | (25,348,349) | 5,026,324 | (1,127,766) | (54,364,400) | (18,628,459) |
| Fund balances (deficit) at beginning of year (note 6) | (94,360,510) | 46,990,543 | 103,763,738 | 35,505,843 | 8,064,970 | 99,964,584 | 120,003,312 |
| Fund balances (deficit) at end of year | \$ (108,938,020) | \$ 28,653,444 | \$ 78,415,389 | \$ 40,532,167 | \$ 6,937,204 | \$ 45,600,184 | \$ 101,374,853 |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM
Statement of Revenues, Expenditures and Changes in Deficit
Budget and Actual (Budgetary Basis)
General Fund
Year Ended September 30, 1999

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|-------------------------|-------------------------|--|
| Revenues: | | | |
| Taxes | \$ 430,343,823 | \$ 405,827,570 | \$ (24,516,253) |
| Licenses, fees and permits | 2,356,177 | 1,885,380 | (470,797) |
| Use of money and property | 2,300,000 | 1,617,977 | (682,023) |
| Federal contributions | 50,200,000 | 58,492,665 | 8,292,665 |
| Other | 1,600,000 | 1,564,233 | (35,767) |
| | <u>486,800,000</u> | <u>469,387,825</u> | <u>(17,412,175)</u> |
| Total revenues | | | |
| Expenditures - Budgetary Basis | | | |
| General Government | 65,068,065 | 53,352,398 | 11,715,667 |
| Protection of Life and Property | 78,371,602 | 74,635,341 | 3,736,261 |
| Community services | 6,433,749 | 5,977,938 | 455,811 |
| Recreation | 3,672,664 | 3,253,705 | 418,959 |
| Public Health | 26,695,179 | 22,636,698 | 4,058,481 |
| Individual and Collective Rights | 10,039,906 | 8,912,453 | 1,127,453 |
| Transportation | 2,801,373 | 2,782,326 | 19,047 |
| Public Education | 140,232,172 | 138,869,793 | 1,362,379 |
| Environmental Protection | 3,724,414 | 3,480,734 | 243,680 |
| Economic Development | 5,784,568 | 5,651,893 | 132,675 |
| Transfers to persons | 23,963,485 | 22,004,070 | 1,959,415 |
| Interest and fiscal charges | 39,521,853 | 692,318 | 38,829,535 |
| | <u>406,309,030</u> | <u>342,249,667</u> | <u>64,059,363</u> |
| Total expenditures | | | |
| Excess of revenues over expenditures | <u>80,490,970</u> | <u>127,138,158</u> | <u>46,647,188</u> |
| Other financing sources (uses): | | | |
| Transfers in | - | 31,445,015 | 31,445,015 |
| Transfers out | (145,988,490) | (173,117,824) | (27,129,334) |
| Other uses | - | (42,859) | (42,859) |
| | <u>(145,988,490)</u> | <u>(141,715,668)</u> | <u>4,272,822</u> |
| Total other financing sources (uses), net | | | |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (65,497,520) | (14,577,510) | 50,920,010 |
| Deficit at beginning of year | <u>(228,818,109)</u> | <u>(94,360,510)</u> | <u>134,457,599</u> |
| Deficit at end of year | <u>\$ (294,315,629)</u> | <u>\$ (108,938,020)</u> | <u>\$ 185,377,609</u> |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Combined Statement of Revenues, Expenses and Changes in
Fund Equity - All Proprietary Fund Types
and Discretely Presented Component Units
Year Ended September 30, 1999
(With comparative totals for the year ended September 30, 1998)

| | Proprietary Fund Types | | Totals Primary Government (Memorandum Only) | Component Units Proprietary Funds | Totals Reporting Entity (Memorandum Only) | |
|---|------------------------|---------------------|---|--|---|----------------|
| | Enterprise | Internal Service | | | 1999 | 1998 |
| Operating revenues: | | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ 369,230,100 | \$ 369,230,100 | \$ 368,491,208 |
| Contributions | - | - | - | 1,190,324 | 1,190,324 | 1,248,964 |
| Licenses, fees and permits | - | 23,648 | 23,648 | 592,095 | 615,743 | 562,229 |
| Investment earnings and interest | - | 5,006 | 5,006 | 2,145,370 | 2,150,376 | 5,401,016 |
| Use of money and property | 133,562 | - | 133,562 | - | 133,562 | - |
| Rental charges | 827,154 | - | 827,154 | 9,572,692 | 10,399,846 | 10,641,089 |
| Other | - | 1,196,770 | 1,196,770 | 9,235,593 | 10,432,363 | 12,674,449 |
| Total operating revenues | 960,716 | 1,225,424 | 2,186,140 | 391,966,174 | 394,152,314 | 399,018,955 |
| Operating expenses: | | | | | | |
| Production and operations | 378,804 | - | 378,804 | 191,288,608 | 191,667,412 | 208,382,450 |
| Depreciation and amortization | - | - | - | 64,529,393 | 64,529,393 | 56,198,685 |
| Maintenance | - | - | - | 1,469,968 | 1,469,968 | 1,719,423 |
| Beneficiary related | - | 285,848 | 285,848 | - | 285,848 | - |
| Professional fees | 15,944 | - | 15,944 | - | 15,944 | 419,975 |
| Utilities | 64,464 | - | 64,464 | - | 64,464 | 29,828 |
| Bad debts | 507,709 | 90,170 | 597,879 | 10,013,171 | 10,611,050 | 41,027,592 |
| Stevedoring and related | - | - | - | - | - | - |
| General and administrative | - | 835,156 | 835,156 | 99,025,930 | 99,861,086 | 113,198,885 |
| Interest | - | - | - | - | - | 2,988,243 |
| Other | 8,472 | 100,576 | 109,048 | 4,200,847 | 4,309,895 | 4,595,365 |
| Total operating expenses | 975,393 | 1,311,750 | 2,287,143 | 370,527,917 | 372,815,060 | 428,560,446 |
| Operating income (loss) | (14,677) | (86,326) | (101,003) | 21,438,257 | 21,337,254 | (29,541,491) |
| Nonoperating revenues (expenses): | | | | | | |
| Contribution (to) from: | | | | | | |
| General Fund | - | (863,447) | (863,447) | 420,174 | (443,273) | 20,019,561 |
| Federal agencies | - | - | - | 9,105 | 9,105 | - |
| Extraordinary item | - | - | - | - | - | 240,448 |
| Other income (expenses), net | - | 162,909 | 162,909 | (35,200,369) | (35,037,460) | (33,561,832) |
| Total nonoperating revenues (expenses), net | - | (700,538) | (700,538) | (34,771,090) | (35,471,628) | (13,301,823) |
| Net (loss) income | (14,677) | (786,864) | (801,541) | (13,332,833) | (14,134,374) | (42,843,314) |
| Add depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital | - | - | - | 7,854,745 | 7,854,745 | 7,943,562 |
| Beginning retained earnings (deficit) (note 6) | 652,388 | 3,576,872 | 4,229,260 | 272,697,229 | 276,926,489 | 235,607,065 |
| Adjustments to beginning retained earnings: Correction of prior year errors (note 12) | - | - | - | (10,403,556) | (10,403,556) | 80,495,516 |
| Ending retained earnings | 637,711 | 2,790,008 | 3,427,719 | 256,815,585 | 260,243,304 | 281,202,829 |
| Beginning contributed capital | - | 8,212,794 | 8,212,794 | 375,302,950 | 383,515,744 | 147,684,658 |
| Adjustments to contributed capital | - | - | - | (28,666) | (28,666) | (28,666) |
| Contribution from (to): | | | | | | |
| General Fund | - | - | - | 10,873,995 | 10,873,995 | 126,839,595 |
| Federal agencies | - | - | - | 8,505,640 | 8,505,640 | 69,709,117 |
| In-aid of construction | - | - | - | (512,580) | (512,580) | 61,013,762 |
| Ending Contributed Capital | - | 8,212,794 | 8,212,794 | 394,141,339 | 402,354,133 | 405,218,466 |
| Fund equity at end of year | \$ 637,711 | \$ 11,002,802 | \$ 11,640,513 | \$ 650,956,924 | \$ 662,597,437 | \$ 686,421,295 |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Combined Statement of Cash Flows
All Proprietary Fund Types and Discretely Presented Component Units
Year Ended September 30, 1999
(With Comparative Totals for the year Ended September 30, 1998)

| | Proprietary Fund Types | | Totals Primary Government (Memorandum Only) | Component Units Proprietary Funds | Totals Reporting Entity (Memorandum Only) | |
|--|------------------------|---------------------|---|--|---|-----------------|
| | Enterprise | Internal Service | | | 1999 | 1998 |
| <u>Increase (decrease) in cash and equivalents</u> | | | | | | |
| Cash flows from operating activities: | | | | | | |
| Operating income (loss) | \$ (14,677) | \$ (86,326) | \$ (101,003) | \$ 21,438,257 | \$ 21,337,254 | \$ (29,541,491) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | | |
| Depreciation | - | - | - | 64,529,393 | 64,529,393 | 56,198,685 |
| Bad debt expense | 507,709 | 90,170 | 597,879 | 10,013,173 | 10,611,052 | 41,027,592 |
| Amortization of loan discount | - | - | - | 10,102 | 10,102 | (30,000) |
| Extraordinary loss and other reconciling items | - | - | - | (7,311,571) | (7,311,571) | 1,261,177 |
| (Increase) decrease in assets: | | | | | | |
| Accounts receivable | - | 13,208 | 13,208 | (21,179,637) | (21,166,429) | (44,887,860) |
| Inventory | - | (461,110) | (461,110) | (864,346) | (1,325,456) | 167,871 |
| Investments | - | - | - | - | - | 752,781 |
| Accrued interest and other | - | - | - | - | - | 207,734 |
| Prepaid expense | - | - | - | (605,656) | (605,656) | 451,694 |
| Notes receivable | - | - | - | 3,363 | 3,363 | - |
| Other assets | - | (88,033) | (88,033) | 48,809 | (39,224) | (81,618) |
| Other receivables | (745,557) | - | (745,557) | 1,751,655 | 1,006,098 | (141,723) |
| Due from other funds and governmental agencies | - | (507,712) | (507,712) | (132,621) | (640,333) | 1,751,037 |
| Loss on investment | - | - | - | - | - | (723,634) |
| Increase (decrease) in liabilities: | | | | | | |
| Accrued payroll | - | (3,885) | (3,885) | (2,034,008) | (2,037,893) | (1,201,924) |
| Annual leave | - | - | - | 386,828 | 386,828 | 416,618 |
| Accounts payable | - | - | - | 10,900,143 | 10,900,143 | (12,564,824) |
| Accrued pension cost | - | - | - | (2,193,792) | (2,193,792) | (4,239,996) |
| Accrued expense and other liabilities | - | 285,848 | 285,848 | (197,818) | 88,030 | 546,153 |
| Customer and security deposits | - | - | - | 161,170 | 161,170 | (1,433,755) |
| Deferred revenue | - | - | - | (3,115,765) | (3,115,765) | 5,658,956 |
| Due to other funds and governmental agencies | 379,174 | 1,562,228 | 1,941,402 | (1,979,056) | (37,654) | 836,888 |
| Other liabilities | - | (75,000) | (75,000) | - | (75,000) | - |
| Net cash provided by operating activities | 126,649 | 729,388 | 856,037 | 69,628,623 | 70,484,660 | 14,430,361 |
| Cash flows from noncapital financing activities: | | | | | | |
| Proceeds from issuance of notes payable and bonds | - | - | - | 868,274 | 868,274 | 59,454,256 |
| Proceeds from short-term debt | - | - | - | - | - | 20,000,000 |
| Repayment of notes payable and short-term debt | - | - | - | (47,154,415) | (47,154,415) | (22,273,879) |
| Interest paid on notes payable and short-term debt | - | - | - | (4,733,293) | (4,733,293) | (3,037,002) |
| Operating grants received | - | - | - | 3,277,224 | 3,277,224 | 23,263,028 |
| Net transfers (to) restricted fund | - | - | - | - | - | - |
| Bank overdraft | - | - | - | (1,359,650) | (1,359,650) | 1,359,650 |
| Contributions (to) from | - | (700,538) | (700,538) | 225,550 | (474,988) | (3,067,355) |
| Net cash (used for) provided by noncapital financing activities | - | (700,538) | (700,538) | (48,876,310) | (49,576,848) | 75,698,698 |
| Cash flows from capital and related financing activities: | | | | | | |
| Proceeds from issuance of notes payable and bonds | - | - | - | 350,264,531 | 350,264,531 | 84,714,511 |
| Principal paid on bonds and other long-term debt | - | - | - | (261,688,093) | (261,688,093) | (13,658,226) |
| Interest paid on bonds and other long-term debt | - | - | - | (46,337,055) | (46,337,055) | (39,299,660) |
| Fixed asset (purchases) disposal/sale | - | - | - | (82,659,184) | (82,659,184) | (93,174,744) |
| Fixed asset improvements | - | - | - | (1,801,051) | (1,801,051) | - |
| Contributions | - | - | - | 19,499,533 | 19,499,533 | 24,547,327 |
| Debt issuance cost | - | - | - | (19,979,788) | (19,979,788) | (1,758,560) |
| Capital lease payments | - | - | - | (1,589,184) | (1,589,184) | - |
| Operating grants | - | - | - | (38,890) | (38,890) | (81,393,463) |
| Net cash used for capital and related financing activities | - | - | - | (44,329,181) | (44,329,181) | (120,022,815) |
| Cash flows from investing activities: | | | | | | |
| Payments received on notes receivable | - | - | - | - | - | (13,879) |
| Increase in bond reserve funds | - | - | - | (1,814,363) | (1,814,363) | (35,766) |
| Purchase of land held for development and resale | - | - | - | (351,918) | (351,918) | (396,877) |
| Proceeds from sale of investments | - | - | - | 1,704,412 | 1,704,412 | 26,995,799 |
| Purchase of investment securities | - | - | - | (1,243,840) | (1,243,840) | (910,842) |
| Withdrawal of investment | - | - | - | - | - | - |
| Interest and dividends on investments | - | - | - | 11,889,144 | 11,889,144 | 10,784,719 |
| Transfers from restricted fund | - | - | - | 4,704,784 | 4,704,784 | - |
| Net cash provided by investing activities | - | - | - | 14,888,219 | 14,888,219 | 36,423,154 |
| Net increase (decrease) in cash and equivalents | 126,649 | 28,850 | 155,499 | (8,688,649) | (8,533,150) | 6,529,398 |
| Cash and equivalents at beginning of year | 822,752 | 2,272,651 | 3,095,403 | 33,465,867 | 36,561,270 | 26,599,966 |
| Restricted assets | - | - | - | (527,013) | (527,013) | 4,173,346 |
| Cash and equivalents at end of year | \$ 949,401 | \$ 2,301,501 | \$ 3,250,902 | \$ 24,250,205 | \$ 27,501,107 | \$ 37,302,710 |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Combining Statement of Changes in Fund Balances
Higher Education Funds
Year Ended September 30, 1999

| | UNIVERSITY OF GUAM | | | | | GUAM COMMUNITY COLLEGE | | | College and University (Memorandum Only) |
|--|--------------------|----------------|---------------|--------------|---------------|------------------------|---------------|--------------|---|
| | CURRENT | | PLANT | LOAN | ENDOWMENT | CURRENT | | PLANT | |
| | Restricted | Unrestricted | Unrestricted | Unrestricted | Unrestricted | Restricted | Unrestricted | Unrestricted | |
| Revenues and other additions | | | | | | | | | |
| Unrestricted current fund revenues | \$ - | \$ 42,366,944 | \$ - | \$ - | \$ - | \$ - | \$ 12,580,416 | \$ - | \$ 54,947,360 |
| Government of Guam appropriations - restricted | 3,071,060 | - | - | 388,940 | - | 2,097,600 | - | - | 5,557,600 |
| Government of Guam contracts - restricted | 2,102,853 | - | - | - | - | 2,096,111 | - | - | 4,198,964 |
| Federal grants and contracts - restricted | 8,741,930 | - | 84,428 | 2,957,634 | - | 510,867 | - | 1,062 | 12,295,921 |
| Private gifts, grants and contracts - restricted | 1,482,868 | - | - | - | - | - | - | - | 1,482,868 |
| Other restricted receipts | 179,986 | - | - | 3,812 | - | - | - | - | 183,798 |
| Endowment income | - | 1,999,287 | 96,000 | - | 260 | - | - | - | 2,095,547 |
| Recovery on student loans and miscellaneous receipts | - | - | - | 460,008 | - | - | - | - | 460,008 |
| Expended for plant facilities | - | - | 479,954 | - | - | - | - | - | 479,954 |
| Retirement of indebtedness | - | - | 165,647 | - | - | - | - | - | 165,647 |
| Total revenues and other additions | 15,578,697 | 44,366,231 | 826,029 | 3,810,394 | 260 | 4,704,578 | 12,580,416 | 1,062 | 81,867,667 |
| Expenditures and other deductions | | | | | | | | | |
| Educational and general expenditures | 17,054,458 | 37,869,192 | - | - | - | 4,686,327 | 12,169,171 | - | 71,779,148 |
| Auxiliary enterprise expenditures | - | 2,421,514 | - | - | - | - | 552,222 | - | 2,973,736 |
| Loans awarded | - | - | - | 3,429,080 | - | - | - | - | 3,429,080 |
| Plant repairs and maintenance | - | - | 684,395 | - | - | - | - | 650,738 | 1,335,133 |
| Depreciation of plant facilities | - | - | 1,838,193 | - | - | - | - | 35,770 | 1,873,963 |
| Investment fees | - | - | - | - | 153,572 | - | - | - | 153,572 |
| Retirement of indebtedness | - | - | 165,647 | - | - | - | - | - | 165,647 |
| Interest on indebtedness | - | - | 102,033 | - | - | - | - | - | 102,033 |
| Disposal of plant facilities | - | - | 104,818 | - | - | - | - | - | 104,818 |
| Total expenditures and other deductions | 17,054,458 | 40,290,706 | 2,895,086 | 3,429,080 | 153,572 | 4,686,327 | 12,721,393 | 686,508 | 81,917,130 |
| Transfers among funds-additions/(deductions): | | | | | | | | | |
| Mandatory | | | | | | | | | |
| Principal and interest | - | (295,692) | 295,692 | - | - | - | - | - | - |
| Renewals and replacements | - | (148,762) | 148,762 | - | - | - | - | - | - |
| Government of Guam bonds | - | (2,027,362) | - | - | - | - | - | - | (2,027,362) |
| Contributed capital | - | - | 222,095 | - | - | - | - | - | 222,095 |
| Restricted fund | 1,986,446 | (1,986,446) | - | - | - | - | 18,500 | - | 18,500 |
| Non-mandatory transfers, net | (140,837) | 733,747 | 61,906 | - | (654,816) | 121,897 | 9,580 | (164,401) | (32,924) |
| Total transfers | 1,845,609 | (3,724,515) | 728,455 | - | (654,816) | 121,897 | 28,080 | (164,401) | (1,819,691) |
| Net increase (decrease) for the year | 369,848 | 351,010 | (1,340,602) | 381,314 | (808,128) | 140,148 | (112,897) | (849,847) | (1,869,154) |
| Beginning fund balance | (217,319) | (3,975,194) | 68,192,298 | 688,830 | 11,733,129 | 429,568 | 3,244,798 | 3,883,346 | 83,979,456 |
| Ending fund balance (deficit) | \$ 152,529 | \$ (3,624,184) | \$ 66,851,696 | \$ 1,070,144 | \$ 10,925,001 | \$ 569,716 | \$ 3,131,901 | \$ 3,033,499 | \$ 82,110,302 |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Combining Statement of Current Funds Revenues, Expenditures and Other Changes
Higher Education Funds
Year Ended September 30, 1999

| | University of Guam (UOG) | | Guam Community College (GCC) | | College and University (Memorandum Only) |
|--|-----------------------------|-------------------|---------------------------------|-------------------|---|
| | Unrestricted | Restricted | Unrestricted | Restricted | |
| Revenues: | | | | | |
| Tuition and fees | \$ 9,797,505 | \$ - | \$ 2,300,960 | \$ - | \$ 12,098,465 |
| Government of Guam appropriations | 27,192,451 | 2,864,542 | 9,559,666 | 2,135,813 | 41,752,472 |
| Federal grants and contracts | 1,106,268 | 8,741,930 | 110,787 | 2,096,111 | 12,055,096 |
| GovGuam grants and contracts | - | 1,798,686 | - | 454,403 | 2,253,089 |
| Private gifts, grants and contracts | 275,701 | 1,482,868 | - | - | 1,758,569 |
| Endowment Income | 1,999,287 | - | - | - | 1,999,287 |
| Sales, services and other sources | 3,995,019 | 179,986 | 609,003 | - | 4,784,008 |
| Total current revenue | <u>44,366,231</u> | <u>15,068,012</u> | <u>12,580,416</u> | <u>4,686,327</u> | <u>76,700,986</u> |
| Expenditures and mandatory transfers: | | | | | |
| Instruction | 15,138,254 | 1,893,786 | 4,917,648 | 2,175,191 | 24,124,879 |
| Research | 1,553,630 | 4,244,396 | - | - | 5,798,026 |
| Public service | 113,125 | 5,356,250 | - | - | 5,469,375 |
| Academic support | 5,644,782 | 279 | 945,032 | 405,089 | 6,995,182 |
| Student services | 2,862,081 | 414,378 | 1,959,418 | 871,812 | 6,107,689 |
| Institutional support | 6,964,224 | 10,528 | 2,752,906 | 258,363 | 9,986,021 |
| Operation and maintenance of plant | 5,524,125 | - | 1,397,078 | - | 6,921,203 |
| Scholarships and fellowship | 68,971 | 5,134,841 | 103,413 | 957,133 | 6,264,358 |
| Indirect cost | - | - | 93,676 | 18,739 | 112,415 |
| Restricted fund matching grants | 1,986,446 | (1,986,446) | - | - | - |
| Total educational and general | <u>39,855,638</u> | <u>15,068,012</u> | <u>12,169,171</u> | <u>4,686,327</u> | <u>71,779,148</u> |
| Auxiliary enterprise expenditures | 2,421,514 | - | 552,222 | - | 2,973,736 |
| Mandatory transfers: | | | | | |
| Principal and interest | 295,692 | - | - | - | 295,692 |
| Renewals and replacement | 148,762 | - | - | - | 148,762 |
| GovGuam bonds | 2,027,362 | - | - | - | 2,027,362 |
| Total expenditures and mandatory transfers | <u>44,748,968</u> | <u>15,068,012</u> | <u>12,721,393</u> | <u>4,686,327</u> | <u>77,224,700</u> |
| Other transfers and additions/ (deductions) | | | | | |
| Excess of restricted receipts over transfers | - | 510,685 | - | 18,251 | 528,936 |
| Transfer from restricted fund classifications to unrestricted funds | - | - | 18,500 | - | 18,500 |
| Net appreciation in fair value of investments | - | - | - | - | - |
| Non-mandatory transfer, net | <u>733,747</u> | <u>(140,837)</u> | <u>9,580</u> | <u>121,897</u> | <u>724,387</u> |
| | <u>733,747</u> | <u>369,848</u> | <u>28,080</u> | <u>140,148</u> | <u>1,271,823</u> |
| Net increase (decrease) in fund balances | <u>\$ 351,010</u> | <u>\$ 369,848</u> | <u>\$ (112,897)</u> | <u>\$ 140,148</u> | <u>\$ 748,109</u> |

See accompanying notes to financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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

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

1. Blended Component Units

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

1. Blended Component Units, Continued

(c) The Fiduciary Fund Type - Pension Trust Fund is comprised of the Government of Guam Retirement Fund System (the Fund). The Fund was enacted to provide retirement amenities and other benefits to the employees of the Government of Guam, who upon entry to service, are eligible for membership. The Fund is governed by a five member Board of Trustees appointed by the Governor of Guam. The Fund is not included in the 1999 presentation.

2. Discretely Presented Component Units

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

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

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

(d) The Port Authority of Guam (PAG) is responsible for the operation of seaport facilities of the Government of Guam. The PAG is governed by a five member Board of Directors, all of whom are appointed by the Governor of the Government of Guam. The PAG is not included in the accompanying financial statements.

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

(f) The Guam Housing and Urban Renewal Authority (GHURA) is primarily funded by federal funds and engages in the construction and rehabilitation of low-cost and low-income housing. Substantially all funding is provided by the U.S. Department of Housing and Urban Development (HUD). GHURA is not included in the accompanying financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

Complete financial statements for each of the individual component units may be obtained at the units' administrative offices.

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

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

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

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

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

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

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

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

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

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

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

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

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

Guam Community College
Sesame Street
Mangilao, Guam 96923

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

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

| | <u>Fund</u> | <u>Fund Type</u> |
|----------|-----------------------------------|------------------|
| N/A | Rainy Day Fund | Special Revenue |
| Fund 204 | Summer School Fund | Special Revenue |
| Fund 230 | Vocational Rehab Revolving Fund | Special Revenue |
| Fund 231 | GFD Capital Outlay Revolving Fund | Special Revenue |
| Fund 242 | Coastal Zone Management Fund | Special Revenue |
| Fund 248 | Guam Beautification Fund | Special Revenue |
| Fund 249 | Municipal Litter Defacement Fund | Special Revenue |
| Fund 317 | Public Transit Fund | Special Revenue |
| Fund 320 | Deficit Elimination Fund | Special Revenue |
| Fund 328 | District Improvement Fund | Special Revenue |
| Fund 357 | Land Acquisition Fund | Special Revenue |
| Fund 316 | Off-Island Sports Fund | Expendable Trust |
| Fund 410 | Chamorro Home Loan Fund | Enterprise |
| Fund 412 | Chamorro Home Repair Fund | Enterprise |
| Fund 413 | Chamorro Home Development Fund | Enterprise |
| Fund 414 | Guam Educational Assistance Fund | Enterprise |
| Fund 415 | Chamorro Loan Guarantee | Enterprise |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

B. Measurement Focus and Basis of Accounting

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

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

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

The Governmental Funds include:

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

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

B. Measurement Focus and Basis of Accounting, Continued

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

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

The Proprietary Funds include:

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

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

The Fiduciary Funds include:

1. The Expendable Trust Funds and the Pension Trust Fund are used to account for assets held by the Government as trustee. The Pension Trust Fund is accounted for on the accrual basis of accounting. The Pension Trust Fund is not included in the 1999 presentation. Expendable Trust Funds are accounted for on the modified accrual basis of accounting.
2. The Agency funds are normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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

1. Current Funds are used to account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally-restricted purposes;

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

B. Measurement Focus and Basis of Accounting, Continued

2. Fiduciary Funds are used to account for assets held by loan, endowment, life income and agency funds in which the universities act in a fiduciary capacity; and
3. Plant Funds are used to account for institutional property acquisition, renewal, replacement, debt service and investment.

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

The Account Groups include:

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

C. Budgetary Process

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

C. 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. In fiscal year 1999, the Governor is authorized to transfer funds to or from any appropriation of the Executive Branch, provided that not more than 10% of the total Executive Branch line agencies budget is transferred and that notice of each transfer and justification shall be delivered within seven days prior to the transfer taking place to the Speaker of the Guam Legislature. During the year ended September 30, 1999, there were no such transfers of prior year appropriations into 1999. 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 1999, Public Law 25-03, was approved for the executive branch. The Budget for the Legislative Branch was appropriated under separate legislation. Budgets for Special Revenue Funds are generally not submitted. Accordingly, a budget to actual presentation for Special Revenue Funds is not required or presented. Project length financial plans are adopted for capital projects funds.

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

D. Cash and Equivalents

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

E. Deposits in Banks

Deposits in banks are required by local statute to be secured by qualified collateral in the amount of 110 percent or more of the deposit balance. However, the Government does not enforce the requirement on a consistent basis. Therefore, substantially all cash and equivalents of the Government of Guam are uncollateralized.

F. Investments

In the proprietary, fiduciary and governmental fund types, except as noted in the following paragraph, investments primarily consist of time certificates of deposit whose maturity exceeds ninety days at the date of placement held in banks on Guam insured by the Federal Deposit Insurance Corporation (FDIC). Individual certificates, however, are in denominations and accounts exceeding insured coverage of \$100,000. Uninsured and uncollateralized deposits recorded in governmental funds are estimated to aggregate \$191,369,912 at September 30, 1999. FDIC insured and collateralized deposits of the component units-proprietary funds aggregate \$3,200,544 as of September 30, 1999, with the remaining balance being unsecured and uncollateralized.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

F. Investments, Continued

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

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

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

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

G. Receivables

Receivables in the Government's governmental and fiduciary funds primarily consist of taxes and federal revenues. Since few governmental fund revenues are susceptible to accrual prior to receipt, substantially all taxes, licenses, fees, permits and similar revenues are recognized on the cash basis. When taxes are measurable but collection will not occur in a timely manner, so as to be available to finance expenditures of the current period, these assessments are classified as deferred revenues within the accompanying general purpose financial statements. Although generally accepted accounting principles permit the recognition of property and other taxes which are assessed and due as of year-end and collectible within 60 days thereafter in current year revenues, the Government has chosen to record property and other taxes on a cash basis due to matters associated with obtaining data allowing the estimation of the amount to be collected within that time period. Deferred tax revenues aggregate \$145,688,875 as of September 30, 1999. These deferred tax revenues are recorded in the general fund and in the Territorial Education Facilities Fund - a special revenue fund. Allowances for uncollectible accounts as of September 30, 1999 are as follows:

General Fund:

| | |
|-------|----------------------|
| Taxes | \$ 59,469,664 |
| Other | <u>4,057,924</u> |
| | \$ <u>63,527,588</u> |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

G. Receivables, Continued

| | |
|--|----------------------|
| Special Revenue Funds | \$ <u>16,305,302</u> |
| Component Units - Proprietary Funds | \$ <u>61,405,450</u> |
| Higher Education Funds (Student Loans) | \$ <u>14,454,151</u> |

The Government conducts virtually all of its business activity within the island of Guam. As of September 30, 1999, substantially all trade accounts receivable for the Government's proprietary funds are due from companies and individuals located within the island of Guam.

H. Interfund Transactions

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

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

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

NOTE 1 - Summary of Significant Accounting Policies, Continued

H. Interfund Transactions, Continued

| | | Interfund Receivable From: | | | | | | | | | | | | | | Total |
|------------|---|----------------------------|--------------------------------|-------------------------|----------------------------|--|---------------------------|---------------------------------|------------------------------|---|---|-------------------------------|----------------------------|------------------------------|----------------------------------|----------------|
| | | General Fund | Federal Grants Assistance Fund | Tourist Attraction Fund | Exxon Fuel Overcharge Fund | Customs Agriculture & Quarantine Inspection Fund | Manpower Development Fund | Territorial Ed. Facilities Fund | Public Service Recovery Fund | CPF Infrastructure Improvement Bond 89 Series A | DSF Infrastructure Improvement Bond 89 Series A | DSF-Highway Bond '92 Series A | DSF-G.O. Bond '95 Series A | GSA Inventory Revolving Fund | Miscellaneous Interfund Payables | |
| Interfund | General Fund | \$ - | \$ 11,920,739 | \$ 9,986,439 | \$ 475,496 | \$ 1,682,272 | \$ 490,957 | \$ 310,006 | \$ 2,752,610 | \$ 2,408,571 | \$ 1,361,648 | \$ 8,455,286 | \$ 41,165,110 | \$ 2,362,770 | \$ 2,430,852 | \$ 85,802,756 |
| Payable To | Tourist Attraction Fund | 2,194,059 | - | - | - | - | - | - | - | - | 8,454,219 | - | - | - | - | 10,648,278 |
| | Territorial Highway Fund | 7,703,270 | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,703,270 |
| | DOC Inmates Revolving Fund | 1,343,029 | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,343,029 |
| | Firefighters Equipment Replacement Fund | 600,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 600,000 |
| | Environmental Trust Fund | 290,925 | - | - | - | - | - | - | - | - | - | - | - | - | - | 290,925 |
| | Southern Community Health Ctr Fund | 444,643 | - | - | - | - | - | - | - | - | - | - | - | - | - | 444,643 |
| | GSA Inventory Revolving Fund | - | 283,293 | 8,153 | 2,547 | 32,557 | 3,466 | - | - | 131 | - | - | - | - | 249,926 | 580,073 |
| | Income Tax Rebate Fund | 2,244,397 | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,244,397 |
| | Typhoon Paka Fund | 861,817 | - | - | - | - | - | - | - | - | - | - | - | - | - | 861,817 |
| | Income Tax Reserve Fund | 4,938,677 | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,938,677 |
| | PUAG Capital Projects Fund | 948,460 | - | - | - | - | - | - | - | - | - | - | - | - | - | 948,460 |
| | DSF - Infrastructure Impr. '89 Series | - | - | 2,194,059 | - | - | - | - | - | - | - | - | - | - | - | 2,194,059 |
| | DSF G.O. Bond '94 Series A | 1,334,573 | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,334,573 |
| | Miscellaneous Interfund Receivables | 1,947,368 | - | - | - | - | - | - | - | - | - | 344,735 | - | - | 630,064 | 2,922,167 |
| Total | | \$ 24,851,218 | \$ 12,204,032 | \$ 12,188,651 | \$ 478,043 | \$ 1,714,829 | \$ 494,423 | \$ 310,006 | \$ 2,752,610 | \$ 2,408,702 | \$ 9,815,867 | \$ 8,800,021 | \$ 41,165,110 | \$ 2,362,770 | \$ 3,310,842 | \$ 122,857,124 |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

I. Inventories

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

J. Fixed Assets and Depreciation

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

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

Proprietary Fund Type - Enterprise, Internal Service Fund and Component Units fixed assets are stated at cost. Donated assets are recorded at their fair market value at the date of donation. Purchased and constructed fixed assets are stated at historical cost or estimated historical cost. The assets are depreciated principally on a straight-line basis over estimated useful lives ranging from 7 to 40 years for Structures and Improvements and from 3 to 20 years for Machinery and Equipment. Proprietary fund - component units follow the generally accepted accounting principle of capitalizing interest on construction activities. During the year ended September 30, 1999, proprietary funds - component units reported \$1,246,035 of interest that was so capitalized.

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

K. Restricted Assets

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

L. Fund Balance Reserves and Designations

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

L. Fund Balance Reserves and Designations, Continued

Encumbrances

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

Continuing Appropriations

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

M. Governmental Operations

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

N. Capital Projects Funds

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

O. Accrued Annual Leave

Employees are credited with vacation at rates of 104, 156 or 208 hours per fiscal year, depending upon their length of service. Accumulation of such vacation credits is limited to 480 hours at fiscal year-end and is convertible to pay upon termination of employment. Annual leave which is expected to be paid out within the next fiscal year is accrued in the General Fund to the extent of available funds within the related appropriation account. Accrued annual leave in excess of this amount is included in the General Long-Term Debt Account Group.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

P. Fund Deficits

The following funds have deficit fund balances as of September 30, 1999:

| <u>Fund Type</u> | <u>Fund</u> | <u>Deficit</u> |
|--------------------------------------|--|------------------------|
| Special Revenue - Governmental Funds | Territorial Highway Fund | \$ <u>(1,876,303)</u> |
| Special Revenue – Governmental Funds | Department of Defense Fund | \$ <u>(624,366)</u> |
| Special Revenue – Governmental Funds | Land Survey Revolving Fund | \$ <u>(42,122)</u> |
| Special Revenue – Governmental Funds | Taguag Memorial Cemetery | \$ <u>(5,743)</u> |
| Component Units – Proprietary Fund | Guam Waterworks Authority (GWA) | \$ <u>(18,954,007)</u> |
| Component Units - Proprietary Fund | Guam Economic Development Authority | \$ <u>(692,291)</u> |
| Internal Service - Proprietary Fund | Group Life Insurance Fund | \$ <u>(265,900)</u> |
| Expendable Trust - Fiduciary Funds | Workers' Compensation | \$ <u>(155,243)</u> |
| Higher Education Funds | University of Guam Current Funds Unrestricted | \$ <u>(3,624,184)</u> |

However, the Guam Waterworks Authority has \$246,449,568 of contributed capital which when offset with the above, provides for net equity of \$227,495,561.

GOVERNMENT OF GUAM

Notes To Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

Q. Continuing Appropriations

Continuing appropriations at September 30, 1999, are as follows:

| | General Fund | Special Revenue Funds | Capital Projects Funds | Expendable Trust Funds | Total |
|-----------------------------------|----------------------|-----------------------------|------------------------------|------------------------------|-----------------------|
| General Government | \$ 1,829,804 | \$ 2,635,089 | \$ 5,537,349 | \$ 4 | \$ 10,002,246 |
| Protection of Life And Property | 1,298,185 | 8,924,347 | - | 3,860 | 10,226,392 |
| Individual and Collective Rights | 258,801 | 7,982,468 | - | 38,970 | 8,280,239 |
| Public Health | 135,710 | 354,476 | - | - | 490,186 |
| Community Service | 3,201,403 | 10,394,181 | - | - | 13,595,584 |
| Parks and Recreation | 140,527 | 2,120,808 | - | - | 2,261,335 |
| Public Education | 23,301 | 1,173,889 | - | - | 1,197,190 |
| Environmental Protection | 47,220 | 1,961,865 | - | - | 2,009,085 |
| Economic Development | 37,565 | 3,374,150 | - | - | 3,411,715 |
| Capital Projects | 2,427,749 | 17,367,306 | 26,437,439 | - | 46,232,494 |
| Transfers to other funds/agencies | 7,215,826 | 28,298,093 | 23,898,893 | 1,034,340 | 60,447,152 |
| Totals | \$ <u>16,616,091</u> | \$ <u>84,586,672</u> | \$ <u>55,873,681</u> | \$ <u>1,077,174</u> | \$ <u>158,153,618</u> |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(1) Summary of Significant Accounting Policies, Continued

R. Totals - Memorandum Only

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

S. Reclassifications

Certain items in the 1998 balance sheets have been reclassified to conform with the 1999 presentation.

T. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

(2) Long-Term Debt

Component Units-Proprietary Funds:

Guam International Airport Authority:

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

\$ 228,600,000

Guam Rental Corporation:

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

725,517

Guam Telephone Authority:

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

83,711,188

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

17,246,431

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Component Units-Proprietary Funds, Continued:

Guam Telephone Authority, Continued:

Notes payable to Federal Financing Bank, varying interest at 5.621% to 7.887%, payable in quarterly installments with interest in annual amounts ranging from \$1,200 to \$622,000 through 2014. 21,176,609

Guam Power Authority:

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

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

MDI Guam non-interest bearing note payable in exchange for funds received for the construction of Manenggon Hills substation. The note is being repaid by deducting 80% of MDI's non-fuel charges from future power billings. 2,292,568

All gross revenues of GPA have been pledged to repay the 1993 and 1999 Series bond principal and interest. Discounts associated with the 1992, 1993, 1994 and 1999 bond series are being amortized using the interest method over the lives of the bonds.

Guam Housing Corporation:

Note payable to a bank in monthly installments of \$95,000, including interest at 9.625% per annum, due 2005. 3,332,575

Note payable to a bank, 8% interest, principal and interest payable in monthly installments of \$18,639, due 2003. 1,308,032

Note payable to a bank at 7% interest, principal and interest payable in monthly installments equivalent to payments received from collateralized Farmer's Home Administration mortgage loans, due 2003. 565,528

Note payable to Federal Home Loan Bank, 6.99% interest, payable in monthly installments of \$41,667, plus interest, principal due 2011. 5,747,126

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Component Units-Proprietary Funds, Continued:

Guam Housing Corporation, Continued:

Note payable to Federal Home Loan Bank of Seattle, 6.16% interest, interest payable monthly, principal due 2008. 1,486,049

Notes payable to Federal Home Loan Bank of Seattle, interest at varying rates from 5.670% to 6.09%, interest payable monthly, principal due 2003. 3,921,252

Note payable to Government of Guam Special Revenue Fund (Guam Housing Corporation Revolving Fund), 4% interest, payable in monthly installments of \$107,258, due 2011 through 2017. 13,786,387

Under the note agreements with the banks, the borrowings are collateralized by mortgage loans made by the Corporation from the proceeds of the borrowings. As of September 30, 1999, the Corporation has pledged as collateral for this borrowing approximately \$33,177,155 of related outstanding mortgage loans.

The Corporation is of the opinion it has complied with the covenants of its loan agreements with the banks and the Government of Guam which provide for collateral loan ratios, monthly delinquency reports on all loans and periodic submission of financial statements, among other requirements.

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

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

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

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Component Units-Proprietary Funds, Continued:

Guam Memorial Hospital Authority (GMHA):

Note payable to a bank in monthly installment of \$292,260, including interest at a variable rate based on the bank's index rate less ½% point per annum (8.25% at September 30, 1999), due in 2002 with an extension of promissory note for seven additional years, collateralized by a pledge and assignment of medical services revenue and property mortgage upon the hospital facility.

24,104,103

Notes payable to medical equipment vendor, varying interest ranging from 10.25% to 11.5%, payable in monthly/quarterly installments with interest in annual amounts ranging from \$84,312 to \$120,390 through 2001.

392,585

Balance due on several capital leases of computer hardware and software with a computer manufacturer, payable in total monthly installments of \$87,869 including interest rates ranging from 6.2% to 7.8%, collateralized by the computer hardware and software, with a bargain purchase option of \$1 at the end of the lease in 1999.

183,787

Non-interest bearing, uncollateralized advance from the Government of Guam (GovGuam), to be repaid by endorsing back to GovGuam, 50% of the payments received by GMHA for approved and adjudicated Medically Indigent Program charges.

2,901,446

Promissory note payable to the Government of Guam Retirement Fund in equal quarterly installments of \$366,064 including interest at prime rate plus 1% (9.25% at September 30, 1999) starting March 1998 with a balloon payment in March 2003.

8,296,623

Guam Economic Development Authority:

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

1,196,202

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

895,161

Guam Waterworks Authority:

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

2,380,591

920,298,361

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Component Units-Proprietary Funds, Continued:

| | |
|--|-----------------------|
| Less current maturities | (13,828,075) |
| Less: unamortized bank discount | (8,658,532) |
| loss on defeasance | (21,989,950) |
| Add: bond premium | <u>1,129,829</u> |
| Total long-term debt - component units - proprietary funds | \$ <u>876,951,633</u> |

The annual requirements to amortize all debt of the proprietary funds - component units outstanding as of September 30, 1999, including interest payments, for those entities whose audit reports include such, are as follows:

| | |
|------------|-----------------------|
| 2000 | \$ 13,828,075 |
| 2001 | 20,224,063 |
| 2002 | 20,468,063 |
| 2003 | 29,839,142 |
| 2004 | 20,974,032 |
| Thereafter | 814,964,986 |
| | \$ <u>920,298,361</u> |

Higher Education Funds:

University of Guam:

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

\$ 735,000

General Long-Term Debt Account Group:

General Obligation Bonds:

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

32,405,000

On September 15, 1993, the Government of Guam issued general obligation bonds 1993 Series A in the amount of \$175,000,000. The bonds have been issued for the purpose of implementing capital projects. The serial bonds mature in annual installments of \$2,490,000 to \$7,195,000 through November 15, 2008, the term bonds mature in

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

General Long-Term Debt Account Group, Continued:

General Obligation Bonds, Continued:

installments of \$42,150,000 in 2013 and \$54,785,000 in 2018. Interest ranging from 3% to 5.4% is payable semi-annually on May 15 and November 15 in each year.

155,425,000

On August 25, 1994, the Government of Guam issued general obligation bonds 1994 Series A in the amount of \$45,000,000. The bonds have been issued for the purpose of paying tax refunds owed to taxpayers. The bonds are collateralized by a lien of revenues as defined under the bond indenture. The bonds are payable in 1996, 1997 and 1999 for \$6,420,000, \$8,505,000 and \$30,075,000, respectively. Interest is payable semi-annually on February 15 and August 15 in each year, ranging from 5.3% to 5.75%.

-

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

90,725,000

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

52,610,000

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

76,969,313

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

December 1, 1990 through September, 2028. The note is collateralized by real property. 10,075,325

Total general long-term debt account group \$ 418,209,638

The annual requirement to amortize all debt of the governmental fund types outstanding as of September 30, 1999, is as follows:

| Year Ending September 30, | General Obligation Bonds | Special Revenue Bonds | Interest Payable On Term Debt | Notes Payable | Total |
|------------------------------|--------------------------------|-----------------------------|-------------------------------------|----------------------|-----------------------|
| 2000 | \$ 19,925,000 | \$ 4,374,313 | \$ 22,638,123 | \$ 100,775 | \$ 47,038,211 |
| 2001 | 20,990,000 | 6,495,000 | 21,314,635 | 108,815 | 48,908,450 |
| 2002 | 22,130,000 | 6,825,000 | 19,825,522 | 117,496 | 48,898,018 |
| 2003 | 23,365,000 | 7,190,000 | 18,222,884 | 126,870 | 48,904,754 |
| 2004 | 24,675,000 | 7,570,000 | 16,505,473 | 136,992 | 48,887,465 |
| Thereafter | <u>167,470,000</u> | <u>97,125,000</u> | <u>99,300,623</u> | <u>9,484,377</u> | <u>373,380,000</u> |
| | \$ <u>278,555,000</u> | \$ <u>129,579,313</u> | \$ <u>197,807,260</u> | \$ <u>10,075,325</u> | \$ <u>616,016,898</u> |

As of September 30, 1999, \$40,532,167 is available in the Debt Service Funds to service the General Obligation and Special Revenue Bonds. There are a number of limitations and restrictions placed on the bonds as specified below:

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

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

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

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the next succeeding calendar month upon all then outstanding bonds, plus (2) an amount which, if paid in equal monthly installments in each month prior to the next May 1, would aggregate to the amount of principal then becoming due and payable on the outstanding serial bonds on such May 1, plus (3) an amount which, if paid in equal monthly installments in each month prior to the next May 1, would aggregate to the amount of the mandatory sinking fund payments required to be paid for outstanding term bonds on such May 1. Amounts in the Bond Fund are to be used to pay bond interest and the principal of the serial and term bonds. Funds in this account are accounted for within the Debt Service Fund.

Bond Reserve Fund - an amount, if any, needed to equal the maximum annual debt service. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling due by their terms, and (3) the aggregate amount of all mandatory sinking fund payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund. Funds in this account are accounted for within the Debt Service Fund.

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

Maintenance and Operation Reserve Fund - an amount to increase the balance therein equal to 1 1/2 percent of the original aggregate principal amount of bonds of each series having bonds outstanding. Amounts in the Maintenance and Operation Reserve Fund are to be used to pay Government of Guam highway maintenance and operation expenses should amounts in the Maintenance and Operation Fund be insufficient. Accounting for this Fund is performed within the Debt Service Fund.

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

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

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Defeased Debt of Special Revenue Funds, Continued - As a result of the advance refunding, the Government reduced its debt service requirements on the 1989 Bonds by \$8,029,899 which resulted in an economic gain (difference between the present rate of the debt service payments of the old and new debt) of \$1,500,000.

Indentures to the 1997 Series A Bonds (Special Revenue Bonds)

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

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

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

Indentures to General Obligation Bonds:

- Bond Fund - an amount equal to the sum of (1) the aggregate amount of interest to accrue on the bonds during the next succeeding calendar month upon all bonds then outstanding, plus (2) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal date, would aggregate to the amount of principal then becoming due and payable on the outstanding serial bonds on such principal payment date, plus (3) an amount which, if paid in equal monthly installments in each month over the semiannual or annual period prior to the next principal date, would aggregate to the amount of the mandatory sinking fund payments required to be paid for the outstanding term bonds on such principal payment date.
- Rebate Fund - an amount, if any, needed to be deposited therein pursuant to the rebate certificate with respect to the 1997 Series A Bonds.
- Bond Reserve Fund - an amount, if any, needed to equal to the lesser of (1) the maximum annual debt service, (2) 10% of the proceeds received from the sale of the bonds and (3) 125% of average annual debt service on the bonds or an amount as may be specified by supplemental indentures providing for the issuance of a series of bonds. The maximum annual debt service is defined as the sum of (1) the interest falling due on the then outstanding bonds, (2) the principal amount of the outstanding serial bonds falling, due by their terms, and (3) the aggregate amount of all mandatory sinking payments required; all as computed for the bond year in which such sum shall be the largest. Amounts in the Bond Reserve Fund are to be used for the purpose of making up any deficiency in the Bond Fund.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Indentures to General Obligation Bonds, Continued:

- Bond Expense Fund - an amount equal to the amount of bond expenses estimated by the trustee to be due and payable during the next succeeding calendar month.

The General Obligation Bonds constitute the valid and legally binding general obligation of the Government of Guam, and the Government pledges its full faith and credit for the punctual payment of principal and interest on the bonds. Additionally, certain revenues are specifically pledged to secure the payment of said principal and interest. As defined by the terms of the bond indenture, these revenues include the following: (1) all amounts received by the Government as proceeds of Federal income taxes derived from Guam ("Section 30" monies); (2) customs duties collected by the Government derived from Guam; (3) the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in Guam and transported to the United States, its Territories or possessions, or consumed in Guam; and (4) the proceeds of any other taxes which may be levied by Congress on the inhabitants of Guam. "Revenue" further includes all interest, profits or other income derived from investments in any fund or account established pursuant to the bond indenture.

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

General Obligation Bonds 1993 Series A - This bond was issued on September 15, 1993 for the purpose of implementing certain Capital Projects comprised of new or renovated educational facilities. In accordance with the bond indenture, the Depositary established a Construction Fund, the amounts therein to be used solely for (1) the purpose of implementing capital projects pursuant to the Act, (2) the payment of costs of issuance, and (3) the payment of principal and interest on the bonds. On or before the fifth day of each calendar month, the Government deposits into a Bond Fund held by the Trustee, an amount equal to the amount necessary to increase the amount in the Bond Fund to the aggregate amount for all outstanding bonds of all unpaid interest, principal and Mandatory Sinking Account payments which is required to be transferred to the Bond Fund.

General Obligation Bonds 1994 Series A - This bond was issued on August 15, 1994 for the purpose of discharging the Government of Guam's obligation to pay refunds owed to taxpayers who have filed their income tax forms with the Government. All revenues are specifically pledged to secure the payment of the principal and interest on the Bonds in accordance to the terms and provisions of the indenture. The Depositary has established a Tax Refund Fund to be used solely for (1) the purpose of discharging the obligation to pay refunds owed to taxpayers who have filed their income tax forms, and (2) the payment of costs of issuance. On or before the fifth day of October in each year, the Trustee shall transfer amounts into a Bond Fund the amount necessary to increase the amount in the Bond Fund to an amount equal to the sum of (a) the aggregate amount of interest to accrue on the Bonds, plus (b) the aggregate amount of principal becoming due and payable, plus (c) the aggregate amount of Mandatory Sinking Account payments.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(2) Long-Term Debt, Continued

Indentures to General Obligation Bonds, Continued:

General Obligation Bond 1995 Series A - This bond was issued on June 1, 1995 for the purpose of discharging obligations for income tax refunds, supplemental retirement benefits, transfer payments to government agencies and to vendors to the extent obligations were incurred or previously obligated by the Government prior to May 15, 1995 and to pay the costs of issuance of such borrowing. The Depository has established a Bond Fund to be used solely (1) to pay General Fund expenses pursuant to the indenture, (2) to pay costs of issuance, and (3) to be held as a reserve for the payment of principal of and interest on the Bonds. The amount in the Bond Fund as of September 30, 1999 is \$41,060,359.

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

Public Law 23-14 was created to authorize the Governor of Guam to issue general bonds for the purposes of constructing and refurbishing territorial educational facilities, paying certain General Fund expenses, and creating a funding source for repayment of such bonds. Further, this Public Law required a budgetary cap that the Legislature shall not appropriate from the General Fund more than ninety-five percent (95%) of the total revenues projected for the General Fund for fiscal year 1999. This General Fund appropriations cap shall be in effect until the General Obligation Bond 1995 Series A is paid in full.

Management of the Government of Guam believes that it is in compliance with all significant limitations and restrictions of the bond indentures as of September 30, 1999.

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

Short-Term Notes Payable

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

Guam Power Authority

| | |
|--|--------------|
| Balance against a \$15 million credit facility, thirty day notes payable at maturity, collateralized by a financing statement against receivables with the Bank as lienholder subordinate to the bondholders under GPA's bond issues, interest between 7.56875% and 7.71625% | \$ 6,217,174 |
|--|--------------|

| | |
|--|----------------------|
| Tax exempt commercial paper notes, varying interest from 3.0% to 3.2%, rolled over maturity date from June 9, 2000 through August 14, 2000, collateralized by pledge of revenues subordinate to the bondholders under GPA's bond issues. The notes provide \$20 million for working capital and \$45 million for capital projects. | <u>20,000,000</u> |
| | \$ <u>26,217,174</u> |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(3) Commitments and Contingencies

A. Sick Leave

It is the policy of the Government of Guam to record the cost of sick leave when leave is actually taken and a liability is actually incurred. Generally, sick leave is paid only when an employee is absent due to illness, injury or related-family death. For this reason, no sick leave liability is recorded at September 30, 1999. The estimated accumulated amount of unused sick leave at September 30, 1999, is \$42,381,713. Sick leave balances are only available for the line departments of the executive branch.

B. Leases

The component units - proprietary funds have entered into various operating leases for buildings. Substantially all leases terminate annually at the end of the Government's fiscal year (September 30). It is expected that in the normal course of business, these leases will be replaced by similar ones. Expenditures for component units - proprietary funds' rent under leases for the year ended September 30, 1999, and projected expenditures thereafter are as follows:

| | |
|------------|---------------------|
| 2000 | \$ 1,383,913 |
| 2001 | 1,383,913 |
| 2002 | 1,194,000 |
| 2003 | 897,185 |
| 2004 | - |
| Thereafter | <u>-</u> |
| | \$ <u>4,859,011</u> |

C. Federal Grants

The Government has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Questioned costs for the 1999 and prior year audits aggregate to a material amount. If the questioned costs are ultimately disallowed, the general fund would be liable for the return of such funds. However, no liability which may arise from the ultimate outcome of this matter has been provided for in the accompanying general purpose financial statements.

Audits of federal program funds are also performed by various federal agencies. If the audit results in cost disallowances, the general fund may be liable. However, management does not believe that resolution of this matter will result in a material liability. Therefore, no liability for any amount which may ultimately arise from this matter has been recorded in the accompanying general purpose financial statements.

D. Litigation

The Government of Guam is unable to assess the actual claims outstanding as of the year ended September 30, 1999. The Attorney General is of the opinion that the Government's maximum liability in total for these cases is material to the financial statements as of September 30, 1999. However, it is not possible to predict a reasonable estimation of these claims and therefore, no provision for any liability that may result has been made in the accompanying general purpose financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(3) Commitments and Contingencies, Continued

E. Self-Insurance

The Government of Guam does not purchase insurance covering potential risks; it is substantially self-insured against claims for negligence and catastrophic losses. In the event that losses arise from such claims or disasters, the General Fund would be required to pay the majority of these losses. An annual appropriation is made to the Government Claims Fund (an expendable trust fund) and then valid claims are paid out against the appropriated amount. The Government of Guam has not experienced material prior year losses as a result of this policy.

F. Deposits with Treasurer

Insurance companies doing business on Guam are required under sections 43102 and 43202 of the Government Code of Guam, to deposit with the Commissioner of Insurance an amount equal to the minimum amount of paid-in-capital required under Article III of Title 39 of the Government Code. The deposit requirement is met with any good and sufficient bond as set by the Commissioner. Bonds currently take various forms and range from a surety bond to bank certificates of deposit. Deposits are likewise required of foreign banks and foreign exchanges. At September 30, 1999, approximately \$13,804,511 was held by the Government of Guam in bonds as security against possible claims.

G. Food Stamp Program Inventory

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

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

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

The Department issues prenumbered "Authorization to Purchase" (ATP) cards to eligible individuals. The individuals use ATP's to obtain food stamp coupons from the Department's distribution agent. The coupons are used to purchase food in participating stores, and redemption of the coupons is performed by FNS directly with such stores. The book value of coupons held in custody by the Department's agent at September 30, 1999, is \$13,394,257.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(3) Commitments and Contingencies, Continued

H. Medicare

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

I. Closure of Landfill

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

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

Included within transfers in to the General Fund, Special Revenue Funds, Debt Service Funds and Expendable Trust Funds during the year ended September 30, 1999, are the following:

General Fund:

| | |
|---|---------------|
| Territorial Education Facilities Fund | \$ 17,371,097 |
| Guam International Airport Authority | 3,261,257 |
| Guam Housing Corporation Revolving Fund | 2,253,405 |
| University of Guam | 2,027,362 |
| GSA Revolving Fund | 863,447 |
| Supreme Court of Guam | 500,000 |
| DPW Building & Design | 498,027 |
| Police Services | 416,441 |
| Abandoned Vehicle & Streetlights Fund | 383,614 |
| Health Professional Licensure Fund | 110,258 |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

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

General Fund (continued):

| | |
|-------------------------------------|---------|
| Public Service Recovery | 804,764 |
| Program Development Fund | 596,132 |
| Land for the Landless | 494,888 |
| Veteran's Bonus Fund | 352,092 |
| Public Defender Services Corp. | 273,610 |
| Criminal Injuries Compensation Fund | 256,295 |
| Typhoon Paka Emergency Fund | 234,845 |
| Recreation Revolving Fund | 113,843 |
| Housing Revolving Fund | 104,824 |
| PEALS Fund | 82,565 |
| 1999 SPG Revolving Fund | 71,302 |
| Chamorro Heritage Institute | 61,230 |
| Printing Revolving Fund | 55,766 |
| Health & Human Services Fund | 52,232 |
| Other various Funds | 205,719 |

\$ 31,445,015

Special Revenue Funds:

| | |
|---|---------------|
| Federal Grants Assistance | \$ 37,394,627 |
| Tourist Attraction Fund | 14,969,501 |
| Superior Court Operations Fund | 18,380,478 |
| Guam Legislature (not presented in the accompanying general purpose financial statements) | 10,800,000 |
| Territorial Highway Fund | 9,008,809 |
| Public Defender Service Corporation | 2,571,528 |
| 1999 SPG Revolving Fund | 1,500,000 |
| Supreme Court of Guam (not presented in the accompanying general purpose financial statements) | 1,516,927 |
| Firefighters Equipment Fund | 600,000 |
| Public Service Recovery Fund | 595,263 |
| Village Streets Fund | 517,133 |

\$ 97,854,266

Debt Service Funds:

| | |
|--|---------------|
| L.O. Infrastructure Improvement Bonds, 1989 Series A | \$ 18,879,889 |
| General Obligation Bonds, 1995 Series A | 12,496,982 |
| L.O. Highway Bond, 1992 Series A | 14,373,247 |
| General Obligation Bonds, 1993 Series A | 12,949,547 |
| General Obligation Bonds, 1994 Series A | 14,075,324 |

\$ 72,774,989

Expendable Trust Funds:

| | |
|-----------------------------|--------------|
| Community Development Fund | \$ 2,708,025 |
| Workmen's Compensation Fund | 1,641,536 |
| Superior Court Trust Fund | 2,129,273 |

\$ 6,478,834

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

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

Capital Project Fund:

Judicial Building Fund \$ 472,674

(5) Unfunded Retirement Fund Contribution

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

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

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

The assumption regarding employees who will elect to transfer is:

1. 6% of participants with less than five years of service as of September 30, 1995 and still active members of the DB plan as of September 30, 1998 will elect to transfer.
2. 3% of participants with between five and twenty years of service as of September 30, 1995 and still active members of the DB plan as of September 30, 1998 will elect to transfer.

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

The latest actuary's report indicates that the Plan has 8,945 active members, 3,664 service retirees, 501 disability retirees, 877 spouse pensioners and 279 child pensioners.

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 1999

(5) Unfunded Retirement Fund Contribution, Continued

The Plan utilizes the actuarial cost method termed "entry age normal" with an assumed rate of return of 8% and an assumed salary scale increase of 5 1/2% per annum. The most recent actuarial valuation performed as of September 30, 1998, did not provide a breakdown of actuarial present value of vested and non-vested accumulated plan benefits by sponsor or net assets available for benefits by sponsor.

According to the latest actuary's report, the actuarial value of benefits (vested and non-vested) for employees of all funds and agencies participating in the Retirement Plan at September 30, 1998, is \$1,770,851,501. This represents a decrease of \$54,016,198 over the previous actuarial valuation performed as of September 30, 1997. The latest actuarial valuation also determined that the Retirement Fund has an unfunded accrued liability which decreased from \$611,161,413 at September 30, 1997, to \$483,694,372 at September 30, 1998.

The total (memorandum only) accrued liability on the balance sheet of \$245,344,133 represents only that portion of the total unfunded liability accrued by the component units enterprise funds, college and university funds and the General Fund, and unpaid to the Retirement Fund as of September 1999. This liability, which is also a deferred obligation of the participating funds and agencies, resulted primarily from changes in retirement benefits, service credits, and compensation levels with only a minor change (decrease) in the statutory contribution rate to the Retirement Fund for the employer of 2.14%. Hence, the actuarial survey concluded that government contribution levels be changed from their current levels to the September 30, 1998 rate levels normal annual contributions to make up for the lack of adequate contributions in past years. Based on the actuarial valuation performed as of September 30, 1998, it is estimated that for the fiscal year ended September 30, 1999, the minimum employer contribution rate is changed to 16.37% of covered payroll, plus the statutory employee contribution rate of 9.5% of covered payroll which is necessary to fund current retirement costs, to amortize the unfunded liability over 14 years, and to provide for interest on the unfunded accrued liability.

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

(6) Reconciliation of Retained Earnings, Beginning of Year

Governmental Fund Types – Special Revenue – The Guam Legislature Operations fund was previously presented in the prior 1998 general purpose financial statements, however, such financial statements are not available for the current year and is therefore not presented in the accompanying financial statements.

Component Units - Proprietary Funds - The Guam Visitor's Bureau (GVB), and the Territorial Law Library were previously presented in the prior 1998 general purpose financial statements, however; such financial statements are not available for the current year and are therefore not presented in the accompanying financial statements.

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(6) Reconciliation of Retained Earnings, Beginning of Year, Continued

Accordingly, the retained earnings, beginning of year, for these fund types do not reconcile to the 1998 ending retained earnings. The following is a reconciliation of retained earnings, beginning of year, to reflect these adjustments:

| | Special Revenue Funds | Component Units Proprietary Funds |
|--|--------------------------|--------------------------------------|
| Ending retained earnings at September 30, 1998 | \$ 48,400,812 | \$ 276,973,569 |
| Guam Legislature Operations Fund | (1,410,269) | - |
| Guam Visitor's Bureau | - | (3,402,120) |
| Territorial Law Library | <u>-</u> | <u>(874,220)</u> |
| Beginning retained earnings at September 30, 1999 | \$ <u>46,990,543</u> | \$ <u>272,697,229</u> |

(7) Interfund Transfers

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

GOVERNMENT OF GUAM

Notes To Financial Statements
September 30, 1999

NOTE ' Interfund Transfers, Continued

B. Schedule of Interfund Transfers

| | | Transfers out of: | | | | | | | | | | | | | | | | | | |
|--|--|-----------------------|--------------------|----------------------------------|---------------------|--------------------------------|---------------------------|------------------------------|--------------------------------|--------------------------------|---|-------------------------|---------------|---------------|--------------------|--------------------|--------------------|------------------|--------------|----------------|
| | | Special Revenue Funds | | | | | | | | | | | | | Debt Service Funds | | | Capital Projects | | |
| | | | | | | | | | | | | | | | Limited Obligation | Limited Obligation | Limited Obligation | | | |
| | | | | | | | | | | | | | | | Highway Bonds | Infrastructure | Infrastructure | | | |
| | | | | | | | | | | | | | | | 1992, Series A | Improvement | Improvement Bond | | | |
| | | | | | | | | | | | | | | | Debt Service | Debt Service | Series 1997 A | Miscellaneous | | |
| | | | | | | | | | | | | | | | Debt Service | Debt Service | Capital Projects | Transfers | TOTAL | |
| | | General Fund | Tourist Attraction | Territorial Education Facilities | Territorial Highway | Dept. of Defense Contract Fund | Manpower Development Fund | Public Service Recovery Fund | Superior Court Operations Fund | Federal Grants Assistance Fund | Guam Housing Corporation Revolving Fund | DPW Building and Design | Miscellaneous | Total | | | Total | | | |
| Transfers in to: | General Fund | \$ - | \$ - | \$ 17,371,097 | \$ - | \$ - | \$ - | \$ 804,764 | \$ - | \$ - | \$ 2,253,405 | \$ ##### | \$ 2,651,451 | \$ 23,578,744 | \$ - | \$ - | \$ - | \$ - | \$ 7,866,271 | \$ 31,445,015 |
| | L.O. Infrastructure Improvement Bonds, 1997 Series A, Debt Service | - | 18,879,889 | - | - | - | - | - | - | - | - | - | - | 18,879,889 | - | - | - | - | - | 18,879,889 |
| | Tourist Attraction Fund | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 14,969,501 | 14,969,501 | - | - | 14,969,501 |
| | Federal Grants Assistance Fund | 36,906,481 | 486,153 | - | - | - | - | - | - | - | - | - | 1,993 | 488,146 | - | - | - | - | - | 37,394,627 |
| | Superior Court Operations Fund | 18,380,478 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 18,380,478 |
| | Superior Court Trust Fund | - | - | - | - | - | - | - | 2,129,273 | - | - | - | - | 2,129,273 | - | - | - | - | - | 2,129,273 |
| | Guam Legislature | 10,800,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 10,800,000 |
| | General Obligation Bonds, 1994 Series A, Debt Service | 14,075,324 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 14,075,324 |
| | L.O. Highway Bond, 1992 Series A, Debt Service | - | - | - | 14,373,247 | - | - | - | - | - | - | - | - | 14,373,247 | - | - | - | - | - | 14,373,247 |
| | General Obligation Bonds, 1993 Series A, Debt Service | 12,949,547 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,949,547 |
| | General Obligation Bonds, 1995 Series A, Debt Service | 12,496,982 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,496,982 |
| | Territorial Highway Fund | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,008,809 | - | 9,008,809 | - | - | 9,008,809 |
| | Public Service Recovery Fund | - | - | - | - | 595,263 | - | - | - | - | - | - | - | 595,263 | - | - | - | - | - | 595,263 |
| | Public Defender Service Corporation | 2,571,528 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,571,528 |
| | Community Development Fund | 2,708,025 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,708,025 |
| | Workmen's Compensation Fund | 1,641,536 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,641,536 |
| | Firefighter's Equipment Fund | 600,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 600,000 |
| | SPG Revolving Fund | - | 1,500,000 | - | - | - | - | - | - | - | - | - | - | 1,500,000 | - | - | - | - | - | 1,500,000 |
| | Village Streets Fund | - | - | - | 517,133 | - | - | - | - | - | - | - | - | 517,133 | - | - | - | - | - | 517,133 |
| | Superior Court Judicial Building Fund | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 472,674 | - | 472,674 |
| | Supreme Court of Guam | 1,516,927 | - | - | - | - | - | - | 680,949 | - | - | - | - | 680,949 | - | - | - | - | - | 2,197,876 |
| Total Governmental and Expendable Trust Funds Transfers In | | 114,646,828 | 20,866,042 | 17,371,097 | 14,890,380 | 595,263 | - | 804,764 | 2,810,222 | - | 2,253,405 | ##### | 2,653,444 | 62,742,644 | 9,008,809 | 14,969,501 | 23,978,310 | 472,674 | 7,866,271 | 209,706,727 |
| Department of Education | | - | - | - | - | - | - | 595,263 | - | - | - | - | - | 595,263 | - | - | - | - | - | 595,263 |
| University of Guam | | 32,774,546 | 413,405 | - | - | - | - | - | - | - | - | - | - | 413,405 | - | - | - | - | - | 33,187,951 |
| Government of Guam Employee's Retirement Fund | | 14,855,585 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 14,855,585 |
| Guam Community College | | 9,399,000 | 1,318,400 | - | - | - | 779,200 | - | - | - | - | - | 291,666 | 2,389,266 | - | - | - | - | - | 11,788,266 |
| Guam Visitors' Bureau | | - | 13,937,455 | - | - | - | - | - | - | - | - | - | - | 13,937,455 | - | - | - | - | - | 13,937,455 |
| Guam Waterworks Authority | | 36,311 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 36,311 |
| Office of the Public Auditor | | 561,726 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 561,726 |
| Guam Mass Transit Authority | | - | - | - | 2,800,000 | - | - | - | - | - | - | - | - | 2,800,000 | - | - | - | - | - | 2,800,000 |
| Chamorro Land Trust Commission | | 300,512 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 300,512 |
| Sanctuary, Inc. | | 350,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 350,000 |
| Miscellaneous Transfers in | | 193,316 | 589,941 | - | - | - | - | - | - | 11,814,453 | - | - | 28,697 | 12,433,091 | - | - | - | - | (6,986,904) | 5,639,503 |
| Total Transfers Out | | \$ 173,117,824 | \$ 37,125,243 | \$ 17,371,097 | \$ 17,690,380 | \$ 595,263 | \$ 779,200 | \$ 1,400,027 | \$ 2,810,222 | \$ 11,814,453 | \$ 2,253,405 | \$ ##### | \$ 2,973,807 | \$ 95,311,124 | \$ 9,008,809 | \$ 14,969,501 | \$ 23,978,310 | \$ 472,674 | \$ 879,367 | \$ 293,759,299 |

GOVERNMENT OF GUAM

Notes to Financial Statements September 30, 1999

NOTE (8) Reconciliation-Budgetary Basis To Generally Accepted Accounting Principles (GAAP) Basis

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

| | <u>General Fund</u> | <u>Special Revenue Funds</u> |
|--|--------------------------------|----------------------------------|
| Fund deficit - beginning of year | \$ (160,482,718) | \$ (133,145,758) |
| Fund balances of funds not included in the current year: | | |
| Guam Legislature Operations | - | (1,410,269) |
| Excess (deficiency) of revenues and other sources over (under) budgetary expenditures and other uses | (14,577,510) | (18,337,099) |
| Change in encumbrances | (581,497) | 5,783,063 |
| Change in continuing appropriations | 33,086,518 | 21,034,561 |
| Change in related assets | <u>-</u> | <u>1,460,774</u> |
| Fund deficit - end of year | \$ <u><u>(142,555,207)</u></u> | \$ <u><u>(124,614,728)</u></u> |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(9) Reserves For Related Assets

Reserves for related assets consist of the following:

| | |
|--|----------------------|
| General Fund (Miscellaneous) | \$ <u>48,858</u> |
| Special Revenue Funds: | |
| Guam Housing Corporation Revolving Fund (Loans) | \$ 13,847,488 |
| Customs, Agriculture & Quarantine Inspection Services Fund (Loans) | 543,616 |
| Farmers and Fisherman Loan Fund (Loans) | 130,849 |
| Territorial Educational Facilities Fund (Loans) | 40,250 |
| Farmers' Small Loan Revolving Fund (Loans) | 15,949 |
| Superior Court Operations (Miscellaneous) | <u>250</u> |
| | \$ <u>14,578,402</u> |
| Trust Funds: | |
| Superior Court Trust Fund | \$ <u>200</u> |

(10) Subsequent Events

General Long-Term Debt

In July 2000 the Government of Guam entered into loan agreements with local banks to finance the early retirement and voluntary separation programs.

(11) Restricted Assets

As of September 30, 1999, restricted assets are generally as follows:

Component Units - Proprietary Funds

| | |
|--|-----------------------|
| Guam International Airport Authority - Cash and investments held by trustees | \$ 97,940,551 |
| Guam Housing Corporation - Borrower deposits and cash and investments held by trustees | 51,979,819 |
| Guam Power Authority - Bond reserve funds held by a trustee | 90,483,609 |
| Guam Educational Telecommunications Corporation | 438,800 |
| Guam Waterworks Authority - Savings and time certificate of deposits for expanding, upgrading or repairing water and wastewater facilities | 3,114,114 |
| Guam Memorial Hospital Authority | <u>2,500,329</u> |
| | \$ <u>246,457,222</u> |
| <u>Higher Education Funds - Current Funds Restricted</u> | \$ <u>3,069,681</u> |

GOVERNMENT OF GUAM

Notes to Financial Statements
September 30, 1999

(12) Correction of Prior Year Errors

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

GOVERNMENT OF GUAM

General Fund
Balance Sheet
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| <u>ASSETS</u> | <u>1999</u> | <u>1998</u> |
|---|-----------------------|-----------------------|
| Cash and equivalents | \$ <u>30,539,670</u> | \$ <u>43,641,290</u> |
| Receivables: | | |
| Income taxes | 103,744,560 | 49,431,646 |
| Gross receipts taxes | 49,845,579 | 53,639,660 |
| Reserve for uncollectible taxes | <u>(59,469,664)</u> | <u>(59,469,664)</u> |
| Net tax receivables | <u>94,120,475</u> | <u>43,601,642</u> |
| Receivable from Federal Agencies | <u>791,324</u> | <u>302,823</u> |
| Other receivables, net | <u>1,516,092</u> | <u>1,582,618</u> |
| Interfund receivables, net | <u>85,802,756</u> | <u>84,540,985</u> |
| Total assets | \$ <u>212,770,317</u> | \$ <u>173,669,358</u> |
| <u>LIABILITIES AND FUND BALANCE (DEFICIT)</u> | | |
| Liabilities: | | |
| Bank overdraft | \$ 707,753 | \$ 10,107,708 |
| Accounts payable | 34,323,362 | 27,141,152 |
| Accrued payroll and other | 20,556,016 | 28,386,197 |
| Interfund payables | 24,851,218 | 31,090,492 |
| Deferred tax revenue | 94,120,475 | 43,601,642 |
| Deferred federal revenue | 37,059,601 | 31,286,150 |
| Provision for tax refunds | 93,476,654 | 76,424,859 |
| Deposits and other liabilities | 9,243,850 | 12,629,959 |
| Vacation leave accrual | <u>7,369,408</u> | <u>7,361,709</u> |
| Total liabilities | <u>321,708,337</u> | <u>268,029,868</u> |
| Fund balance (deficit): | | |
| Reserved for: | | |
| Related assets | 48,858 | 48,858 |
| Encumbrances | 16,952,238 | 16,370,741 |
| Continuing appropriations | 16,616,091 | 49,702,609 |
| Deficit | <u>(142,555,207)</u> | <u>(160,482,718)</u> |
| Total fund balance (deficit) | <u>(108,938,020)</u> | <u>(94,360,510)</u> |
| Total liabilities and fund balance (deficit) | \$ <u>212,770,317</u> | \$ <u>173,669,358</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

General Fund
Schedule of Revenues By Source
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | <u>1999</u> | <u>1998</u> |
|----------------------------|-----------------------|-----------------------|
| Revenues: | | |
| Taxes: | | |
| Income | \$ 250,377,891 | \$ 272,562,844 |
| Gross receipts | 148,963,676 | 172,063,088 |
| Other | <u>6,486,003</u> | <u>6,513,171</u> |
| | 405,827,570 | 451,139,103 |
| Section 30 Funds | 48,642,730 | 38,839,662 |
| Licenses, fees and permits | 1,885,380 | 1,942,125 |
| Use of money and property | 1,617,977 | 2,897,332 |
| Federal contributions | 9,849,935 | 7,245,432 |
| Other | <u>1,564,233</u> | <u>1,593,245</u> |
| Total revenues | \$ <u>469,387,825</u> | \$ <u>503,656,899</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

General Fund
Schedule of Expenditures By Function and Department
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | <u>1999</u> | <u>1998</u> |
|--|-------------------|-------------------|
| General Government: | | |
| Governor's Office | \$ 10,370,915 | \$ 9,669,133 |
| Bureau of Budget and Management Research | 1,519,833 | 1,498,376 |
| Administration | 10,319,043 | 11,531,496 |
| Revenue and Taxation | 13,060,576 | 10,191,201 |
| Public Works | 14,440,866 | 18,492,091 |
| Civil Service Commission | 1,231,516 | 1,206,911 |
| Land Management | <u>2,409,649</u> | <u>2,749,275</u> |
| Total | <u>53,352,398</u> | <u>55,338,483</u> |
| Protection of life and property: | | |
| Law | 5,918,172 | 5,554,319 |
| Guam Police Department | 26,155,861 | 26,443,248 |
| Guam Fire Department | 20,618,407 | 19,914,770 |
| Corrections | 16,630,105 | 15,255,661 |
| Youth Affairs | 3,858,162 | 4,052,535 |
| Chief Medical Examiner | 309,317 | 351,121 |
| Civil Defense Agency | 1,113,817 | 169,981 |
| Customs and Quarantine | <u>31,500</u> | <u>35,987</u> |
| Total | <u>74,635,341</u> | <u>71,777,622</u> |
| Public Health: | | |
| Public Health and Social Services | 16,402,814 | 14,118,557 |
| Mental Health and Substance Abuse | <u>6,233,884</u> | <u>5,632,924</u> |
| Total | <u>22,636,698</u> | <u>19,751,481</u> |
| Community Services: | | |
| Public Health and Social Services | 2,674,142 | 2,763,315 |
| Library and Museum | 1,154,083 | 1,265,343 |
| CAHA | 3,848 | - |
| Vocational Rehabilitation | <u>2,145,865</u> | <u>1,901,618</u> |
| Total | <u>5,977,938</u> | <u>5,930,276</u> |
| Recreation: | | |
| Parks and Recreation | <u>3,253,705</u> | <u>3,275,425</u> |
| Total | <u>3,253,705</u> | <u>3,275,425</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

General Fund
Schedule of Expenditures By Function And Department, Continued
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | <u>1999</u> | <u>1998</u> |
|--------------------------------------|-----------------------|-----------------------|
| Individual and Collective Rights: | | |
| Labor | 2,544,058 | 2,470,901 |
| Election Commission | 701,200 | 597,349 |
| Mayors' Council | 4,037,228 | 4,010,920 |
| Guam Veterans Affairs | 245,765 | 226,321 |
| Human Resources Development | 173,956 | 202,214 |
| Military Affairs | 704,826 | 446,993 |
| Women's Affairs | - | 27,967 |
| Commission on Self-Determination | <u>505,420</u> | <u>690,646</u> |
| Total | <u>8,912,453</u> | <u>8,673,311</u> |
| Transportation: | | |
| Public Works | <u>2,782,326</u> | <u>1,330,436</u> |
| Total | <u>2,782,326</u> | <u>1,330,436</u> |
| Public Education: | | |
| Public Works | 6,772,634 | 9,516,704 |
| Guam Educational Tele. Corp. | 419,471 | 481,068 |
| Education | 131,522,295 | 448 |
| Chamorro Language Commission | <u>155,393</u> | <u>149,888</u> |
| Total | <u>138,869,793</u> | <u>10,148,108</u> |
| Environmental Protection: | | |
| Public Works | 3,331,425 | 4,730,514 |
| Guam Energy Office | - | 13,796 |
| Guam Environmental Protection Agency | <u>149,309</u> | <u>407,459</u> |
| Total | <u>3,480,734</u> | <u>5,151,769</u> |
| Economic Development: | | |
| Commerce | 1,850,800 | 1,886,160 |
| Agriculture | 2,535,430 | 2,773,198 |
| Bureau of Planning | <u>1,265,663</u> | <u>1,133,626</u> |
| Total | <u>5,651,893</u> | <u>5,792,984</u> |
| Transfers To Persons | <u>22,004,070</u> | <u>17,709,916</u> |
| Debt Service: | | |
| Interest and fiscal charges | <u>692,318</u> | <u>1,250,602</u> |
| Total expenditures | \$ <u>342,249,667</u> | \$ <u>206,130,413</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Special Revenue Funds September 30, 1999

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. A brief discussion of the Government's Special Revenue Funds as of September 30, 1999, follows.

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

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

Stripperwell Fund - This fund was established based on a federal court decision against Stripperwell. As with the Exxon Overcharge Fund, Guam was allocated a share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest bearing account. This fund is administered by the Guam Energy Office.

Exxon Fuel Overcharge Fund - This fund was established based on a federal court decision against the Exxon Corporation. Guam was allocated some three million dollars as its share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest bearing account. This fund is administered by the Guam Energy Office.

Southern Community Health Center - This fund was established to provide for the Southern Community Health Center. Revenues are derived from fees charged to health service recipients utilizing the Center. Revenues are applied to expenditures applicable to the operation of the Center.

D.O.D. Contract Fund - This fund was established by the Department of Administration to account for funds from the United States Department of Defense to the Department of Education (D.O.E.) specifically to provide for fixed tuition payment per eligible D.O.D. student enrolled in the Guam D.O.E. system and for the recruitment of qualified teachers. This fund is not subject to the provisions of OMB Circular A-133.

Housing Revolving Fund - This fund is maintained to account for the leasing of Government of Guam housing units to both private individuals and public organizations. Funding of this program is provided by both rental fees and Government contributions.

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

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Special Revenue Funds, Continued September 30, 1999

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

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

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

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

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

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

Parks and Recreational Revolving Fund - This fund was established by P.L. 16-144 for the development, improvement and maintenance of the Guam Territorial Park System. Expenditures are authorized and made by appropriations from the Legislature.

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

Department of Corrections Revolving Fund - The fund was established by Executive Order 94-17 and is administered by the Department of Corrections. Revenues are generated from funds collected for housing U.S. prisoners and detainees, meals charged to DOC employees, and sale of wet garbage to private persons. Expenditures are for purchases of clothing, food, equipment, medical supplies and medicines for prisoners and detainees.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Special Revenue Funds, Continued September 30, 1999

Engineers', Architects' and Surveyors' Fund - This fund was established to receive fees from licenses and license renewals and to use those funds to administer and enforce the laws relating to professional engineers, architects and land surveyors.

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

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

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

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

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

Land Survey Fund - The Land Survey Revolving Fund was established in order to administer the surveying, mapping, and registration of all government-owned properties. Revenues are derived from certain documentary fees and proceeds from leases of government land. Funds are expended after allotments authorizing their expenditure are established by the Bureau of Budget and Management Research.

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Special Revenue Funds, Continued September 30, 1999

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

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

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

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

Customs, Agriculture, and Quarantine Inspection Services Fund - This fund was established by Public Law 23-45 and amended by Public Law 23-96 Section 73145 of the Government Code of Guam. The law requires that each aircraft landing at the Guam International Airport Terminal (GIAT) shall be levied a customs, agriculture, and quarantine inspection service charge reasonably related to the cost incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining and operating the service charge facilities, and shall be allocated among air carriers in such a manner reasonably related to the relative demand for such services attributable to each carrier. All expenditures of the Fund shall be made exclusively by appropriation of the Guam Legislature. The Fund shall not be commingled with the General Fund and shall be kept in a separate bank account.

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

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

Accessible Parking Fund - The fund was established by P.L. 18-28 to ensure that disabled persons are given equal access to government offices and services. Revenues are generated from fines collected from those parked illegally in handicapped parking spaces. Expenditures are authorized for maintenance of disabled parking areas.

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Special Revenue Funds, Continued September 30, 1999

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

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

Air Pollution Control Fund – This fund was established under Public Law 24-40 to provide a coordinated Territory-wide program of air pollution prevention, abatement, and control. Revenues are derived primarily from permit application fees and annual emission fees.

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

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

Environmental Trust Fund - This fund was established through Public Law 21-10. The fund is administered by the Guam Environment Protection Agency and was established to clean up hazardous materials and to restore and repair damage to the environment. Revenues are generated through collection of a 2% assessment fee on all commercial and industrial liability insurance premiums which will be collected by the Department of Revenue and Taxation.

Drivers' Education Fund - This fund was established under Public Law 22-20 to be expended on personnel, travel, purchase of vehicles, insurance, fuel and maintenance, textbooks and materials, driving simulators, a consultant and for teachers stipends.

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

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

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

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Special Revenue Funds, Continued September 30, 1999

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

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

Police Services Fund - This fund was established by P.L. 24-23 for the purpose of funding the general operational needs of the Guam Police Department. Revenues are derived mainly from miscellaneous services and fees provided by the department.

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

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

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

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

Board of Accountancy Fund - This fund was established for the purpose of regulating aspects of the practice of public accountancy. The Guam Code Annotated Title 22, Subsection 35104(d) states that “all monies collected by the Board ... shall be deposited with the Treasurer of Guam to the credit of the Board.” Sources of revenues are from the issuance of certificates and permit fees collected from public accountants and firms practicing public accountancy. Monies shall be expended for administering the Public Accountancy Act of 1990.

Dededo Buffer Strip Revolving Fund - This fund was established as a result of the re-enactment of Section 68901(1) of Title 21 of the Guam Code Annotated as amended by P.L. 24-59. This authorizes the Department of Land Management to enter into commercial leases, not exceeding ten (10) years, for the use of the Dededo and Yigo Municipal Planning Councils (two-thirds to Dededo and one-third to Yigo) for the upkeep and maintenance of sports and recreational facilities.

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

See Accompanying Independent Auditors’ Report.

GOVERNMENT OF GUAM

Special Revenue Funds, Continued September 30, 1999

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

Guam Legislature Operations Fund - The Guam Legislature was created by the Organic Act of Guam, as amended. It is a unicameral body of 21 members elected bi-annually. It meets in two regular year-round sessions. Funding is provided through General Fund appropriations. The Guam Legislature is not presented in the accompanying financial statements.

Guam Council of the Arts and Humanities Fund - The fund was established by P.L. 16-22 for the purpose of furthering art projects on Guam. Revenues are generated from gallery commissions, season tickets, and fund raising activities. Expenditures are for projects designed for the advancement of the arts (i.e., art shows, concerts, etc.). The Guam Council of the Arts and Humanities Fund is not presented in the accompanying financial statements.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM
Special Revenue Funds
Combining Balance Sheet
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Federal Grants | Notary Public Revolving | StripperWell Overcharge | Exxon Fuel Overcharge | Southern Community Health Center | D.O.D. Contract | Housing Revolving | Abandoned Vehicle and Streetlight | Wildlife Conservation | Territorial Educational Facilities |
|------------------------------------|----------------------|----------------------------|----------------------------|--------------------------|--|---------------------|----------------------|---|--------------------------|--|
| <u>ASSETS</u> | | | | | | | | | | |
| Cash and equivalents | \$ 1,600,040 | \$ - | \$ 656,971 | \$ 1,806,948 | \$ - | \$ 2,663,678 | \$ - | \$ - | \$ - | \$ 310,006 |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Taxes receivable, net | - | - | - | - | - | - | - | - | - | 14,508,799 |
| Receivables, net | - | - | - | - | - | - | 138,446 | - | - | 40,250 |
| Receivables from federal agencies | 19,867,251 | - | - | - | 7,892 | - | - | - | - | - |
| Interfund receivables, net | - | - | - | - | 444,643 | 36,011 | - | 630,064 | 215,234 | - |
| Notes receivable | - | - | - | - | - | - | - | - | - | - |
| Inventories | 13,394,257 | - | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - | - | - |
| | <u>34,861,548</u> | <u>-</u> | <u>656,971</u> | <u>1,806,948</u> | <u>452,535</u> | <u>2,699,689</u> | <u>138,446</u> | <u>630,064</u> | <u>215,234</u> | <u>14,859,055</u> |
| Restricted assets | - | - | - | - | - | - | - | - | - | - |
| Total assets | \$ <u>34,861,548</u> | \$ <u>-</u> | \$ <u>656,971</u> | \$ <u>1,806,948</u> | \$ <u>452,535</u> | \$ <u>2,699,689</u> | \$ <u>138,446</u> | \$ <u>630,064</u> | \$ <u>215,234</u> | \$ <u>14,859,055</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | | | |
| Accounts payable | \$ 32,559 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll and other | - | - | - | - | - | - | 11,611 | - | - | - |
| Interfund payables | 12,204,032 | - | 30,968 | 478,043 | 10,918 | 51,603 | 118,094 | - | - | 310,006 |
| Payable to federal agencies | 9,163,469 | - | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - | - | - |
| Deferred revenue | 13,394,257 | - | - | - | - | 3,272,452 | - | - | - | 14,508,799 |
| Provision for tax refunds | - | - | - | - | - | - | - | - | - | - |
| Deposits and other liabilities | - | - | - | - | - | - | 7,940 | - | - | - |
| Total liabilities | <u>34,794,317</u> | <u>-</u> | <u>30,968</u> | <u>478,043</u> | <u>10,918</u> | <u>3,324,055</u> | <u>137,645</u> | <u>-</u> | <u>-</u> | <u>14,818,805</u> |
| Fund equity: | | | | | | | | | | |
| Contributed capital: | | | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - | - | - |
| Fund balances | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - |
| Related assets | - | - | - | - | - | - | - | - | - | 40,250 |
| Encumbrances | 48,671,230 | - | 43,083 | 185,026 | 127,261 | 1,407,796 | 801 | - | 4,351 | - |
| Continuing appropriations | 74,042,296 | - | 401,415 | 317,404 | 308,728 | 1,056,260 | - | - | 137,747 | - |
| Unreserved (deficit) | <u>(122,646,295)</u> | <u>-</u> | <u>181,505</u> | <u>826,475</u> | <u>5,628</u> | <u>(3,088,422)</u> | <u>-</u> | <u>630,064</u> | <u>73,136</u> | <u>-</u> |
| Total fund equity | <u>67,231</u> | <u>-</u> | <u>626,003</u> | <u>1,328,905</u> | <u>441,617</u> | <u>(624,366)</u> | <u>801</u> | <u>630,064</u> | <u>215,234</u> | <u>40,250</u> |
| Total liabilities and fund equity | \$ <u>34,861,548</u> | \$ <u>-</u> | \$ <u>656,971</u> | \$ <u>1,806,948</u> | \$ <u>452,535</u> | \$ <u>2,699,689</u> | \$ <u>138,446</u> | \$ <u>630,064</u> | \$ <u>215,234</u> | \$ <u>14,859,055</u> |

GOVERNMENT OF GUAM
Special Revenue Funds
Combining Balance Sheet, Continued
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Tourist Attraction | Veterans' Bonus | Territorial Highway | Land for the Landless | Plant Nursery Revolving | Parks | Contractors' License Board | DOC Revolving | Professional Engineers' Architects' and Surveyors' | Typhoon Paka Emergency | Safe Streets Act Fund |
|------------------------------------|-----------------------|--------------------|------------------------|--------------------------|-------------------------------|------------------|----------------------------------|---------------------|---|------------------------------|--------------------------|
| <u>ASSETS</u> | | | | | | | | | | | |
| Cash and equivalents | \$ 4,923,648 | \$ - | \$ 2,384,376 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - | - | - | - | - | - |
| Taxes receivable, net | 172,364 | 76,800 | 12,752,758 | - | - | - | - | - | - | - | - |
| Receivables, net | - | - | - | 125,720 | - | - | - | 232,061 | - | - | - |
| Receivables from federal agencies | - | - | - | - | - | - | - | - | - | - | - |
| Interfund receivables, net | 10,648,278 | 75,000 | 7,703,270 | - | 7,367 | 22,095 | 14,032 | 1,343,029 | 12,552 | 861,817 | 226,477 |
| Notes receivable | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - | - | - | - |
| | <u>15,744,290</u> | <u>151,800</u> | <u>22,840,404</u> | <u>125,720</u> | <u>7,367</u> | <u>22,095</u> | <u>14,032</u> | <u>1,575,090</u> | <u>12,552</u> | <u>861,817</u> | <u>226,477</u> |
| Restricted assets | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 15,744,290</u> | <u>\$ 151,800</u> | <u>\$ 22,840,404</u> | <u>\$ 125,720</u> | <u>\$ 7,367</u> | <u>\$ 22,095</u> | <u>\$ 14,032</u> | <u>\$ 1,575,090</u> | <u>\$ 12,552</u> | <u>\$ 861,817</u> | <u>\$ 226,477</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | | | | |
| Accounts payable | \$ 16,419 | \$ - | \$ 19,050 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll and other | 2,109,139 | - | 291,048 | - | - | - | - | 865,324 | - | - | - |
| Interfund payables | 12,188,651 | - | 643,571 | - | - | 18,814 | 3,314 | 66,231 | 1,978 | - | 36,291 |
| Payable to federal agencies | - | - | - | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenue | 178,139 | 76,800 | 12,752,758 | 125,720 | - | - | - | - | - | - | - |
| Provision for tax refunds | - | - | 11,010,280 | - | - | - | - | - | - | - | - |
| Deposits and other liabilities | - | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | <u>14,492,348</u> | <u>76,800</u> | <u>24,716,707</u> | <u>125,720</u> | <u>-</u> | <u>18,814</u> | <u>3,314</u> | <u>931,555</u> | <u>1,978</u> | <u>-</u> | <u>36,291</u> |
| Fund equity: | | | | | | | | | | | |
| Contributed capital: | | | | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - | - | - | - |
| Fund balances | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - | - |
| Related assets | - | - | - | - | - | - | - | - | - | - | - |
| Encumbrances | 203,347 | - | 397,695 | - | - | 3,273 | 10,715 | 346,802 | 10,574 | 861,649 | 5,195 |
| Continuing appropriations | 3,676,160 | 75,000 | 292,201 | - | 7,367 | 8 | 3 | 928,497 | - | 168 | 184,991 |
| Unreserved (deficit) | <u>(2,627,565)</u> | <u>-</u> | <u>(2,566,199)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(631,764)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund equity | <u>1,251,942</u> | <u>75,000</u> | <u>(1,876,303)</u> | <u>-</u> | <u>7,367</u> | <u>3,281</u> | <u>10,718</u> | <u>643,535</u> | <u>10,574</u> | <u>861,817</u> | <u>190,186</u> |
| Total liabilities and fund equity | <u>\$ 15,744,290</u> | <u>\$ 151,800</u> | <u>\$ 22,840,404</u> | <u>\$ 125,720</u> | <u>\$ 7,367</u> | <u>\$ 22,095</u> | <u>\$ 14,032</u> | <u>\$ 1,575,090</u> | <u>\$ 12,552</u> | <u>\$ 861,817</u> | <u>\$ 226,477</u> |

GOVERNMENT OF GUAM
Special Revenue Funds
Combining Balance Sheet, Continued
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Individuals w/ Disabilities Disaster Recovery | Chamorro Language Commission | Printing Revolving | Land Survey Revolving | Litter Control Revolving | Recreation Revolving | General Services Agency | Village Streets | Manpower Development | Customs, Agriculture and Quarantine Inspection | Guam Housing Corporation Revolving |
|------------------------------------|--|------------------------------------|-----------------------|--------------------------|--------------------------------|-------------------------|-------------------------------|---------------------|-------------------------|---|--|
| <u>ASSETS</u> | | | | | | | | | | | |
| Cash and equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,384,379 | \$ 1,321,375 | \$ 2,296,898 | \$ - |
| Investments | - | - | - | - | - | - | - | - | - | - | - |
| Taxes receivable, net | - | - | - | - | - | - | - | - | - | - | - |
| Receivables, net | - | - | - | - | - | - | - | - | - | 2,740,482 | 13,847,488 |
| Receivables from federal agencies | - | - | - | - | - | - | - | - | - | - | - |
| Interfund receivables, net | 100,000 | 2,936 | - | - | 22,083 | 89,241 | 59,060 | - | - | - | - |
| Notes receivable | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - | - | - | - |
| | <u>100,000</u> | <u>2,936</u> | <u>-</u> | <u>-</u> | <u>22,083</u> | <u>89,241</u> | <u>59,060</u> | <u>2,384,379</u> | <u>1,321,375</u> | <u>5,037,380</u> | <u>13,847,488</u> |
| Restricted assets | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | \$ <u>100,000</u> | \$ <u>2,936</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>22,083</u> | \$ <u>89,241</u> | \$ <u>59,060</u> | \$ <u>2,384,379</u> | \$ <u>1,321,375</u> | \$ <u>5,037,380</u> | \$ <u>13,847,488</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll and other | - | - | - | - | - | - | - | - | - | - | - |
| Interfund payables | - | - | - | 42,122 | - | 10,792 | 224 | 24,771 | 494,423 | 1,714,829 | - |
| Payable to federal agencies | - | - | - | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - | 114,644 | - | - |
| Provision for tax refunds | - | - | - | - | - | - | - | - | - | - | - |
| Deposits and other liabilities | - | 2,936 | - | - | - | - | - | - | 135,762 | 36,829 | - |
| Total liabilities | - | 2,936 | - | 42,122 | - | 10,792 | 224 | 24,771 | 744,829 | 1,751,658 | - |
| Fund equity: | | | | | | | | | | | |
| Contributed capital: | | | | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - | - | - | - |
| Fund balances | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - | - |
| Related assets | - | - | - | - | - | - | - | - | - | 543,616 | 13,847,488 |
| Encumbrances | - | - | - | 132,160 | 6,436 | 21,738 | 1,634 | - | 9,444 | 128,550 | - |
| Continuing appropriations | 100,000 | - | - | 307,385 | 7,110 | 56,711 | 57,202 | - | 254,425 | - | - |
| Unreserved (deficit) | - | - | - | (481,667) | 8,537 | - | - | 2,359,608 | 312,677 | 2,613,556 | - |
| Total fund equity | <u>100,000</u> | <u>-</u> | <u>-</u> | <u>(42,122)</u> | <u>22,083</u> | <u>78,449</u> | <u>58,836</u> | <u>2,359,608</u> | <u>576,546</u> | <u>3,285,722</u> | <u>13,847,488</u> |
| Total liabilities and fund equity | \$ <u>100,000</u> | \$ <u>2,936</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>22,083</u> | \$ <u>89,241</u> | \$ <u>59,060</u> | \$ <u>2,384,379</u> | \$ <u>1,321,375</u> | \$ <u>5,037,380</u> | \$ <u>13,847,488</u> |

GOVERNMENT OF GUAM
Special Revenue Funds
Combining Balance Sheet, Continued
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | DPW Building and Design | Accessible Parking | Government House Revolving | Aquaculture Development and Training | Health Professional License | Air Pollution Control Fund | Farmers' and Fishermen's Loan Revolving | Guam Museum Fund | Environmental Trust | Drivers' Education | Consumer Protection | Autonomous Agency Infrastructure Collections Fund |
|------------------------------------|----------------------------|-----------------------|----------------------------------|--|-----------------------------------|----------------------------------|--|------------------------|------------------------|-----------------------|------------------------|---|
| <u>ASSETS</u> | | | | | | | | | | | | |
| Cash and equivalents | \$ - | \$ - | \$ 1,531 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes receivable, net | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables, net | - | - | 100 | - | - | - | 130,849 | - | - | - | - | - |
| Receivables from federal agencies | - | - | - | - | - | - | - | - | - | - | - | - |
| Interfund receivables, net | - | 5,514 | 16,011 | 49,059 | - | 1,650 | - | - | 290,925 | - | 5,922 | 460 |
| Notes receivable | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | 5,514 | 17,642 | 49,059 | - | 1,650 | 130,849 | - | 290,925 | - | 5,922 | 460 |
| Restricted assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | \$ - | \$ 5,514 | \$ 17,642 | \$ 49,059 | \$ - | \$ 1,650 | \$ 130,849 | \$ - | \$ 290,925 | \$ - | \$ 5,922 | \$ 460 |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll and other | - | - | - | 75 | - | - | - | - | - | - | - | - |
| Interfund payables | - | - | - | 357 | - | - | - | - | - | - | - | - |
| Payable to federal agencies | - | - | - | - | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Provision for tax refunds | - | - | - | - | - | - | - | - | - | - | - | - |
| Deposits and other liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | - | - | - | 432 | - | - | - | - | - | - | - | - |
| Fund equity: | | | | | | | | | | | | |
| Contributed capital: | | | | | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - | - | - | - | - |
| Fund balances | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - | - | - |
| Related assets | - | - | - | - | - | - | 130,849 | - | - | - | - | - |
| Encumbrances | - | - | 6,507 | 21,730 | - | - | - | - | - | - | 563 | 460 |
| Continuing appropriations | - | 5,514 | 11,135 | 29,684 | - | - | - | - | 28,926 | - | 5,359 | - |
| Unreserved (deficit) | - | - | - | (2,787) | - | 1,650 | - | - | 261,999 | - | - | - |
| Total fund equity | - | 5,514 | 17,642 | 48,627 | - | 1,650 | 130,849 | - | 290,925 | - | 5,922 | 460 |
| Total liabilities and fund equity | \$ - | \$ 5,514 | \$ 17,642 | \$ 49,059 | \$ - | \$ 1,650 | \$ 130,849 | \$ - | \$ 290,925 | \$ - | \$ 5,922 | \$ 460 |

GOVERNMENT OF GUAM
Special Revenue Funds
Combining Balance Sheet, Continued
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Farmers Small Loan Revolving | Controlled Substance Diversion Fund | Taguag Memorial Cemetery | 1999 SPG Revolving | Police Services | Firefighter Equipment Replacement Fund | Public Defender | CAHA OET/CEF | Superior Court Operations | Board of Accountancy | Dededo Buffer Strip Revolving | Public Service Recovery | Health & Human Services | Totals | |
|------------------------------------|------------------------------------|--|--------------------------------|-----------------------|--------------------|---|--------------------|------------------|---------------------------------|-------------------------|-------------------------------------|-------------------------------|-------------------------------|-----------------------|-----------------------|
| | | | | | | | | | | | | | | 1999 | 1998 |
| <u>ASSETS</u> | | | | | | | | | | | | | | | |
| Cash and equivalents | \$ - | \$ - | \$ - | \$ 84,990 | \$ - | \$ - | \$ 431,897 | \$ - | \$ 4,039,915 | \$ - | \$ - | \$ 2,907,851 | \$ 52,232 | \$ 27,866,735 | \$ 34,736,749 |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,135,391 |
| Taxes receivable, net | - | - | - | - | - | - | - | - | - | - | - | - | - | 27,510,721 | 10,929,324 |
| Receivables, net | 15,949 | - | - | - | - | - | 4,220 | - | 1,141,761 | - | - | - | - | 18,417,326 | 30,229,519 |
| Receivables from federal agencies | - | - | - | - | - | - | - | - | 416,203 | - | - | - | - | 20,291,346 | 20,907,872 |
| Interfund receivables, net | 221 | - | - | - | - | 600,000 | - | 43,410 | - | 226,304 | 103,358 | - | - | 23,856,023 | 38,438,264 |
| Notes receivable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - | - | 13,394,257 | 10,678,918 |
| Prepayments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - | 80,910 | - | - | - | - | 80,910 | 186,538 |
| | <u>16,170</u> | <u>-</u> | <u>-</u> | <u>84,990</u> | <u>-</u> | <u>600,000</u> | <u>436,117</u> | <u>43,410</u> | <u>5,678,789</u> | <u>226,304</u> | <u>103,358</u> | <u>2,907,851</u> | <u>52,232</u> | <u>131,417,318</u> | <u>152,242,575</u> |
| Restricted assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | \$ <u>16,170</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>84,990</u> | \$ <u>-</u> | \$ <u>600,000</u> | \$ <u>436,117</u> | \$ <u>43,410</u> | \$ <u>5,678,789</u> | \$ <u>226,304</u> | \$ <u>103,358</u> | \$ <u>2,907,851</u> | \$ <u>52,232</u> | \$ <u>131,417,318</u> | \$ <u>152,242,575</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | | | | | | | | |
| Accounts payable | \$ 221 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 30,771 | \$ - | \$ 1,283,694 | \$ - | \$ - | \$ - | \$ - | \$ 1,382,714 | \$ 2,284,135 |
| Accrued payroll and other | - | - | - | - | - | - | 222,987 | - | 1,737,691 | - | - | - | - | 5,237,875 | 4,971,291 |
| Interfund payables | - | - | 5,743 | 83,321 | - | - | - | - | - | 3,760 | - | 2,752,610 | 52,232 | 31,347,698 | 37,566,576 |
| Payable to federal agencies | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,163,469 | 7,151,937 |
| Notes payable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | 44,423,569 | 39,876,016 |
| Provision for tax refunds | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,010,280 | 11,781,036 |
| Deposits and other liabilities | - | - | - | - | - | - | 14,802 | - | - | - | - | - | - | 198,269 | 210,772 |
| Total liabilities | <u>221</u> | <u>-</u> | <u>5,743</u> | <u>83,321</u> | <u>-</u> | <u>-</u> | <u>268,560</u> | <u>-</u> | <u>3,021,385</u> | <u>3,760</u> | <u>-</u> | <u>2,752,610</u> | <u>52,232</u> | <u>102,763,874</u> | <u>103,841,763</u> |
| Fund equity: | | | | | | | | | | | | | | | |
| Contributed capital: | | | | | | | | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fund balances | | | | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Related assets | 15,949 | - | - | - | - | - | - | - | 250 | - | - | - | - | 14,578,402 | 16,039,175 |
| Encumbrances | - | - | 241 | 1,669 | - | 536,005 | 3,505 | 10,310 | 878,078 | 53,206 | - | 12,064 | - | 54,103,098 | 59,886,161 |
| Continuing appropriations | - | 2,725 | 79,426 | - | - | 63,995 | 9,607 | 33,100 | 1,779,076 | 182,938 | 932 | 143,177 | - | 84,586,672 | 105,621,234 |
| Unreserved (deficit) | - | (2,725) | (85,410) | - | - | - | 154,445 | - | - | (13,600) | 102,426 | - | - | ##### | (133,145,758) |
| Total fund equity | <u>15,949</u> | <u>-</u> | <u>(5,743)</u> | <u>1,669</u> | <u>-</u> | <u>600,000</u> | <u>167,557</u> | <u>43,410</u> | <u>2,657,404</u> | <u>222,544</u> | <u>103,358</u> | <u>155,241</u> | <u>-</u> | <u>28,653,444</u> | <u>48,400,812</u> |
| Total liabilities and fund equity | \$ <u>16,170</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>84,990</u> | \$ <u>-</u> | \$ <u>600,000</u> | \$ <u>436,117</u> | \$ <u>43,410</u> | \$ <u>5,678,789</u> | \$ <u>226,304</u> | \$ <u>103,358</u> | \$ <u>2,907,851</u> | \$ <u>52,232</u> | \$ <u>131,417,318</u> | \$ <u>152,242,575</u> |

GOVERNMENT OF GUAM

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Federal Grants | Notary Public Revolving | StripperWell Overcharge | Exxon Fuel Overcharge | Southern Community Health Center | D.O.D. Contract | Housing Revolving | Abandoned Vehicle and Streetlight | Wildlife Conservation | Territorial Educational Facilities |
|--|-------------------|----------------------------|----------------------------|--------------------------|--|--------------------|----------------------|---|--------------------------|--|
| Revenues: | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,298,818 |
| Licenses, fees and permits | 6,726 | 8,135 | - | - | 478,065 | - | - | 1,012,603 | 45,336 | - |
| Use of money and property | 42,826 | - | 71,990 | 82,380 | 2,712 | 92,041 | 320,014 | - | - | 68,790 |
| Federal contributions | 98,098,730 | - | - | - | 165,490 | 3,846,030 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total revenues | 98,148,282 | 8,135 | 71,990 | 82,380 | 646,267 | 3,938,071 | 320,014 | 1,012,603 | 45,336 | 17,367,608 |
| Expenditures: | | | | | | | | | | |
| General government | 7,386,168 | - | - | - | - | - | 311,612 | - | - | - |
| Protection of life and property | 6,864,934 | 1,289 | - | - | - | - | - | - | - | - |
| Public health | 8,931,381 | - | - | - | 617,138 | - | - | - | - | - |
| Community services | 17,879,357 | - | - | - | - | - | - | - | - | - |
| Recreation | 394,521 | - | - | - | - | - | - | - | - | - |
| Individual and collective rights | 6,747,722 | - | - | - | - | - | - | - | - | - |
| Transportation | 15,918,233 | - | - | - | - | - | - | - | - | - |
| Public education | 291,921 | - | - | - | - | 5,307,030 | - | - | - | - |
| Environmental protection | 15,551,843 | - | 323,016 | 656,656 | - | - | - | - | 132,760 | - |
| Economic development | 6,019,343 | - | - | - | - | - | - | - | - | - |
| Transfers to persons | 37,693,481 | - | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principle retirement | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 123,678,904 | 1,289 | 323,016 | 656,656 | 617,138 | 5,307,030 | 311,612 | - | 132,760 | - |
| Excess (deficiency) of revenues over (under) expenditures | (25,530,622) | 6,846 | (251,026) | (574,276) | 29,129 | (1,368,959) | 8,402 | 1,012,603 | (87,424) | 17,367,608 |
| Other financing sources (uses): | | | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - | - |
| Payment from refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - |
| Transfers in | 37,394,627 | - | - | - | - | - | - | - | - | - |
| Transfers out | (11,814,453) | (13,891) | - | - | - | (595,263) | (104,824) | (383,614) | - | (17,371,097) |
| Other sources | - | - | - | - | - | - | - | - | - | - |
| Other uses | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses), net | 25,580,174 | (13,891) | - | - | - | (595,263) | (104,824) | (383,614) | - | (17,371,097) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 49,552 | (7,045) | (251,026) | (574,276) | 29,129 | (1,964,222) | (96,422) | 628,989 | (87,424) | (3,489) |
| Fund balances at beginning of year | 17,679 | 7,045 | 877,029 | 1,903,181 | 412,488 | 1,339,856 | 97,223 | 1,075 | 302,658 | 43,739 |
| Fund balances at end of year | \$ 67,231 | \$ - | \$ 626,003 | \$ 1,328,905 | \$ 441,617 | \$ (624,366) | \$ 801 | \$ 630,064 | \$ 215,234 | \$ 40,250 |

GOVERNMENT OF GUAM

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Tourist Attraction | Veterans' Bonus | Territorial Highway | Land for the Landless | Plant Nursery Revolving | Parks | Contractors' License Board | DOC Revolving | Professional Engineers' Architects' and Surveyors' | Typhoon Paka Emergency | Safe Streets Act Fund |
|--|-----------------------|--------------------|------------------------|--------------------------|-------------------------------|-----------------|----------------------------------|-------------------|---|------------------------------|--------------------------|
| Revenues: | | | | | | | | | | | |
| Taxes | \$ 18,879,889 | \$ 643,758 | \$ 9,217,704 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | - | - | 4,525,479 | - | - | 80,020 | 384,899 | - | 159,073 | - | 96,000 |
| Use of money and property | 200,499 | - | 95,874 | 63,024 | - | - | - | - | - | - | - |
| Federal contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | 18,162 | - | - | 3,675,458 | - | - | - |
| Total revenues | <u>19,080,388</u> | <u>643,758</u> | <u>13,839,057</u> | <u>63,024</u> | <u>18,162</u> | <u>80,020</u> | <u>384,899</u> | <u>3,675,458</u> | <u>159,073</u> | <u>-</u> | <u>96,000</u> |
| Expenditures: | | | | | | | | | | | |
| General government | - | - | 8,500 | - | - | - | - | - | - | 9 | - |
| Protection of life and property | - | - | - | - | - | - | - | 3,066,305 | - | 13,688 | 115,617 |
| Public health | - | - | - | - | - | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - | - | - | - | 10,998 | - |
| Recreation | 8,743,853 | - | - | - | - | 139,212 | - | - | - | - | - |
| Individual and collective rights | - | - | - | - | - | - | 357,033 | - | 77,333 | 7,051 | - |
| Transportation | - | - | 5,250,268 | - | - | - | - | - | - | - | - |
| Public education | 431,936 | - | - | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | - | 26,360 | - |
| Economic development | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to persons | - | - | - | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | | |
| Principle retirement | - | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>9,175,789</u> | <u>-</u> | <u>5,258,768</u> | <u>-</u> | <u>-</u> | <u>139,212</u> | <u>357,033</u> | <u>3,066,305</u> | <u>77,333</u> | <u>58,106</u> | <u>115,617</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>9,904,599</u> | <u>643,758</u> | <u>8,580,289</u> | <u>63,024</u> | <u>18,162</u> | <u>(59,192)</u> | <u>27,866</u> | <u>609,153</u> | <u>81,740</u> | <u>(58,106)</u> | <u>(19,617)</u> |
| Other financing sources (uses): | | | | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - | - | - |
| Payment from refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - | - |
| Transfers in | 14,969,501 | - | 9,008,809 | - | - | - | - | - | - | - | - |
| Transfers out | (37,125,243) | (643,758) | (17,690,380) | (494,888) | (18,162) | (8,226) | (31,700) | - | (82,565) | (236,838) | - |
| Other sources | - | - | - | - | - | - | 2,053 | - | - | 85,479 | - |
| Other uses | - | - | (11,649) | - | - | - | - | - | - | - | - |
| Total other financing sources (uses), net | <u>(22,155,742)</u> | <u>(643,758)</u> | <u>(8,693,220)</u> | <u>(494,888)</u> | <u>(18,162)</u> | <u>(8,226)</u> | <u>(29,647)</u> | <u>-</u> | <u>(82,565)</u> | <u>(151,359)</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(12,251,143)</u> | <u>-</u> | <u>(112,931)</u> | <u>(431,864)</u> | <u>-</u> | <u>(67,418)</u> | <u>(1,781)</u> | <u>609,153</u> | <u>(825)</u> | <u>(209,465)</u> | <u>(19,617)</u> |
| Fund balances at beginning of year | <u>13,503,085</u> | <u>75,000</u> | <u>(1,763,372)</u> | <u>431,864</u> | <u>7,367</u> | <u>70,699</u> | <u>12,499</u> | <u>34,382</u> | <u>11,399</u> | <u>1,071,282</u> | <u>209,803</u> |
| Fund balances at end of year | <u>\$ 1,251,942</u> | <u>\$ 75,000</u> | <u>\$ (1,876,303)</u> | <u>\$ -</u> | <u>\$ 7,367</u> | <u>\$ 3,281</u> | <u>\$ 10,718</u> | <u>\$ 643,535</u> | <u>\$ 10,574</u> | <u>\$ 861,817</u> | <u>\$ 190,186</u> |

GOVERNMENT OF GUAM

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Individuals w/ Disabilities Disaster Recovery | Chamorro Language Commission | Printing Revolving | Land Survey Revolving | Litter Control Revolving | Recreation Revolving | General Services Agency | Village Streets | Manpower Development | Customs, Agriculture and Quarantine Inspection | Guam Housing Corporation Revolving |
|--|--|------------------------------------|-----------------------|--------------------------|--------------------------------|-------------------------|-------------------------------|--------------------|-------------------------|---|--|
| Revenues: | | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | - | - | - | 183,392 | - | 162,440 | - | - | 543,179 | 8,164,395 | - |
| Use of money and property | - | - | - | 204,856 | - | - | - | 95,875 | - | 222,949 | 472,636 |
| Federal contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | 55,081 | 10,001 | 8,537 | - | 24,219 | - | - | 141 | - |
| Total revenues | - | - | 55,081 | 398,249 | 8,537 | 162,440 | 24,219 | 95,875 | 543,179 | 8,387,485 | 472,636 |
| Expenditures: | | | | | | | | | | | |
| General government | - | - | - | 894,027 | - | - | 2,740 | - | - | - | - |
| Protection of life and property | - | - | 162,605 | - | 29,542 | - | - | - | - | 8,566,881 | - |
| Public health | - | - | - | - | - | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | 238,237 | - | - | - | - | - |
| Individual and collective rights | - | - | - | 59,790 | - | - | - | - | 63,692 | - | - |
| Transportation | - | - | - | - | - | - | - | - | - | - | - |
| Public education | - | 5,000 | - | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to persons | - | - | - | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | | |
| Principle retirement | - | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | - | 5,000 | 162,605 | 953,817 | 29,542 | 238,237 | 2,740 | - | 63,692 | 8,566,881 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | (5,000) | (107,524) | (555,568) | (21,005) | (75,797) | 21,479 | 95,875 | 479,487 | (179,396) | 472,636 |
| Other financing sources (uses): | | | | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - | - | - |
| Payment from refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | 517,133 | - | - | - |
| Transfers out | - | (17,854) | (55,766) | - | - | (113,843) | (24,193) | - | (779,200) | - | (2,253,405) |
| Other sources | - | - | - | - | - | - | - | - | - | - | - |
| Other uses | - | - | - | - | - | - | - | (11,650) | - | - | - |
| Total other financing sources (uses), net | - | (17,854) | (55,766) | - | - | (113,843) | (24,193) | 505,483 | (779,200) | - | (2,253,405) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | - | (22,854) | (163,290) | (555,568) | (21,005) | (189,640) | (2,714) | 601,358 | (299,713) | (179,396) | (1,780,769) |
| Fund balances at beginning of year | 100,000 | 22,854 | 163,290 | 513,446 | 43,088 | 268,089 | 61,550 | 1,758,250 | 876,259 | 3,465,118 | 15,628,257 |
| Fund balances at end of year | \$ 100,000 | \$ - | \$ - | \$ (42,122) | \$ 22,083 | \$ 78,449 | \$ 58,836 | \$ 2,359,608 | \$ 576,546 | \$ 3,285,722 | \$ 13,847,488 |

GOVERNMENT OF GUAM

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | DPW Building and Design | Accessible Parking | Government House Revolving | Aquaculture Development and Training | Health Professional License | Air Pollution Control Fund | Farmers' and Fishermen's Loan Revolving | Guam Museum Fund | Environmental Trust | Drivers' Education | Consumer Protection | Autonomous Agency Infrastructure Collections Fund |
|--|----------------------------|-----------------------|----------------------------------|--|-----------------------------------|----------------------------------|--|------------------------|------------------------|-----------------------|------------------------|---|
| Revenues: | | | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | 498,027 | - | 25,573 | - | 110,258 | 300 | - | 2,382 | 291,216 | 18,017 | 8,000 | - |
| Use of money and property | - | - | - | 52,099 | - | - | 3,310 | - | - | - | - | - |
| Federal contributions | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | 1,350 | - | - | - | - | - | - |
| Total revenues | 498,027 | - | 25,573 | 52,099 | 110,258 | 1,650 | 3,310 | 2,382 | 291,216 | 18,017 | 8,000 | - |
| Expenditures: | | | | | | | | | | | | |
| General government | - | - | 9,508 | - | - | - | - | - | - | - | - | - |
| Protection of life and property | - | - | - | - | - | - | - | - | - | - | 2,425 | - |
| Public health | - | - | - | - | - | - | - | - | - | - | - | - |
| Community services | - | 18,676 | - | - | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - | - | - | - | - |
| Individual and collective rights | - | - | - | - | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - | - | - | - | - |
| Public education | - | - | - | - | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | 120,291 | - | - | - |
| Economic development | - | - | - | 81,459 | - | - | - | - | - | - | - | - |
| Transfers to persons | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | | | |
| Principle retirement | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | - | 18,676 | 9,508 | 81,459 | - | - | - | - | 120,291 | - | 2,425 | - |
| Excess (deficiency) of revenues over (under) expenditures | 498,027 | (18,676) | 16,065 | (29,360) | 110,258 | 1,650 | 3,310 | 2,382 | 170,925 | 18,017 | 5,575 | - |
| Other financing sources (uses): | | | | | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - | - | - | - |
| Payment from refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers out | (498,027) | - | (4,777) | - | (110,258) | - | (27,535) | (2,382) | - | (18,017) | (8,000) | - |
| Other sources | - | - | - | - | - | - | - | - | - | - | - | - |
| Other uses | - | - | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses), net | (498,027) | - | (4,777) | - | (110,258) | - | (27,535) | (2,382) | - | (18,017) | (8,000) | - |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | - | (18,676) | 11,288 | (29,360) | - | 1,650 | (24,225) | - | 170,925 | - | (2,425) | - |
| Fund balances at beginning of year | - | 24,190 | 6,354 | 77,987 | - | - | 155,074 | - | 120,000 | - | 8,347 | 460 |
| Fund balances at end of year | \$ - | \$ 5,514 | \$ 17,642 | \$ 48,627 | \$ - | \$ 1,650 | \$ 130,849 | \$ - | \$ 290,925 | \$ - | \$ 5,922 | \$ 460 |

GOVERNMENT OF GUAM

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Farmers Small Loan Revolving | Controlled Substance Diversion Fund | Taguag Memorial Cemetery | 1999 SPG Revolving | Police Services | Firefighter Equipment Replacement Fund | Public Defender | CAHA OET/CEF | Superior Court Operations | Board of Accountancy | Dededo Buffer Strip Revolving | Public Service Recovery | Health & Human Services | Totals | |
|--|------------------------------------|--|--------------------------------|-----------------------|--------------------|---|--------------------|-----------------|---------------------------------|-------------------------|-------------------------------------|-------------------------------|-------------------------------|---------------|---------------|
| | | | | | | | | | | | | | | 1999 | 1998 |
| Revenues: | | | | | | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 46,040,169 | \$ 54,454,040 |
| Licenses, fees and permits | - | - | 23,245 | - | 416,441 | - | - | - | - | 405,171 | - | - | - | 17,648,372 | 9,397,545 |
| Use of money and property | 625 | - | - | 84,990 | - | - | - | - | - | - | 67,464 | 278,298 | 1,836 | 2,525,088 | 3,056,905 |
| Federal contributions | - | - | - | - | - | - | 23,259 | - | 838,691 | - | - | - | - | 102,972,200 | 175,613,678 |
| Other | - | - | - | - | - | - | - | - | 95,473 | - | - | - | - | 3,888,422 | 11,984,616 |
| Total revenues | 625 | - | 23,245 | 84,990 | 416,441 | - | 23,259 | - | 934,164 | 405,171 | 67,464 | 278,298 | 1,836 | 173,074,251 | 254,506,784 |
| Expenditures: | | | | | | | | | | | | | | | |
| General government | - | - | - | 1,512,019 | - | - | - | - | - | 212,884 | - | - | - | 10,337,467 | 27,898,983 |
| Protection of life and property | - | - | - | - | - | - | - | - | - | - | - | - | - | 18,823,286 | 25,429,165 |
| Public health | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,548,519 | 13,933,530 |
| Community services | - | - | 45,638 | - | - | - | - | - | - | - | - | - | - | 17,954,669 | 14,805,218 |
| Recreation | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,515,823 | 4,200,912 |
| Individual and collective rights | - | - | - | - | - | - | 2,459,083 | - | 16,758,648 | - | 20,411 | - | - | 26,550,763 | 33,935,075 |
| Transportation | - | - | - | - | - | - | - | - | - | - | - | 1,163,498 | - | 22,331,999 | 20,184,357 |
| Public education | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,035,887 | 6,817,913 |
| Environmental protection | - | - | - | - | - | - | - | - | - | - | - | - | - | 16,810,926 | 8,504,193 |
| Economic development | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,100,802 | 6,924,324 |
| Transfers to persons | - | - | - | - | - | - | - | - | - | - | - | - | - | 37,693,481 | 102,516,865 |
| Capital projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | | | | | | |
| Principle retirement | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 29,214 |
| Total expenditures | - | - | 45,638 | 1,512,019 | - | - | 2,459,083 | - | 16,758,648 | 212,884 | 20,411 | 1,163,498 | - | 181,703,622 | 265,179,749 |
| Excess (deficiency) of revenues over (under) expenditures | 625 | - | (22,393) | (1,427,029) | 416,441 | - | (2,435,824) | - | (15,824,484) | 192,287 | 47,053 | (885,200) | 1,836 | (8,629,371) | (10,672,965) |
| Other financing sources (uses): | | | | | | | | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Payment from refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | 1,500,000 | - | 600,000 | 2,571,528 | - | 18,380,478 | - | - | 595,263 | - | 85,537,339 | 128,875,646 |
| Transfers out | (4,043) | - | - | (71,302) | (416,441) | - | (28,698) | - | (2,810,222) | - | - | (1,400,027) | (52,232) | (95,311,124) | (135,782,379) |
| Other sources | - | - | - | - | - | - | 275 | - | - | - | - | 1,549 | - | 89,356 | 87 |
| Other uses | - | - | - | - | - | - | - | - | - | - | - | - | - | (23,299) | (39,022) |
| Total other financing sources (uses), net | (4,043) | - | - | 1,428,698 | (416,441) | 600,000 | 2,543,105 | - | 15,570,256 | - | - | (803,215) | (52,232) | (9,707,728) | (6,945,668) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (3,418) | - | (22,393) | 1,669 | - | 600,000 | 107,281 | - | (254,228) | 192,287 | 47,053 | (1,688,415) | (50,396) | (18,337,099) | (17,618,633) |
| Fund balances at beginning of year | 19,367 | - | 16,650 | - | - | - | 60,276 | 43,410 | 2,911,632 | 30,257 | 56,305 | 1,843,656 | 50,396 | 46,990,543 | 66,019,445 |
| Fund balances at end of year | \$ 15,949 | \$ - | \$ (5,743) | \$ 1,669 | \$ - | \$ 600,000 | \$ 167,557 | \$ 43,410 | \$ 2,657,404 | \$ 222,544 | \$ 103,358 | \$ 155,241 | \$ - | \$ 28,653,444 | \$ 48,400,812 |

GOVERNMENT OF GUAM

Capital Projects Funds
Combining Balance Sheet
September 30, 1999

(With comparative totals as of September 30, 1998)

| | 1992 Series A Highway Bond Issue | Infrastructure Improvement Bond | Water Revenue Bond | PUAG Capital Projects | General Obligation Bond Series A 1993 | Judicial Building | Totals | |
|--|---|---------------------------------------|--------------------------|-----------------------------|--|----------------------|----------------------|-----------------------|
| | | | | | | | 1999 | 1998 |
| <u>ASSETS:</u> | | | | | | | | |
| Cash and equivalents | \$ 25,723,455 | \$ 965,204 | \$ 3,518,079 | \$ 10,272 | \$ 4,893,438 | \$ 6,045,325 | \$ 41,155,773 | \$ 25,343,511 |
| Investments | - | 45,435,663 | - | - | - | 1,000,718 | 46,436,381 | 81,540,119 |
| Receivables, net | - | 982,781 | - | 29,180 | - | 2,785,224 | 3,797,185 | 1,940,170 |
| Receivable from Federal Agencies | - | - | - | - | - | - | - | 62,942 |
| Interfund receivables, net | 344,735 | - | 69,148 | 948,460 | - | - | 1,362,343 | 1,537,520 |
| Deposits and other assets | - | - | - | - | 5,656 | - | 5,656 | - |
| Total assets | <u>\$ 26,068,190</u> | <u>\$ 47,383,648</u> | <u>\$ 3,587,227</u> | <u>\$ 987,912</u> | <u>\$ 4,899,094</u> | <u>\$ 9,831,267</u> | <u>\$ 92,757,338</u> | <u>\$ 110,424,262</u> |
| <u>LIABILITIES AND FUND EQUITY:</u> | | | | | | | | |
| Accounts payable | \$ 219,907 | \$ 426,361 | \$ 269,460 | \$ - | \$ 52,100 | \$ 363,107 | \$ 1,330,935 | \$ 1,243,889 |
| Accrued payroll and other | 1,838,137 | 3,896,950 | 820,120 | - | - | - | 6,555,207 | 2,207,987 |
| Interfund payables | 1,162,094 | 2,408,702 | - | - | 114,747 | - | 3,685,543 | 2,786,504 |
| Deferred revenue | - | - | - | - | - | 2,770,264 | 2,770,264 | 422,144 |
| Deposits and other liabilities | - | - | - | - | - | - | - | - |
| Total liabilities | <u>3,220,138</u> | <u>6,732,013</u> | <u>1,089,580</u> | <u>-</u> | <u>166,847</u> | <u>3,133,371</u> | <u>14,341,949</u> | <u>6,660,524</u> |
| FUND EQUITY: | | | | | | | | |
| Fund balances: | | | | | | | | |
| Reserved for: | | | | | | | | |
| Specific purposes | - | 694,313 | - | - | - | - | 694,313 | - |
| Encumbrances | 987,979 | 5,953,121 | 188,765 | 39,452 | 407,358 | 341,325 | 7,918,000 | 25,625,117 |
| Continuing appropriations | 16,426,282 | 32,437,051 | 1,878,758 | 948,460 | 4,183,130 | - | 55,873,681 | 65,600,971 |
| Unreserved (deficit) | <u>5,433,791</u> | <u>1,567,150</u> | <u>430,124</u> | <u>-</u> | <u>141,759</u> | <u>6,356,571</u> | <u>13,929,395</u> | <u>12,537,650</u> |
| Total fund equity | <u>22,848,052</u> | <u>40,651,635</u> | <u>2,497,647</u> | <u>987,912</u> | <u>4,732,247</u> | <u>6,697,896</u> | <u>78,415,389</u> | <u>103,763,738</u> |
| Total liabilities and fund balance | <u>\$ 26,068,190</u> | <u>\$ 47,383,648</u> | <u>\$ 3,587,227</u> | <u>\$ 987,912</u> | <u>\$ 4,899,094</u> | <u>\$ 9,831,267</u> | <u>\$ 92,757,338</u> | <u>\$ 110,424,262</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 1999
(With comparative totals for the Year Ended September 30, 1998)

| | 1992 Series A Highway Bond Issue | Infrastructure Improvement Bond | Water Revenue Bond | PUAG Capital Projects | General Obligation Bond Series A 1993 | Judicial Building | Totals | |
|--|---|---------------------------------------|--------------------------|-----------------------------|--|----------------------|----------------------|-----------------------|
| | | | | | | | 1999 | 1998 |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | - | - | - | - | 24,800 | - | 24,800 | 16,250 |
| Use of money and property | 1,125,086 | 2,702,250 | 173,434 | - | 475,164 | 2,861,612 | 7,337,546 | 9,583,565 |
| Federal contribution | 2,633 | - | - | - | 3,806,250 | - | 3,808,883 | - |
| Other | - | - | - | - | - | - | - | - |
| Total revenues | <u>1,127,719</u> | <u>2,702,250</u> | <u>173,434</u> | <u>-</u> | <u>4,306,214</u> | <u>2,861,612</u> | <u>11,171,229</u> | <u>9,599,815</u> |
| Expenditures: | | | | | | | | |
| General government | - | 36,825 | - | - | - | - | 36,825 | - |
| Protection of life and property | - | - | - | - | - | - | - | 386,539 |
| Public health | - | 1,710,310 | 174,148 | - | - | - | 1,884,458 | 550,066 |
| Community services | - | - | - | - | - | - | - | - |
| Recreation | - | 2,261,674 | - | - | - | - | 2,261,674 | 1,694,167 |
| Individual and collective rights | - | - | - | - | - | - | - | - |
| Transportation | 6,632,621 | 3,093,298 | - | - | - | - | 9,725,919 | 491,365 |
| Public education | - | - | - | - | 9,581,492 | - | 9,581,492 | 22,613,835 |
| Environmental protection | - | - | 1,764,593 | - | - | - | 1,764,593 | 8,678,716 |
| Economic development | - | 8,874,851 | - | - | - | - | 8,874,851 | 3,340,008 |
| Transfers to persons | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | 2,400,289 | 2,400,289 | 6,001,450 |
| Debt service: | | | | | | | | |
| Principal retirement | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Total expenditures | <u>6,632,621</u> | <u>15,976,958</u> | <u>1,938,741</u> | <u>-</u> | <u>9,581,492</u> | <u>2,400,289</u> | <u>36,530,101</u> | <u>43,756,146</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(5,504,902)</u> | <u>(13,274,708)</u> | <u>(1,765,307)</u> | <u>-</u> | <u>(5,275,278)</u> | <u>461,323</u> | <u>(25,358,872)</u> | <u>(34,156,331)</u> |
| Other financing sources (uses): | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | 78,386,241 |
| Transfers in | - | - | - | - | - | 472,674 | 472,674 | 1,720,408 |
| Transfers out | - | - | - | - | - | (472,674) | (472,674) | (27,572,295) |
| Other sources | - | - | - | 39,452 | - | - | 39,452 | - |
| Other uses | - | (27,123) | - | - | (1,806) | - | (28,929) | (2,774,475) |
| Unrealized loss due to decline in market value | - | - | - | - | - | - | - | - |
| Total other financing sources (uses), net | <u>-</u> | <u>(27,123)</u> | <u>-</u> | <u>39,452</u> | <u>(1,806)</u> | <u>-</u> | <u>10,523</u> | <u>49,759,879</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(5,504,902)</u> | <u>(13,301,831)</u> | <u>(1,765,307)</u> | <u>39,452</u> | <u>(5,277,084)</u> | <u>461,323</u> | <u>(25,348,349)</u> | <u>15,603,548</u> |
| Fund balances at beginning of year | <u>28,352,954</u> | <u>53,953,466</u> | <u>4,262,954</u> | <u>948,460</u> | <u>10,009,331</u> | <u>6,236,573</u> | <u>103,763,738</u> | <u>88,160,190</u> |
| Fund balances at end of year | <u>\$ 22,848,052</u> | <u>\$ 40,651,635</u> | <u>\$ 2,497,647</u> | <u>\$ 987,912</u> | <u>\$ 4,732,247</u> | <u>\$ 6,697,896</u> | <u>\$ 78,415,389</u> | <u>\$ 103,763,738</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Debt Service Funds
Combining Balance Sheet
September 30, 1999
(With comparative totals as of September 30, 1998)

| | Highway Limited Obligation Series 1992 | Ltd. Obligation Infrastructure Improvement Bonds | Water System Revenue Bonds Series 1989 | General Obligation Bond Series A 1993 | General Obligation Bond Series A 1994 | General Obligation Bond Series A 1995 | Totals | |
|---|---|---|---|--|--|--|-----------------------|-----------------------|
| | | | | | | | 1999 | 1998 |
| <u>ASSETS</u> | | | | | | | | |
| Cash and equivalents | \$ 21,187,415 | \$ 18,755,882 | \$ 283,549 | \$ 9,117,280 | \$ 727,631 | \$ 44,948,417 | \$ 95,020,174 | \$ 95,480,793 |
| Investments | - | 1,716,870 | - | - | - | - | 1,716,870 | - |
| Taxes Receivable, net | - | - | - | - | - | - | - | 1,403,631 |
| Receivables, net | - | 40,531 | - | 23,599 | 2,896 | - | 67,026 | 105,416 |
| Receivables from federal agencies | - | - | - | - | - | - | - | - |
| Interfund receivables, net | - | 2,194,059 | - | - | 1,334,573 | - | 3,528,632 | 5,375,610 |
| Notes receivable | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 21,187,415</u> | <u>\$ 22,707,342</u> | <u>\$ 283,549</u> | <u>\$ 9,140,879</u> | <u>\$ 2,065,100</u> | <u>\$ 44,948,417</u> | <u>\$ 100,332,702</u> | <u>\$ 102,365,450</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | |
| Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | - | - | - | - | - | - | - |
| Accrued payroll and other | 2,000 | 505 | 2,000 | - | 2,000 | - | 6,505 | 920 |
| Interfund payables | 8,800,021 | 9,815,867 | - | 13,032 | - | 41,165,110 | 59,794,030 | 66,858,687 |
| Payable to federal agencies | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - |
| Provision for tax refunds | - | - | - | - | - | - | - | - |
| Deposits and other liabilities | - | - | - | - | - | - | - | - |
| Vacation leave accrual | - | - | - | - | - | - | - | - |
| Contracts and leases | - | - | - | - | - | - | - | - |
| Notes payable and bonds payable | - | - | - | - | - | - | - | - |
| Accrued unfunded retirement benefit | - | - | - | - | - | - | - | - |
| Total liabilities | <u>8,802,021</u> | <u>9,816,372</u> | <u>2,000</u> | <u>13,032</u> | <u>2,000</u> | <u>41,165,110</u> | <u>59,800,535</u> | <u>66,859,607</u> |
| Fund Equity: | | | | | | | | |
| Contributed Capital: | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - |
| Retained earnings: | | | | | | | | |
| Restricted | - | - | - | - | - | - | - | - |
| Unrestricted | - | - | - | - | - | - | - | - |
| Fund balance reserved for: | | | | | | | | |
| Debt service | 9,949,072 | 12,890,970 | 281,549 | 9,127,847 | 2,063,100 | 3,783,307 | 38,095,845 | 35,505,843 |
| Related assets | - | - | - | - | - | - | - | - |
| Encumbrances | - | - | - | - | - | - | - | - |
| Continuing appropriations | - | - | - | - | - | - | - | - |
| Unreserved | <u>2,436,322</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,436,322</u> | <u>-</u> |
| Total fund equity | <u>12,385,394</u> | <u>12,890,970</u> | <u>281,549</u> | <u>9,127,847</u> | <u>2,063,100</u> | <u>3,783,307</u> | <u>40,532,167</u> | <u>35,505,843</u> |
| Total liabilities and fund equity | <u>\$ 21,187,415</u> | <u>\$ 22,707,342</u> | <u>\$ 283,549</u> | <u>\$ 9,140,879</u> | <u>\$ 2,065,100</u> | <u>\$ 44,948,417</u> | <u>\$ 100,332,702</u> | <u>\$ 102,365,450</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 1999
(With comparative totals for the Year Ended September 30, 1998)

| | Highway Limited Obligation Series 1992 | Ltd. Obligation Infrastructure Improvement Bonds | Water System Revenue Bonds Series 1989 | General Obligation Bond Series A 1993 | General Obligation Bond Series A 1994 | General Obligation Bond Series A 1995 | Totals | |
|--|---|---|---|--|--|--|---------------|---------------|
| | | | | | | | 1999 | 1998 |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | - | - | - | - | - | - | - | - |
| Use of money and property | 3,122,007 | 1,002,543 | 131,595 | 2,589,814 | 717,007 | 2,085,228 | 9,648,194 | 4,044,453 |
| Federal contributions | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total revenues | 3,122,007 | 1,002,543 | 131,595 | 2,589,814 | 717,007 | 2,085,228 | 9,648,194 | 4,044,453 |
| Expenditures: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Protection of life and property | - | - | - | - | - | - | - | - |
| Public health | - | - | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - |
| Individual and collective rights | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Public education | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement | 2,635,000 | - | 2,195,000 | 4,525,000 | 13,310,000 | 6,515,000 | 29,180,000 | 29,065,000 |
| Interest and fiscal charges | 3,393,810 | 3,931,064 | 2,417,535 | 8,171,109 | 765,325 | 5,481,731 | 24,160,574 | 23,946,401 |
| Total expenditures | 6,028,810 | 3,931,064 | 4,612,535 | 12,696,109 | 14,075,325 | 11,996,731 | 53,340,574 | 53,011,401 |
| Excess (deficiency) of revenues over (under) expenditures | (2,906,803) | (2,928,521) | (4,480,940) | (10,106,295) | (13,358,318) | (9,911,503) | (43,692,380) | (48,966,948) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | 14,373,247 | 18,879,889 | - | 12,949,547 | 14,075,324 | 12,496,982 | 72,774,989 | 112,758,117 |
| Transfers out | (9,008,809) | (14,969,501) | - | - | - | - | (23,978,310) | (38,950,421) |
| Other sources | - | - | - | - | - | - | - | - |
| Other uses | (21,313) | (20,170) | (11,573) | (17,905) | (2,014) | (5,000) | (77,975) | (21,137,580) |
| Total other financing sources (uses), net | 5,343,125 | 3,890,218 | (11,573) | 12,931,642 | 14,073,310 | 12,491,982 | 48,718,704 | 52,670,116 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 2,436,322 | 961,697 | (4,492,513) | 2,825,347 | 714,992 | 2,580,479 | 5,026,324 | 3,703,168 |
| Fund balances at beginning of year | 9,949,072 | 11,929,273 | 4,774,062 | 6,302,500 | 1,348,108 | 1,202,828 | 35,505,843 | 31,802,675 |
| Fund balances at end of year | \$ 12,385,394 | \$ 12,890,970 | \$ 281,549 | \$ 9,127,847 | \$ 2,063,100 | \$ 3,783,307 | \$ 40,532,167 | \$ 35,505,843 |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Enterprise Funds September 30, 1999

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

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

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Enterprise Funds Combining Balance Sheet September 30, 1999 (With Comparative Totals as of September 30, 1998)

| | Chamorro Commercial Loan Fund | Solid Waste Management Fund | Totals | |
|---|-------------------------------------|-----------------------------------|---------------------|-------------------|
| | | | 1999 | 1998 |
| <u>ASSETS</u> | | | | |
| Cash and equivalents | \$ 876,638 | \$ 72,763 | \$ 949,401 | \$ 822,752 |
| Other receivables, net | <u>4,801</u> | <u>233,047</u> | <u>237,848</u> | <u>-</u> |
| | <u>881,439</u> | <u>305,810</u> | <u>1,187,249</u> | <u>822,752</u> |
| Total assets | <u>\$ 881,439</u> | <u>\$ 305,810</u> | <u>\$ 1,187,249</u> | <u>\$ 822,752</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | |
| Liabilities: | | | | |
| Interfund payables | \$ <u>365,661</u> | \$ <u>183,877</u> | \$ <u>549,538</u> | \$ <u>170,364</u> |
| Total liabilities | <u>365,661</u> | <u>183,877</u> | <u>549,538</u> | <u>170,364</u> |
| Fund equity: | | | | |
| Retained earnings: | | | | |
| Restricted | 429,660 | - | 429,660 | 82,383 |
| Unrestricted | <u>86,118</u> | <u>121,933</u> | <u>208,051</u> | <u>570,005</u> |
| Total fund equity | <u>515,778</u> | <u>121,933</u> | <u>637,711</u> | <u>652,388</u> |
| Total liabilities and fund equity | <u>\$ 881,439</u> | <u>\$ 305,810</u> | <u>\$ 1,187,249</u> | <u>\$ 822,752</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Enterprise Funds Combining Statement of Revenues, Expenses and Changes in Fund Equity Year Ended September 30, 1999 (With Comparative Totals for the Year Ended September 30, 1998)

| | Chamorro Commercial Loan Fund | Solid Waste Management Fund | Totals | |
|-----------------------------|-------------------------------------|-----------------------------------|-------------------|-------------------|
| | | | 1999 | 1998 |
| Operating revenues: | | | | |
| Rental and service fees | \$ 13,711 | \$ 813,443 | \$ 827,154 | \$ - |
| Use of money and property | <u>133,485</u> | <u>77</u> | <u>133,562</u> | <u>287,704</u> |
| Total operating revenues | <u>147,196</u> | <u>813,520</u> | <u>960,716</u> | <u>287,704</u> |
| Operating expenses: | | | | |
| Production and operations | 194,926 | 183,878 | 378,804 | 85,027 |
| Bad debt expense | - | 507,709 | 507,709 | - |
| Professional services | 15,944 | - | 15,944 | 419,975 |
| Utilities | 64,464 | - | 64,464 | 29,828 |
| Other | <u>8,472</u> | <u>-</u> | <u>8,472</u> | <u>43,776</u> |
| Total operating expenses | <u>283,806</u> | <u>691,587</u> | <u>975,393</u> | <u>578,606</u> |
| Operating (loss) income | <u>(136,610)</u> | <u>121,933</u> | <u>(14,677)</u> | <u>(290,902)</u> |
| Net (loss) income | (136,610) | 121,933 | (14,677) | (290,902) |
| Beginning retained earnings | <u>652,388</u> | <u>-</u> | <u>652,388</u> | <u>943,290</u> |
| Ending retained earnings | <u>515,778</u> | <u>121,933</u> | <u>637,711</u> | <u>652,388</u> |
| Fund equity at end of year | <u>\$ 515,778</u> | <u>\$ 121,933</u> | <u>\$ 637,711</u> | <u>\$ 652,388</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Enterprise Funds Combining Statement of Cash Flows Year Ended September 30, 1999 (With Comparative Totals for the Year Ended September 30, 1998)

| | Chamorro Commercial Loan Fund | Solid Waste Management Fund | Totals | |
|--|--|-----------------------------------|-------------|--------------|
| | | | 1999 | 1998 |
| <u>Increase in cash and equivalents</u> | | | | |
| Cash flows from operating activities: | | | | |
| Operating (loss) income | \$ (136,610) | \$ 121,933 | \$ (14,677) | \$ (290,902) |
| Adjustment to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Bad debt expense | - | 507,709 | 507,709 | - |
| (Increase) decrease in assets: | | | | |
| Other receivable | (4,801) | (740,756) | (745,557) | 190,509 |
| Investments | - | - | - | 752,781 |
| Increase in liabilities: | | | | |
| Interfund payable | 195,297 | 183,877 | 379,174 | 170,364 |
| Net cash provided by operating activities | 53,886 | 72,763 | 126,649 | 822,752 |
| Net increase in cash and equivalents | 53,886 | 72,763 | 126,649 | 822,752 |
| Cash and equivalents at beginning of year | 822,752 | - | 822,752 | - |
| Cash and equivalents at end of year | \$ 876,638 | \$ 72,763 | \$ 949,401 | \$ 822,752 |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Component Units - Proprietary Funds September 30, 1999

Component units - proprietary funds are legally separate organizations for which the elected officials of the Government of Guam are financially accountable. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi - business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds. The generally accepted accounting principles here are generally those applicable to similar businesses in the private sector: the measurement focus is on determination of net income, financial position and cash flows. The Government of Guam's component units - proprietary funds are described below.

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

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

Guam Visitors Bureau - The Guam Visitors Bureau (GVB) is a public corporation established for the purpose of promoting the visitor industry in Guam. Funding is provided from transfers of appropriations from the Tourist Attraction Fund and interest income. The GVB is not included in the accompanying financial statement presentation.

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

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

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Component Units - Proprietary Funds, Continued September 30, 1999

Guam Economic Development Authority - Guam Economic Development Authority (GEDA) was created to assist in the implementation of an integrated program for the economic development of Guam. Enabling legislation set forth several specific purposes for the establishment of GEDA to include:

- a) Aiding private enterprise without competing with it;
- b) Expansion of the money supply to finance housing facilities; and
- c) Providing the means necessary for acquisition of hospital facilities.

To accomplish the stated purposes, GEDA is authorized to conduct research, invest in, provide loans, operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain Government of Guam land; purchase mortgages; and recommend to the Governor of Guam, businesses qualifying for tax rebates and abatements. GEDA utilizes various Trust Funds to accomplish its stated purposes.

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

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

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

Port Authority of Guam - The Port Authority was established in 1975 as a public corporation under Public Law 13-87. The Authority is entrusted with providing for the needs of ocean commerce, shipping and navigation of the Government of Guam. The Authority derives its operating revenues from a tariff establishing fees for wharfage and use of its facilities. The Authority is not included in the accompanying financial statements.

Guam Educational Telecommunications Corporation - Guam Educational Telecommunications Corporation, also known as KGTF-TV, was established as a public corporation by Public Law 12-194, as approved on January 2, 1975. The law sets forth the purpose of the Corporation to present educational television to the people of Guam and involve the people of Guam in its activities to the maximum extent possible. Funding is primarily derived from appropriations from the General Fund, community service grants and contributions from the public.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM
Component Units - Proprietary Funds
Combining Balance Sheet
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Guam International Airport Authority | Guam Housing Corporation | Guam Power Authority | Guam Rental Corporation | Guam Memorial Hospital Authority | Guam Economic Development Authority | Guam Telephone Authority | Guam Waterworks Authority | Guam Mass Transit Authority | Guam Educational Telecommunication Corporation | Totals | |
|---|---|--------------------------------|----------------------------|-------------------------------|---|--|--------------------------------|---------------------------------|--------------------------------------|---|-------------------------|-------------------------|
| ASSETS | | | | | | | | | | | 1999 | 1998 |
| Cash and equivalents | \$ 1,241,807 | \$ 1,432,803 | \$ 4,907,428 | \$ 527,466 | \$ 3,303,654 | \$ 148,747 | \$ 10,896,884 | \$ 853,032 | \$ 239,823 | \$ 698,561 | \$ 24,250,205 | \$ 34,207,307 |
| Investments | - | 9,537 | - | - | - | 156,429 | 4,316,830 | - | - | - | 4,482,796 | 3,470,899 |
| Receivables, net | 5,914,415 | 45,068,061 | 62,045,242 | 51,196 | 29,543,184 | 547,562 | 5,436,619 | 14,329,073 | 57,052 | 37,944 | 163,030,348 | 156,465,107 |
| Receivables from federal agencies | 962,449 | - | - | - | - | 249,716 | - | 3,558,753 | - | - | 4,770,918 | 11,379,813 |
| Interfund receivables, net | - | - | - | - | - | - | - | - | - | - | - | - |
| Notes receivable | - | - | - | - | - | 11,386 | - | - | - | - | 11,386 | 14,749 |
| Inventories | - | - | 30,666,704 | 13,549 | 1,542,473 | 62,899 | 4,267,745 | 400,680 | - | - | 36,954,050 | 38,992,861 |
| Prepayments | 2,282 | 19,241 | 1,728,920 | 2,145 | 21,146 | 14,912 | 451,168 | - | - | - | 2,239,814 | 1,796,731 |
| Deposits and other assets | - | 1,693,113 | 10,456,962 | 458,182 | - | 533,847 | - | - | - | - | 13,142,104 | 407,642 |
| | <u>8,120,953</u> | <u>48,222,755</u> | <u>109,805,256</u> | <u>1,052,538</u> | <u>34,410,457</u> | <u>1,725,498</u> | <u>25,369,246</u> | <u>19,141,538</u> | <u>296,875</u> | <u>736,505</u> | <u>248,881,621</u> | <u>246,735,109</u> |
| Amount to be provided for retirement of debt | - | - | 28,836,490 | - | - | - | - | - | - | - | 28,836,490 | - |
| Amount available in Debt Service Funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted assets | <u>97,940,551</u> | <u>51,979,819</u> | <u>90,483,609</u> | <u>-</u> | <u>2,500,329</u> | <u>-</u> | <u>-</u> | <u>3,114,114</u> | <u>-</u> | <u>438,800</u> | <u>246,457,222</u> | <u>282,304,735</u> |
| Fixed assets: | | | | | | | | | | | | |
| Support assets | 3,946,478 | 945,733 | - | 302,632 | 17,868,986 | 595,029 | 9,564,491 | 14,036,149 | 2,727,785 | 726,037 | 50,713,320 | 44,064,264 |
| Capital leases and improvements | - | 208,072 | - | - | 3,159,028 | 129,642 | - | - | - | 18,000 | 3,514,742 | 496,560 |
| Building and improvements | 19,496,600 | - | - | 5,449,248 | 60,047,040 | 1,733,426 | 21,469,049 | - | 963,442 | 360,936 | 109,519,741 | 113,152,243 |
| Plant in service | <u>351,395,619</u> | <u>-</u> | <u>510,278,887</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>210,430,530</u> | <u>328,869,977</u> | <u>-</u> | <u>1,015,029</u> | <u>1,401,990,042</u> | <u>1,373,219,947</u> |
| | 374,838,697 | 1,153,805 | 510,278,887 | 5,751,880 | 81,075,054 | 2,458,097 | 241,464,070 | 342,906,126 | 3,691,227 | 2,120,002 | 1,565,737,845 | 1,530,933,014 |
| Less: accumulated depreciation | <u>98,322,946</u> | <u>1,008,939</u> | <u>127,821,044</u> | <u>1,603,954</u> | <u>34,188,361</u> | <u>1,176,307</u> | <u>78,060,769</u> | <u>119,729,173</u> | <u>2,356,046</u> | <u>-</u> | <u>464,267,539</u> | <u>413,069,543</u> |
| | 276,515,751 | 144,866 | 382,457,843 | 4,147,926 | 46,886,693 | 1,281,790 | 163,403,301 | 223,176,953 | 1,335,181 | 2,120,002 | 1,101,470,306 | 1,117,863,471 |
| Construction-in-progress | 18,617,480 | - | 61,597,662 | - | 772,185 | - | 7,007,352 | 22,486,511 | - | - | 110,481,190 | 86,572,809 |
| Land | - | 5,139,021 | - | 6,224,611 | - | 425,164 | - | - | 316,200 | - | 12,104,996 | 18,606,010 |
| Other | <u>2,603,162</u> | <u>-</u> | <u>-</u> | <u>311</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,603,473</u> | <u>12,130,440</u> |
| | <u>297,736,393</u> | <u>5,283,887</u> | <u>444,055,505</u> | <u>10,372,848</u> | <u>47,658,878</u> | <u>1,706,954</u> | <u>170,410,653</u> | <u>245,663,464</u> | <u>1,651,381</u> | <u>2,120,002</u> | <u>1,226,659,965</u> | <u>1,235,172,730</u> |
| Total assets | \$ <u>403,797,897</u> | \$ <u>105,486,461</u> | \$ <u>673,180,860</u> | \$ <u>11,425,386</u> | \$ <u>84,569,664</u> | \$ <u>3,432,452</u> | \$ <u>195,779,899</u> | \$ <u>267,919,116</u> | \$ <u>1,948,256</u> | \$ <u>3,295,307</u> | \$ <u>1,750,835,298</u> | \$ <u>1,764,212,574</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM
Component Units - Proprietary Funds
Combining Balance Sheet, Continued
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| LIABILITIES AND FUND EQUITY | Guam International Airport Authority | Guam Housing Corporation | Guam Power Authority | Guam Rental Corporation | Guam Memorial Hospital Authority | Guam Economic Development Authority | Guam Telephone Authority | Guam Waterworks Authority | Guam Mass Transit Authority | Guam Educational Telecommunication Corporation | Totals | |
|---------------------------------------|---|--------------------------------|----------------------------|-------------------------------|---|--|--------------------------------|---------------------------------|--------------------------------------|---|------------------|------------------|
| | | | | | | | | | | | 1999 | 1998 |
| Current liabilities: | | | | | | | | | | | | |
| Current portion of long-term debt | \$ 3,910,000 | \$ 2,390,663 | \$ 384,784 | \$ 59,140 | \$ 2,745,479 | \$ 53,702 | \$ 3,700,032 | \$ 584,275 | \$ - | \$ - | \$ 13,828,075 | \$ 19,561,654 |
| Accounts payable | 4,657,891 | 1,416,420 | 17,698,256 | 32,225 | 17,322,016 | 155,137 | 369,452 | 13,236,324 | 309,389 | 87,170 | 55,284,280 | 72,150,836 |
| Accrued payroll and other | - | - | 1,598,782 | 69,148 | 2,421,813 | 237,938 | 2,048,105 | 933,752 | - | 96,860 | 7,406,398 | 21,490,582 |
| Interfund payables | - | - | - | - | 1,976,916 | - | - | - | - | - | 1,976,916 | 2,661,367 |
| Payable to federal agencies | - | - | 129,258 | - | - | 341,155 | - | 8,414,731 | - | - | 8,885,144 | - |
| Notes payable | - | - | 26,217,174 | - | - | - | - | - | - | - | 26,217,174 | 71,217,174 |
| Deferred revenue | 4,300,581 | - | 2,502,816 | - | - | 219,113 | - | - | - | 244,167 | 7,266,677 | 4,497,104 |
| Deposits and other liabilities | 7,907,069 | 1,151,776 | 15,709,767 | 62,020 | 1,257,157 | 237,662 | 6,973,736 | 1,236,275 | - | - | 34,535,462 | 22,537,858 |
| Total current liabilities | 20,775,541 | 4,958,859 | 64,240,837 | 222,533 | 25,723,381 | 1,244,707 | 13,091,325 | 24,405,357 | 309,389 | 428,197 | 155,400,126 | 214,116,575 |
| Long-term liabilities: | | | | | | | | | | | | |
| Vacation leave accrual | 1,062,514 | - | 1,594,383 | - | 1,368,854 | - | 1,163,057 | 2,098,445 | 49,100 | - | 7,336,353 | 8,011,954 |
| Contracts and leases | - | - | 2,923,148 | - | - | - | - | 4,742,562 | - | - | 7,665,710 | 1,943,715 |
| Notes payable and bonds payable | 223,656,223 | 83,086,115 | 414,141,680 | 666,377 | 33,133,065 | 2,037,661 | 118,434,196 | 1,796,316 | - | - | 876,951,633 | 809,144,884 |
| Accrued unfunded retirement liability | 2,302,204 | 1,418,841 | 12,038,755 | 253,543 | 15,250,750 | 842,375 | 12,499,973 | 7,380,875 | 107,436 | 429,800 | 52,524,552 | 57,016,205 |
| Total long-term liabilities | 227,020,941 | 84,504,956 | 430,697,966 | 919,920 | 49,752,669 | 2,880,036 | 132,097,226 | 16,018,198 | 156,536 | 429,800 | 944,478,248 | 876,116,758 |
| Total liabilities | 247,796,482 | 89,463,815 | 494,938,803 | 1,142,453 | 75,476,050 | 4,124,743 | 145,188,551 | 40,423,555 | 465,925 | 857,997 | 1,099,878,374 | 1,090,233,333 |
| Fund equity: | | | | | | | | | | | | |
| Contributed capital: | | | | | | | | | | | | |
| Government of Guam | 1,439,712 | 4,952,252 | 27,898,440 | 5,278,650 | - | 2,090,978 | 13,557,529 | 122,065,084 | 1,000,297 | - | 178,282,942 | 189,178,305 |
| Federal government | 74,635,957 | 171,500 | 12,866,000 | 3,702,600 | - | 59,885 | - | 63,799,970 | - | - | 155,235,912 | 146,730,272 |
| In-Aid of Construction | - | - | - | - | - | - | - | 59,345,237 | - | - | 59,345,237 | 59,885,171 |
| Other Agencies | 37,971 | - | - | - | - | - | - | 1,239,277 | - | - | 1,277,248 | 1,211,924 |
| Retained earnings: | | | | | | | | | | | | |
| Restricted | - | - | - | - | 2,496,729 | - | - | - | - | 2,120,002 | 4,616,731 | 4,692,293 |
| Unrestricted (deficit) | 79,887,775 | 10,898,894 | 137,477,617 | 1,301,683 | 6,596,885 | (2,843,154) | 37,033,819 | (18,954,007) | 482,034 | 317,308 | 252,198,854 | 272,281,276 |
| Fund balances: | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | |
| Related assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Encumbrances | - | - | - | - | - | - | - | - | - | - | - | - |
| Continuing appropriations | - | - | - | - | - | - | - | - | - | - | - | - |
| Unreserved | - | - | - | - | - | - | - | - | - | - | - | - |
| Total fund equity | 156,001,415 | 16,022,646 | 178,242,057 | 10,282,933 | 9,093,614 | (692,291) | 50,591,348 | 227,495,561 | 1,482,331 | 2,437,310 | 650,956,924 | 673,979,241 |
| Total liabilities and fund equity | \$ 403,797,897 | \$ 105,486,461 | \$ 673,180,860 | \$ 11,425,386 | \$ 84,569,664 | \$ 3,432,452 | \$ 195,779,899 | \$ 267,919,116 | \$ 1,948,256 | \$ 3,295,307 | \$ 1,750,835,298 | \$ 1,764,212,574 |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Component Units - Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Guam International Airport Authority | Guam Housing Corporation | Guam Power Authority | Guam Rental Corporation | Guam Memorial Hospital Authority | Guam Economic Development Authority | Guam Telephone Authority | Guam Waterworks Authority | Guam Mass Transit Authority | Guam Educational Telecommunication Corporation | Totals | |
|--|---|--------------------------------|----------------------------|-------------------------------|---|--|--------------------------------|---------------------------------|--------------------------------------|---|----------------|----------------|
| | | | | | | | | | | | 1999 | 1998 |
| Operating revenues: | | | | | | | | | | | | |
| Charges for services | \$ 33,679,490 | \$ 144,788 | \$ 187,776,429 | \$ - | \$ 65,369,367 | \$ - | \$ 46,232,457 | \$ 35,887,055 | \$ 140,514 | \$ - | \$ 369,230,100 | \$ 368,491,208 |
| Contributions | - | - | - | - | - | - | - | - | 403,001 | 787,323 | 1,190,324 | 763,592 |
| Licenses, fees and permits | - | - | - | - | - | 589,975 | - | - | - | 2,120 | 592,095 | 532,134 |
| Investment, earnings and interest | - | 2,106,044 | - | 8,716 | - | - | - | - | - | 30,610 | 2,145,370 | 5,107,656 |
| Rental charges | 6,996,153 | - | - | 885,426 | - | 1,691,113 | - | - | - | - | 9,572,692 | 10,641,089 |
| Other | 991,168 | 109,142 | 1,229,419 | 22,843 | 1,361,374 | - | 873,141 | 4,626,160 | 22,346 | - | 9,235,593 | 6,768,841 |
| Total operating revenues | 41,666,811 | 2,359,974 | 189,005,848 | 916,985 | 66,730,741 | 2,281,088 | 47,105,598 | 40,513,215 | 565,861 | 820,053 | 391,966,174 | 392,304,520 |
| Operating expenses: | | | | | | | | | | | | |
| Production and operations | - | 35,292 | 113,205,877 | - | 41,232,971 | 1,995,173 | 19,618,472 | 13,122,160 | 1,936,011 | 142,652 | 191,288,608 | 208,297,423 |
| Depreciation and amortization | 15,952,051 | 96,017 | 18,447,252 | 154,484 | 3,267,704 | 158,020 | 17,164,247 | 9,076,732 | 212,886 | - | 64,529,393 | 56,198,685 |
| Maintenance | 1,095,336 | - | - | 253,750 | - | 16,915 | - | - | 103,967 | - | 1,469,968 | 1,719,423 |
| Beneficiary related | - | - | - | - | - | - | - | - | - | - | - | - |
| Bad debts | 277,511 | - | - | - | 6,399,187 | 68,500 | 581,256 | 2,686,717 | - | - | 10,013,171 | 41,027,592 |
| Stevedoring and related | - | - | - | - | - | - | - | - | - | - | - | - |
| General and administrative | 21,945,601 | 2,028,154 | 25,396,447 | 409,516 | 17,632,514 | 1,402,604 | 6,594,821 | 21,639,240 | 860,251 | 1,116,782 | 99,025,930 | 107,606,204 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | 2,988,243 |
| Other | - | 194,645 | - | 10,148 | - | 86,050 | - | 3,857,695 | 52,309 | - | 4,200,847 | 4,551,589 |
| Total operating expenses | 39,270,499 | 2,354,108 | 157,049,576 | 827,898 | 68,532,376 | 3,727,262 | 43,958,796 | 50,382,544 | 3,165,424 | 1,259,434 | 370,527,917 | 422,389,159 |
| Operating income (loss) | 2,396,312 | 5,866 | 31,956,272 | 89,087 | (1,801,635) | (1,446,174) | 3,146,802 | (9,869,329) | ##### | (439,381) | 21,438,257 | (30,084,639) |
| Nonoperating revenues (expenses): | | | | | | | | | | | | |
| Contribution from: | | | | | | | | | | | | |
| General Fund | - | - | - | - | - | - | - | - | - | 420,174 | 420,174 | 23,086,916 |
| Federal agencies | - | - | - | - | - | - | - | - | - | 9,105 | 9,105 | - |
| Extraordinary item | - | - | - | - | - | - | - | - | - | - | - | 240,448 |
| Other income (expenses), net | (9,624,911) | - | (18,288,428) | - | (3,866,986) | (324,430) | (6,144,382) | 200,823 | 2,800,000 | 47,945 | (35,200,369) | (33,561,832) |
| Total nonoperating revenues (expenses), net | (9,624,911) | - | (18,288,428) | - | (3,866,986) | (324,430) | (6,144,382) | 200,823 | 2,800,000 | 477,224 | (34,771,090) | (10,234,468) |
| Net income (loss) | (7,228,599) | 5,866 | 13,667,844 | 89,087 | (5,668,621) | (1,770,604) | (2,997,580) | (9,668,506) | 200,437 | 37,843 | (13,332,833) | (40,319,107) |
| Add depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital | - | - | - | - | - | - | - | 7,826,079 | 28,666 | - | 7,854,745 | 7,943,562 |
| Beginning retained earnings (deficit) | 87,116,374 | 10,893,028 | 123,809,773 | 1,212,596 | 19,555,938 | (1,072,550) | 45,633,355 | (17,111,580) | 260,828 | 2,399,467 | 272,697,229 | 228,853,598 |
| Adjustments to beginning retained earnings: | | | | | | | | | | | | |
| Correction of prior year errors | - | - | - | - | (4,793,703) | - | (5,601,956) | - | (7,897) | - | (10,403,556) | 80,495,516 |
| Ending retained earnings (deficit) | 79,887,775 | 10,898,894 | 137,477,617 | 1,301,683 | 9,093,614 | (2,843,154) | 37,033,819 | (18,954,007) | 482,034 | 2,437,310 | 256,815,585 | 276,973,569 |
| Beginning contributed capital | 72,985,818 | 5,123,752 | 40,764,440 | 8,981,250 | - | 2,100,863 | - | 244,317,864 | 1,028,963 | - | 375,302,950 | 139,471,864 |
| Adjustments to contributed capital | | | | | | | | | (28,666) | - | (28,666) | (28,666) |
| Contribution from: | | | | | | | | | | | | |
| General Fund | - | - | - | - | - | 50,000 | 13,557,529 | (2,733,534) | - | - | 10,873,995 | 126,839,595 |
| Federal agencies | 3,127,822 | - | - | - | - | - | - | 5,377,818 | - | - | 8,505,640 | 69,709,117 |
| In Aid of Construction | - | - | - | - | - | - | - | (539,934) | - | - | (539,934) | 59,885,171 |
| Other Agencies | - | - | - | - | - | - | - | 27,354 | - | - | 27,354 | 1,128,591 |
| Fund equity at end of year | \$ 156,001,415 | \$ 16,022,646 | \$ 178,242,057 | \$ 10,282,933 | \$ 9,093,614 | \$ (692,291) | \$ 50,591,348 | \$ 227,495,561 | \$ 1,482,331 | \$ 2,437,310 | \$ 650,956,924 | \$ 673,979,241 |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Component Units - Proprietary Funds
Combining Statement of Cash Flows
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Guam International Airport Authority | Guam Housing Corporation | Guam Power Authority | Guam Rental Corporation | Guam Memorial Hospital Authority |
|---|---|--------------------------------|----------------------------|-------------------------------|---|
| <u>Increase (decrease) in cash and equivalents</u> | | | | | |
| Cash flows from operating activities: | | | | | |
| Operating income (loss) | \$ 2,396,312 | \$ 5,866 | \$ 31,956,272 | \$ 89,087 | \$ (1,801,635) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | |
| Depreciation | 15,952,051 | 96,017 | 18,447,252 | 154,484 | 3,267,704 |
| Bad debt expense | 277,511 | - | - | - | 6,399,189 |
| Amortization of loan discount | - | 10,102 | - | - | - |
| Loss on investment | - | - | - | - | - |
| Extraordinary item and other reconciling items | 763,317 | - | (1,329,890) | (87,735) | (1,386,026) |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable | 2,119,280 | 1,850,972 | (12,013,599) | 18,158 | (10,020,075) |
| Inventory | - | - | (1,645,181) | (7,619) | 785,585 |
| Accrued interest and other | - | - | - | - | - |
| Prepaid expense | - | 1,690 | (1,082,883) | 25,662 | 67,911 |
| Notes receivable | - | - | - | - | - |
| Other assets | - | - | 48,809 | - | - |
| Other receivables | - | - | - | - | 1,082,239 |
| Due from other funds and governmental agencies | - | - | - | - | - |
| Due from federal agencies | (190,454) | - | - | - | - |
| | | | - | - | - |
| Increase (decrease) in liabilities: | | | | | |
| Accrued payroll | - | - | (1,459,816) | - | 152,012 |
| Annual leave | - | - | (79,104) | 11,245 | 188,564 |
| Accounts payable | (1,201,050) | 253,703 | (1,389,849) | 11,189 | 8,414,003 |
| Accrued pension cost | (127,901) | (118,086) | - | (21,095) | (929,603) |
| Accrued expense and other liabilities | - | - | 645,344 | (527) | 44,034 |
| Customer and security deposits | 9,739 | (32,320) | - | - | - |
| Deferred revenue | 248,790 | - | (3,379,924) | - | - |
| Contracts and leases | - | - | - | - | - |
| Due from other funds and governmental agencies | - | - | - | - | - |
| Due from federal agencies | - | - | (2,047,253) | - | - |
| | | | | | |
| Net cash provided by (used for) operating activities | <u>20,247,595</u> | <u>2,067,944</u> | <u>26,670,178</u> | <u>192,849</u> | <u>6,263,902</u> |
| | | | | | |
| Cash flows from noncapital financing activities: | | | | | |
| Proceeds from issuance of notes payable and bonds | - | - | - | - | - |
| Proceeds from short term debt | - | - | - | - | - |
| Repayment of notes payable and short term debt | - | - | (45,000,000) | - | (2,154,415) |
| Interest paid on notes payable and short term debt | - | - | (2,035,218) | - | (2,656,510) |
| Local appropriations | - | - | - | - | - |
| Net transfers from restricted fund | - | - | - | - | - |
| Bank Overdraft | - | - | (1,359,650) | - | - |
| Contributions | - | - | - | - | 175,550 |
| | | | | | |
| Net cash provided by (used for) noncapital financing activities | <u>-</u> | <u>-</u> | <u>(48,394,868)</u> | <u>-</u> | <u>(4,635,375)</u> |
| | | | | | |
| Cash flows from capital and related financing activities: | | | | | |
| Proceeds from issuance of notes payable and bonds | - | - | 349,178,601 | - | - |
| Principal paid on bonds and other long term debt | (3,705,000) | (2,425,113) | ##### | - | - |
| Interest paid on bonds and other long term debt | (14,836,294) | - | (24,578,502) | - | - |
| Fixed asset (purchases) disposals/sale | (20,413,409) | (679,642) | (42,707,612) | (80,811) | - |
| Fixed asset improvements | - | - | - | - | (1,801,051) |
| Contributions | 11,251,434 | - | - | - | - |
| Debt issuance costs | - | - | (19,979,788) | - | - |
| Capital lease payments | - | - | (722,020) | - | (867,164) |
| Operating grants | - | - | - | - | (124,259) |
| Net cash provided by (used for) capital and related financing activities | <u>(27,703,269)</u> | <u>(3,104,755)</u> | <u>9,148,524</u> | <u>(80,811)</u> | <u>(2,792,474)</u> |
| | | | | | |
| Cash flows from investing activities: | | | | | |
| Payments received on notes receivable | - | - | - | - | - |
| Decrease(increase) in bond reserve funds | - | - | (1,814,363) | - | - |
| Purchase of land held for development and resale | - | (351,918) | - | - | - |
| Proceeds from sale of investment | 1,734,656 | - | - | - | - |
| Purchase of investment securities | - | (154,557) | - | - | - |
| Withdrawal of investment securities | - | - | - | - | - |
| Interest and dividends on investments | 5,321,404 | - | 6,142,562 | - | - |
| Net (increase)decrease in loan receivable | - | - | - | - | - |
| Transfers from restricted fund | - | (407,260) | 4,761,060 | - | - |
| | | | | | |
| Net cash provided by (used for) investing activities | <u>7,056,060</u> | <u>(913,735)</u> | <u>9,089,259</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| Net increase (decrease) in cash and equivalents | (399,614) | (1,950,546) | (3,486,907) | 112,038 | (1,163,947) |
| Cash and equivalents at beginning of year | 1,641,421 | 3,383,349 | 8,394,335 | 415,428 | 4,994,614 |
| Restricted cash | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(527,013)</u> |
| | | | | | |
| Cash and equivalents at end of year | <u>\$ 1,241,807</u> | <u>\$ 1,432,803</u> | <u>\$ 4,907,428</u> | <u>\$ 527,466</u> | <u>\$ 3,303,654</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Component Units - Proprietary Funds
Combining Statement of Cash Flows, Continued
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Guam Economic Development Authority | Guam Telephone Authority | Guam Waterworks Authority | Guam Mass Transit Authority | Guam Educational 'elecommunication Corporation | Totals | |
|---|--|--------------------------------|---------------------------------|--------------------------------------|---|----------------------|----------------------|
| | | | | | | 1999 | 1998 |
| <u>Increase (decrease) in cash and equivalents</u> | | | | | | | |
| Cash flows from operating activities: | | | | | | | |
| Operating income (loss) | \$ (1,446,174) | \$ 3,146,802 | \$ (9,869,329) | \$ (2,599,563) | \$ (439,381) | \$ 21,438,257 | \$ (30,084,639) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | | |
| Depreciation | 158,020 | 17,164,247 | 9,076,732 | 212,886 | - | 64,529,393 | 56,198,685 |
| Bad debt expense | 68,500 | 581,256 | 2,686,717 | - | - | 10,013,173 | 41,027,592 |
| Amortization of loan discount | - | - | - | - | - | 10,102 | (30,000) |
| Loss on investment | (61,955) | - | - | - | - | (61,955) | - |
| Extraordinary item and other reconciling items | (227,710) | (698,606) | (4,282,966) | - | - | (7,249,616) | 1,261,177 |
| (Increase) decrease in assets: | | | | | | | |
| Accounts receivable | - | 514,758 | (3,692,022) | 18,299 | 24,592 | (21,179,637) | (44,892,725) |
| Inventory | 14,782 | (35,875) | 23,962 | - | - | (864,346) | (62,758) |
| Accrued interest and other | - | - | - | - | - | - | 207,734 |
| Prepaid expense | - | 369,102 | - | - | 12,862 | (605,656) | 451,694 |
| Notes receivable | 3,363 | - | - | - | - | 3,363 | - |
| Other assets | - | - | - | - | - | 48,809 | (81,618) |
| Other receivables | 669,416 | - | - | - | - | 1,751,655 | (141,723) |
| Due from other funds and governmental agencies | 34,085 | - | - | - | - | 34,085 | (8,064) |
| Due from federal agencies | 23,748 | - | - | - | - | (166,706) | (723,634) |
| Increase (decrease) in liabilities: | | | | | | | |
| Accrued payroll | - | (595,305) | (128,293) | - | (2,606) | (2,034,008) | (1,205,809) |
| Annual leave | - | 194,666 | 71,457 | - | - | 386,828 | 416,618 |
| Accounts payable | (118,811) | (944,636) | 5,971,719 | (165,096) | 68,971 | 10,900,143 | (12,564,824) |
| Accrued pension cost | (50,463) | - | (927,990) | (18,654) | - | (2,193,792) | (4,239,996) |
| Accrued expense and other liabilities | 65,981 | (24,002) | (917,643) | (11,005) | - | (197,818) | 2,338,914 |
| Customer and security deposits | - | 183,751 | - | - | - | 161,170 | (1,433,755) |
| Deferred revenue | (11,289) | - | - | - | 26,658 | (3,115,765) | 5,658,956 |
| Contracts and leases | - | - | - | - | - | - | (1,792,761) |
| Due from other funds and governmental agencies | (93) | - | - | - | - | (93) | - |
| Due from federal agencies | 68,290 | - | - | - | - | (1,978,963) | - |
| Net cash provided by (used for) operating activities | <u>(810,310)</u> | <u>19,856,158</u> | <u>(1,987,656)</u> | <u>(2,563,133)</u> | <u>(308,904)</u> | <u>69,628,623</u> | <u>10,299,064</u> |
| Cash flows from noncapital financing activities: | | | | | | | |
| Proceeds from issuance of notes payable and bonds | 868,274 | - | - | - | - | 868,274 | 59,454,256 |
| Proceeds from short term debt | - | - | - | - | - | - | 20,000,000 |
| Repayment of notes payable and short term debt | - | - | - | - | - | (47,154,415) | (22,273,879) |
| Interest paid on notes payable and short term debt | (41,565) | - | - | - | - | (4,733,293) | (3,037,002) |
| Local appropriations | - | - | - | 2,800,000 | 477,224 | 3,277,224 | 23,263,028 |
| Net transfers from restricted fund | - | - | - | - | - | - | - |
| Bank Overdraft | - | - | - | - | - | (1,359,650) | 1,359,650 |
| Contributions | 50,000 | - | - | - | - | 225,550 | - |
| Net cash provided by (used for) noncapital financing activities | <u>876,709</u> | <u>-</u> | <u>-</u> | <u>2,800,000</u> | <u>477,224</u> | <u>(48,876,310)</u> | <u>78,766,053</u> |
| Cash flows from capital and related financing activities: | | | | | | | |
| Proceeds from issuance of notes payable and bonds | - | 24,150 | 1,061,780 | - | - | 350,264,531 | 84,714,511 |
| Principal paid on bonds and other long term debt | - | (3,515,825) | - | - | - | (261,688,093) | (13,658,226) |
| Interest paid on bonds and other long term debt | - | (6,922,259) | - | - | - | (46,337,055) | (39,299,660) |
| Fixed asset (purchases) disposals/sale | (72,359) | (10,515,362) | (8,129,410) | (12,634) | (47,945) | (82,659,184) | (93,174,744) |
| Fixed asset improvements | - | - | - | - | - | (1,801,051) | - |
| Contributions | - | - | 8,248,099 | - | - | 19,499,533 | 24,547,327 |
| Debt issuance costs | - | - | - | - | - | (19,979,788) | (1,758,560) |
| Capital lease payments | - | - | - | - | - | (1,589,184) | - |
| Operating grants | - | - | 85,369 | - | - | (38,890) | - |
| Net cash provided by (used for) capital and related financing activities | <u>(72,359)</u> | <u>(20,929,296)</u> | <u>1,265,838</u> | <u>(12,634)</u> | <u>(47,945)</u> | <u>(44,329,181)</u> | <u>(38,629,352)</u> |
| Cash flows from investing activities: | | | | | | | |
| Payments received on notes receivable | - | - | - | - | - | - | (13,879) |
| Increase in bond reserve funds | - | - | - | - | - | (1,814,363) | (35,766) |
| Purchase of land held for development and resale | - | - | - | - | - | (351,918) | (396,877) |
| Proceeds from (purchase of) investment | (30,244) | - | - | - | - | 1,704,412 | 26,995,799 |
| Purchase of investment securities | - | (1,089,283) | - | - | - | (1,243,840) | (910,842) |
| Withdrawal of investment securities | - | - | - | - | - | - | - |
| Interest and dividends on investments | - | 309,725 | 115,453 | - | - | 11,889,144 | 10,784,719 |
| Net decrease in loan receivable | - | - | - | - | - | - | - |
| Transfers from restricted fund | - | - | 359,984 | - | (9,000) | 4,704,784 | (81,393,463) |
| Net cash provided by investing activities | <u>(30,244)</u> | <u>(779,558)</u> | <u>475,437</u> | <u>-</u> | <u>(9,000)</u> | <u>14,888,219</u> | <u>(44,970,309)</u> |
| Net increase (decrease) in cash and equivalents | (36,204) | (1,852,696) | (246,381) | 224,233 | 111,375 | (8,688,649) | 5,465,456 |
| Cash and equivalents at beginning of year | 184,951 | 12,749,580 | 1,099,413 | 15,590 | 587,186 | 33,465,867 | 24,568,505 |
| Restricted cash | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(527,013)</u> | <u>4,173,346</u> |
| Cash and equivalents at end of year | <u>\$ 148,747</u> | <u>\$ 10,896,884</u> | <u>\$ 853,032</u> | <u>\$ 239,823</u> | <u>\$ 698,561</u> | <u>\$ 24,250,205</u> | <u>\$ 34,207,307</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Internal Service Funds
Combining Balance Sheet
September 30, 1999
(With Comparative Totals as of September 30, 1998)

| | Agana Fractional Lot Fund | State Agency Surplus Fund | GSA Inventory Revolving Fund | Group Life Insurance Fund | Totals | |
|---|---------------------------------|------------------------------|---------------------------------|------------------------------|----------------------|----------------------|
| | | | | | 1999 | 1998 |
| <u>ASSETS</u> | | | | | | |
| Cash and equivalents | \$ - | \$ 151,021 | \$ 2,065,915 | \$ 84,565 | \$ 2,301,501 | \$ 2,272,651 |
| Investments | - | - | - | - | - | - |
| Receivables, net | - | 19,073 | - | - | 19,073 | 122,451 |
| Receivables from federal agencies | - | - | - | - | - | - |
| Interfund receivables, net | 126,426 | 4,079 | 580,073 | 124,535 | 835,113 | 327,401 |
| Notes receivable | - | - | - | - | - | - |
| Inventories | - | 8,824,619 | 1,449,466 | - | 10,274,085 | 9,812,975 |
| Prepayments | - | - | - | - | - | - |
| Deposits and other assets | 410,800 | - | - | - | 410,800 | 322,767 |
| | <u>537,226</u> | <u>8,998,792</u> | <u>4,095,454</u> | <u>209,100</u> | <u>13,840,572</u> | <u>12,858,245</u> |
| Amount available in debt service fund | - | - | - | - | - | - |
| Restricted assets | - | - | - | - | - | - |
| Long-term assets: | | | | | | |
| Support assets | - | - | - | - | - | - |
| Capital leases and improvements | - | - | - | - | - | - |
| Building and improvement | - | - | - | - | - | - |
| Plant in service | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Less: Accumulated depreciation | - | - | - | - | - | - |
| Construction-in-progress | - | - | - | - | - | - |
| Land | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| Total assets | \$ <u>537,226</u> | \$ <u>8,998,792</u> | \$ <u>4,095,454</u> | \$ <u>209,100</u> | \$ <u>13,840,572</u> | \$ <u>12,858,245</u> |
| <u>LIABILITIES AND FUND EQUITY (DEFICIENCY)</u> | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll and other | - | - | - | - | - | 3,885 |
| Interfund payables | - | - | 2,362,770 | - | 2,362,770 | 800,542 |
| Payables to federal agencies | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - |
| Deposits and other liabilities | - | - | - | 475,000 | 475,000 | 264,152 |
| Vacation leave accrual | - | - | - | - | - | - |
| Contracts and leases | - | - | - | - | - | - |
| Notes payable and bonds payable | - | - | - | - | - | - |
| Accrued unfunded retirement benefit | - | - | - | - | - | - |
| Total liabilities | - | - | 2,362,770 | 475,000 | 2,837,770 | 1,068,579 |
| Fund equity (deficiency): | | | | | | |
| Contributed capital: | | | | | | |
| Government of Guam | - | - | - | - | - | - |
| Federal government | - | 8,212,794 | - | - | 8,212,794 | 8,212,794 |
| Retained earnings: | | | | | | |
| Restricted | - | - | 1,632,108 | - | 1,632,108 | 1,143,285 |
| Unrestricted | 537,226 | 785,998 | 100,576 | (265,900) | 1,157,900 | 2,433,587 |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Debt service | - | - | - | - | - | - |
| Related assets | - | - | - | - | - | - |
| Encumbrances | - | - | - | - | - | - |
| Continuing appropriations | - | - | - | - | - | - |
| Unreserved | - | - | - | - | - | - |
| Fund equity (deficiency) | <u>537,226</u> | <u>8,998,792</u> | <u>1,732,684</u> | <u>(265,900)</u> | <u>11,002,802</u> | <u>11,789,666</u> |
| Total liabilities and fund equity (deficiency) | \$ <u>537,226</u> | \$ <u>8,998,792</u> | \$ <u>4,095,454</u> | \$ <u>209,100</u> | \$ <u>13,840,572</u> | \$ <u>12,858,245</u> |
| See Accompanying Independent Auditors' Report. | | | | | | |

GOVERNMENT OF GUAM

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended September 30, 1999
(With Comparative Totals for the Year Ended September 30, 1998)

| | Agana Fractional Lot Fund | State Agency Surplus Fund | GSA Inventory Revolving Fund | Group Life Insurance Fund | Totals | |
|---|---------------------------------|------------------------------|---------------------------------|------------------------------|---------------|---------------|
| | | | | | 1999 | 1998 |
| Operating revenues: | | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions | - | - | - | - | - | 485,372 |
| Licenses, fees and permits | - | 23,648 | - | - | 23,648 | 30,095 |
| Investment earnings and interest | - | 2,475 | - | 2,531 | 5,006 | 5,656 |
| Rental charges | - | - | - | - | - | - |
| Other | - | - | 1,196,770 | - | 1,196,770 | 5,905,608 |
| | | | | | | |
| Total operating revenues | - | 26,123 | 1,196,770 | 2,531 | 1,225,424 | 6,426,731 |
| Operating expenses: | | | | | | |
| Production and operations | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Maintenance | - | - | - | - | - | - |
| Beneficiary related | - | - | - | 285,848 | 285,848 | - |
| Bad debts | 90,170 | - | - | - | 90,170 | - |
| Stevedoring and related | - | - | - | - | - | - |
| General and administrative | - | 11,280 | 823,876 | - | 835,156 | 5,592,681 |
| Interest | - | - | - | - | - | - |
| Other | - | - | 100,576 | - | 100,576 | - |
| | | | | | | |
| Total operating expenses | 90,170 | 11,280 | 924,452 | 285,848 | 1,311,750 | 5,592,681 |
| Operating income (loss) | (90,170) | 14,843 | 272,318 | (283,317) | (86,326) | 834,050 |
| Nonoperating revenues (expenses): | | | | | | |
| Contribution from/(to): | | | | | | |
| General fund | - | - | (863,447) | - | (863,447) | (3,067,355) |
| Federal agencies | - | - | - | - | - | - |
| Other income (expense), net | 88,033 | - | 74,876 | - | 162,909 | - |
| | | | | | | |
| Total nonoperating revenues (expenses), net | 88,033 | - | (788,571) | - | (700,538) | (3,067,355) |
| Net income (loss) | (2,137) | 14,843 | (516,253) | (283,317) | (786,864) | (2,233,305) |
| Beginning retained earnings (deficit) | 539,363 | 771,155 | 2,248,937 | 17,417 | 3,576,872 | 5,810,177 |
| Ending retained earnings (deficit) | 537,226 | 785,998 | 1,732,684 | (265,900) | 2,790,008 | 3,576,872 |
| Beginning contributed capital | - | 8,212,794 | - | - | 8,212,794 | 8,212,794 |
| Adjustment to contributed capital | | | | | | |
| Contributions (to) from: | | | | | | |
| General fund | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - |
| | | | | | | |
| Fund equity at end of year | \$ 537,226 | \$ 8,998,792 | \$ 1,732,684 | \$ (265,900) | \$ 11,002,802 | \$ 11,789,666 |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Expendable Trust Funds, Pension Fund and Agency Fund September 30, 1999

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

Expendable Trust Funds:

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

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

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

Income Tax Refund Reserve Fund - This fund was established by P.L. 22-140 for the purpose of receiving General Fund revenues reserved for income tax refund payments. This fund is not subject to any transfer authority of the Governor of Guam.

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

Workmen's Compensation Fund - This fund was authorized to be established under P.L. 1-88. Section 37042 of the Government Code of Guam requires a fund sufficient to secure compensation payments under Title XXXIII of the Government Code in respect to employees of the Government of Guam, its agencies and instrumentalities, including any public corporation. Funds are disbursed upon the order of the Workers Compensation Commission, of which the Director of Labor is Commissioner.

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

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Expendable Trust Funds, Pension Fund and Agency Fund, Continued September 30, 1999

Criminal Injuries Fund - The Criminal Injuries Fund was enacted under P.L. 20-155. The fund was established for the purpose of compensating victims injured through criminal mischief. P.L. 20-155 created the Criminal Injuries Commission which was established to determine, on a case by case basis, who is worthy of compensation. Sources of funding are prosecuted criminals (offenders) and Government appropriations. Per P.L. 20-155, compensation must be made within 18 months of date of injury. In addition, no claim will be awarded in excess of \$10,000.

Off-Island Treatment Fund - This fund was established by Public Law 20-220 to be administered by the Director of Administration. Monies from the Fund shall be expended upon order of the Superior Court of Guam to send a person under the jurisdiction of the court off-island for residential care arising from a physical, mental or emotional handicap or a severe emotional disturbance. Monies shall be expended for diagnosis, evaluation and treatment fees, medical and incidental expenses, room and board and transportation costs.

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

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

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

Guam Preservation Trust Fund - This fund was established by P.L. 20-151 as a non-profit public corporation, for the purpose of the preservation of the island's many historical and cultural locations. Revenues are derived from building permit fees assessed to contractors before the issuance of any type of building permit. Expenditures are limited to costs involved in the acquisition of threatened Guam properties for the preservation of their historical value, and to support other activities directly related to increasing the public appreciation of the benefit from historical places.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Expendable Trust Funds, Pension Fund and Agency Fund, Continued September 30, 1999

Pension Fund:

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

Agency Fund:

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Fund Type - Expendable Trust Funds
Combining Balance Sheet
September 30, 1999
(With Comparative Totals As Of September 30, 1998)

| | <u>Program Development</u> | <u>Government Claims</u> | <u>Income Tax Rebate</u> | <u>Income Tax Refund Reserve</u> | <u>Ocean Freight Legal</u> | <u>Workers' Compensation</u> | <u>Inmates Work Release</u> | <u>Community Development</u> |
|------------------------------------|--------------------------------|------------------------------|------------------------------|--------------------------------------|--------------------------------|----------------------------------|---------------------------------|----------------------------------|
| <u>ASSETS</u> | | | | | | | | |
| Cash and equivalents | \$ 86,617 | \$ - | \$ - | \$ 253,587 | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - | - | - |
| Receivables, net | - | - | - | - | - | - | - | - |
| Receivables from federal agencies | - | - | - | - | - | - | - | - |
| Interfund receivables, net | - | 4 | 2,244,397 | 4,938,677 | 5,740 | - | 10,025 | 75,798 |
| Notes receivable | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - | - | - |
| Deposits and other assets | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 86,617</u> | <u>\$ 4</u> | <u>\$ 2,244,397</u> | <u>\$ 5,192,264</u> | <u>\$ 5,740</u> | <u>\$ -</u> | <u>\$ 10,025</u> | <u>\$ 75,798</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 2,244,397 | \$ - | \$ - | \$ - | \$ 6,555 | \$ - |
| Accrued payroll and other | - | - | - | - | - | - | - | - |
| Interfund payables | 86,617 | - | - | - | - | 155,243 | - | 24,467 |
| Payables to federal agencies | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - | - |
| Provision for tax refunds | - | - | - | 5,192,264 | - | - | - | - |
| Deposits and other liabilities | - | - | - | - | - | - | 3,470 | - |
| Total liabilities | <u>86,617</u> | <u>-</u> | <u>2,244,397</u> | <u>5,192,264</u> | <u>-</u> | <u>155,243</u> | <u>10,025</u> | <u>24,467</u> |
| Fund equity | | | | | | | | |
| Contributed capital: | | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - | - |
| Fund balances | | | | | | | | |
| Reserved for: | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - |
| Related assets | - | - | - | - | - | - | - | - |
| Encumbrances | - | - | - | - | 1,880 | - | - | 12,362 |
| Continuing appropriations | - | 4 | - | - | 3,860 | - | - | 38,969 |
| Unreserved (deficit) | - | - | - | - | - | (155,243) | - | - |
| Total fund equity | <u>-</u> | <u>4</u> | <u>-</u> | <u>-</u> | <u>5,740</u> | <u>(155,243)</u> | <u>-</u> | <u>51,331</u> |
| Total liabilities and fund equity | <u>\$ 86,617</u> | <u>\$ 4</u> | <u>\$ 2,244,397</u> | <u>\$ 5,192,264</u> | <u>\$ 5,740</u> | <u>\$ -</u> | <u>\$ 10,025</u> | <u>\$ 75,798</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Fund Type - Expendable Trust Funds
Combining Balance Sheet, Continued
September 30, 1999
(With Comparative Totals As Of September 30, 1998)

| | Criminal Injuries | Off-Island Treatment | Land Claims | Superior Court Trust | Guam Preservation Trust | Totals | |
|------------------------------------|----------------------|-------------------------|------------------|----------------------------|-------------------------------|----------------------|----------------------|
| | | | | | | 1999 | 1998 |
| <u>ASSETS</u> | | | | | | | |
| Cash and equivalents | \$ - | \$ - | \$ 40,615 | \$ 4,904,906 | \$ 1,249,494 | \$ 6,535,219 | \$ 9,127,676 |
| Investments | - | - | - | - | - | - | - |
| Receivables, net | - | - | - | 5,691,885 | 4,612,360 | 10,304,245 | 9,201,635 |
| Receivables from federal agencies | - | - | - | - | - | - | - |
| Interfund receivables, net | 43,487 | 149,631 | - | - | 4,498 | 7,472,257 | 9,315,262 |
| Notes receivable | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - |
| Prepayments | - | - | - | - | 115,106 | 115,106 | 290 |
| Deposits and other assets | - | - | - | - | - | - | 117,876 |
| Total assets | <u>\$ 43,487</u> | <u>\$ 149,631</u> | <u>\$ 40,615</u> | <u>\$ 10,596,791</u> | <u>\$ 5,981,458</u> | <u>\$ 24,426,827</u> | <u>\$ 27,762,739</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | | | |
| Accounts payable | \$ 169 | \$ - | \$ - | \$ - | \$ - | \$ 2,251,121 | \$ 6,633,864 |
| Accrued payroll and other | - | 139,484 | - | - | - | 139,484 | 202,056 |
| Interfund payables | - | - | - | - | - | 266,327 | 261,877 |
| Payables to federal agencies | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - |
| Deferred revenue | - | - | - | 4,639,769 | - | 4,639,769 | 3,414,243 |
| Provision for tax refunds | - | - | - | - | - | 5,192,264 | 5,192,264 |
| Deposits and other liabilities | 43,318 | 8,797 | 39,767 | 4,905,306 | - | 5,000,658 | 3,993,465 |
| Total liabilities | <u>43,487</u> | <u>148,281</u> | <u>39,767</u> | <u>9,545,075</u> | <u>-</u> | <u>17,489,623</u> | <u>19,697,769</u> |
| Fund equity | | | | | | | |
| Contributed capital: | | | | | | | |
| Government of Guam | - | - | - | - | - | - | - |
| Federal government | - | - | - | - | - | - | - |
| Fund balances | | | | | | | |
| Reserved for: | | | | | | | |
| Debt service | - | - | - | - | - | - | - |
| Related assets | - | - | - | 200 | - | 200 | 742,773 |
| Encumbrances | - | 1,350 | - | 17,175 | - | 32,767 | 104,153 |
| Continuing appropriations | - | - | - | 1,034,341 | - | 1,077,174 | 1,750,342 |
| Unreserved (deficit) | - | - | 848 | - | 5,981,458 | 5,827,063 | 5,467,702 |
| Total fund equity | <u>-</u> | <u>1,350</u> | <u>848</u> | <u>1,051,716</u> | <u>5,981,458</u> | <u>6,937,204</u> | <u>8,064,970</u> |
| Total liabilities and fund equity | <u>\$ 43,487</u> | <u>\$ 149,631</u> | <u>\$ 40,615</u> | <u>\$ 10,596,791</u> | <u>\$ 5,981,458</u> | <u>\$ 24,426,827</u> | <u>\$ 27,762,739</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Fund Type - Expendable Trust Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 1999
(With Comparative Totals For The Year Ended September 30, 1998)

| | <u>Program Development</u> | <u>Government Claims</u> | <u>Income Tax Rebate</u> | <u>Income Tax Refund Reserve</u> | <u>Ocean Freight Legal</u> | <u>Workers' Compensation</u> | <u>Inmates Work Release</u> | <u>Community Development</u> |
|---|--------------------------------|------------------------------|------------------------------|--------------------------------------|--------------------------------|----------------------------------|---------------------------------|----------------------------------|
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | - | - | - | - | - | - | - | - |
| Use of money and property | 3,478 | - | - | - | - | - | - | - |
| Federal contributions | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | 349,656 | - | - |
| | <u>3,478</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>349,656</u> | <u>-</u> | <u>-</u> |
| Total revenues | | | | | | | | |
| | <u>3,478</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>349,656</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | | | | | |
| General government | - | 71,337 | - | - | - | - | - | - |
| Protection of life and property | - | - | - | - | - | - | - | - |
| Public health | - | - | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - | - | - |
| Recreation | - | - | - | - | - | - | - | - |
| Individual and collective rights | - | - | - | - | - | 1,884,808 | - | 3,004,663 |
| Transportation | - | - | - | - | - | - | - | - |
| Public education | - | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - | - |
| Transfers to persons | - | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - |
| | <u>-</u> | <u>71,337</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,884,808</u> | <u>-</u> | <u>3,004,663</u> |
| Total expenditures | | | | | | | | |
| | <u>-</u> | <u>71,337</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,884,808</u> | <u>-</u> | <u>3,004,663</u> |
| Excess (deficiency) of revenue over (under) expenditures | <u>3,478</u> | <u>(71,337)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,535,152)</u> | <u>-</u> | <u>(3,004,663)</u> |
| Other financing sources (uses): | | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | 1,641,536 | - | 2,708,025 |
| Transfers out | (596,132) | - | - | - | - | - | - | (26,866) |
| Other sources | - | - | - | - | - | - | - | - |
| Other uses | (3,000) | - | - | - | - | (66,985) | - | - |
| | <u>(599,132)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,574,551</u> | <u>-</u> | <u>2,681,159</u> |
| Total other financing sources (uses), net | | | | | | | | |
| | <u>(599,132)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,574,551</u> | <u>-</u> | <u>2,681,159</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (595,654) | (71,337) | - | - | - | 39,399 | - | (323,504) |
| Fund balances at beginning of year | <u>595,654</u> | <u>71,341</u> | <u>-</u> | <u>-</u> | <u>5,740</u> | <u>(194,642)</u> | <u>-</u> | <u>374,835</u> |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ 4</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,740</u> | <u>\$ (155,243)</u> | <u>\$ -</u> | <u>\$ 51,331</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Fund Type - Expendable Trust Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Year Ended September 30, 1999
(With Comparative Totals For The Year Ended September 30, 1998)

| | Criminal Injuries | Off-Island Treatment | Land Claims | Superior Court Trust | Guam Preservation Trust | Totals | |
|--|----------------------|-------------------------|----------------|----------------------------|-------------------------------|---------------------|---------------------|
| | | | | | | 1999 | 1998 |
| Revenues: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, fees and permits | - | - | - | - | 805,580 | 805,580 | 1,528,517 |
| Use of money and property | - | - | - | - | 46,170 | 49,648 | 93,851 |
| Federal contributions | - | - | - | - | - | - | - |
| Other | 112,976 | - | - | 1,470 | 9,900 | 474,002 | 305,464 |
| | <u>112,976</u> | <u>-</u> | <u>-</u> | <u>1,470</u> | <u>9,900</u> | <u>474,002</u> | <u>305,464</u> |
| Total revenues | <u>112,976</u> | <u>-</u> | <u>-</u> | <u>1,470</u> | <u>861,650</u> | <u>1,329,230</u> | <u>1,927,832</u> |
| Expenditures: | | | | | | | |
| General government | - | - | - | - | - | 71,337 | 83,659 |
| Protection of life and property | 3,600 | - | - | - | 541,698 | 545,298 | 2,151,769 |
| Public health | - | - | - | - | - | - | - |
| Community services | - | 257 | - | - | - | 257 | 1,951 |
| Recreation | - | - | - | - | - | - | 192,562 |
| Individual and collective rights | - | - | 8 | 2,480,125 | - | 7,369,604 | 7,479,509 |
| Transportation | - | - | - | - | - | - | - |
| Public education | - | - | - | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Transfers to persons | - | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - |
| | <u>3,600</u> | <u>257</u> | <u>8</u> | <u>2,480,125</u> | <u>541,698</u> | <u>7,986,496</u> | <u>9,909,450</u> |
| Excess (deficiency) of revenue over (under) expenditures | <u>109,376</u> | <u>(257)</u> | <u>(8)</u> | <u>(2,478,655)</u> | <u>319,952</u> | <u>(6,657,266)</u> | <u>(7,981,618)</u> |
| Other financing sources (uses): | | | | | | | |
| Additions to long-term debt | - | - | - | - | - | - | - |
| Transfers in | - | - | - | 2,129,273 | - | 6,478,834 | 8,173,624 |
| Transfers out | (256,295) | (74) | - | - | - | (879,367) | (77,088) |
| Other sources | - | - | 18 | - | - | 18 | 309 |
| Other uses | - | - | - | - | - | (69,985) | - |
| | <u>(256,295)</u> | <u>(74)</u> | <u>18</u> | <u>2,129,273</u> | <u>-</u> | <u>5,529,500</u> | <u>8,096,845</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(146,919)</u> | <u>(331)</u> | <u>10</u> | <u>(349,382)</u> | <u>319,952</u> | <u>(1,127,766)</u> | <u>115,227</u> |
| Fund balances at beginning of year | <u>146,919</u> | <u>1,681</u> | <u>838</u> | <u>1,401,098</u> | <u>5,661,506</u> | <u>8,064,970</u> | <u>7,949,743</u> |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ 1,350</u> | <u>\$ 848</u> | <u>\$ 1,051,716</u> | <u>\$ 5,981,458</u> | <u>\$ 6,937,204</u> | <u>\$ 8,064,970</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of General Fixed Assets by Function and Activity
Year Ended September 30, 1999

| | 1998 Total Fixed Assets | 1999 Acquisitions | 1999 Total Fixed Assets |
|-------------------------------------|----------------------------|----------------------|----------------------------|
| General Government: | | | |
| Office of the Governor | \$ 1,698,498 | \$ 401,114 | \$ 2,099,612 |
| Office of Lt. Governor | 25,862 | - | 25,862 |
| Bureau of Budget and Mgmt. Research | 917,506 | - | 917,506 |
| Civil Service Commission | 197,464 | - | 197,464 |
| Administration | 8,188,788 | 346,334 | 8,535,122 |
| Public Works | 165,721,001 | 2,047,416 | 167,768,417 |
| Revenue and Taxation | 1,548,441 | 174,059 | 1,722,500 |
| Territorial Auditors | 843,865 | 117,987 | 961,852 |
| Land Management | 2,985,320 | 41,625 | 3,026,945 |
| Total | 182,126,745 | 3,128,535 | 185,255,280 |
| Protection of life and property: | | | |
| Law | 1,641,558 | 51,798 | 1,693,356 |
| Guam Police Department | 13,277,168 | 1,884,972 | 15,162,140 |
| Guam Fire Department | 5,205,457 | 8,504 | 5,213,961 |
| Corrections | 2,796,486 | 1,138,755 | 3,935,241 |
| Youth Affairs | 664,198 | 113,807 | 778,005 |
| Civil Defense | 603,166 | 8,310 | 611,476 |
| Chief Medical Examiner | 39,481 | - | 39,481 |
| Territorial Crime Commission | 14,340 | 28,002 | 42,342 |
| Total | 24,241,854 | 3,234,148 | 27,476,002 |
| Public health: | | | |
| Public Health and Social Services | 5,429,241 | 547,725 | 5,976,966 |
| Mental Health and Substance Abuse | 1,750,339 | 227,855 | 1,978,194 |
| Guam Health Planning | 46,552 | - | 46,552 |
| Total | 7,226,132 | 775,580 | 8,001,712 |
| Community services: | | | |
| Council for the Arts and Humanities | 156,687 | - | 156,687 |
| Library and Museum | 458,864 | 44,949 | 503,813 |
| Vocational Rehabilitation | 250,516 | 40,268 | 290,784 |
| Total | 866,067 | 85,217 | 951,284 |
| Recreation: | | | |
| Parks and Recreation | 2,863,553 | 133,064 | 2,996,617 |
| Total | 2,863,553 | 133,064 | 2,996,617 |
| Individual and collective rights: | | | |
| Labor | 872,533 | 494,871 | 1,367,404 |
| Election Commission | 1,719,772 | - | 1,719,772 |
| Commissioner's Council | 2,395,234 | 136,684 | 2,531,918 |
| Superior Court | 18,639,373 | - | 18,639,373 |
| Human Resources Development | 160,614 | 7,683 | 168,297 |
| Veterans Affairs | 11,984 | - | 11,984 |
| Military Affairs | 157,474 | 428,101 | 585,575 |
| Women's Affairs | 45,103 | - | 45,103 |
| Chamorro Land Trust | 1,598,195 | 3,985 | 1,602,180 |
| Total | 25,600,282 | 1,071,324 | 26,671,606 |
| Education: | | | |
| Education | 52,426,326 | 2,540,884 | 54,967,210 |
| Chamorro Language Commission | 41,163 | 1,499 | 42,662 |
| Total | 52,467,489 | 2,542,383 | 55,009,872 |
| Environmental protection: | | | |
| Environmental Protection | 1,134,863 | 63,064 | 1,197,927 |
| Guam Energy Office | 212,827 | 514,426 | 727,253 |
| Total | 1,347,690 | 577,490 | 1,925,180 |
| Economic development: | | | |
| Commerce | 2,116,143 | 19,085 | 2,135,228 |
| Agriculture | 2,659,398 | 296,810 | 2,956,208 |
| Bureau of Planning | 1,012,835 | 46,486 | 1,059,321 |
| Total | 5,788,376 | 362,381 | 6,150,757 |
| Public Defender | 219,297 | 63,948 | 283,245 |
| PDSC Land Claims Fund | 11,521 | (2,288) | 9,233 |
| PDSC Family Violence Program | 3,032 | - | 3,032 |
| Total | 233,850 | 61,660 | 295,510 |
| Total general fixed assets | \$ 302,762,038 | \$ 11,971,782 | \$ 314,733,820 |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Higher Education Funds September 30, 1999

The Higher Education Fund group is used to account for the colleges and universities of the primary government. These funds are presented as blended component units as they are considered to be part of the primary government but are presented separately from the other fund types of the primary government. The Higher Education Fund is comprised of the University of Guam (UOG) and the Guam Community College (GCC). A brief discussion of the Government's Higher Education Funds as of September 30, 1999, follows.

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

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Higher Education Funds
Combining Balance Sheet
September 30, 1999

| ASSETS | UNIVERSITY OF GUAM | | | | | GUAM COMMUNITY COLLEGE | | | COLLEGE AND UNIVERISTY | | College and |
|--|---------------------|---------------------|----------------------|---------------------|----------------------|------------------------|---------------------|---------------------|------------------------|----------------------|-----------------------|
| | CURRENT | | PLANT | LOAN | ENDOWMENT | CURRENT | | PLANT | RESTRICTED | UNRESTRICTED | University |
| | Restricted | Unrestricted | Unrestricted | Unrestricted | Unrestricted | Restricted | Unrestricted | Unrestricted | | | (Memorandum Only) |
| Cash and equivalents | \$ 146,872 | \$ 1,574,338 | \$ 522,293 | \$ - | \$ 660,829 | \$ 233,006 | \$ 1,068,774 | \$ 50,758 | \$ 379,878 | \$ 3,876,992 | \$ 4,256,870 |
| Investments | - | 522,056 | - | - | 10,292,199 | - | 2,579,892 | - | - | 13,394,147 | 13,394,147 |
| Receivables, net | - | 3,109,305 | 403,109 | 967,041 | | 834,763 | 1,720,215 | 148,624 | 834,763 | 6,348,294 | 7,183,057 |
| Receivables from federal agencies | 1,511,006 | | | - | - | 183,559 | - | - | 1,694,565 | - | 1,694,565 |
| Other receivables | 106,022 | 650,289 | 45,143 | 108,730 | 2,088 | - | - | | 106,022 | 806,250 | 912,272 |
| Inventories | - | 534,168 | - | - | - | - | 136,491 | - | - | 670,659 | 670,659 |
| Prepayments | 54,453 | 930,226 | - | - | - | - | - | - | 54,453 | 930,226 | 984,679 |
| Deposits and other assets | - | | - | - | | - | - | - | - | - | - |
| | <u>1,818,353</u> | <u>7,320,382</u> | <u>970,545</u> | <u>1,075,771</u> | <u>10,955,116</u> | <u>1,251,328</u> | <u>5,505,372</u> | <u>199,382</u> | <u>3,069,681</u> | <u>26,026,568</u> | <u>29,096,249</u> |
| Amounts to be provided for retirement of debt | - | - | 95,000 | - | - | - | - | - | - | 95,000 | 95,000 |
| Fixed assets: | | | | | | | | | | | |
| Support Assets | - | - | 9,426,081 | - | - | - | - | 1,879,459 | - | 11,305,540 | 11,305,540 |
| Capital leases and improvements | - | - | - | - | - | - | - | - | - | - | - |
| Buildings and improvements | - | - | 70,882,766 | - | - | - | - | 16,014,000 | - | 86,896,766 | 86,896,766 |
| | - | - | 80,308,847 | - | - | - | - | 17,893,459 | - | 98,202,306 | 98,202,306 |
| Less: accumulated depreciation | - | - | 15,451,532 | - | - | - | - | 16,831,508 | - | 32,283,040 | 32,283,040 |
| | - | - | 64,857,315 | - | - | - | - | 1,061,951 | - | 65,919,266 | 65,919,266 |
| Construction-in-progress | - | - | 1,166,661 | - | - | - | - | - | - | 1,166,661 | 1,166,661 |
| Land | - | - | 2,589,112 | - | - | - | - | 1,903,000 | - | 4,492,112 | 4,492,112 |
| | - | - | 68,613,088 | - | - | - | - | 2,964,951 | - | 71,578,039 | 71,578,039 |
| Total assets | <u>\$ 1,818,353</u> | <u>\$ 7,320,382</u> | <u>\$ 69,678,633</u> | <u>\$ 1,075,771</u> | <u>\$ 10,955,116</u> | <u>\$ 1,251,328</u> | <u>\$ 5,505,372</u> | <u>\$ 3,164,333</u> | <u>\$ 3,069,681</u> | <u>\$ 97,699,607</u> | <u>\$ 100,769,288</u> |

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Higher Education Funds
Combining Balance Sheet, Continued
September 30, 1999

| LIABILITIES AND FUND EQUITY | UNIVERSITY OF GUAM | | | | | GUAM COMMUNITY COLLEGE | | | COLLEGE AND UNIVERSITY | | College and University |
|------------------------------------|--------------------|--------------|---------------|--------------|---------------|------------------------|--------------|--------------|------------------------|---------------|------------------------|
| | CURRENT | | PLANT | LOAN | ENDOWMENT | CURRENT | | PLANT | RESTRICTED | UNRESTRICTED | (Memorandum Only) |
| | Restricted | Unrestricted | Unrestricted | Unrestricted | Unrestricted | Restricted | Unrestricted | Unrestricted | | | |
| Current Liabilities: | | | | | | | | | | | |
| Accounts payable | \$ 1,872 | \$ 3,639,742 | \$ 889,322 | \$ - | \$ - | \$ 681,612 | \$ 516,913 | \$ 130,834 | \$ 683,484 | \$ 5,176,811 | \$ 5,860,295 |
| Accrued payroll and other | 506,913 | 2,400,980 | - | - | - | - | 1,103,798 | - | 506,913 | 3,504,778 | 4,011,691 |
| Payable to federal agencies | - | - | - | - | - | - | - | - | - | - | - |
| Deferred revenue | - | 4,903,844 | 43,680 | 5,627 | - | - | 752,760 | - | - | 5,705,911 | 5,705,911 |
| Deposits and other liabilities | 1,157,039 | - | - | - | 30,115 | - | - | - | 1,157,039 | 30,115 | 1,187,154 |
| Total current liabilities | 1,665,824 | 10,944,566 | 933,002 | 5,627 | 30,115 | 681,612 | 2,373,471 | 130,834 | 2,347,436 | 14,417,615 | 16,765,051 |
| Long-term liabilities: | | | | | | | | | | | |
| Obligation under capital lease | - | - | 1,158,935 | - | - | - | - | - | - | 1,158,935 | 1,158,935 |
| Notes payable and bonds payable | - | - | 735,000 | - | - | - | - | - | - | 735,000 | 735,000 |
| Total long-term liabilities | - | - | 1,893,935 | - | - | - | - | - | - | 1,893,935 | 1,893,935 |
| Total liabilities | 1,665,824 | 10,944,566 | 2,826,937 | 5,627 | 30,115 | 681,612 | 2,373,471 | 130,834 | 2,347,436 | 16,311,550 | 18,658,986 |
| Fund equity: | | | | | | | | | | | |
| Investment in general fixed assets | - | - | 65,877,084 | - | - | - | - | 2,964,951 | - | 68,842,035 | 68,842,035 |
| Fund balances: | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | |
| Specific purposes | 152,529 | - | 478,005 | - | - | 569,716 | - | - | 722,245 | 478,005 | 1,200,250 |
| Debt service | - | - | 95,000 | - | - | - | - | - | - | 95,000 | 95,000 |
| Unreserved | - | (3,624,184) | 401,607 | 1,070,144 | 10,925,001 | - | 3,131,901 | 68,548 | - | 11,973,017 | 11,973,017 |
| Total fund equity | 152,529 | (3,624,184) | 66,851,696 | 1,070,144 | 10,925,001 | 569,716 | 3,131,901 | 3,033,499 | 722,245 | 81,388,057 | 82,110,302 |
| Total liabilities and fund equity | \$ 1,818,353 | \$ 7,320,382 | \$ 69,678,633 | \$ 1,075,771 | \$ 10,955,116 | \$ 1,251,328 | \$ 5,505,372 | \$ 3,164,333 | \$ 3,069,681 | \$ 97,699,607 | \$ 100,769,288 |

See Accompanying Independent Auditors' Report.