

**GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND**

**FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED SEPTEMBER 30, 2000



INDEPENDENT AUDITORS' REPORT

Honorable Carl T.C. Gutierrez
Governor of Guam:

We have audited the accompanying balance sheets of the Territorial Highway Fund and of those funds and account groups related to the Government of Guam Limited Obligation Highway Bonds, 1992 Series A as of September 30, 2000, and the related statements of revenues, expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of the Government of Guam's management. Our responsibility is to express an opinion on these financial statements based on our audit.

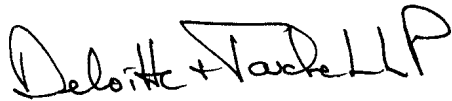
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

As described in note 1, the financial statements present only the Territorial Highway Fund and those funds and account groups related to the Government of Guam Limited Obligation Highway Bonds, 1992 Series A. They are not intended to present the financial position and the results of operations of the Government of Guam in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Territorial Highway Fund and funds and the account group related to the Government of Guam Limited Obligation Highway Bonds, 1992 Series A, as of September 30, 2000, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2001 on our consideration of the Territorial Highway Fund and of those funds and account groups related to the Government of Guam Limited Obligation Highway Bonds 1992 Series A'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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional 2000 information (construction project status and additional supplementary information) on pages 9 - 13 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional 2000 information is the responsibility of the Government of Guam's management. Such 2000 information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

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

October 31, 2001

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND

Balance Sheets
September 30, 2000

	Territorial Highway Fund	Capital Projects Fund	Debt Service Fund	General Long-Term Debt Account Group	Total (Memorandum Only)
<u>ASSETS</u>					
Cash and equivalents	\$ 2,496,340	23,790,388	28,038,653	-	\$ 54,325,381
Taxes receivable	19,271,526	-	-	-	19,271,526
Due from other funds (note 2)	11,613,494	-	3,814,532	-	15,428,026
Accrued interest receivable	-	101,237	-	-	101,237
Amount available in debt service fund	-	-	-	10,562,005	10,562,005
Amount to be provided for retirement of debt	-	-	-	39,267,995	39,267,995
Total assets	<u>\$ 33,381,360</u>	<u>23,891,625</u>	<u>31,853,185</u>	<u>49,830,000</u>	<u>\$ 138,956,170</u>
<u>LIABILITIES AND FUND BALANCES (DEFICIT)</u>					
Liabilities:					
Accounts payable	\$ 19,050	229,607	-	-	\$ 248,657
Accrued payroll and other	290,267	-	-	-	290,267
Due to other funds (note 2)	4,436,104	848,655	21,291,180	-	26,575,939
Deferred revenue	19,271,526	-	-	-	19,271,526
Tax drawbacks (note 5)	10,636,465	-	-	-	10,636,465
Bonds payable (note 6)	-	-	-	49,830,000	49,830,000
Total liabilities	<u>34,653,412</u>	<u>1,078,262</u>	<u>21,291,180</u>	<u>49,830,000</u>	<u>106,852,854</u>
Fund balances (deficit):					
Reserved for:					
Continuing appropriations	292,351	15,697,025	-	-	15,989,376
Debt service	-	-	10,562,005	-	10,562,005
Encumbrances (note 4)	726,139	81,987	-	-	808,126
Unreserved fund balances (deficit)	<u>(2,290,542)</u>	<u>7,034,351</u>	<u>-</u>	<u>-</u>	<u>4,743,809</u>
Total fund balances (deficit)	<u>(1,272,052)</u>	<u>22,813,363</u>	<u>10,562,005</u>	<u>-</u>	<u>32,103,316</u>
Contingencies (notes 5 and 7)					
Total liabilities and fund balances (deficit)	<u>\$ 33,381,360</u>	<u>23,891,625</u>	<u>31,853,185</u>	<u>49,830,000</u>	<u>\$ 138,956,170</u>

See accompanying notes to financial statements.

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Year Ended September 30, 2000

	Territorial Highway Fund	Capital Projects Fund	Debt Service Fund	Total (Memorandum Only)
Revenues (note 6):				
Taxes	\$ 10,722,617	-	-	\$ 10,722,617
Licenses, fees and permits	4,470,397	-	-	4,470,397
Use of money and property	123,059	1,216,842	889,220	2,229,121
Federal contributions	-	-	-	-
	<u>15,316,073</u>	<u>1,216,842</u>	<u>889,220</u>	<u>17,422,135</u>
Expenditures:				
Capital projects	-	1,251,531	-	1,251,531
Interest	-	-	3,248,885	3,248,885
Principal	-	-	2,780,000	2,780,000
Operations and maintenance	8,003,737	-	-	8,003,737
General government	17,000	-	-	17,000
	<u>8,020,737</u>	<u>1,251,531</u>	<u>6,028,885</u>	<u>15,301,153</u>
Excess (deficiency) of revenues over expenditures	<u>7,295,336</u>	<u>(34,689)</u>	<u>(5,139,665)</u>	<u>2,120,982</u>
Other financing sources (uses):				
Operating transfers in (note 3)	11,467,674	-	14,818,419	26,286,093
Operating transfers out (note 3)	(18,130,664)	-	(11,467,674)	(29,598,338)
Other financing uses	(28,095)	-	(34,469)	(62,564)
Total other financing sources (uses)	<u>(6,691,085)</u>	<u>-</u>	<u>3,316,276</u>	<u>(3,374,809)</u>
Expenditures and other financing uses over (under) revenues and other financing sources	604,251	(34,689)	(1,823,389)	(1,253,827)
Fund balances (deficit) at beginning of year	<u>(1,876,303)</u>	<u>22,848,052</u>	<u>12,385,394</u>	<u>33,357,143</u>
Fund balances (deficit) at end of year	<u>\$ (1,272,052)</u>	<u>22,813,363</u>	<u>10,562,005</u>	<u>\$ 32,103,316</u>

See accompanying notes to financial statements.

**GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND**

Notes to Financial Statements
September 30, 2000

(1) Summary of Significant Accounting Policies

- A. Territorial Highway Fund – This fund, created by 05 GCA 4102, was established for the purpose of performing maintenance of Guam's highways and roadways, and implementing highway safety plans, programs and projects. Revenues are derived from Federal grants, liquid fuel taxes, vehicle registration fees and certain licenses.
- B. Fund Accounting - The assets, liabilities and fund balance of the Government of Guam Territorial Highway Fund and funds related to the Limited Obligation Highway Bonds, 1992 Series A, are reported in three self-balancing funds and an account group as follows:
- Special Revenue Fund - used to account for liquid fuel taxes and various vehicle fees pledged in support of the bond issue, various highway operation and maintenance expenditures, and certain capital improvement projects appropriated prior to the bond issue or funded with surplus revenues.
 - Capital Projects Fund - used to account for the construction of highway projects from bond proceeds.
 - Debt Service Fund - used to account for funds required by the bond indenture to redeem bond principal and to pay bond interest as such becomes due.
 - General Long-Term Debt Account Group - used to account for outstanding bonds payable and the amount available for payment of long-term debt. The Account Group is not a "fund" as it is only concerned with the measurement of financial position and is not involved with measurement of results of operations. Since the balances within the Account Group do not affect net current assets, these long-term amounts are not recognized as "fund" expenditures or liabilities until the corresponding amounts become due.

The Government of Guam has elected not to capitalize public domain or infrastructure fixed assets, which include highway and road improvements. This election is consistent with accounting principles generally accepted in the United States of America.

- C. Basis of Accounting - The Fund's accounts are presented on the modified accrual basis of accounting. Expenditures and transfers are recorded when the corresponding liability has been incurred, and upon final determination of liquid fuel tax drawback claims.

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Cash basis accounting is utilized for revenue recognition as tax assessments are not considered both measurable and available until related payments are actually received and upon the final determination of liquid fuel tax drawback claims. Tax rates and fees are noted below:

Liquid Fuel Taxes:

Aviation Fuel Tax	\$.04 per gallon
Diesel Fuel Tax	\$.10 per gallon
All Other Fuel Tax	\$.11 per gallon

**GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND**

Notes to Financial Statements
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

Automotive Surcharges:

Mass Transit Automotive Surcharge (Diesel Fuel)	\$.04 per gallon
Automotive Surcharge (all other fuel except fuel used for aviation)	\$.04 per gallon

Motor Vehicle Fees and Registration:

Taxi Drivers	\$25.00 Identification Card
	<u>3.50</u> Endorsement
	\$28.50 Total for Taxi Drivers
Driver's License (and all others)	\$ 5.00

The amount of the annual license and registration fee shall be determined based on vehicle gross weight with fees ranging from \$10 to \$38 for vehicles weighing under 1,000 to 8,000 pounds and over plus Two Dollars and Fifty cents (\$2.50) for each 500 pounds or fraction thereof in excess of 7,999 pounds. Additionally, fees are subject to percentage adjustments based on vehicle model year with respect to vehicles whose gross weight is not in excess of 7,999 pounds, as follows:

<u>Model Year</u>	<u>Percent of Fees</u>
1949 and earlier	50%
1950 through 1953	75%
1954 and subsequent	100%

Vehicles having a gross weight of one hundred forty thousand (140,000) pounds or more, and which are used temporarily or intermittently, may be issued a permit, in lieu of the annual license and registration, for a period not to exceed thirty (30) consecutive days. The fee for each thirty (30) consecutive day period or any fraction thereof shall be One Hundred Dollars (\$100.00).

In lieu of all other license and registration fees, implements of husbandry and road buildings and construction equipment other than motor trucks, trailers, semi-trailers and pole or pipe dollies, operated on highways only in moving from one site to another, shall be subject to annual registration. The fee for such registration shall be Three Dollars and Fifty Cents (\$3.50) for each one thousand pounds of gross weight of said vehicles.

- C. Appropriations - The Attorney General of Guam has opined that legislative appropriations sufficient to cover debt service and operating and maintenance costs are consciously provided for under Public Law 18-2 and Resolution 75, adopted on April 23, 1985.
- D. Cash and Equivalents - Cash and equivalents of \$30,020,388 represent purchased U.S. Government debt securities held by the Bond Depository or Bond Trustee with a maturity of ninety days or less. In accordance with GASB Statement No. 3, these holdings are classified in the first, second and third of three credit risk categories described below:
- 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 (\$6,230,000).
 - Securities uninsured and unregistered and held by the counterparty's trust department, or its agent in the entity's name (\$23,790,388).

**GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND**

Notes to Financial Statements
September 30, 2000

(1) Summary of Significant Accounting Policies, Continued

- E. Management 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- F. Total-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.

(2) Due From/To Government of Guam General Fund and Other Funds

Amounts due from/to the Government of Guam General Fund and other funds represent advances which are to be reimbursed at a later date. The amount due to the Special Revenue Fund from the Debt Service Fund represents operations and maintenance reimbursement. The interfund balances at September 30, 2000, are summarized below:

	<u>Territorial Highway Fund</u>		
	<u>Special Revenue Fund</u>	<u>Highway Bond Capital Projects Fund</u>	<u>Debt Service Fund</u>
Due From:			
Special Revenue Fund	\$ -	\$ -	\$ 3,814,532
General Fund	10,469,206	-	-
Abandoned Vehicle and Streetlight Fund	<u>1,144,288</u>	<u>-</u>	<u>-</u>
	\$ <u>11,613,494</u>	\$ <u>-</u>	\$ <u>3,814,532</u>
Due To:			
Capital Projects Fund	\$ -	\$ 848,655	\$ -
General Fund	-	-	21,291,180
Debt Service Fund	3,814,532	-	-
Village Street Fund	517,133	-	-
Other funds	<u>104,439</u>	<u>-</u>	<u>-</u>
	\$ <u>4,436,104</u>	\$ <u>848,655</u>	\$ <u>21,291,180</u>

(3) Interfund Transfer Activity

Interfund transfers from the Special Revenue Fund to the Debt Service Fund represent the transfer of pledged revenues as required by the bond indenture. Interfund transfers from the Debt Service Fund to the Special Revenue Fund represent the amount necessary to reimburse the Special Revenue Fund for highway operation and maintenance costs incurred. The transfer to the Guam Mass Transit Authority represents available funds from the mass transit fuel surcharge. Interfund transfer activity during the year ended September 30, 2000, is summarized below:

**GOVERNMENT OF GUAM
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Notes to Financial Statements
September 30, 2000

(3) Interfund Transfer Activity, Continued

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Transfers Out To:		
Special Revenue Fund	\$ -	\$ 11,467,674
Debt Service Fund	14,818,419	-
Guam Mass Transit Authority	<u>3,312,245</u>	<u>-</u>
	\$ <u>18,130,664</u>	\$ <u>11,467,374</u>
Transfers In From:		
Special Revenue Fund	\$ -	\$ 14,818,419
Debt Service Fund	<u>11,467,674</u>	<u>-</u>
	\$ <u>11,467,674</u>	\$ <u>14,818,419</u>

(4) Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are generally evidenced by outstanding purchase orders, contracts, and intradepartmental work requests. As of September 30, 2000, there were no outstanding interdepartmental work requests pertaining to land acquisitions. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(5) Tax Drawback

Tax drawbacks exist as of the year ended September 30, 2000 for tax years as early as 1994. These drawbacks are currently in litigation and the final outcome is not determinable as of September 30, 2000. The following information relates to the drawback liability as of the year ended September 30, 2000:

<u>Tax Year</u>	<u>Amount</u>
1994	\$ 110,179
1996	4,595,915
1997	4,624,969
1998	1,299,439
1999	<u>5,963</u>
Total	\$ <u>10,636,465</u>

**GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND**

Notes to Financial Statements
September 30, 2000

(6) Bonds Payable

The Government of Guam Limited Obligation Highway Bonds, 1992 Series A, were dated June 1, 1992, and were issued in fully registered form, in denominations of \$5,000 or multiples thereof in the aggregate principal amount of \$68,500,000. The bonds mature annually on May 1, 1994 through May 1, 2003, with a term bond maturity on May 1, 2012. Interest on the bonds is payable semiannually on May 1 and November 1 of each year. The term bond maturity is subject to mandatory sinking fund requirements and to redemption prices (as percentages of the face value of the bonds) as follows:

May 1, 2002 and November 1, 2002	102%
May 1, 2003 and November 1, 2003	101%
May 1, 2004 and thereafter	100%

Minimum debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 2,935,000	3,093,205	6,028,205
2002	3,105,000	2,924,442	6,029,442
2003	3,290,000	2,741,248	6,031,248
2004	3,485,000	2,543,848	6,028,848
2005	3,705,000	2,326,035	6,031,035
Thereafter	<u>33,310,000</u>	<u>8,897,643</u>	<u>42,207,643</u>
	\$ <u>49,830,000</u>	\$ <u>22,526,421</u>	\$ <u>72,356,421</u>

The 1992 Series A bonds are limited obligations of the Government of Guam payable entirely from a first lien pledge of revenues. Revenues are defined in the bond indentures 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 operation expenses plus 1.2 times the aggregate debt service becoming due within the next fiscal year.

In accordance with the bond indenture, the depository/trustee 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 Capital Projects Fund.

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

**GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND**

Notes to Financial Statements
September 30, 2000

(6) Bonds Payable, 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 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 in 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 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 the Government of Guam highway maintenance and operation costs. Accounting for this fund is performed within the Debt Service Fund.
- Maintenance and Operation Reserve Fund - an amount to increase the balance therein equal to 1.5% of the original aggregate principal amount of bonds of each series having bonds outstanding. Amounts in the Maintenance and Operation Reserve Fund are to be used to pay Government of Guam highway maintenance and operation expenses should amounts in the Maintenance and Operation Fund be insufficient. Accounting for this fund is performed within the Debt Service Fund.
- Surplus Fund - the balance remaining in the revenue fund after all of the foregoing deposits. Amounts in the Surplus Fund are to be used for the purpose of paying other costs and expenses budgeted by the Government of Guam. Transactions to and from the Surplus Fund are accounted for in the Debt Service Fund.

At September 30, 2000, management of the Funds is of the opinion that it is in compliance with the bond covenants as outlined in the bond indenture.

(7) Contingencies

On December 16, 1996, Public Law 23-128 was signed into law by the Governor of Guam. The Law authorizes fifty percent (50%) of all monies in the Surplus Fund of the Limited Obligation Highway Bonds, Series 1992 A Debt Service Fund to be paid to the Village Streets Fund. During the year ended September 30, 2000, total cash transferred to the Village Streets Fund was \$0.

(8) Subsequent Events

In fiscal year 2001, the Government of Guam refinanced existing Territorial Highway Fund debt.

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND

Construction Project Status
September 30, 2000

Project Title	Budget	Expenditures Year Ended September 30, 2000	Cumulative Expenditures	Outstanding Encumbrances	Budget Available
1985 Series A Construction Fund Projects:					
Rte 1 Y-Sengsong to Gayinero Road	\$ 5,935,357	\$ -	\$ 5,935,357	\$ -	\$ -
Rte 2A Agat to Umatac Road	11,824,071	-	11,824,071	-	-
Rte 8 Phase I road widening	3,802,963	-	3,802,963	-	-
Aspinall Ave. and Rte 1 to Rte 8 and Rte 7A	7,423,020	-	7,423,020	-	-
Reconstruction Rte 1 to Rte 4	706,129	-	706,129	-	-
Reconstruction Rte 1 to Rte 11	451,016	-	451,016	-	-
Sub-total	30,142,556	-	30,142,556	-	-
1992 Series A Construction Fund Projects:					
Umatac Guardrail	2,500,000	-	1,975,264	-	524,736
Reconstruction Harmon Loop	2,000,000	290	615,319	6,800	1,377,881
Reconstruction Rte 1 from Polaris Intersection to Rte 2A	6,000,000	-	3,269,106	-	2,730,894
Reconstruction Rte 2 from Commissary Junction to Nana River	3,999,989	-	3,830,817	-	169,172
Design and reconstruction of three (3) lane highway from intersection of Rte 30 and Rte 1 to GMH	9,999,999	1,078,593	9,902,946	16,140	80,913
Design and construction of Harmon access road including land acquisition	2,999,999	-	102,454	2,450	2,895,095
Land acquisition for Agat-Umatac Project and unacquired land on Rte 1, Rte 6, Macheche Rd., Bello Rd, and Alegeta St.	4,000,000	7,072	1,897,222	-	2,102,778
Resurfacing of approximately 5 miles of Rte 4 through Merizo	3,000,000	165,576	2,803,493	33,389	163,118
Design and construction of San Ramon Hill roadway network covering Rte 7	2,000,000	-	1,999,000	-	1,000

See accompanying independent auditor's report.

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND
Construction Project Status, Continued
September 30, 2000

Project Title	Budget	Expenditures Year Ended September 30, 2000	Cumulative Expenditures	Outstanding Encumbrances	Budget Available
1992 Series A Construction Fund Projects, Continued:					
Sidewalk 6 feet in width on the South side of San Vitores Rd from JFK High School	500,000	-	-	-	500,000
Planning, design, and initial construction of bike/jogging paths island wide	1,000,000	-	-	-	1,000,000
Secondary road improvements in the village of Yigo	500,000	-	476,662	23,208	130
Secondary road improvements in the village of Dededo	500,000	-	499,032	-	968
Route 4 road improvements between Yona and Talofofo	800,000	-	699,660	-	100,340
Road construction into the new landfill	1,500,000	-	-	-	1,500,000
Expansion of Rte 26	1,000,000	-	-	-	1,000,000
Road improvements within the Umatac Sub-division	1,500,000	-	-	-	1,500,000
Construction of speed bumps on streets of municipalities	50,000	-	-	-	50,000
Sub-total	43,849,987	1,251,531	28,070,975	81,987	15,697,025
Typhoon Omar Homeless FEMA Projects:					
Roadway improvement, Dededo subdivision	2,408,248	-	2,408,248	-	-
Roadway improvement, Inarajan subdivision	-	-	-	-	-
Sub-total	2,408,248	-	2,408,248	-	-
Total	\$ 76,400,791	\$ 1,251,531	\$ 60,621,779	\$ 81,987	\$ 15,697,025

See accompanying independent auditors' report.

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND

Supplimentary Information - Balance Sheet
September 30, 2000 and 1999

	Territorial Highway Fund		Capital Projects Fund		Debt Service Fund		General Long-Term Debt Account Group	
	2000	1999	2000	1999	2000	1999	2000	1999
<u>ASSETS</u>								
Cash and equivalents	\$ 2,496,340	\$ 2,384,376	\$ 23,790,388	\$ 25,723,455	\$ 28,038,653	\$ 21,187,415	\$ -	\$ -
Taxes receivable	19,271,526	12,752,758	-	-	-	-	-	-
Due from other funds	11,613,494	7,703,270	-	344,735	3,814,532	-	-	-
Accrued interest receivable	-	-	101,237	-	-	-	-	-
Amount available in debt service fund	-	-	-	-	-	-	10,562,005	12,385,394
Amount to be provided for retirement of debt	-	-	-	-	-	-	39,267,995	40,224,606
Total assets	<u>\$ 33,381,360</u>	<u>\$ 22,840,404</u>	<u>\$ 23,891,625</u>	<u>\$ 26,068,190</u>	<u>\$ 31,853,185</u>	<u>\$ 21,187,415</u>	<u>\$ 49,830,000</u>	<u>\$ 52,610,000</u>
<u>LIABILITIES AND FUND BALANCES (DEFICIT)</u>								
Liabilities:								
Accounts payable	\$ 19,050	\$ 19,050	\$ 229,607	\$ 219,907	\$ -	\$ -	\$ -	\$ -
Accrued payroll and other	290,267	291,047	-	1,838,137	-	2,000	-	-
Due to other funds	4,436,104	643,572	848,655	1,162,094	21,291,180	8,800,021	-	-
Deferred revenue	19,271,526	12,752,758	-	-	-	-	-	-
Tax drawbacks	10,636,465	11,010,280	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	49,830,000	52,610,000
Total liabilities	<u>34,653,412</u>	<u>24,716,707</u>	<u>1,078,262</u>	<u>3,220,138</u>	<u>21,291,180</u>	<u>8,802,021</u>	<u>49,830,000</u>	<u>52,610,000</u>
Fund balances (deficit):								
Reserved for:								
Continuing appropriations	292,351	292,201	15,697,025	16,426,282	-	-	-	-
Debt service	-	-	-	-	10,562,005	9,949,073	-	-
Encumbrances	726,139	397,695	81,987	987,979	-	-	-	-
Unreserved fund balances (deficit)	<u>(2,290,542)</u>	<u>(2,566,199)</u>	<u>7,034,351</u>	<u>5,433,791</u>	<u>-</u>	<u>2,436,321</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(1,272,052)</u>	<u>(1,876,303)</u>	<u>22,813,363</u>	<u>22,848,052</u>	<u>10,562,005</u>	<u>12,385,394</u>	<u>-</u>	<u>-</u>
Contingencies								
Total liabilities and fund balances (deficit)	<u>\$ 33,381,360</u>	<u>\$ 22,840,404</u>	<u>\$ 23,891,625</u>	<u>\$ 26,068,190</u>	<u>\$ 31,853,185</u>	<u>\$ 21,187,415</u>	<u>\$ 49,830,000</u>	<u>\$ 52,610,000</u>

See accompanying independent auditors' report relating to the supplementary information for the fiscal year ended September 30, 2000

Note: The 1999 information was extracted from the audited financial statements dated July 15, 2000 and is presented for purposes overview and analysis only.

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND

Supplimentary Information - Comparative Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Years Ended September 30, 2000 and 1999

	Territorial Highway Fund		Capital Projects Fund		Debt Service Fund	
	2000	1999	2000	1999	2000	1999
Revenues:						
Taxes	\$ 10,722,617	\$ 9,217,704	\$ -	\$ -	\$ -	\$ -
Licenses, fees and permits	4,470,397	4,525,479	-	-	-	-
Use of money and property	123,059	95,874	1,216,842	1,125,086	889,220	3,122,007
Federal contributions	-	-	-	2,633	-	-
	<u>15,316,073</u>	<u>13,839,057</u>	<u>1,216,842</u>	<u>1,127,719</u>	<u>889,220</u>	<u>3,122,007</u>
Expenditures:						
Capital projects	-	-	1,251,531	6,632,621	-	-
Interest	-	-	-	-	3,248,885	3,393,810
Principal	-	-	-	-	2,780,000	2,635,000
Operations and maintenance	8,003,737	5,250,268	-	-	-	-
General government	17,000	8,500	-	-	-	-
	<u>8,020,737</u>	<u>5,258,768</u>	<u>1,251,531</u>	<u>6,632,621</u>	<u>6,028,885</u>	<u>6,028,810</u>
Excess (deficiency) of revenues over expenditures	<u>7,295,336</u>	<u>8,580,289</u>	<u>(34,689)</u>	<u>(5,504,902)</u>	<u>(5,139,665)</u>	<u>(2,906,803)</u>
Other financing sources (uses):						
Operating transfers in	11,467,674	9,008,809	-	-	14,818,419	14,373,247
Operating transfers out	(18,130,664)	(17,690,380)	-	-	(11,467,674)	(9,008,808)
Other financing uses	(28,095)	(11,650)	-	-	(34,469)	(21,315)
Total other financing sources (uses)	<u>(6,691,085)</u>	<u>(8,693,221)</u>	<u>-</u>	<u>-</u>	<u>3,316,276</u>	<u>5,343,124</u>
Expenditures and other financing uses over (under) revenues and other financing sources	604,251	(112,932)	(34,689)	(5,504,902)	(1,823,389)	2,436,321
Fund balances (deficit) at beginning of year	<u>(1,876,303)</u>	<u>(1,763,371)</u>	<u>22,848,052</u>	<u>28,352,954</u>	<u>12,385,394</u>	<u>9,949,073</u>
Fund balances (deficit) at end of year	<u>\$ (1,272,052)</u>	<u>\$ (1,876,303)</u>	<u>\$ 22,813,363</u>	<u>\$ 22,848,052</u>	<u>\$ 10,562,005</u>	<u>\$ 12,385,394</u>

See accompanying independent auditors' report relating to the supplementary information for the fiscal year ended September 30, 2000

Note: The 1999 information was extracted from the audited financial statements dated July 15, 2000 and is presented for purposes overview and analysis only.

GOVERNMENT OF GUAM
TERRITORIAL HIGHWAY FUND

Supplementary Schedule
Years Ended September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Debt Service Fund Cash:		
Highway Bond Fund	\$ 3,210,842	\$ 3,220,743
Highway Reserve Fund	7,683,285	7,715,912
Operations and Maintenance Fund	12,681,779	5,160,082
Surplus Fund	762,032	2,213,289
Revenue Fund	<u>3,700,715</u>	<u>2,877,389</u>
	<u>\$ 28,038,653</u>	<u>\$ 21,187,415</u>
Department of Public Works Maintenance Division:		
Salaries	\$ 2,026,241	\$ 2,573,004
Overtime	73,779	173,993
Benefits	<u>521,109</u>	<u>659,218</u>
	<u>\$ 2,621,129</u>	<u>\$ 3,406,215</u>
Employees at end of year	55	68

See accompanying independent auditors' report.