GOVERNMENT OF GUAM

BASIC FINANCIAL STATEMENTS, ADDITIONAL INFORMATION AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED SEPTEMBER 30, 2012

GOVERNMENT OF GUAM

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INDEPENDENT AUDITORS' REPORT

Honorable Eddie Baza Calvo
Governor
Government of Guam:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam) as of and for the year ended September 30, 2012, which collectively comprise GovGuam's basic financial statements as set forth in Section II of the foregoing table of contents. These financial statements are the responsibility of the management of GovGuam. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the GovGuam Retirement Fund, which represents 92%, 93% and 74%, respectively, of the assets, net assets/fund balances and revenues of the aggregate remaining fund information, and the Antonio B. Won Pat International Airport Authority, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, which represent 25%, 40% and 13%, respectively, of the assets, net assets and operating revenues of GovGuam's discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the GovGuam Retirement Fund, the Antonio B. Won Pat International Airport Authority, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, is based solely on the reports of the other auditors.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam as of September 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1X to the financial statements, the beginning net assets of the governmental activities has been restated for the correction of an error.

As discussed in Note 13B to the financial statements, GovGuam is involved in land condemnation proceedings relative to the Layon Landfill. The ultimate impact of this matter on the financial statements of GovGuam has not been determined.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013, on our consideration of the Government of Guam's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 14, as well as the Schedule of Revenues, Expenditures, and Changes in Deficit - Budget and Actual - General Fund and notes thereto, on pages 120 through 122, and the Schedule of Funding Progress, on page 123, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GovGuam's financial statements. The Other Supplementary Information, as set forth in Section IV of the foregoing table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of GovGuam. This supplementary information is the responsibility of the management of GovGuam. The additional information on pages 129 through 140 and 149 through 211 as well as the 2012 information on pages 141 through 148 were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund financial statements, as set forth on pages 129 through 140 and 149 through 211 as well as the 2012 information on pages 141 through 148 in Section IV of the foregoing table of contents, are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GovGuam's basic financial statements. The 2011 information on pages 141 through 148 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Deloitte + Touche LLP

June 26, 2013

Our discussion and analysis of the Government of Guam ("GovGuam") financial performance provides an overview of GovGuam's financial activities for the fiscal year ended September 30, 2012. Please read it in conjunction with GovGuam's financial statements, which follow this section. Fiscal year 2011 comparative information has been included, where appropriate.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended September 30, 2012, GovGuam's total net deficiency decreased by $4.9 million (or 2.4%) from a net deficiency of $199.1 million (as restated) in the prior year to a net deficiency of $194.2 million.

- During fiscal year 2012, GovGuam's expenses for governmental activities were $1.11 billion and were funded in part by $464.8 million in program revenues and $654.3 million in taxes and other general revenues. Expenses were up from fiscal year 2011 by $63.3 million (or 6%) whereas revenues were up from fiscal year 2011 by $18.8 million (or 1.7%). The overall increase in revenues consisted of an increase in general revenues of $45.1 million (or 7.4%) offset by a decrease in program revenues of $26.3 million (or 5.4%).

- For the fiscal year ended September 30, 2012, the General Fund reported expenditures (including transfers out) of $684.5 million, a decrease of $24.2 million (or 3.4%) from fiscal year 2011 expenditures and transfers out of $708.7 million.

- At September 30, 2012, the General Fund reported a cumulative fund balance of $30.1 million, which is an increase of $333.3 million from the prior year fund deficit of $303.1 million. The decrease in the total fund deficit is primarily attributable to proceeds from bond issuance of $358.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to GovGuam's basic financial statements. GovGuam's basic financial statements comprise three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information in the form of a budgetary schedule, which is prepared on the budgetary basis of accounting, and other optional supplementary information, in addition to the basic financial statements themselves, which includes combining statements for governmental funds and component units.

Government-Wide Financial Statements

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

The two government-wide statements report GovGuam's net assets and how they have changed. Net assets - the difference between GovGuam's assets and liabilities - is one way to measure GovGuam's financial health or position.

- Over time, increases or decreases in GovGuam's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

Government-Wide Financial Statements, Continued

- To assess the overall health of GovGuam, additional non-financial factors such as changes in GovGuam's tax base, the condition of GovGuam's roads and infrastructure, and the quality of services also need to be considered.

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

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

- Discretely presented component units - GovGuam includes numerous other entities in its report. Although legally separate, these "component units" are important because GovGuam is financially accountable for them.

Fund Financial Statements

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

- Some funds are required by enabling legislation.

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

GovGuam has two kinds of funds:

- Governmental funds - Most of GovGuam's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of GovGuam's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance GovGuam's programs.

- Fiduciary funds - GovGuam is the trustee, or fiduciary, for other assets that because of trust arrangement, can be used only for the trust beneficiaries. GovGuam is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of GovGuam's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of change in fiduciary net assets. We exclude these activities from GovGuam's government-wide financial statements because GovGuam cannot use these assets to finance its operations.

A FINANCIAL ANALYSIS OF GOVGUAM AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. At September 30, 2012, GovGuam reports positive balances in two of the categories of net assets. By far, the largest portion of GovGuam's net assets ($449.8 million) reflect's its investment in capital assets (eg., land, infrastructure, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. GovGuam uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although GovGuam's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities. An additional portion of GovGuam's net assets ($146.7 million) represents resources that are subject to external restrictions or enabling legislation as to the purpose they can be used for. The summary of Net Deficiency (condensed) presented below, with comparable balances for fiscal year 2011, discloses this relationship:

GovGuam's Net Deficiency
As of September 30

	Governmental Activities 2012	Governmental Activities 2011	Total Percentage Change 2012-2011
Current and other assets	$ 573,433,654	$ 525,169,729	9.2%
Capital assets	890,578,799	859,581,664	3.6%
Total assets	**1,464,012,453**	**1,384,751,393**	**5.7%**
Long-term debt outstanding	1,089,450,900	754,361,494	44.4%
Other liabilities	568,778,544	829,460,509	-31.4%
Total liabilities	**1,658,229,444**	**1,583,822,003**	**4.7%**
Net deficiency:			
Invested in capital assets, net of related debt	449,802,534	411,350,002	9.3%
Restricted	146,698,598	189,761,631	-22.7%
Unrestricted	(790,718,123)	(800,182,243)	-1.2%
Total net deficiency	**$ (194,216,991)**	**$ (199,070,610)**	**-2.4%**

At the end of fiscal year 2012, GovGuam's unrestricted net deficiency amounted to $790.7 million, a decrease of $9.5 million (or 1.2%) from the prior year unrestricted net deficiency. This deficiency is the result of having long-term commitments that are greater than currently available resources. Specifically, GovGuam did not include in past annual budgets the full amounts needed to finance future liabilities arising from outstanding bonds payable, capital lease obligations and other loans as well as to pay for closure and post closure costs of the Ordot Dump, and unused employee leave balances. GovGuam will include these amounts in future years' budgets as they become due.

Changes in Net Deficiency

For the year ended September 30, 2012, net deficiency of the primary government decreased by $4.9 million compared to prior year's net deficiency decrease of $49.3 million. This result indicates that GovGuam's financial condition, as a whole, again improved from the prior year. For the year ended September 30, 2012, net deficiency of the primary government changed as follows, with comparable amounts for fiscal year 2011:

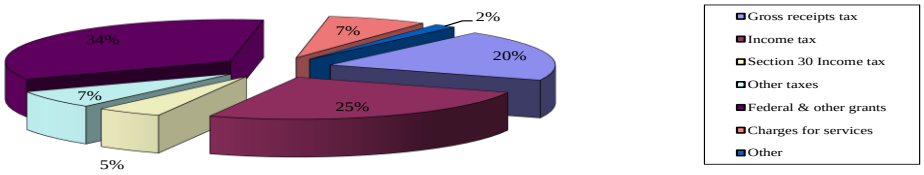
GovGuam's Changes in Net Deficiency
For the Years Ended September 30

	Governmental Activities 2012	Governmental Activities 2011	Total Percentage Change 2012-2011
Revenues:			
Program revenues:			
Charges for services	$ 80,307,806	$ 63,347,864	26.8%
Operating grants and contributions	383,852,332	427,780,949	-10.3%
General revenues:			
Income taxes	284,823,341	282,409,535	0.9%
Gross receipts taxes	221,443,640	200,047,641	10.7%
Other taxes	130,238,002	117,678,173	10.7%
Other general revenues	17,751,776	8,976,890	97.7%
Total revenues	**1,118,416,897**	**1,100,241,052**	**1.7%**
Expenses:			
General government	214,648,400	182,894,524	17.4%
Protection of life and property	105,498,131	107,400,193	-1.8%
Public health	253,441,750	216,259,812	17.2%
Community services	25,639,150	36,209,032	-29.2%
Culture and recreation	24,332,721	19,249,126	26.4%
Individual and collective rights	25,649,133	53,543,335	-52.1%
Transportation	26,906,615	28,589,193	-5.9%
Public education	325,265,139	328,156,423	-0.9%
Environmental protection	30,383,714	12,586,234	141.4%
Economic development	16,498,455	21,665,892	-23.9%
Interest	65,300,070	44,347,437	47.2%
Total expenses	**1,113,563,278**	**1,050,901,201**	**6.0%**
Change in net deficiency	**4,853,619**	**49,339,851**	**-90.2%**
Net deficiency, beginning of year	**(199,070,610)**	**(248,410,461)**	**-19.9%**
Net deficiency, end of year	**$ (194,216,991)**	**$ (199,070,610)**	**-2.4%**

GovGuam's revenues from governmental activities, including local revenues, totaled $1.11 billion in fiscal year 2012. The cost of governmental activities also totaled $1.11 billion, resulting in an overall slight positive change in net deficiency of $4.9 million.

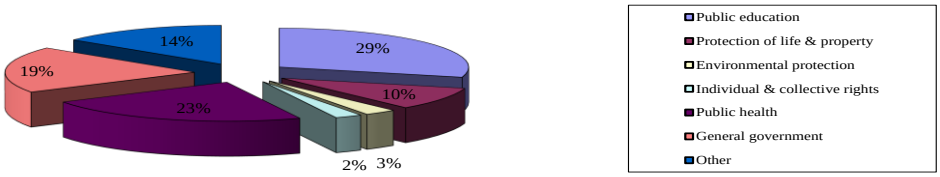
Graphs 1 and 2 below show the major components of revenues and cost of governmental activities.

Graph 1
GovGuam's Revenue Sources
For the Year Ended September 30, 2012



As in prior years, local sourced tax revenues and federal and other grants are the major sources of revenue for GovGuam, which comprises of 56.9% and 34.3%, respectively, of the total revenues for fiscal year 2012. Charges for services provided 7.2% of the total revenues.

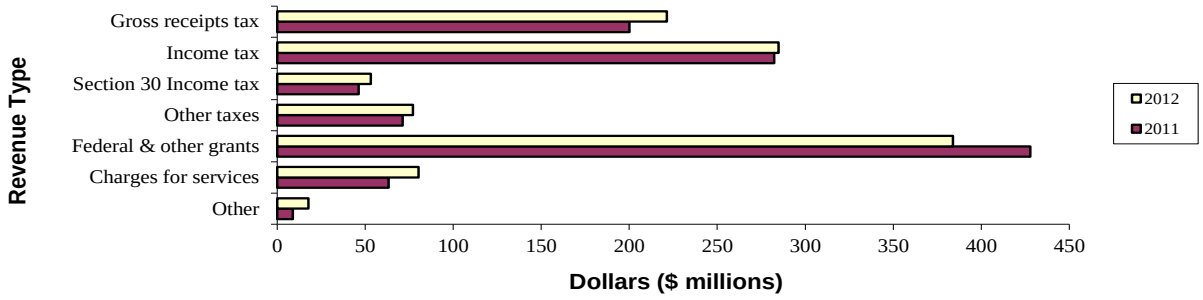
Graph 2
GovGuam's Cost of Governmental Activities
For the Year Ended September 30, 2012



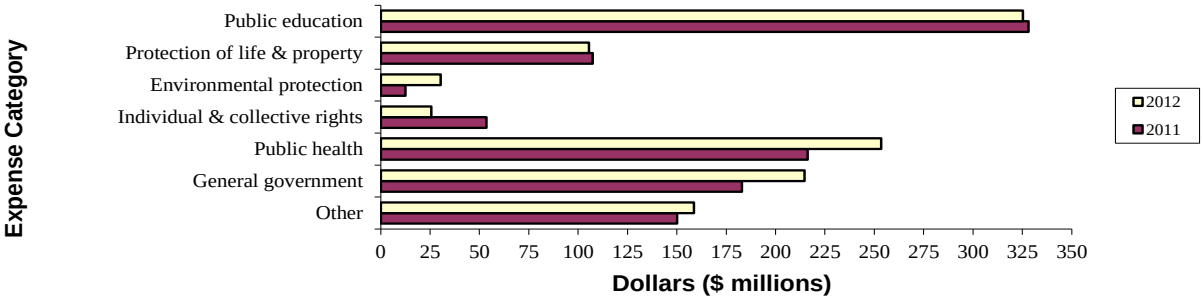
GovGuam's expenses cover a range of services. The largest expenses were for public education and public health, which comprises of 29.2% and 22.8%, respectively, of the total expenses for fiscal year 2012. Other expenses that make up a portion of the costs of governmental activities include community services ($25.6 million), economic development ($16.5 million), unallocated interest expense ($65.3 million), transportation expenses ($26.9 million), and culture and recreation ($24.3 million).

Graphs 3 and 4 below show a comparison of the major components of revenues and cost of governmental activities for fiscal years 2012 and 2011.

Graph 3
GovGuam's Revenue Sources
For the Years Ended September 30



Graph 4
GovGuam's Cost of Governmental Activities
For the Years Ended September 30



Other expenses in fiscal year 2012 included community services of $25.6 million, down from $36.2 million (or 29.2%) in fiscal year 2011, culture and recreation expense of $24.3 million, up from $19.2 million (or 26.4%) in fiscal year 2011, transportation expenses of $26.9 million, down from $28.6 million (or 5.9%) in fiscal year 2011, economic development expenses of $16.5 million, down from $21.7 million (or 23.9%) in fiscal year 2011, and unallocated interest expense of $65.3 million, up from $44.3 million (or 47.2%) in fiscal year 2011.

Analysis of Changes in Net Deficiency

During the current fiscal year, GovGuam's total net deficiency decreased by $4.9 million compared with a decrease in the prior fiscal year of $49.3 million. This represents a reduction year on year in the change in net deficiency of $44.4 million. The key elements of this reduction are an increase in general revenues of $45.1 million (or 7.4%) offset by an increase in expenses, net of program revenues, of $90.8 million (or 16.2%). The elements of these changes are reflected below:

	Governmental Activities 2012	Governmental Activities 2011	Total Percentage Change 2012-2011
General revenues:			
Income taxes	$ 284,823,341	$ 282,409,535	0.9%
Gross receipts taxes	221,443,640	200,047,641	10.7%
Other taxes	130,238,002	117,678,173	10.7%
Other general revenues	17,751,776	8,976,890	97.7%
Total general revenues	**654,256,759**	**609,112,239**	**7.4%**
Expenses, net of program revenues:			
General government	161,289,677	115,185,832	40.0%
Protection of life and property	82,136,636	88,674,688	-7.4%
Public health	70,478,543	52,328,341	34.7%
Community services	18,871,722	28,342,201	-33.4%
Culture and recreation	22,726,089	18,030,825	26.0%
Individual and collective rights	11,680,186	36,796,638	-68.3%
Transportation	(440,580)	1,461,427	-130.1%
Public education	246,502,407	181,115,637	36.1%
Environmental protection	(8,859,266)	(12,069,140)	-26.6%
Economic development	(18,167,915)	7,586,510	-339.5%
Interest	63,185,641	42,319,429	49.3%
Total expenses	**649,403,140**	**559,772,388**	**16.0%**
Change in net deficiency	**$ 4,853,619**	**$ 49,339,851**	**-90.2%**

General revenues increased by $45.1 million (or 7.4%) from the previous fiscal year. The increase was primarily due to increases in business privilege (or gross receipts) taxes of $21.4 million (or 10.7%) compared with prior year, Section 30 Federal income tax collections of $6.8 million (or 14.6%) compared with prior year, alcohol and tobacco taxes of $3.8 million (or 24.1%) compared with prior year, and hotel occupancy taxes of $3.1 million (or 13.4%) compared with prior year. Public education net expenses increased by $65.4 million (or 36.1%) from the previous fiscal year. The increase was primarily attributed to a decrease in the receipt of ARRA funds by the Department of Education. General government net expenses increased by $46.4 million (or 40.3%) from the previous fiscal year. The increase was due mainly to an increase in interest paid on tax refunds, the recognition of merit bonuses in fiscal year 2012, and a court judgment of $2.9 million associated with Lada Estate.

FINANCIAL ANALYSIS OF GOVGUAM'S FUNDS

As noted earlier, GovGuam uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of fiscal year 2012, GovGuam's governmental funds reported a combined fund balance surplus of $208.9 million, an increase of $295.2 million compared with a combined fund deficit of $86.3 at the end of fiscal year 2011. This is primarily attributable to the decrease in the fund deficit of the General Fund of $333.3 million, an increase in fund balances of the special revenue funds of $0.8 million, and a decrease in fund balances of the capital projects funds and the debt service funds of $31.8 million and $7.1 million, respectively.

The General Fund is the chief operating fund of GovGuam. At the end of the current fiscal year, General Fund has a fund balance of $30.2 million as compared with the prior year ending fund deficit of $303.1 million, an increase in performance of $333.3 million. This current year positive change in fund balance was attributed primarily to proceeds of $358.2 million from the issuance of bonds.

The Federal Grants Assistance Fund has a total fund balance of $0.3 million, which primarily represents accumulated interest income received not yet expended at year end. Fund balance of the Federal Grants Assistance Fund increased marginally from prior year with total revenues and transfers in of $339.5 million supporting expenditures and transfers out of the same amount, up from total revenues and transfers in of $306.2 million (or 10.9%) in fiscal year 2011.

The Guam Department of Education (GDOE) Federal Grants Fund has a zero total fund balance at the end of the current fiscal year. Total revenues and transfers in for the GDOE Federal Grants Fund amounted to $70.8 million, which funded various education-related federal grant programs and which was lower than fiscal year 2011 revenues and transfers in of $142.8 million by $72 million 50.4%. In 2011, the GDOE Federal Grants Fund recognized federal stimulus funds in the amount of $80.2 million associated with ARRA State Fiscal Stabilization Funds.

The Landfill CIP Fund was established in fiscal year 2009 to account for the proceeds of Section 30 limited obligation revenue bonds issued for the purpose of funding the construction of a new landfill and the closure of Ordot Dump.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2012, there was a net $34.4 million increase in appropriations between the original and final amended budget for Executive Branch operations, which was primarily attributable to an increase in appropriations authorized by Public Law 31-76 funded by proceeds from the issuance of business privilege tax bonds.

Actual revenues collected (including operating transfers in) of $604.3 million were higher than budgeted amounts of $595 million by $9.3 million due primarily to better than anticipated business privilege tax collections and Section 30 Federal income tax collections.

Budgetary expenditures (including operating transfers out) of $653 million were lower than authorized appropriations of $677.5 million due primarily to continuing appropriations for Guam Memorial Hospital Authority capital project expenditures incurred of $9.7 million, interest payments associated with debt service of $8.6 million, plus miscellaneous continuing appropriations offset by $19.4 million, for which no appropriations were provided by the Legislature. These non-appropriated expenditures include merit bonus of $9.4 million; Lada Estates court judgment of $2.9 million; and other miscellaneous expenditures of $5.5 million relating to utility billings, attorney fees, etc.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

GovGuam's investment in capital assets for its governmental activities as of September 30, 2012 amounted to $1.35 billion, net of accumulated depreciation of $461.8 million, leaving a net book value of $890.5 million. GovGuam's capital assets include land, infrastructure, buildings, machinery and equipment, and various projects under construction. (See table below)

GovGuam's Capital Assets
(net of depreciation)
As of September 30

	Governmental Activities 2012	Governmental Activities 2011	Total Percentage Change 2012-2011
Land	$ 11,454,623	$ 11,454,623	0.0%
Landfill cells	68,414,968	65,741,886	4.1%
Buildings	326,504,047	336,791,513	-3.1%
Machinery, equipment and furniture	19,270,965	15,969,182	20.7%
Infrastructure	379,835,237	420,663,644	-9.7%
Construction in progress	85,098,959	8,960,816	849.7%
Total	**$ 890,578,799**	**$ 859,581,664**	**3.6%**

Major capital asset additions for fiscal year 2012 were as follows:

- $42.6 million for work carried out under Highway federally funded projects, including GovGuam's road expansions and upgrades.
- $7.2 million for various capital improvement projects, including costs associated with the new Layon Landfill.
- $6.2 million for the acquisition of various machinery and equipment by the Department of Education.
- $3.9 million for Phase I of the new case management system for the Unified Courts of Guam.

In fiscal year 2013, GovGuam obtained a loan from a local bank of $21.8 million to finance the expansion of Ukudo High School.

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

Long-Term Debt

The Organic Act authorizes GovGuam to borrow for such purposes as approved by the Guam Legislature. At the end of the current fiscal year, GovGuam had total bonded debt outstanding of $1.08 billion. Of this amount, $433.4 million comprises debt backed by the full faith and credit of GovGuam and $644.7 million is revenue bonded debt that is payable from and secured solely by the specific revenue sources. In addition to this bonded debt, GovGuam had two loans payable and outstanding of $11 million at year end.

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

GovGuam's Outstanding Debt
As of September 30

	Governmental Activities 2012	Governmental Activities 2011	Total Percentage Change 2012-2011
General obligation bonds (backed by GovGuam)	$ 433,738,737	$ 437,216,663	-0.8%
Limited obligation bonds (backed by specific tax and fee revenues)	644,710,521	301,111,267	114.1%
Loans payable (backed by specific tax and fee revenues)	11,001,642	16,033,564	-31.4%
Total	**$ 1,089,450,900**	**$ 754,361,494**	**44.4%**

GovGuam's total long-term debt increased by $335.1 million (or 44.4%) during the current fiscal year. The increase resulted from the issuance of $343.7 million in Series A and B Business Privilege Tax bonds offset by declining principal balances. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, COLA settlement payments, health insurance premium payments and delinquent retirement fund contributions. In fiscal year 2013, GovGuam issued $22.6 million in Series C Business Privilege Tax bonds to refund general obligation debt.

As of September 30, 2012, GovGuam's underlying Standard and Poor's Corporation bond ratings were as follows:

- $175 million General Obligation Bonds, 1993 Series A (B+/Stable).
- $151.9 million General Obligation Bonds, 2007 Series A (B+/Stable).
- $271.1 million General Obligation Bonds, 2009 Series A (B+/Stable).
- $202.4 million Limited Obligation (Section 30) Bonds, 2009 Series A (BBB+/Stable).
- $90.7 million Hotel Occupancy Tax Bonds, 2011 Series A (BBB+/Stable).
- $235 million Business Privilege Tax Bonds, 2011 Series A (A/Stable).
- $108.7 million Business Privilege Tax Bonds, 2012 Series B (A/Stable).

Long-Term Debt, Continued

In accordance with the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is $1.14 billion as of September 30, 2011, the date that such certification was performed. Total debt outstanding as of September 30, 2012, subject to the debt ceiling limitation is $1.13 billion. The legal debt margin at September 30, 2012 was $12.3 million.

Additional information on GovGuam's long-term debt can be found in notes 6 and 7 to the basic financial statements.

ECONOMIC FACTORS, NEXT YEAR BUDGET AND RATES, AND CHALLENGES

Guam's overall economic performance throughout Fiscal Year 2012 remained stable, with moderate economic growth expected to level off in Fiscal Year 2013 and 2014. Growth is dependent on whether new investment opportunities occur and on how well regional market economies serve our tourism base. Guam hopes to benefit from an improved Japan economy and the eagerness of Chinese and Russian tourists to travel abroad. Moreover, incremental investments continue to be made for the military buildup. As before, crude oil price volatility continues to affect investment decisions as production costs remain uncertain, stymies employment opportunities and dampens consumer spending in the region.

GovGuam continues to make headway in rebuilding confidence by restructuring its debt and addressing its current obligations on a disciplined and timely basis, while instituting cost and budgeting controls to affected agencies. As for our local tax base, there has been consistent stable growth in General Fund revenues with annual revenues increasing from $483.2 million in 2009 to $496.1 million in 2010, $552.4 million in 2011, and $596.2 million in 2012. For Fiscal Year 2013, General Fund revenues authorized by the Guam Legislature have been set at $589.1 million. GovGuam's current and accumulated debt remains a significant challenge to overcome despite forecasted General Fund revenue increases in Fiscal Year 2013. How the U.S. federal government resolves sequestration of funds as spent on Guam in the coming year remains unknown.

Based on the 2010 Guam Census, the civilian and military population was 159,358, well short of the projected 180,692 set by U.S. Census in 2000. Projected population for 2012 is 159,914. On the labor force front, the total number of people employed as of September 2012 was 61,140, an increase of 550 or 0.9% since September 2011. Over the same time period, private average hourly earnings were $12.45, an increase of 21 cents; and average weekly earnings were $445.24, an increase of $6.70. Job gains increased the most in the Services, Transportation, Utilities and Wholesale industries. As of September 2012, Guam's unemployment rate was 10.9%.

In 2012, overall prices increased by 3.2% as compared to 2011. Food prices increased by 3.4%, housing increased by 2.0%, apparel and upkeep increased by 0.2%, transportation decreased by 1.8%, medical care increased by 0.3%, recreation decreased by 3.6%, education and communication decreased by 0.7% and other goods and services increased by 1.1% from the 4th quarter 2011 to the 4th quarter 2012. Energy prices increased by 1.3%, and all items less food and energy (core index) increased by 0.4% from the 4th quarter 2011 to the 4th quarter 2012. Over the past three years, Guam has been experiencing moderate inflation which is, in part, determined by the price of oil and costs of imported commodities, which do exacerbate the strain on profits, investments and savings.

Tourism arrivals have rebounded altogether given financial stability in the region increasing from 1.17 million in 2010, to 1.27 million in 2012. The outlook is positive as the Guam Visitors Bureau estimates tourism arrivals to increase by 2.3% to 1.3 million in Fiscal Year 2013. This anticipated increase translates into increasing gross receipts and hotel occupancy taxes for the local treasury.

Construction permits continue to exceed the $200 million set in 2008, despite learning of the consequential delays of the U.S. Marines relocation to Guam. In 2011, gross construction permit valuations were $216.8 million, and in 2012 increased to $363.9 million. It is anticipated permits will exceed $300 million in 2013 given an upward trend in tourism activity, an emphasis in building affordable homes and investment opportunities reflecting positive feedback received from Guam's trade missions abroad.

Given an anticipated resurgence in visitor arrivals, moderation in fuel price changes and a stable outlook in global financial markets the short to medium term economic outlook for Guam remains positive against an uncertain resolution to the Federal sequestration mandate. Couple that with aggressive investments in promoting Guam as an attractive tourist and investment location alongside gains made from the imminent relocation of U.S. Marines to Guam, the future remains positive.

CONTACTING GOVGUAM'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Government of Guam's finances for all of Guam's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the Island's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to: Division of Accounts, Attention: Kathrine B. Kakigi, Financial Manager, P.O. Box 884, Hagatña, Guam 96932. Telephone No: (671) 475-1169/1260 Facsimile: (671) 472-8483 Website Address: www.admin.gov.gu/doa/.

GOVERNMENT OF GUAM

Statement of Net Assets (Deficiency)
September 30, 2012

	Primary Government	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents	$ 89,201,749	$ 98,929,514
Investments	47,009,460	15,293,954
Receivables, net	109,148,340	160,031,678
Due from primary government	-	11,889,319
Due from private purpose trusts	5,886,289	-
Due from component units	2,042,986	-
Inventories	227,559	80,249,305
Other current assets	5,345,623	2,441,451
Restricted assets:		
Cash and cash equivalents	101,232,236	200,565,470
Investments	191,978,442	19,826,996
Total current assets	552,072,684	589,227,687
Noncurrent assets:		
Investments	1,000,000	30,926,038
Receivables, net	-	10,198,129
Capital assets:		
Nondepreciable capital assets	96,553,582	258,007,158
Capital assets, net of accumulated depreciation	794,025,217	1,197,989,700
Land held for development	-	3,329,212
Deferred charges	20,360,970	14,518,211
Other noncurrent assets	-	19,558,943
Restricted assets:		
Cash and cash equivalents	-	100,121,051
Investments	-	105,127,883
Total noncurrent assets	911,939,769	1,739,776,325
Total assets	$ 1,464,012,453	$ 2,329,004,012

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Assets (Deficiency), Continued
September 30, 2012

	Primary Government	Component Units
LIABILITIES		
Current liabilities:		
Current portion of compensated absences payable	$ 10,774,648	$ 7,178,766
Current portion of capital lease obligations	4,195,000	11,562,495
Current portion of bonds payable	13,335,000	34,780,000
Current portion of notes payable	2,184,575	5,668,640
Accounts payable and other current liabilities	91,893,693	88,640,894
Contracts payable	-	14,451,233
Accrued interest payable	21,727,012	23,370,108
Accrued payroll and other	20,989,859	12,173,569
Payable to federal agencies	21,232,549	-
Provision for tax refunds	100,961,462	-
COLA liability	5,459,327	-
Due to primary government	-	2,042,986
Due to component units	9,035,737	-
Due to IRS	21,826,406	-
Deferred revenues	56,626,935	31,758,522
Deposits and other liabilities	13,435,280	28,627,313
Total current liabilities	393,677,483	260,254,526
Noncurrent liabilities:		
Compensated absences payable, net of current portion	12,109,498	6,378,375
Capital lease obligations, net of current portion	116,960,000	86,267,770
Bonds payable, net of current portion	1,065,114,258	915,905,675
Notes payable, net of current portion	8,817,067	56,814,166
DCRS sick leave liability	19,461,902	11,139,910
Other noncurrent liabilities	42,089,236	9,241,208
Total noncurrent liabilities	1,264,551,961	1,085,747,104
Total liabilities	1,658,229,444	1,346,001,630
NET ASSETS (DEFICIENCY)		
Invested in capital assets, net of related debt	449,802,534	709,729,630
Restricted for:		
Capital projects	3,096,587	11,084,100
Retirement of indebtedness	55,000,029	44,962,811
Endowment - nonexpendable	-	5,693,929
Other purposes	88,601,982	52,801,224
Unrestricted	(790,718,123)	158,730,688
Total net assets (deficiency)	(194,216,991)	983,002,382
Total liabilities and net assets (deficiency)	$ 1,464,012,453	$ 2,329,004,012

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Activities
Year Ended September 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government	Net (Expense) Revenue and Changes in Net Assets: Component Units
Primary government:						
Governmental Activities:						
General government	$ 214,648,400	$ 22,249,831	$ 31,108,892	$ -	$ (161,289,677)	$ -
Protection of life and property	105,498,131	14,518,427	8,843,068	-	(82,136,636)	-
Public health	253,441,750	3,044,187	179,919,020	-	(70,478,543)	-
Community services	25,639,150	760,134	6,007,294	-	(18,871,722)	-
Culture and recreation	24,332,721	1,282,326	324,306	-	(22,726,089)	-
Individual and collective rights	25,649,133	487,915	13,481,032	-	(11,680,186)	-
Transportation	26,906,615	13,007,857	14,339,338	-	440,580	-
Public education	325,265,139	4,141,977	74,620,755	-	(246,502,407)	-
Environmental protection	30,383,714	20,643,330	18,599,650	-	8,859,266	-
Economic development	16,498,455	171,822	34,494,548	-	18,167,915	-
Interest (unallocated)	65,300,070	-	2,114,429	-	(63,185,641)	-
Total primary government	$ 1,113,563,278	$ 80,307,806	$ 383,852,332	$ -	(649,403,140)	-
Component Units:						
Antonio B. Won Pat International Airport Authority	$ 60,503,656	$ 50,224,267	$ 382,298	$ 6,369,134	-	(3,527,957)
Guam Memorial Hospital Authority	100,603,417	84,078,448	-	2,649,303	-	(13,875,666)
Guam Power Authority	450,998,160	436,756,643	-	7,208,246	-	(7,033,271)
Guam Waterworks Authority	73,581,288	68,811,546	-	4,546,384	-	(223,358)
Port Authority of Guam	36,829,297	35,108,517	-	3,703,010	-	1,982,230
University of Guam	98,711,421	14,355,477	43,612,594	6,528,416	-	(34,214,934)
Nonmajor component units	114,017,229	7,757,264	65,970,728	3,809,043	-	(36,480,194)
	$ 935,244,468	$ 697,092,162	$ 109,965,620	$ 34,813,536	-	(93,373,150)
General revenues:						
Taxes:						
Income					284,823,341	-
Gross receipts					221,443,640	-
Section 30 Federal income tax collections					53,125,949	-
Hotel occupancy					26,054,476	-
Property					19,225,091	-
Tobacco					17,055,970	-
Liquid fuel					9,831,039	-
Alcoholic beverages					2,485,550	-
Excise					2,459,927	-
Investment earnings					3,521,280	7,765,645
Contributions from primary government					-	92,736,127
Other					14,230,496	15,557,825
Total general revenues					654,256,759	116,059,597
Change in net assets (deficiency)					4,853,619	22,686,447
Net assets (deficiency) at beginning of year, as previously reported					(184,772,606)	960,315,935
Prior-period adjustment (Note 1X)					(14,298,004)	-
Net assets (deficiency) at beginning of year, as restated					(199,070,610)	960,315,935
Net assets (deficiency) at end of year					$ (194,216,991)	$ 983,002,382

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Balance Sheet
Governmental Funds
September 30, 2012

	General	Special Revenue: Federal Grants Assistance	Special Revenue: GDOE Federal Grants	Capital Projects: Landfill CIP	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 52,279,435	$ 2,940,714	$ 6,275,946	$ -	$ 27,705,654	$ 89,201,749
Investments	36,068,024	-	-	-	11,941,436	48,009,460
Receivables, net:						
Taxes	42,248,408	-	-	-	4,780,956	47,029,364
Federal agencies	7,170,446	39,637,095	8,012,033	-	-	54,819,574
Other	2,243,282	-	-	-	5,056,120	7,299,402
Due from other funds	39,719,851	-	-	-	11,554,589	51,274,440
Due from private purpose trust funds	5,886,289	-	-	-	-	5,886,289
Due from component units	-	-	-	-	2,042,986	2,042,986
Inventories	227,559	-	-	-	-	227,559
Prepayments	3,724,975	-	55	-	-	3,725,030
Deposits and other assets	969,981	-	-	-	2,279	972,260
Restricted assets:						
Cash and cash equivalents	40,688,272	-	-	9,082,301	51,461,663	101,232,236
Investments	115,343,218	-	-	60,643,810	15,991,414	191,978,442
Total assets	$ 346,569,740	$ 42,577,809	$ 14,288,034	$ 69,726,111	$ 130,537,097	$ 603,698,791
LIABILITIES AND FUND BALANCES						
Accounts payable	$ 83,827,284	$ 2,159,949	$ 1,604,720	$ 1,925,771	$ 2,375,969	$ 91,893,693
Accrued payroll and other	15,440,836	678,979	4,254,078	-	615,966	20,989,859
Due to other funds	11,554,589	23,424,914	3,244,506	-	13,050,431	51,274,440
Due to component units	8,247,156	-	-	-	788,581	9,035,737
Payable to federal agencies	21,826,406	16,047,819	5,184,730	-	-	43,058,955
Deferred revenues	56,626,935	-	-	-	2,057,175	58,684,110
Provision for tax refunds	100,961,462	-	-	-	-	100,961,462
COLA liability	5,459,327	-	-	-	-	5,459,327
Deposits and other liabilities	12,489,295	-	-	-	945,985	13,435,280
Total liabilities	316,433,290	42,311,661	14,288,034	1,925,771	19,834,107	394,792,863
Fund balances:						
Non-spendable	1,227,559	-	-	-	-	1,227,559
Restricted	122,812,848	-	-	67,800,340	75,810,668	266,423,856
Committed	39,815,496	-	-	-	35,351,071	75,166,567
Assigned	1,039,039	266,148	-	-	1,647,860	2,953,047
Unassigned:						
General fund	(134,758,492)	-	-	-	-	(134,758,492)
Special revenue funds	-	-	-	-	(2,106,609)	(2,106,609)
Total fund balances	30,136,450	266,148	-	67,800,340	110,702,990	208,905,928
Total liabilities and fund balances	$ 346,569,740	$ 42,577,809	$ 14,288,034	$ 69,726,111	$ 130,537,097	$ 603,698,791

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Deficiency
September 30, 2012

Total fund balance - governmental funds		$ 208,905,928
Amounts reported for governmental activities in the statement of net deficiency are different because:		
Prepayment of capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		648,333
Borrowing costs and related maintenance costs associated with capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		4,204,894
Bonds issued by GovGuam have associated costs that are paid from current available resources in the funds. However, these costs are deferred on the statement of net deficiency		16,156,076
Certain revenues are earned but not available and therefore are deferred in the governmental funds:		
Adjustment of deferred revenue		2,057,175
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 11,454,623	
Construction in progress	85,098,959	
Depreciable capital assets and infrastructure	1,255,795,348	
Accumulated depreciation	(461,770,131)	
Capital assets, net of accumulated depreciation		890,578,799
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities include:		
Bonds payable	(1,078,449,258)	
Loans payable	(11,001,642)	
Capital lease obligations	(121,155,000)	
Accrued interest payable	(21,727,012)	
Compensated absences payable	(22,884,146)	
DCRS sick leave liability	(19,461,902)	
Landfill closure and postclosure costs	(42,089,236)	
Long-term liabilities		(1,316,768,196)
Net deficiency of governmental activities		$ (194,216,991)

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
Year Ended September 30, 2012

		Special Revenue		Capital Projects		
	General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Other Governmental Funds	Total
Revenues:						
Taxes	$ 561,852,857	$ -	$ -	$ -	$ 74,652,126	$ 636,504,983
Intergovernmental	3,907,254	311,442,208	64,595,000	-	1,413,506	381,357,968
Licenses and permits	7,587,723	-	-	-	49,495,418	57,083,141
Charges for services	5,325,196	-	355,208	-	16,494,131	22,174,535
Fines and forfeits	385,935	-	-	-	-	385,935
Interest and investment earnings	897,701	-	-	365,782	2,257,797	3,521,280
Contributions from component units	2,114,429	-	-	-	-	2,114,429
Indirect cost reimbursement	379,935	-	-	-	-	379,935
Other	13,709,681	-	-	-	520,815	14,230,496
Total revenues	596,160,711	311,442,208	64,950,208	365,782	144,833,793	1,117,752,702
Expenditures:						
Current:						
General government	105,276,792	27,945,069	-	943,820	17,403,031	151,568,712
Protection of life and property	80,456,682	10,628,807	-	-	14,766,898	105,852,387
Public health	20,595,552	189,214,249	-	-	10,889,125	220,698,926
Community services	12,635,550	12,631,935	-	-	364,198	25,631,683
Recreation	2,298,701	324,306	-	-	744,462	3,367,469
Individual and collective rights	11,779,426	10,805,510	-	-	4,908,442	27,493,378
Transportation	-	14,339,338	-	-	5,059,144	19,398,482
Public education	213,894,786	-	67,750,208	-	899,644	282,544,638
Environmental protection	-	18,599,650	-	-	11,378,639	29,978,289
Economic development	3,265,545	6,312,580	-	-	55,506	9,633,631
Payments to:						
GovGuam Retirement Fund	1,659,913	-	-	-	2,130,569	3,790,482
Chamorro Land Trust Commission	-	-	-	-	492,556	492,556
Guam Community College	13,157,212	125,755	-	-	810,705	14,093,672
Guam Educational Telecommunications Corporation	180,582	-	-	-	-	180,582
Guam Memorial Hospital Authority	23,430,944	6,029,798	-	-	3,026,308	32,487,050
Guam Preservation Trust	-	-	-	-	4,627,416	4,627,416
Guam Regional Transit Authority	-	-	-	-	2,917,834	2,917,834
Guam Visitors Bureau	-	-	-	-	16,260,310	16,260,310
Guam Waterworks Authority	-	101,961	-	-	-	101,961
Port Authority of Guam	-	1,459,879	-	-	-	1,459,879
University of Guam	30,881,589	272,910	-	-	3,048,635	34,203,134
Miscellaneous appropriations	53,797,613	249,098	-	-	1,463,068	55,509,779
Capital projects	-	26,641,255	-	7,598,782	2,686,446	36,926,483
Debt service:						
Principal retirement	21,514,941	-	3,210,000	-	7,936,981	32,661,922
Bond issuance costs	5,476,111	-	-	-	-	5,476,111
Interest and fiscal charges	52,448,496	-	3,890,000	-	5,958,015	62,296,511
Total expenditures	652,750,435	325,682,100	74,850,208	8,542,602	117,827,932	1,179,653,277
Excess (deficiency) of revenues over (under) expenditures	(56,589,724)	(14,239,892)	(9,900,000)	(8,176,820)	27,005,861	(61,900,575)
Other financing sources (uses):						
Proceeds from issuance of bonds	343,700,000	-	-	-	-	343,700,000
Premium on bonds issued	14,516,986	-	-	-	-	14,516,986
Transfers in from other funds	63,358,576	27,432,600	9,900,000	-	15,359,777	116,050,953
Transfers out to other funds	(31,717,127)	(12,977,220)	-	(21,357,881)	(51,138,834)	(117,191,062)
Total other financing sources (uses), net	389,858,435	14,455,380	9,900,000	(21,357,881)	(35,779,057)	357,076,877
Net change in fund balances (deficit)	333,268,711	215,488	-	(29,534,701)	(8,773,196)	295,176,302
Fund balances (deficit) at beginning of year	(303,132,261)	50,660	-	97,335,041	119,476,186	(86,270,374)
Fund balances at end of year	$ 30,136,450	$ 266,148	$ -	$ 67,800,340	$ 110,702,990	$ 208,905,928

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended September 30, 2012

Net change in fund balances - total governmental funds		$ 295,176,302
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Adjustment of deferred revenues		664,195
Prepayment of capital lease obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:		
Guam Department of Education capital lease		(109,022)
Borrowing costs are deferred and amortized in the Statement of Activities over the term of the related long-term debt. These consist of:		
Bonds payable		10,554,782
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. For the current year these amounts consist of:		
Capital outlays, net of disposals	71,754,384	
Depreciation expense	(40,757,249)	
		30,997,135
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. For the current year, these amounts consist of:		
Limited Obligation bonds issued	(343,700,000)	
Premium on bonds issued	(14,516,986)	
Repayment of Limited Obligation bonds	17,000,000	
Repayment of General Obligation bonds	6,640,000	
Repayment of loans	5,031,922	
Repayment of capital leases	3,990,000	
Amortization of bond premiums	378,893	
Amortization of bond discounts	(5,923,235)	
		(331,099,406)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. For the current year, these activities consist of:		
Change in accrued interest payable	(3,783,219)	
Change in compensated absences payable	(175,728)	
Change in landfill closure and postclosure care costs	2,921,960	
Change in DCRS sick leave liability	(293,380)	
		(1,330,367)
Change in net deficiency of governmental activities		$ 4,853,619

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2012

	Pension Trust	Private Purpose Trust	Agency Fund
ASSETS			
Cash and cash equivalents	$ 4,902,234	$ 11,766,688	$ -
Time certificates of deposit	-	2,406,023	-
Investments at fair value:			
Common stocks	831,846,693	-	-
U.S. Government securities	202,542,843	-	-
Corporate bonds and notes	180,336,742	-	-
Money market funds	64,696,700	-	-
Mutual funds	429,878,360	-	-
DC plan forfeitures	6,561,354	-	-
Total investments	1,715,862,692	-	-
Accounts receivable:			
Employer contributions	2,221,501	-	-
Member contributions	1,093,491	-	-
Interest and penalties on contributions	231,896	-	-
Accrued investment income	4,780,898	-	-
Due from brokers for unsettled trades	4,815,852	-	-
Service credits	1,083,922	-	-
Notes receivable - ERIP	2,290,473	-	-
Supplemental/COLA benefits	56,350,125	-	-
Supplemental/Insurance benefits advanced	3,511,711	-	-
Other	3,829,794	-	-
Total receivables	80,209,663	-	-
Due from other funds	-	672,500	-
Deposits and other assets	-	-	15,487,595
Capital assets	1,013,669	-	-
Total assets	1,801,988,258	14,845,211	$ 15,487,595
LIABILITIES			
Deferred revenue	4,097,948	-	$ -
Accounts payable and accrued expenses	2,064,479	-	-
Accrued payroll and other	260,250	-	-
Due to other funds	-	6,558,789	-
Deposits and other liabilities	-	7,121,372	15,487,595
Due to brokers for unsettled trades	54,737,507	-	-
Total liabilities	61,160,184	13,680,161	$ 15,487,595
NET ASSETS			
Held in trust for retirement benefits	1,740,828,074	-	
Held in trust for other purposes	-	1,165,050	
Total net assets	$ 1,740,828,074	$ 1,165,050	

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended September 30, 2012

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer contributions	$ 131,051,862	$ -
Member contributions	31,107,163	-
Use of money and property	-	1,484,942
Transfers in from other funds	-	1,140,109
Total contributions and revenues	162,159,025	2,625,051
Net investment income:		
Net appreciation in fair value of investments	241,545,181	-
Interest	25,876,559	-
Dividends	15,288,485	-
Other	1,504,495	-
Total investment income	284,214,720	-
Less: investment expenses	4,969,456	-
Net investment income	279,245,264	-
Total additions	441,404,289	2,625,051
Deductions:		
Benefits	184,380,351	-
Refunds	14,912,302	-
Interest on refunded contributions	1,294,416	-
Administrative and general expense	4,515,418	-
Individual and collective rights	-	2,090,747
Total deductions	205,102,487	2,090,747
Change in net assets	236,301,802	534,304
Net assets at beginning of year	1,504,526,272	630,746
Net assets at end of year	$ 1,740,828,074	$ 1,165,050

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Assets
Component Units
September 30, 2012

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
ASSETS								
Current assets:								
Cash and cash equivalents	$ 1,918,446	$ 1,642,886	$ 32,674,133	$ 2,421,955	$ 10,886,253	$ 10,215,789	$ 39,170,052	$ 98,929,514
Investments	-	-	-	-	-	8,561,733	6,732,221	15,293,954
Receivables, net	13,040,702	32,741,820	54,022,800	12,121,147	5,209,762	12,715,237	30,180,210	160,031,678
Due from primary government	-	1,237,199	1,822,750	-	-	6,115,359	2,714,011	11,889,319
Inventories	50,717	3,385,389	73,366,447	1,727,461	125,875	488,335	1,105,081	80,249,305
Prepayments	-	99,857	501,402	109,202	128,485	-	294,671	1,133,617
Deposits and other assets	-	-	135,655	-	-	1,172,179	-	1,307,834
Restricted assets:								
Cash and cash equivalents	-	-	171,795,055	19,434,692	-	-	9,335,723	200,565,470
Investments	-	-	-	-	-	7,157,506	12,669,490	19,826,996
Total current assets	15,009,865	39,107,151	334,318,242	35,814,457	16,350,375	46,426,138	102,201,459	589,227,687
Noncurrent assets:								
Investments	20,261,161	-	-	-	-	8,865,948	1,798,929	30,926,038
Receivables, net	-	-	-	-	-	-	10,198,129	10,198,129
Capital assets:								
Nondepreciable capital assets	145,229,705	4,171,579	39,580,837	27,274,704	19,083,165	2,932,362	19,734,806	258,007,158
Capital assets, net of accumulated depreciatic	253,733,948	33,026,717	462,108,109	277,527,588	46,372,709	68,170,723	57,049,906	1,197,989,700
Land held for development	-	-	-	-	-	-	3,329,212	3,329,212
Deferred bond issuance costs	4,857,336	-	9,100,192	-	-	-	560,683	14,518,211
Other assets	11,975,643	192,084	2,002,093	5,045,577	-	-	343,546	19,558,943
Restricted assets:								
Cash and cash equivalents	-	209,267	-	96,060,028	-	3,851,756	-	100,121,051
Investments	32,941,612	-	45,342,829	17,200,405	-	9,643,037	-	105,127,883
Total noncurrent assets	468,999,405	37,599,647	558,134,060	423,108,302	65,455,874	93,463,826	93,015,211	1,739,776,325
Total assets	$ 484,009,270	$ 76,706,798	$ 892,452,302	$ 458,922,759	$ 81,806,249	$ 139,889,964	$ 195,216,670	$ 2,329,004,012

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Net Assets, Continued
Component Units
September 30, 2012

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
LIABILITIES AND NET ASSETS								
Current liabilities:								
Current portion of bonds payable	$ 9,590,000	$ -	$ 20,815,000	$ 2,380,000	$ -	$ -	$ 1,995,000	$ 34,780,000
Current portion of notes payable	216,137	541,763	-	3,074,328	165,692	192,704	1,478,016	5,668,640
Current obligations under capital leases	-	-	11,562,495	-	-	-	-	11,562,495
Accounts payable	2,752,640	19,941,276	42,357,356	4,347,743	4,032,769	7,199,982	8,009,128	88,640,894
Contracts payable	4,752,646	-	-	9,698,587	-	-	-	14,451,233
Accrued interest payable	3,839,759	-	16,007,423	2,960,173	-	-	562,753	23,370,108
Accrued payroll and other	903,803	9,196,076	1,023,252	439,086	321,687	-	289,665	12,173,569
Due to primary government	2,042,986	-	-	-	-	-	-	2,042,986
Deferred revenue	1,281,047	-	15,195,623	-	183,361	6,638,847	8,459,644	31,758,522
Compensated absences	308,095	1,616,540	2,263,391	469,631	940,610	1,118,564	461,935	7,178,766
Deposits and other liabilities	-	2,643,694	20,525,218	2,945,796	337,870	346,547	1,828,188	28,627,313
Total current liabilities	25,687,113	33,939,349	129,749,758	26,315,344	5,981,989	15,496,644	23,084,329	260,254,526
Noncurrent liabilities:								
Compensated absences	687,076	2,076,497	619,029	855,513	449,967	726,234	964,059	6,378,375
Capital lease obligations	-	-	86,267,770	-	-	-	-	86,267,770
Noncurrent portion of bonds payable	146,106,456	-	527,783,792	207,822,566	-	-	34,192,861	915,905,675
Noncurrent portion of notes payable	5,378,760	10,751,109	-	20,851,436	3,035,317	12,203,319	4,594,225	56,814,166
Other noncurrent liabilities	-	-	8,499,254	169,162	-	63,791	509,001	9,241,208
DCRS sick leave liability	159,480	3,064,562	2,274,481	1,049,726	1,105,722	2,088,199	1,397,740	11,139,910
Total noncurrent liabilities	152,331,772	15,892,168	625,444,326	230,748,403	4,591,006	15,081,543	41,657,886	1,085,747,104
Total liabilities	178,018,885	49,831,517	755,194,084	257,063,747	10,572,995	30,578,187	64,742,215	1,346,001,630
Net Assets:								
Invested in capital assets, net of related debt	254,505,279	37,198,296	31,683,250	189,567,949	62,254,865	58,707,062	75,812,929	709,729,630
Restricted:								
Capital projects	-	-	11,084,100	-	-	-	-	11,084,100
Retirement of indebtedness	13,430,224	-	26,767,388	4,765,199	-	-	-	44,962,811
Endowment - nonexpendable	-	-	-	-	-	5,638,662	55,267	5,693,929
Other purposes	15,290,253	-	-	4,707,465	-	9,337,862	23,465,644	52,801,224
Unrestricted (deficit)	22,764,629	(10,323,015)	67,723,480	2,818,399	8,978,389	35,628,191	31,140,615	158,730,688
Total net assets	305,990,385	26,875,281	137,258,218	201,859,012	71,233,254	109,311,777	130,474,455	983,002,382
Total liabilities and net assets	$ 484,009,270	$ 76,706,798	$ 892,452,302	$ 458,922,759	$ 81,806,249	$ 139,889,964	$ 195,216,670	$ 2,329,004,012

See accompanying notes to basic financial statements.

GOVERNMENT OF GUAM

Statement of Revenues, Expenses, and Changes in Net Assets
Component Units
Year Ended September 30, 2012

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Non-major Component Units	Total
Operating revenues:								
Charges for services	$ 50,224,267	$ 84,078,448	$ 436,756,643	$ 68,811,546	$ 35,108,517	$ 14,355,477	$ 7,757,264	$ 697,092,162
Grants and contracts	382,298	-	-	-	-	43,612,594	65,970,728	109,965,620
Other	1,148,209	1,541,563	1,915,786	700,979	121,584	4,397,496	5,732,208	15,557,825
Total operating revenues	51,754,774	85,620,011	438,672,429	69,512,525	35,230,101	62,365,567	79,460,200	822,615,607
Operating expenses:								
Cost of services	34,045,772	97,215,409	349,922,850	46,777,369	22,398,505	84,072,759	84,244,569	718,677,233
Depreciation and amortization	24,956,519	4,399,179	28,954,754	12,050,430	3,719,994	3,116,418	5,003,925	82,201,219
General and administrative	-	1,884,056	31,377,717	5,416,166	8,761,565	8,439,982	23,199,415	79,078,901
Total operating expenses	59,002,291	103,498,644	410,255,321	64,243,965	34,880,064	95,629,159	112,447,909	879,957,353
Operating income (loss)	(7,247,517)	(17,878,633)	28,417,108	5,268,560	350,037	(33,263,592)	(32,987,709)	(57,341,746)
Nonoperating revenues (expenses):								
Contributions from the primary government	26,388	20,596,434	-	-	-	35,346,447	36,766,858	92,736,127
Contributions to the primary government	-	-	-	-	-	(2,247,590)	-	(2,247,590)
Investment income	1,194,681	-	2,775,819	34,122	(51,173)	2,445,487	1,366,709	7,765,645
Interest expense	(7,164,599)	(1,387,080)	(45,431,311)	(13,885,808)	-	(530,281)	(3,050,199)	(71,449,278)
Other income (expenses), net	5,663,234	4,282,307	4,688,472	4,548,485	(1,949,233)	(304,391)	1,480,879	18,409,753
Total nonoperating revenues (expenses), net	(280,296)	23,491,661	(37,967,020)	(9,303,201)	(2,000,406)	34,709,672	36,564,247	45,214,657
Net income (loss) before capital contributions	(7,527,813)	5,613,028	(9,549,912)	(4,034,641)	(1,650,369)	1,446,080	3,576,538	(12,127,089)
Capital contributions	6,369,134	2,649,303	7,208,246	4,546,384	3,703,010	6,528,416	3,809,043	34,813,536
Change in net assets	(1,158,679)	8,262,331	(2,341,666)	511,743	2,052,641	7,974,496	7,385,581	22,686,447
Net assets at beginning of year	307,149,064	18,612,950	139,599,884	201,347,269	69,180,613	101,337,281	123,088,874	960,315,935
Total net assets at end of year	$ 305,990,385	$ 26,875,281	$ 137,258,218	$ 201,859,012	$ 71,233,254	$ 109,311,777	$ 130,474,455	$ 983,002,382

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The Executive Branch consists of a popularly elected Governor and Lieutenant Governor, each serving a four-year term, with executive department heads appointed by the Governor with the consent of the Guam legislature. The Legislative Branch is a unicameral parliament consisting of 15 members elected for a term of two years. The Judicial Branch is comprised of the Supreme Court of Guam and a Territorial Superior Court with judges appointed for eight-year terms by the Governor. Under the Organic Act, GovGuam is required to submit to the U.S. Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within 120 days after the close of the fiscal year; however, GovGuam has not complied with this requirement.

For financial reporting purposes, GovGuam has included all funds, organizations, agencies, boards, commissions and institutions, including the Guam Department of Education (GDOE), formerly known as the Guam Public School System, which is a line agency of GovGuam within GovGuam's Department of Education and is included within the General Fund. GovGuam has also considered all potential component units for which it is financially accountable as well as other entities for which the nature and significance of their relationship with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. Blended component units are entities that are legally separate from GovGuam, but are so related to GovGuam that they are, in substance, the same as GovGuam or entities providing services entirely or almost entirely to GovGuam. The net assets and results of operations of the following legally separate entities are presented as part of GovGuam's operations.

1. Blended Component Units

(a) The GovGuam Retirement Fund (GGRF) has been blended into GovGuam's financial statements. The governing body consists of a seven-member Board of Trustees. Two members are elected by active Fund members; two members are elected by GGRF members among the roster of retirees; and three members are appointed by the Governor of Guam. GGRF was enacted to provide retirement amenities and other benefits to GovGuam employees, who upon entry to service are eligible for membership. GGRF is reported as if it were part of the primary government because of the fiduciary responsibility that GovGuam retains relative to the operations of GGRF. The operations of GGRF are reported as a Fiduciary Fund Type - Pension Trust Fund.

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

1. Blended Component Units, Continued

(b) Private purpose trust funds are comprised of trust funds administered by the Superior Court and Public Defender.

2. Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from GovGuam, but are financially accountable to GovGuam, or whose relationships with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. The component units' column of the basic financial statements includes the financial data of the following entities that comprise the major component units:

(a) Antonio B. Won Pat International Airport Authority (AWPIAA), formerly known as the Guam International Airport Authority, was created by Public Law 13-57 (as amended) as an autonomous instrumentality of GovGuam to own and operate the facilities of the Guam International Air Terminal. It is charged with the acquisition, construction, operation and maintenance of airports and related facilities for civil aviation on Guam. AWPIAA supports its operations through landing fees and charges for use of its facilities and through rentals under concessionaire agreements and is governed by a seven-member Board of Directors, all of whom are appointed by the Governor of Guam.

(b) Guam Memorial Hospital Authority (GMHA) was created by Public Law 14-29 as an autonomous instrumentality of GovGuam to administer and operate the Guam Memorial Hospital. GMHA is governed by a seven-member Board of Trustees, all of whom are appointed by the Governor of Guam.

(c) Guam Power Authority (GPA) was created by the GPA Act of 1968 and is responsible for the supervision of construction, maintenance of operations and regulations of all electrical utility services within GovGuam. It operates the power system for GovGuam and has created an Island-wide Power System Agreement with the United States Navy. GPA derives revenues from sales of electricity and is governed by the five-member Consolidated Commission on Utilities (CCU), all of whom are elected for two or four year terms.

(d) Guam Waterworks Authority (GWA), formerly the Public Utility Agency of Guam (PUAG), was created by Public Law 23-119 and is responsible for supervising the construction, maintenance operations and regulations of all water and sewerage services within GovGuam. GWA derives its operating revenues from water and wastewater fees charged to residential, commercial and government customers, based on consumption, and is governed by the CCU.

(e) Port Authority of Guam (PAG) was created by Public Law 13-87 as an autonomous instrumentality of GovGuam to own and operate the facilities of the Commercial Port of Guam. PAG is governed by a five-member Board of Directors, all of whom are appointed by the Governor of Guam.

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

(f) The University of Guam (UOG) was created by Public Law 13-194 and is responsible for operating Guam's institution of higher education. UOG is governed by a nine-member Board of Regents, all of whom are appointed by the Governor of Guam.

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

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

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

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

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

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

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

University of Guam
University Station
University Drive
Mangilao, GU 96923

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

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

2. Discretely Presented Component Units, Continued

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

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

3. Related Organizations

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

B. Government-Wide Financial Statements

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

(1) Summary of Significant Accounting Policies, Continued

B. Government-Wide Financial Statements, Continued

Primary government activities are defined as either governmental or business-type activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. As such, business-type activities account for operations similarly to a for-profit business. GovGuam did not report any business-type activities during the year ended September 30, 2012. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Discretely presented component unit activities are presented with their business-type focus.

The Statement of Net Assets presents all of the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

- Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.

- Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated (for example, internally restricted), to indicate that management does not consider them to be available for general operations.

The government-wide Statement of Net Assets reports $146,698,598 of restricted net assets, of which $29,763,705 is restricted by enabling legislation.

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

C. Fund Financial Statements

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

(1) Summary of Significant Accounting Policies, Continued

C. Fund Financial Statements, Continued

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

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements:

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

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

Governmental Fund Financial Statements:

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

Significant revenues susceptible to accrual include income and gross revenue taxes, federal grants, federal reimbursements and other reimbursements for use of materials and services are recognized in the year for which they are received or subject to accrual, grants expended or services provided. Miscellaneous revenues from other financing sources are recognized when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded in the period in which the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due. Compensated absences, claims and judgments, termination benefits and similar activities are recognized to the extent that they are normally expected to be liquidated with expendable available financial resources.

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

Fiduciary Funds and Component Units Financial Statements:

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

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

- General Fund - this fund is the primary operating fund of GovGuam. It is used to account for all governmental transactions, except those required to be accounted for in another fund.

- Federal Grants Assistance Fund - a Special Revenue Fund that accounts for all activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance general governmental operations.

- GDOE Federal Grants Fund - a Special Revenue Fund that accounts for all activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance public education.

- Landfill CIP Fund - a Capital Projects Fund that accounts for bond proceeds issued by GovGuam for the purpose of financing facilities of the Solid Waste Management System of Guam.

The nonmajor governmental funds are comprised of the following:

- Special Revenue Funds – these funds account for the financial resources obtained from specific revenue sources and used for restricted purposes.

- Capital Projects Funds – these funds account for the financial resources obtained from bond issuances for the acquisition or construction of capital assets and facilities.

- Debt Service Funds – these funds account for the financial resources obtained and used for the payment of principal and interest revenue bond obligations established in accordance with bond indentures.

(1) Summary of Significant Accounting Policies, Continued

D. Measurement Focus and Basis of Accounting, Continued

In addition, GovGuam reports the following fund types:

- Pension Trust Funds report resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension plans.

- Private Purpose Funds are used to account for resources held in trust under which principal and income benefit certain individuals.

- Agency Funds account for assets GovGuam holds on behalf of others. Agency funds are custodial in nature and do not involve measurement of operations.

As allowed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, GovGuam's discretely presented component units follow all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

E. Cash and Cash Equivalents

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

F. Investments

Investments and related investment earnings of the primary government and the discretely presented component units are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale and are primarily determined based on quoted market values.

G. Receivables

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

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

(1) Summary of Significant Accounting Policies, Continued

H. Inventories

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

I. Prepaid Items

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

J. Interfund Receivables/Payables

During the course of its operations, GovGuam records transactions between individual funds for goods provided or services rendered. Receivables and payables resulting from transactions between funds are classified as "due from other funds" or "due to other funds" on the governmental fund balance sheet. Receivables and payables resulting from transactions between component units and the primary government are classified as “due to/from primary government” or “due to/from component units” on the governmental fund balance sheet and the statement of net assets. Interfund receivables and payables have been eliminated from the statement of net assets.

K. Capital Assets

Capital assets, including property, plant, equipment and infrastructure (e.g. roads, bridges, ramps and other similar items), are reported in the governmental activity column of the government-wide financial statements. Such assets, whether purchased or constructed, are recorded at historical cost or estimated historical cost. Construction in progress includes all associated cumulative costs of a constructed capital asset. Construction in progress is relieved at the point at which an asset is placed in service for its intended use. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are capitalized when the cost of the individual items exceeds $50,000. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

With the exception of the Layon Landfill, capital assets of the primary government are depreciated using the straight-line method with a full year’s depreciation charged in the year of acquisition and disposal, regardless of date. Landfill cells are depreciated based on capacity used/available at year end.

Capital assets of the discretely presented component units are capitalized upon purchase and depreciated on a straight-line basis over the estimated useful lives of the assets.

(1) Summary of Significant Accounting Policies, Continued

L. Deferred Revenues

In the government-wide financial statements, deferred revenue is recognized when cash, receivables or other assets are recorded prior to being earned. In the governmental fund financial statements, deferred revenue represents monies received or revenues accrued which have not been earned or do not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting. Deferred revenue in the governmental fund types primarily relates to Section 30 federal income tax collections remitted to the trustee in accordance with the bond indenture associated with the 2009 Series A bond issue, and federal funds received in advance of eligible expenditures. On September 13, 2012, GovGuam received Section 30 federal income tax collections from the United States Government in the amount of $56,626,935, which pertains to revenues of the following fiscal year.

M. Provision for Tax Refunds

During the calendar year, GovGuam collects individual and corporate income taxes through withholdings and payments from taxpayers. At September 30, GovGuam estimates the amount owed to taxpayers for overpayments during the first nine months of the calendar year. These estimated amounts and the actual tax refunds claimed for prior years but not paid at year-end are recorded as provision for tax refunds and as a reduction of tax revenue. The provision for tax refunds is evaluated on a regular basis by management and is based upon management's periodic review of tax returns in light of historical experience and the nature and volume of tax returns submitted. This evaluation is subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Accordingly, changes to the provision for tax refunds are accounted for on a prospective basis. As of September 30, 2012, GovGuam recorded a provision for unpaid tax refunds in the amount of $100,961,462, which includes $637,000 relating to interest payable to taxpayers for unpaid prior year tax refunds.

N. Long-term Debt

The liabilities reported in the government-wide financial statements include GovGuam general obligation bonds, limited obligation bonds, long-term notes and capital leases, and long-term liabilities including vacation, sick leave, long-term liabilities to other governmental entities, and closure and post-closure costs associated with the Ordot Dump and Layon Landfill. Long-term obligations financed by component units are recorded as liabilities in the discretely presented component unit's column.

In accordance with Section 1423a of the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is $1,139,464,853 as of September 30, 2011, the date that such certification was performed. Total debt outstanding as of September 30, 2012, subject to the debt ceiling limitation is $1,127,179,659.

(1) Summary of Significant Accounting Policies, Continued

O. Dedicated Revenues and Pledges

GovGuam has pledged a portion of future General Fund Section 30 revenues to repay the following debt: (i) a $10,000,000 note payable to a bank executed in September 2002; and (ii) $202,425,000 in limited obligation bonds issued in June 2009. This debt is payable solely from Section 30 revenues payable to GovGuam by the United States Government pursuant to Section 30 of the Organic Act, Title 48, U.S. Code, Section 41421(h). Total principal and interest remaining on this debt is approximately $362,152,346 payable through December 2034. For the year ended September 30, 2012, principal and interest paid and total Section 30 revenues were $25,776,182 and $53,125,949, respectively.

GovGuam has also pledged a portion of future hotel occupancy tax revenues to repay $90,665,000 in limited obligation infrastructure improvement bonds issued in April 2011. This debt is payable solely from these certain tax revenues generated by GovGuam. Total principal and interest remaining on the limited obligation infrastructure improvement bonds is approximately $185,510,984 payable through November 2040. For the year ended September 30, 2012, principal and interest paid and total hotel occupancy tax revenues were $7,004,441 and $26,054,476, respectively.

GovGuam has also pledged a portion of future judicial fees, fines and building rental receipts to repay an $11,000,000 note payable to a bank executed in September 2006. This debt is payable solely from these certain judicial fees, fines and building rental receipts generated by GovGuam. Total principal and interest remaining on the note payable is approximately $11,965,801 payable through September 2019. For the year ended September 30, 2012, principal and interest paid and total judicial fees, fines and building rental receipt revenues were $993,004 and $1,920,121, respectively.

GovGuam has pledged a portion of future General Fund gross receipts tax revenues to repay the following debt: (i) $235,000,000 in limited obligation bonds issued in December 2011; and (ii) $108,700,000 in limited obligation bonds issued in June 2012. This debt is payable solely from these certain tax revenues generated by GovGuam. Total principal and interest remaining on this debt is approximately $686,626,086 payable through January 2042. For the year ended September 30, 2012, principal and interest paid and total gross receipts tax revenues were $7,333,983 and $221,443,640, respectively.

Finally, GovGuam has entered into a municipal school lease agreement whereby GovGuam has pledged a portion of future Compact Impact grant revenues to finance annual lease payments under this agreement. This lease obligation is payable solely from Compact Impact grant revenues payable to GovGuam by the United States Government pursuant to the Compact of Free Association Act, U.S. Public Law 108-188. Total payments remaining on this municipal school lease agreement are approximately $98,500,000 payable through December 2025. For the year ended September 30, 2012, lease payments made and total Compact Impact grant revenues received were $7,100,000 and $7,100,000, respectively.

P. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums, discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Bonds payable are reported net of bond premiums and discounts. Bond issue costs are reported as deferred charges.

(1) Summary of Significant Accounting Policies, Continued

P. Bond Premiums, Discounts and Issuance Costs, Continued

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

Q. Fund Equity/Net Assets

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

Net Assets have been restricted as follows:

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

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

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

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

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

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

(1) Summary of Significant Accounting Policies, Continued

Q. Fund Equity/Net Assets, Continued

- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Guam Legislature, GovGuam's highest level of decision-making authority, and does not lapse at year-end. Formal action of the Guam Legislature is required to remove the limitations on committed fund balances.

- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Intent is expressed by either the Guam Legislature or a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

- Unassigned includes negative fund balances in other governmental funds.

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

A formal minimum fund balance policy has not been adopted.

R. Estimates

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

S. Compensated Absences

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

(1) Summary of Significant Accounting Policies, Continued

S. Compensated Absences, Continued

In accordance with Public Law 27-5 and Public Law 28-68, employee vacation rates are credited at either 104, 156 or 208 hours per year, depending upon their length of service.

1. One-half day (4 hours) for each full bi-weekly pay period in the case of employees with less than five (5) years of service.

2. Three-fourths day (6) hours for each full bi-weekly pay period in the case of employees with more than five (5) years of service but less than fifteen (15) years of service.

3. One (1) day (8 hours) for each full bi-weekly pay period in the case of employees with more than fifteen (15) years of service.

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

Public Law 26-86 allows members of the Defined Contribution Retirement System to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GovGuam has accrued an estimated liability of $19,461,902 at September 30, 2012 for potential future sick leave payments as a result of this law. However, this amount is an estimate and actual payout may be materially different than estimated.

T. Property Taxes

On or before September 1 of each tax year, GovGuam's Real Property Tax Division is mandated to make available a tax roll listing identifying all taxable properties and corresponding tax assessments levied. By October 31 each year, the tax assessment roll is certified and real property taxes become due and payable on December 15. The tax levy is divided into two installments: the first installment is due February 20; the second installment is due April 20. Real property taxes become a lien on the property as of noon the first Monday in March each year to secure the payment of all taxes, penalties and interest that is ultimately imposed on the property. The tax rate is established by 11 GCA 24, *Real Property Tax*, wherein a levy is assessed on all land property in Guam at the rate of seven-eightieths percent (7/80%) of the value thereof and seven-twentieths (7/20%) of the value of the improvements thereon.

U. Encumbrances

GovGuam utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. At September 30, 2012, GovGuam has significant encumbrances summarized as follows:

General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Other Governmental	Total
$ 33,262,427	$ 88,737,871	$ 10,581,639	$ 3,720,870	$ 41,655,362	$ 177,958,169

(1) Summary of Significant Accounting Policies, Continued

V. New Accounting Standards

During fiscal year 2012, GovGuam implemented the following pronouncements:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and addresses issues related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this pronouncement did not have a material effect on the accompanying financial statements.

- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), which will improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of this pronouncement did not have a material effect on the accompanying financial statements.

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

In December 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, which is designed to improve financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued in 1991 and 1999, respectively. The provisions of this statement are effective for periods beginning after June 15, 2012. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and American Institute of Certified Public Accountants (AICPA) pronouncements. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

(1) Summary of Significant Accounting Policies, Continued

V. New Accounting Standards, Continued

In July 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of GovGuam.

In April 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this statement on the financial statements of GovGuam.

In April 2012, GASB issued Statement No. 66, *Technical Corrections - 2012*, which enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this statement on the financial statements of GovGuam.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which revises existing guidance for the financial reports of most pension plans, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The provisions in Statement 67 are effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2014. Management has not yet determined the effect of implementation of these statements on the financial statements of GovGuam.

W. Total Columns

Total columns are presented primarily to facilitate financial analysis. The Management's Discussion and Analysis includes certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with GovGuam's financial statements for the year ended September 30, 2011 from which summarized information was derived.

X. Restatement

Subsequent to the issuance of GovGuam's 2011 financial statements, GovGuam management determined that deferred revenues and payable to federal agencies of the governmental activities were understated by $12,032,408 and $2,265,596, respectively. As a result of this determination, deferred revenue and payable to federal agencies balances have been restated from the amounts previously reported resulting in a prior-period adjustment of $14,298,004.

(2) Deposits and Investments

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

A. Deposits

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

As of September 30, 2012, the carrying amount of the primary government's total cash and cash equivalents and time certificates of deposit was $192,903,465 and the corresponding bank balances were $239,911,205. Of the bank balances, $186,784,943 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. The remaining amount of $53,126,262 represents short-term investments held and administered by GovGuam's trustees in accordance with various trust agreements and bond indentures. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam's name by GovGuam's custodial financial institutions at September 30, 2012. As of September 30, 2012, bank deposits in the amount of $23,278,635 were FDIC insured and bank deposits in the amount of $500,000 were NCUA insured. GovGuam does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

As of September 30, 2012, cash and cash equivalent balances in the amount of $101,232,236 are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures) and grantors. Of this amount, $36,347,899 is externally restricted for Capital Improvement Projects identified in the State Fiscal Stabilization Fund budget funded by the U.S. Department of Education; $4,340,373 is externally restricted for a Court issued permanent injunction as further disclosed in Note 13; $2,144,393 is externally restricted under the Limited Obligation (Section 30) Bonds, 2009 Series A, bond indenture for System Revenue Funds; $47,087,540 represents unexpended proceeds under various bond issues; and $11,312,031 represents amounts restricted for future debt service requirements.

(2) Deposits and Investments, Continued

B. Investments

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

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

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, GovGuam will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. GovGuam's investments are held and administered by trustees in accordance with various bond indentures for the purpose of funding various health-related projects under a tobacco settlement agreement and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in GovGuam's name by GovGuam's custodial financial institutions at September 30, 2012.

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

As of September 30, 2012, GovGuam's investments recorded at fair value are classified as follows:

	General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Nonmajor Governmental Funds	Total
Investments:						
Certificates of deposit	$ 513,875	$ -	$ -	$ -	$ 1,955,605	$ 2,469,480
Money market funds	149,897,367	-	-	-	25,977,245	175,874,612
Mutual funds	-	-	-	60,643,810	-	60,643,810
	$ 150,411,242	$ -	$ -	$ 60,643,810	$ 27,932,850	$ 238,987,902

As of September 30, 2012, investment balances in the amount of $191,978,442 are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures) and grantors. Of this amount, $19,037,741 is externally restricted for Capital Improvement Projects identified in the State Fiscal Stabilization Fund budget funded by the U.S. Department of Education; $91,852,985 represents unexpended proceeds under various bond issues; and $81,087,716 represents amounts restricted for future debt service requirements.

Additionally, as of September 30, 2012, the General Fund holds 17% of the shares of the Pacific Islands Development Bank in the amount of $1,000,000. As the fair market value of this investment is not readily available, such has been recorded at cost.

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF):

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

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

a. Cash and Cash Equivalents - Cash equivalent reserves must consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposit, time deposits, and repurchase agreements are also acceptable investment vehicles. All other securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above. No single issue shall have a maturity of greater than two years, and the cash portfolio shall have a maturity of less than one year. Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the custodian.

b. Investment managers may invest in U.S. and non-U.S. common stocks, American Depository Receipts (ADRs), convertible bonds, preferred stocks, fixed-income securities, mutual funds and short-term securities. All fixed-income securities held in the portfolio must have a Moody's, Standard & Poor's and/or a Fitch's credit quality rating of no less than "BBB". U.S. Treasury and U.S. government agencies are qualified for inclusion in the portfolio. No more than twenty percent (20%) of the market value of the portfolio may be rated less than single "A" quality, unless the manager has specific written authorization. Eighty percent (80%) of the fixed-income portfolio must be in bonds of credit quality of no less than "A". Total portfolio quality (capitalization weighted) must maintain an "A" minimum rating. In case such bonds or other evidence of indebtedness are not so rated by two nationally recognized and published rating services, the net earnings available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year and during either of the last two years have been, after depreciation and taxes, not less than:

   i. Two times its average annual fixed charges over the same period, in the case of any public utility company;

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

ii. One and one-half times its average annual fixed charges over the same period, in the case of any financial company; or,

iii. Three times its average annual fixed charges over the same period, in the case of any other company.

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

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

i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment;

iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidence of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends and dividends on prior common or capital stock have been paid in full; and

v. Preferred stock must also adhere to the following - the net earnings of the institution available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year, and during either of the last two years have been, after depreciation and income taxes, no less than:

1. Two times its average annual fixed charges, maximum contingent interest and preferred dividend requirements over the same period, in the case of any public utility company; or

2. Three times its average annual fixed charges, maximum contingent interest and preferred dividend requirements over the same period, in the case of any other company.

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

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

i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment; and

iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidences of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends and dividends on prior common or capital stock have been paid in full.

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

c. No investment management organization shall have more than twenty-five percent (25%) of the GGRF's assets under its direction.

d. No individual security of any issuer, other than that of the United States government or GovGuam, shall constitute more than five percent (5%), at cost, of the total GGRF or of any investment manager's portfolio.

e. Holdings of any issuer must constitute no more than five percent (5%) of the outstanding securities of such issuer.

f. Investments in a registered mutual fund managed by the investment manager are subject to prior approval of the Board of Trustees.

g. The following securities and transactions are not authorized: letter stock and other unregistered securities; non-negotiable securities; commodities or other commodity contracts; and short sales origin transactions. Options and futures are restricted, except by petition to the Trustees for approval.

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

Investments of GGRF as of September 30, 2012 are classified as follows:

Common stocks	$ 831,846,693
Fixed income	382,879,585
Money market funds	64,696,700
Mutual funds	436,439,714
	$ 1,715,862,692

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. One of the ways that GGRF manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of September 30, 2012, GGRF's investments in debt securities were as follows:

	Investment Maturities (In Years)				
	Less Than 1	1 to 5	6 to 10	Greater Than 10	Fair Value
U.S. Treasury notes	$ 1,156,882	$ -	$ 888,952	$ 157,051	$ 2,202,885
U.S. government agencies	26,290,011	5,739,882	39,216,137	118,578,986	189,825,016
Corporate notes and bonds	13,751,709	34,434,862	75,718,146	66,946,967	190,851,684
	$ 41,198,602	$ 40,174,744	$ 115,823,235	$ 185,683,004	$ 382,879,585

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

GGRF has invested in mortgage backed securities, which are more sensitive to fluctuations in interest rates than already indicated in the information provided above. Such securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. At September 30, 2012, GGRF held mortgage-backed securities valued at approximately $127,000,000.

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

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

Presented below is the minimum rating required by (where applicable) the Guam Code Annotated and GGRF's investment policy, and the actual rating as of September 30, 2012:

Investment Type	Minimum Legal Rating	Amount	Rating as of Year End
U.S. Treasury notes	N/A	$ 63,095,373	Exempt from disclosure
Federal agency securities	N/A	139,447,470	Exempt from disclosure
Money market funds	A-2	64,696,700	AAAm
Corporate medium term notes	BBB	20,135,973	Aaa
and U.S. municipal obligations		10,877,544	Aa1-Aa3
		76,220,855	A1-A3
		54,123,554	Baa1-Baa3
		18,978,816	Not rated
		$ 447,576,285	

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. At September 30, 2012, the Fund did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total GGRF investments.

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. At September 30, 2012, GGRF held approximately $7,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately $3,000,000 was issued by Canadian companies, $2,000,000 by Australian companies, and $2,000,000 by Dutch companies.

At September 30, 2012, GGRF held investments (generally U.S. dollar denominated ADRs) in corporate stocks issued by companies organized in various foreign countries. These ADRs are indirectly affected by fluctuations in currency exchange rates. The market value of these investments at September 30, 2012 was approximately $83,000,000. Of this total, approximately $30,000,000 relates to companies whose functional currency is the Euro, $13,000,000 relates to companies whose functional currency is the Japanese yen, $6,000,000 relates to companies whose functional currency is the Swiss Franc, $15,000,000 relates to companies whose functional currency is the British pound, and the remaining $19,000,000 relates to companies representing seven separate functional currencies.

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

(2) Deposits and Investments, Continued

B. Investments, Continued

Government of Guam Retirement Fund (GGRF), Continued:

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

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

(3) Receivables

Receivables as of September 30, 2012, for the primary government's individual major governmental funds, nonmajor governmental funds in the aggregate, and fiduciary funds, including allowances for uncollectible accounts, are as follows:

	General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Nonmajor Governmental Funds	Fiduciary Funds	Total
Receivables:							
Taxes	$ 42,248,408	$ -	$ -	$ -	$ 4,780,956	$ -	$ 47,029,364
Federal grants	7,170,446	39,637,095	8,012,033	-	-	-	54,819,574
Contributions	-	-	-	-	-	3,314,992	3,314,992
Notes	-	-	-	-	-	2,290,473	2,290,473
Interest	-	-	-	-	-	231,896	231,896
COLA benefits	-	-	-	-	-	56,350,125	56,350,125
Other	8,467,765	-	-	-	5,902,664	18,022,177	32,392,606
	57,886,619	39,637,095	8,012,033		10,683,620	80,209,663	196,429,030
Allowance for Uncollectible Accounts	(6,224,483)	-	-	-	(846,544)	-	(7,071,027)
Net receivables	$ 51,662,136	$ 39,637,095	$ 8,012,033	$ -	$ 9,837,076	$ 80,209,663	$ 189,358,003

Contributions receivable recorded by the fiduciary funds represent amounts owed to the GovGuam Retirement Fund (GGRF) for employer and member contributions from various GovGuam agencies. As of September 30, 2012, employer contributions receivable totaled $2,221,501; member contributions receivable totaled $1,093,491; and interest and penalties receivable totaled $231,896.

(3) Receivables, Continued

Public Law 24-327, as amended, became effective December 30, 1998 relative to GovGuam's Early Retirement Incentive Program (ERIP). This law allowed GGRF members with at least twenty years of creditable service to retire and to purchase up to five years of creditable service. Those electing to participate in the ERIP must pay the members' share of the required contribution, plus interest, based on their salary at the time they made the election; the time period in which the member was required to make the election being December 30, 1998 to January 7, 2000. Payments can be made in full or can be financed through deductions from annuities over a period not to exceed fifteen years.

Approximately 800 members elected to participate in the ERIP and signed promissory notes totaling nearly $15,000,000. At September 30, 2012, the amount owed under these notes was $2,290,473. There is a corresponding deferred revenue account to offset these notes receivable, since contribution income is recognized on a cash basis as amounts are collected from retirees.

Public Law 25-72, passed in September 1999, required the payment of supplemental annuity and cost of living allowance benefits to retirees, and specified that these payments were vested, limited-duration benefits to be provided by GGRF. Such benefits were to be actuarially funded over a twenty-year amortization period through an increase in contributions. GGRF initially recorded these benefit payments as a receivable in the amount of $137,200,000 and has reduced this receivable by a portion of employer contributions received. The percentage used for the year ended September 30, 2012 was 1.2016% of covered payroll. As of September 30, 2012, the receivable recorded by GGRF amounted to $56,350,125.

(4) Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds in the combined balance sheet at September 30, 2012, are summarized as follows:

Receivable Fund	Payable Fund	Amount
General	Federal Grants Assistance	$ 23,424,914
General	GDOE Federal Grants	3,244,506
Nonmajor governmental funds	General	11,554,589
General	Nonmajor governmental funds	13,050,431
		$ 51,274,440

These balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made, and are scheduled to be collected in the subsequent year.

(4) Interfund Receivables/Payables, Continued

Balances reflected as due to component units of the primary government at September 30, 2012, are summarized as follows:

General Fund:	
Guam Power Authority	$ 1,822,750
Guam Memorial Hospital Authority	814,518
University of Guam	4,217,347
Guam Community College	50,758
Guam Visitors Bureau	1,341,783
	8,247,156
Nonmajor governmental funds:	
University of Guam	256,544
Guam Visitors Bureau	532,037
	788,581
	$ 9,035,737

The amount recorded as due from primary government of the component units of $11,889,319 does not equal the corresponding due to component units of the primary government due to timing differences for amounts payable to the Guam Memorial Hospital Authority of $241,137, the University of Guam of $1,823,012, and the Guam Community College of $789,433. Amounts recorded as due to component units represent annual appropriations authorized by enabling legislation that remain unremitted at year end.

Balances reflected as due from component units of the primary government in the statement of net assets/balance sheet at September 30, 2012, are summarized as follows:

Nonmajor governmental funds:	
Antonio B. Won Pat International Airport Authority	$ 2,042,986

(5) Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2012, are as follows:

	Estimated Useful Lives	Balance October 1, 2011	Additions	Transfers	Retirements	Balance September 30, 2012
Governmental activities:						
Nondepreciable capital assets:						
Land		$ 11,454,623	$ -	$ -	$ -	$ 11,454,623
Construction in progress		8,960,816	51,835,565	24,598,198	(295,620)	85,098,959
		20,415,439	51,835,565	24,598,198	(295,620)	96,553,582
Depreciable capital assets:						
Landfill cells	Capacity	65,741,886	3,280,479	-	-	69,022,365
Buildings	40 - 60 yrs	475,942,942	508,726	-	-	476,451,668
Machinery, equipment and furniture	5 - 20 yrs	69,831,734	7,692,869	-	-	77,524,603
Infrastructure	25 yrs	648,662,545	8,732,365	(24,598,198)	-	632,796,712
		1,260,179,107	20,214,439	(24,598,198)	-	1,255,795,348
Less accumulated depreciation:						
Buildings		(139,151,429)	(10,796,192)	-	-	(149,947,621)
Landfill cells		-	(607,397)	-	-	(607,397)
Machinery, equipment and furniture		(53,862,552)	(4,391,086)	-	-	(58,253,638)
Infrastructure		(227,998,901)	(24,962,574)	-	-	(252,961,475)
		(421,012,882)	(40,757,249)	-	-	(461,770,131)
Depreciable capital assets, net		839,166,225	(20,542,810)	(24,598,198)	-	794,025,217
		$ 859,581,664	$ 31,292,755	$ -	$ (295,620)	$ 890,578,799

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

General government	$ 3,944,282
Protection of life and property	541,977
Public health	255,774
Community services	7,467
Recreation	77,526
Individual and collective rights	824,241
Transportation	19,525,487
Public education	9,540,773
Environmental protection	405,425
Economic development	5,634,297
	$ 40,757,249

Depreciation expense of $4,569,221 associated with assets acquired through capital leases is included above under the public education function.

(6) Long-Term Obligations

As of September 30, 2012, the primary government had the following long-term debt outstanding:

General Obligation Bonds:

General Obligation Bonds, 1993 Series A (original issue of $175,000,000, dated September 15, 1993), varying interest rates at 5.375% - 5.4% per annum, payable semiannually on May 5 and November 5, partially refunded in 2008 with principal fund payments due in varying annual installments commencing with an initial payment of $2,910,000 on November 5, 2009 and increasing to a final payment of $4,670,000 on November 5, 2018. The bonds were issued for the purpose of implementing certain capital projects comprised principally of new or renovated educational facilities and related equipment (the 1993 Projects) and are backed solely by a pledge of full faith and credit of GovGuam.	$ 28,065,000
General Obligation Bonds, 2007 Series A (original issue of $151,935,000, dated November 1, 2007), varying interest rates at 5% - 5.25% per annum, payable semiannually on May 5 and November 5, principal fund payments due in varying annual installments commencing with a payment of $4,920,000 on November 5, 2019 and increasing to a final payment of $12,155,000 on November 1, 2037. The bonds were issued for the purpose of currently refunding a portion of the 1993 General Obligation Bonds and to provide additional proceeds to fund certain capital improvement projects and other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments (the 2007 Projects) and are backed solely by a pledge of full faith and credit of GovGuam.	151,935,000
Less net unamortized discount on refunded bonds	(4,793,359)
	147,141,641
General Obligation Bonds, 2009 Series A (original issue of $271,070,000, dated June 1, 2009), varying interest rates at 5.75% - 7% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying semiannual installments commencing with a payment of $3,220,000 on November 15, 2010 and increasing to a final payment of $20,125,000 on November 15, 2039. The bonds were issued for the purpose of providing proceeds to fund certain capital improvement projects and other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments (the 2009 Projects) and are backed solely by a pledge of full faith and credit of GovGuam.	264,445,000
Less net unamortized discount on bonds	(5,912,904)
	258,532,096
	$ 433,738,737

(6) Long-Term Obligations, Continued

General Obligation Bonds, Continued:

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

Year ending September 30,	Principal	Interest	Total
2013	$ 7,005,000	$ 27,127,339	$ 34,132,339
2014	7,395,000	26,726,455	34,121,455
2015	7,810,000	26,302,666	34,112,666
2016	8,240,000	25,849,508	34,089,508
2017	8,710,000	25,365,563	34,075,563
2018 – 2022	51,620,000	118,542,099	170,162,099
2023 – 2027	68,645,000	100,946,447	169,591,447
2028 – 2032	92,005,000	76,821,822	168,826,822
2033 – 2037	124,350,000	43,405,906	167,755,906
2038 – 2040	68,665,000	6,431,119	75,096,119
	$ 444,445,000	$ 477,518,924	$ 921,963,924

As of September 30, 2012, certain amounts have been accumulated within the General Fund in the form of $21,396,743 in restricted investments to service the General Obligation Bonds. There are a number of limitations and restrictions placed on the bonds as specified below:

General Obligation Bonds - 1993 Series A, 2007 Series A, and 2009 Series A:

On or before the fifth day of each calendar month, GovGuam shall deposit into the 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 shall be required to have been transferred to the Bond Fund under the following transfer requirement rules: (i) the amount of interest payable on each Bond on a current uncompounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Interest Accrual Period for such Bond ending on such Interest Payment Date; (ii) the amount of interest payable on each Bond on a deferred compounded basis on any Interest Payment Date shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; (iii) the amount of the principal of each Bond shall be transferred in equal monthly amounts over the Principal Payment Period for such Bond ending on the maturity date for such Bond; and (iv) the amount of each Mandatory Sinking Account Payment for Bonds shall be transferred in equal monthly amounts over the Principal Payment Period for such Bonds ending on the date such Mandatory Sinking Account Payment is due.

On or prior to the fifth Business Day preceding each Interest Payment Date, the Trustee shall notify GovGuam of the amount, if any, by which the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments. On or prior to the third Business Day preceding such Interest Payment Date, GovGuam shall deposit with the Trustee an amount equal to the amount of such deficiency.

(6) Long-Term Obligations, Continued

General Obligation Bonds - 1993 Series A, 2007 Series A, and 2009 Series A, Continued:

In the event that on the third Business Day preceding any Interest Payment Date, the aggregate amount of interest and principal to be paid on the Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and available to make such payments, the Depositary upon the direction of the Trustee shall transfer to the Bond Fund the amount of such deficiency by withdrawing said amount from the Construction Fund or Proceeds Fund.

The 1993 Series A Bonds are general obligations of GovGuam and are authorized to be issued pursuant to Public Law 22-24 and a Certificate of the Governor of Guam, dated September 15, 1993. Under the Certificate, the Governor of Guam appointed a Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds.

In accordance with the Certificate, the Depositary has created the following trust accounts:

- Construction Fund - Moneys on deposit in the Construction Fund will be disbursed by the Depositary for the payment of the costs of the 1993 Projects to be funded from Bond proceeds and the costs associated with the issuance of the Bonds, and, to the extent necessary, to fund any deficiency in the Bond Fund to pay principal of, mandatory sinking account payments for and interest on the Bonds.

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

The "Construction Fund" and "Bond Fund" accounts are accounted for within the General Fund.

Public Law 22-19 has authorized the creation of the Territorial Education Facilities Fund that 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 1993 Series A bond indenture.

The 2007 Series A Bonds are general obligations of GovGuam and are authorized to be issued pursuant to Public Law 29-21 and a Certificate of the Governor of Guam, dated November 1, 2007. Under the Certificate, the Governor of Guam appointed a Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds.

In accordance with the Certificate, the Depositary has created the following trust accounts:

- Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depositary for the payment of the costs of the 2007 Projects to be funded from Bond proceeds and the costs associated with the issuance of the Bonds, and, to the extent necessary, to fund any deficiency in the Bond Fund to pay principal of, mandatory sinking account payments for and interest on the Bonds.

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

(6) Long-Term Obligations, Continued

General Obligation Bonds - 1993 Series A, 2007 Series A, and 2009 Series A, Continued:

The "Proceeds Fund" and "Bond Fund" accounts are accounted for within the General Fund.

The 2009 Series A Bonds are general obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-7 and a Certificate of the Governor of Guam, dated June 1, 2009. Under the Certificate, the Governor of Guam appointed a Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds.

In accordance with the Certificate, the Depositary has created the following trust accounts:

- Proceeds Fund - Moneys on deposit in the Proceeds Fund will be disbursed by the Depositary for the payment of the costs of the 2009 Projects to be funded from Bond proceeds and the costs associated with the issuance of the Bonds, and, to the extent necessary, to fund any deficiency in the Bond Fund to pay principal of, mandatory sinking account payments for and interest on the Bonds.

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

The "Proceeds Fund" and "Bond Fund" accounts are accounted for within the General Fund.

Limited Obligation Bonds:

Limited Obligation (Section 30) Bonds, 2009 Series A (original issue of $202,425,000, dated June 1, 2009), varying interest rates at 5% - 5.75% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of $4,590,000 on June 30, 2013 and increasing to a final payment of $15,235,000 on June 30, 2035. The bonds were issued for the purpose of constructing a new landfill, closure of the Ordot Dump, prepaying a bank loan and funding capitalized interest, and are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of Section 30 federal income tax collections.	$ 202,425,000
Less net unamortized discount on bonds	(3,336,057)
	199,088,943

(6) Long-Term Obligations, Continued

Limited Obligation Bonds, Continued:

Hotel Occupancy Tax Revenue Bonds, 2011 Series A (original issue of $90,665,000, dated April 1, 2011), varying interest rates at 2% - 6.5% per annum, payable semiannually on May 1 and November 1, principal fund payments due in varying annual installments commencing with an initial payment of $1,670,000 on November 1, 2011 and increasing to a final payment of $5,725,000 on November 1, 2040. The bonds were issued for the purpose of advance refunding 1997 Infrastructure Improvement Bonds and to provide additional proceeds to fund the construction of a new Guam Museum and other projects for the benefit of Guam's tourism industry, and are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of hotel occupancy tax revenues.	88,995,000
Less net unamortized discount on bonds	(1,211,515)
	87,783,485
Business Privilege Tax Revenue Bonds, 2011 Series A (original issue of $235,000,000, dated December 1, 2011), varying interest rates at 2.5% - 5.25% per annum, payable semiannually on January 1 and July 1, principal fund payments due in varying annual installments commencing with an initial payment of $4,515,000 on January 1, 2017 and increasing to a final payment of $15,940,000 on January 1, 2042. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds and outstanding COLA settlement payments, and funding capitalized interest, and are payable solely from and collateralized by a pledge of gross receipts tax revenues.	235,000,000
Add net unamortized premium on bonds	8,216,571
	243,216,571
Business Privilege Tax Revenue Bonds, 2012 Series B (original issue of $108,700,000, dated June 1, 2012), varying interest rates at 2.93% - 5% per annum, payable semiannually on January 1 and July 1, principal fund payments due in varying annual installments commencing with an initial payment of $2,305,000 on January 1, 2017 and increasing to a final payment of $7,135,000 on January 1, 2042. The bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, health insurance premium payments and delinquent retirement fund contributions, and funding capitalized interest, and are payable solely from and collateralized by a pledge of gross receipts tax revenues.	108,700,000
Add net unamortized premium on bonds	5,921,522
	114,621,522
	$ 644,710,521

(6) Long-Term Obligations, Continued

Limited Obligation Bonds, Continued:

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

Year ending September 30,	Principal	Interest	Total
2013	$ 6,330,000	$ 33,535,128	$ 39,865,128
2014	6,610,000	33,255,578	39,865,578
2015	6,915,000	32,946,834	39,861,834
2016	7,250,000	32,612,640	39,862,640
2017	14,440,000	32,095,975	46,535,975
2018 – 2022	83,755,000	148,825,647	232,580,647
2023 – 2027	106,160,000	124,059,023	230,219,023
2028 – 2032	134,495,000	92,121,585	226,616,585
2033 – 2037	143,780,000	51,350,609	195,130,609
2038 – 2042	125,385,000	16,648,947	142,033,947
	$ 635,120,000	$ 597,451,966	$ 1,232,571,966

On April 1, 2011, GovGuam issued $90,665,000 in Hotel Occupancy Tax Revenue Bonds, 2011 Series A, with varying interest rates of 1% - 6.625% per annum to advance refund $28,095,000 of outstanding 1997 Series A bonds. Of the net proceeds of $88,547,831 (after payment of $2,117,169 in underwriting fees, insurance, and other issuance costs), $28,787,786 was placed in escrow, of which $28,095,000 was used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the 1997 Series A limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements of GovGuam. This advance refunding was undertaken to extend the maturity date of outstanding debt and to provide additional proceeds to fund the construction of a new Guam Museum and other projects for the benefit of Guam's tourism industry and resulted in an economic gain of $97,720. As of September 30, 2012, bonds outstanding from the abovementioned advance refunding activities in the amount of $24,650,000 are considered defeased.

As of September 30, 2012, certain amounts have been accumulated within the General Fund and other governmental funds in the form of $11,312,031 in restricted cash and cash equivalents and $58,788,869 in restricted investments to service the Limited Obligation Bonds. There are a number of limitations and restrictions placed on the bonds as specified below:

(6) Long-Term Obligations, Continued

Limited Obligation (Section 30) Bonds, 2009 Series A:

The 2009 Series A Section 30 Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-7 and an Indenture dated June 1, 2009. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Section 30 revenues. Section 30 revenues are amounts received by or on behalf of GovGuam or the Trustee from the United States as proceeds of custom duties, federal income taxes and any other taxes derived from Guam. In accordance with a subordination agreement, dated June 18, 2009, between GovGuam and a local bank, the local bank agreed to subordinate the pledges of Section 30 revenues securing the $10,000,000 note payable to a pledge of Section 30 revenues to be provided as security solely for the 2009 Series A bonds until this note payable is both fully and completely repaid and discharged.

As defined by the terms of the bond indenture, these revenues include the following: (1) all amounts received by GovGuam as proceeds of Federal income taxes derived from Guam ("Section 30" monies); (2) customs duties collected by GovGuam 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 created pursuant to the bond indenture.

In accordance with the Indenture, the following funds are established:

- Section 30 Revenue Fund - GovGuam shall deposit or cause to be deposited all Section 30 Revenues upon receipt into the Section 30 Revenue Fund which the Trustee shall maintain and hold in trust, except that all interest and other profit from the investment of moneys in the Rebate Fund will be retained therein, all interest and other profit from the investment of moneys in the Construction Fund will be transferred to the Capitalized Interest Account, which shall be established, maintained and held in trust by the Depositary as a separate account within the Section 30 Revenue Fund. The Trustee shall be entitled to and shall collect and receive all of the Section 30 Revenues, and any Section 30 Revenues collected or received by GovGuam shall be deemed to be held, and to have been collected or received, by GovGuam as the agent of the Trustee and shall promptly be paid by GovGuam to the Trustee.

On the fifth day of each calendar month, the Trustee shall transfer from the Section 30 Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Section 30 Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Debt Service Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; and (E) the Section 30 Surplus Fund.

(6) Long-Term Obligations, Continued

Limited Obligation (Section 30) Bonds, 2009 Series A, Continued:

- Debt Service Fund - The Debt Service Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Debt Service Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable and (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture.

- Bond Reserve Fund - The Indenture requires the Trustee to establish and maintain the Bond Reserve Fund and to deposit with respect to any series of Bonds an amount equal to the Bond Reserve Fund Requirement to be held by the Trustee. The Bond Reserve Fund Requirement means, as of any date of calculation and with respect to any Bonds, an amount equal to (i) the least of (A) Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (125%) of average annual debt service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than ten percent (10%) of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance, or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any Supplemental Indenture and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Internal Revenue Code.

- Construction Fund - At closing, there shall be deposited in the Series 2009A Construction Account within the Construction Fund a portion of the proceeds of the 2009A Bonds. Moneys on deposit therein will be disbursed to fund the 2009A Bonds Project, which consists of the acquisition, construction, improving and equipping the New Landfill and the acquisition and construction of the closure of the Ordot Dump.

- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Trustee upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The "Section 30 Revenue Fund", "Capitalized Interest Account", "Debt Service Fund", "Bond Reserve Fund" and "Bond Expense Fund" accounts are accounted for within the General Fund. The "Construction Fund" account is accounted for within the Capital Projects Fund.

Hotel Occupancy Tax Revenue Bonds, 2011 Series A:

The 2011 Series A Hotel Occupancy Tax Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 30-228 and an Indenture, as supplemented by a First Supplemental Indenture, each dated April 1, 2011. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Hotel Occupancy Tax revenues. Hotel Occupancy Tax revenues are amounts levied at the rate of 11% on transient occupancy of hotel rooms in Guam.

(6) Long-Term Obligations, Continued

Hotel Occupancy Tax Revenue Bonds, 2011 Series A, Continued:

In accordance with the Indenture, the following funds are established:

- Revenue Fund - GovGuam shall deposit or cause to be deposited all Hotel Occupancy Tax Revenues upon receipt in a special fund designated as the "Revenue Fund", which the Trustee, as Depositary, will establish and maintain and hold in trust pursuant to the Indenture.

On or before the fifth day of each calendar month following the calendar month in which the 2011 Series A Hotel Occupancy Tax Bonds are delivered, the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Hotel Occupancy Tax revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Bond Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; (E) such amount specified by the budget enacted by *I Liheslaturan Guåhan* (the Guam Legislature) for the Guam Visitors Bureau; and (F) the Tourist Attraction Fund.

- Bond Fund - The Bond Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Bond Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable, (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture, (4) pay Parity Payment Agreement payments as they become due and payable, and (5) pay Credit Agreement Reimbursement payments as they become due and payable.

- Bond Reserve Fund - The Indenture requires the Trustee to establish and maintain the Bond Reserve Fund and to deposit with respect to any series of Bonds an amount equal to the Bond Reserve Fund Requirement to be held by the Trustee. The Bond Reserve Fund Requirement means, as of any date of calculation and with respect to any Bonds, an amount equal to (i) the least of (A) Maximum Annual Debt Service, calculated on all such Bonds Outstanding as of such date, (B) one hundred twenty-five percent (125%) of average annual debt service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than ten percent (10%) of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance, or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any Supplemental Indenture and which, in the opinion of Bond Counsel, may be funded from Bond proceeds and invested at an unlimited yield consistent with the Internal Revenue Code.

- Construction Fund - At closing, there shall be deposited in the Series 2011A Construction Account within the Construction Fund a portion of the proceeds of the 2011A Bonds. Moneys on deposit therein will be disbursed to fund the 2011A Bonds Project, which consists of advance refunding 1997 Infrastructure Improvement Bonds and to provide additional proceeds to fund the construction of a new Guam Museum and other projects for the benefit of Guam's tourism industry.

(6) Long-Term Obligations, Continued

Hotel Occupancy Tax Revenue Bonds, 2011 Series A, Continued:

- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depositary upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The "Revenue Fund" account is accounted for within the Tourist Attraction Fund. The "Bond Fund", "Bond Reserve Fund" and "Bond Expense Fund" accounts are accounted for within the Debt Service Fund. The "Construction Fund" account is accounted for within the Capital Projects Fund.

Business Privilege Tax Revenue Bonds - 2011 Series A and 2012 Series B:

The 2011 Series A and 2012 Series B Business Privilege Tax Bonds are limited obligations of GovGuam and are authorized to be issued pursuant to Public Law 31-76 and an Indenture, as supplemented by a First Supplemental Indenture, each dated December 1, 2011, and a Second Supplemental Indenture, dated June 1, 2012. Under the Indenture, GovGuam appointed a Trustee, Co-Trustee and Depositary for the Bonds and a Paying Agent and registrar for the Bonds. The Bonds are payable entirely from a first lien and pledge of Gross Receipts Tax revenues. Gross Receipts Tax revenues are amounts levied by GovGuam at the rate of 3% on certain goods and services, including the sale of tangible personal property and the provision of professional services on Guam.

In accordance with the Indenture, the following funds are established:

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

- Revenue Fund – Commencing October 2013, GovGuam shall deposit or cause to be deposited all Gross Receipts Tax Revenues upon receipt in a special fund designated as the "Revenue Fund", which the Trustee, as Depositary, will establish and maintain and hold in trust pursuant to the Indenture.

On or before the twenty-fifth day of each calendar month, the Trustee shall transfer from the Revenue Fund (to the Co-Trustee or Depositary, as necessary), for deposit into one or more separate funds, amounts in the order of priority as required under the Indenture, the requirements of each such fund or account (including the making up of any deficiencies in any such fund or account resulting from lack of Gross Receipts Tax revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any transfer is made to any account subsequent in priority: (A) the Bond Fund; (B) the Bond Reserve Fund; (C) the Rebate Fund; (D) the Bond Expense Fund; and (E) GovGuam, free and clear from the lien of the Indenture, the balance of the Revenue Fund.

(6) Long-Term Obligations, Continued

Business Privilege Tax Revenue Bonds - 2011 Series A and 2012 Series B, Continued:

- Bond Fund - The Bond Fund shall initially be held by the Trustee, and the Trustee shall apply moneys on deposit in the Bond Fund in the amounts and at the times required by the Indenture solely to (1) pay interest on the Bonds as it becomes due and payable, (2) pay principal of Bonds when due and payable, (3) purchase or redeem or pay at maturity Term Bonds as provided in the Indenture, (4) pay Parity Payment Agreement payments as they become due and payable, and (5) pay Credit Agreement Reimbursement payments as they become due and payable.

- Bond Expense Fund - All amounts in the Bond Expense Fund shall be used and withdrawn by the Depositary upon receipt of a Requisition of GovGuam, solely for the purpose of paying (i) fees and expenses of the Fiduciaries, as such term is defined in the Indenture, (ii) fees and expenses with respect to any Parity Payment Agreement or Credit Facility, as such term is defined in the Indenture, and (iii) any other costs or expenses designated as payable from the Bond Expense Fund by a Supplemental Indenture.

The “Proceeds Fund”, "Revenue Fund”, “Bond Fund” and “Bond Expense Fund" accounts are accounted for within the General Fund.

Loans Payable:

Note payable to a local bank in the amount of $10,000,000, dated September 20, 2002, interest rate is based on the bank’s index rate and varies from 4.75% - 8% per annum, principal and interest payable commencing October 1, 2003 in annual installments of $1,281,818, fully due October 1, 2012. This loan was used to fund public assistance programs and for the payment of the GovGuam Department of Education’s monthly allotment backlog. The note is collateralized by a subordinate pledge and assignment of Section 30 federal income tax collections.	$ 1,656,534
Note payable to a local bank in the amount of $11,000,000, dated September 15, 2006, interest at 6.49% per annum, payable quarterly commencing December 1, 2006, with principal and interest payable commencing December 1, 2009 in quarterly installments of $248,251, fully due on September 1, 2018. This loan was used to fund the construction of a Judicial Building and a Forensic Science Laboratory. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues.	9,345,108
	$ 11,001,642

(6) Long-Term Obligations, Continued

Loans Payable, Continued:

Annual debt service requirements to maturity for loans payable are as follows:

Year ending September 30,	Principal	Interest	Total
2013	$ 2,184,575	$ 525,879	$ 2,710,454
2014	556,653	436,352	993,005
2015	585,413	407,592	993,005
2016	614,587	378,418	993,005
2017	647,412	345,593	993,005
2018 – 2022	6,413,002	587,776	7,000,778
	$ 11,001,642	$ 2,681,610	$ 13,683,252

As of September 30, 2012, $902,104 has been accumulated within the other governmental funds in the form of restricted investments to service the loans payable.

Management of GovGuam believes that it is in compliance with all significant limitations and restrictions of the bond indentures and loan covenants as of September 30, 2012.

(7) Changes in Long-Term Liabilities

Other long-term liabilities will generally be liquidated in the future from the General Fund. During the year ended September 30, 2012, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net assets:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due Within One Year
GO Bonds payable:					
General obligation bonds	$ 451,085,000	$ -	$ (6,640,000)	$ 444,445,000	$ 7,005,000
Unamortized discount on bonds issued	(8,980,991)	-	3,068,087	(5,912,904)	-
Unamortized discount on refunding	(4,887,346)	-	93,987	(4,793,359)	-
	437,216,663	-	(3,477,926)	433,738,737	7,005,000
LO Bonds payable:					
Limited obligation bonds	308,420,000	343,700,000	(17,000,000)	635,120,000	6,330,000
Unamortized premium on bonds issued	-	14,516,986	(378,893)	14,138,093	-
Unamortized discount on bonds issued	(7,308,733)	-	2,761,161	(4,547,572)	-
	301,111,267	358,216,986	(14,617,732)	644,710,521	6,330,000
Loans payable	16,033,564	-	(5,031,922)	11,001,642	2,184,575
Other long-term liabilities:					
Compensated absences	22,708,418	8,464,451	(8,288,723)	22,884,146	10,774,648
Capital lease obligations	125,145,000	-	(3,990,000)	121,155,000	4,195,000
DCRS sick leave liability	19,168,522	4,367,177	(4,073,797)	19,461,902	-
Due to component units	19,652,499	-	(10,616,763)	9,035,736	9,035,736
Due to IRS	23,097,000	-	(1,270,594)	21,826,406	21,826,406
Landfill closure	45,011,196	973,961	(3,895,921)	42,089,236	-
	254,782,635	13,805,589	(32,135,798)	236,452,426	45,831,790
	$1,009,144,129	$ 372,022,575	$ (55,263,378)	$1,325,903,326	$ 61,351,365

(7) Changes in Long-Term Liabilities, Continued

Other long-term liabilities include an amount due to the Internal Revenue Service (IRS) for excess Make Work Pay Credit (MWPC) payments received under the American Recovery and Reinvestment Act of 2009. In accordance with the agreement between GovGuam and the IRS, this amount is due and payable by January 1, 2013.

(8) Cost of Living Adjustment (COLA) Liability

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

During the year ended September 30, 2012, the following changes occurred in the COLA liability:

COLA liability at October 1, 2011	$ 21,020,092
Payments made during the year	(15,560,765)
COLA liability at September 30, 2012	$ 5,459,327

As of September 30, 2012, the COLA liability of $5,459,327 is comprised of outstanding awards payable. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased commencing October 1, 2011.

(9) Deficit Fund Balances/Net Assets

The following individual nonmajor funds reflect deficit fund balance/net assets at September 30, 2012:

Primary Government:	
Air Pollution Control Fund	$ 59,322
Guam Cancer Trust Fund	$ 255,106
Land Survey Revolving Fund	$ 103,895
Manpower Development Fund	$ 240,571
Mental Health and Substance Abuse Fund	$ 9,065
Safe Streets Fund	$ 11,413

(9) Deficit Fund Balances/Net Assets, Continued

Primary Government, Continued:	
Territorial Education Facilities Fund	$ 1,374,297
Unreserved Fund Balance Fund	$ 6,394
Village Streets Fund	$ 22,695
Water Research and Development Fund	$ 23,851
Component Units:	
Guam Economic Development Authority	$ 23,787,923

(10) Fund Balances

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

	General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Other Funds	Total
Non-spendable:						
Pacific Islands Development Bank	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Inventories	227,559	-	-	-	-	227,559
Restricted for:						
State Fiscal Stabilization Fund	55,385,640	-	-	-	-	55,385,640
DMHSA Court-appointed receiver	2,914,302	-	-	-	-	2,914,302
Debt service reserve	64,512,906	-	-	-	12,214,135	76,727,041
Landfill capital projects	-	-	-	67,800,340	-	67,800,340
Tourism related capital projects	-	-	-	-	50,690,056	50,690,056
Highway related capital projects	-	-	-	-	1,377,400	1,377,400
Tobacco MSA projects	-	-	-	-	10,966,879	10,966,879
Other capital projects	-	-	-	-	562,198	562,198
Committed to:						
Solid Waste Operations	-	-	-	-	11,330,730	11,330,730
Guam Visitors Bureau	-	-	-	-	4,065,015	4,065,015
Highway related	-	-	-	-	4,319,380	4,319,380
Unified Courts of Guam	8,438,620	-	-	-	-	8,438,620
Public Defender Service Corporation	1,340,469	-	-	-	-	1,340,469
Department of Education	4,068,870	-	-	-	-	4,068,870
Guam Memorial Hospital Authority	9,714,255	-	-	-	-	9,714,255
Federal grants local match	2,238,837	-	-	-	-	2,238,837
Guam Legislature	1,984,168	-	-	-	-	1,984,168
Other purposes	12,030,277	-	-	-	15,635,946	27,666,223
Assigned to:						
Other purposes	1,039,039	266,148	-	-	1,647,860	2,953,047
Unassigned	(134,758,492)	-	-	-	(2,106,609)	(136,865,101)
	$ 30,136,450	$ 266,148	$ -	$ 67,800,340	$110,702,990	$ 208,905,928

(11) Interfund/Intrafund Transactions

Operating transfers in/out for each major governmental fund and nonmajor governmental funds in the aggregate, for the year ended September 30, 2012, are as follows:

	Transfers Out	Transfers In
General Fund:		
Federal Grants Assistance Fund	$ 27,432,600	$ 3,077,220
Landfill CIP Fund	-	20,718,419
Nonmajor governmental funds	3,144,418	39,562,937
Fiduciary funds	1,140,109	-
	31,717,127	63,358,576
Federal Grants Assistance Fund:		
General Fund	3,077,220	27,432,600
GDOE Federal Grants Fund	9,900,000	-
	12,977,220	27,432,600
GDOE Federal Grants Fund:		
Federal Grants Assistance Fund	-	9,900,000
Landfill CIP Fund:		
General Fund	20,718,419	-
Nonmajor governmental funds	639,462	-
	21,357,881	-
Nonmajor Governmental Funds:		
General Fund	39,562,937	3,144,418
Landfill CIP Fund	-	639,462
Nonmajor governmental funds	11,575,897	11,575,897
	51,138,834	15,359,777
Fiduciary Funds:		
General Fund	-	1,140,109
	$ 117,191,062	$ 117,191,062

Transfers are used to 1) move revenues from the fund that enabling legislation or budget requires to collect them to the fund that enabling legislation or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) record reductions in interfund loans for amounts that are not expected to be repaid. Specifically, GovGuam transferred $27,432,600 from the General Fund to the Federal Grants Assistance Fund representing local match requirements under various federal grant awards; $39,562,937 from the Nonmajor Governmental Funds to the General Fund to primarily finance public school operations and debt service requirements of the 1993 Series A General Obligation Bonds; and $9,900,000 from the Federal Grants Assistance Fund to the GDOE Federal Grants Fund to finance municipal school lease payments and other programs administered by the Guam Department of Education.

(11) Interfund/Intrafund Transactions, Continued

During the year ended September 30, 2012, GovGuam made a one-time transfer in the amount of $20,718,419 from the Landfill CIP Fund to the General Fund representing the transfer of a debt service reserve investment account of $16,655,982 and reimbursement for interest payment of $4,062,437.

(12) Retirement Plans

Defined Benefit Plan

Plan Description:

GovGuam participates in the GovGuam Defined Benefit (DB) Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the GovGuam Retirement Fund (GGRF). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Guam Legislature. Article 1 of 4 GCA 8, Section 8105, requires that all employees of GovGuam, regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of a public corporation of GovGuam, have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS). Hence, the DB Plan became a closed group.

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

Funding Policy:

As a result of actuarial valuations performed as of September 30, 2010, 2009, and 2008, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2012, 2011 and 2010, respectively, have been determined by the Guam Legislature as follows:

	2012	2011	2010
Normal costs (% of DB Plan payroll)	17.07%	17.00%	18.34%
Employee contributions (DB Plan employees)	9.50%	9.50%	9.50%
Employer portion of normal costs (% of DB Plan payroll)	7.57%	7.50%	8.84%
Employer portion of normal costs (% of total payroll)	3.03%	3.03%	3.73%
Unfunded liability cost (% of total payroll)	23.75%	21.75%	22.69%
Government contribution as a % of total payroll	26.78%	24.78%	26.42%
Statutory contribution rates as a % of DB Plan payroll:			
Employer	28.30%	27.46%	26.04%
Employee	9.50%	9.50%	9.50%

(12) Retirement Plans, Continued

Defined Benefit Plan, Continued

GovGuam's contributions to the DB Plan for the years ending September 30, 2012, 2011 and 2010 were $31,730,829, $30,290,344 and $39,564,433, respectively, equal to the statutorily required contributions for each year.

Defined Contribution Retirement System (DCRS)

Contributions into the DCRS plan by members are based on an automatic deduction of 5% of the member's regular base pay. The contribution is periodically deposited into an individual investment account within the DCRS. Employees are afforded the opportunity to select from different investment options available under the DCRS.

Statutory employer contributions on DCRS plan payroll for the year ended September 30, 2012 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only an amount equivalent to 5% of the member's regular pay is deposited into the member's individual investment account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan. GovGuam's contributions to the DCRS plan for the years ended September 30, 2012, 2011 and 2010 were $54,060,053, $48,480,208 and $38,632,203, respectively, equal to the statutorily required contributions for each year.

Members of the DCRS plan, who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

Other Post Employment Benefits

GovGuam, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a cost-sharing multiple-employer defined benefit plan to provide certain postretirement healthcare benefits to retirees who are members of the GovGuam Retirement Fund. Under the Plan, known as the GovGuam Group Health Insurance Program, GovGuam provides medical, prescription drug, dental, and life insurance coverage. The retiree medical and dental plans are fully-insured products provided through insurance companies. GovGuam shares in the cost of these plans, with GovGuam's contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, GovGuam contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, GovGuam provides retirees with $10,000 of life insurance coverage through an insurance company. Retirees do not share in the cost of this coverage. For the years ended September 30, 2012, 2011 and 2010, GovGuam's contributions to this Plan amounted to $22,610,227, $27,299,574 and $19,145,143, respectively, equal to the statutorily required contributions for each year.

Because the Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

(13) Commitments and Contingencies

A. Budgetary Compliance

For the year ended September 30, 2012, expenditures exceeded appropriations within the General Fund for the following:

Merit Bonus	$ 9,386,458
Lada Estate Court Judgment	2,915,000
Other Miscellaneous (Utility billings, attorney fees)	5,559,813
	$ 17,861,271

These over-expenditures of the General Fund have not been funded by legislative authorization.

B. Landfill Closure and Postclosure Costs

On February 11, 2004, the U.S. Environmental Protection Agency and the U.S. Department of Justice filed a Consent Decree in the United States District Court of Guam. The consent decree included deadlines for the opening of a new landfill and implementing an Ordot Dump closure plan. Within a period of forty-five months, GovGuam was required to complete an environmental impact statement analyzing at least three potential new landfill locations; complete design, permitting, and construction for the selected landfill location; begin operations at the new landfill; and properly and permanently close the Ordot Dump. In the event that GovGuam failed to meet any of the stipulated deadlines under the consent decree, GovGuam would be liable for civil penalties.

On March 17, 2008, the United States District Court of Guam issued a Court Order that placed the Solid Waste Division of the Department of Public Works (DPW) in Guam in Receivership. After receiving and reviewing qualifications information on firms presented by GovGuam and the U.S. Environmental Protection Agency, and conducting interviews and reference checks, the District Court Judge selected and appointed a receiver. The Receiver was given full power and authority to enforce the terms of the Consent Decree, including closure of the Ordot Dump and opening of a new landfill, and assume all of the responsibilities for the operations of DPW's Solid Waste Division. For the year ended September 30, 2012, recorded receiver fee expenditures were $1,666,918 with accumulated receiver fee expenditures since the appointment of the Receiver on March 17, 2008 through September 30, 2012 amount to $11,399,126. Of this amount, $3,848,700 was funded by the General Fund and the remaining was funded from solid waste operations. Pursuant to the Court Order, the appointment of the Receiver shall be for the period necessary to achieve compliance with the consent decree unless: (a) the Receiver recommends termination of the Court Order as no longer necessary, or modification thereof, and said termination or modification is accepted by the court, (b) the Receiver requests to be relieved and such request is approved by the court, and (c) the Court Order is otherwise modified or terminated by the court.

On February 13, 2009, the United States District Court of Guam issued a Court Order associated with the DPW Solid Waste Division Receivership requiring GovGuam to provide for costs of the new landfill. On June 4, 2009, GovGuam issued $202,425,000 in Limited Obligation Revenue Bonds for the purpose of financing facilities of the Solid Waste Management System of Guam.

(13) Commitments and Contingencies, Continued

B. Landfill Closure and Postclosure Costs, Continued

On August 31, 2011, the Ordot Dump was finally closed and the Layon landfill opened on September 1, 2011.

State and federal laws and regulations require GovGuam to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, GovGuam's governmental activities reports a portion of these closure and postclosure care costs as an expense based on landfill capacity used as of each balance sheet date. The $42,089,236 reported as landfill closure and post closure care liability at September 30, 2012 within the accompanying financial statements includes the cumulative amount of $41,115,275 reported based on 100% capacity for Ordot Dump and $973,961 reported based on the use of 0.88% of the estimated capacity of Layon landfill. The Layon landfill consist of up to eleven cells and has an estimated lifespan of 50 years. Currently, GovGuam is projected to utilizing two cells that together have a projected life of 10 years. GovGuam will recognize the remaining estimated cost of closure and postclosure care of $109,703,416 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

C. Land Condemnation

On October 31, 2012, a Court Order was issued for the payment of approximately $25,115,683 for the condemnation of land which encompasses the Layon landfill. As of September 30, 2012, $3,410,000 had been deposited to the Court for this purpose, and $21,705,683 plus interest at 6% calculated from January 24, 2008 has yet to be made. It is not possible to predict the ultimate impact of this matter on the accompanying financial statements as a funding source has yet to be identified.

D. Permanent Injunction

On June 8, 2004, the United States District Court of Guam issued a Permanent Injunction, which was subsequently amended on June 30, 2005, requiring GovGuam's Department of Mental Health and Substance Abuse (MHSA) and Department of Integrated Services for Individuals with Disabilities (DISID) to provide treatment and develop programs to mentally ill patients residing on Guam. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction. However, no provision for any amount has been recorded in the accompanying basic financial statements, as it is not possible to reasonably estimate these fines and penalties.

On March 2, 2010, the Court issued a Court Order appointing a Federal Management Team (FMT) in order to achieve compliance with the amended Permanent Injunction. The Court Order also required the payment of $1,500,000 to be deposited with the Court for the purpose of funding the activities of the FMT. On September 8, 2010, the Court approved the FMT's Plan of Action.

(13) Commitments and Contingencies, Continued

D. Permanent Injunction, Continued

On November 9, 2010, the Court issued a Court Order requiring the payment of $15,950,000 to be deposited with the Court for the purpose of funding the cost of implementation of the Amended Permanent Injunction and Plan of Action. As of September 30, 2011, GovGuam had deposited prerequisite payments with the Court in the amount of $7,500,000. On October 7, 2011, the Court issued a Court Order deferring the remainder of the required deposits pending the adoption of the FMT's Plan of Action.

On August 3, 2012, the Court issued a Court Order returning control of MHSA and DISID back to GovGuam for the purpose of fulfilling the requirements of the Permanent Injunction; however, the requirement to make the remaining deposits remains in the event that GovGuam fails to comply with the amended Permanent Injunction.

E. Tax Refunds

On August 12, 2012, the United States District Court of Guam held a hearing regarding GovGuam's administration of the Guam Territorial Income Tax (GTIT) and the lack of timely payment of tax refunds. On January 30, 2013, the Court issued a Permanent Injunction requiring GovGuam to pay GTIT refunds no later than six months after the filing of the claim for refund or six months from the due date for filing the claim for refund, whichever is later in time. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction.

F. Federal Grants

GovGuam has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Questioned costs for the 2012 and prior year audits aggregated to a material amount. If the questioned costs were 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 basic financial statements. Audits of federal program funds are also performed by various federal agencies. If audits result 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 these matters, has been recorded in the accompanying basic financial statements. Fines and penalties may also be imposed by various federal agencies for violations of certain regulations. However, no provision for any amount has been recorded in the accompanying basic financial statements, as it is not possible to reasonably estimate these fines and penalties.

G. Land Management Building

On December 24, 2008, the Guam Legislature enacted Public Law 29-135 authorizing the design and construction of a Land Resources Public Facility in the amount of $15,750,000. The financing of this facility is to be funded by entering into a financing arrangement with the U.S. Department of Agriculture or other financing source, with lower cost of funds, for a term not to exceed forty (40) years. As of September 30, 2012, no commitment has been entered into with respect to the construction of this facility.

(13) Commitments and Contingencies, Continued

H. Guam Fire Department Equipment

On September 30, 2008, the Guam Legislature enacted Public Law 29-113 authorizing the purchase of certain firefighting equipment in the amount of $7,850,000. The financing of this equipment purchase is to be funded by entering into a debt agreement or other financing source, with lower cost of funds, for a term not to exceed ten (10) years. As of September 30, 2012, no commitment has been entered into with respect to the purchase of this equipment.

I. University of Guan (UOG) and Guam Community College (GCC) Buildings

On December 1, 2010, the Guam Legislature enacted Public Law 30-201 authorizing the construction of the UOG Student Services Center and the Annex Building for the School of Engineering; the extension of the GCC Crime Lab Building; and the renovation of GCC Buildings 100 and 200 in the aggregate amount of $40,500,000. As of September 30, 2012, no commitment has been entered into with respect to the construction of these facilities.

J. Tiyan Lease

On June 23, 2009, GovGuam entered into a lease agreement for certain property located in Tiyan for use as a temporary high school. The lease, which is renewable annually, has a fixed annual rent of $4,493,256 for the first five years, commencing October 1, 2009. The rent shall increase by 10% for every five-year period with a term of June 30, 2024. The lease agreement provides an option for GovGuam to pay in cash or by transferable tax credits. On December 30, 2011, GovGuam entered into an amendment extending the initial term to October 31, 2024 with rent abatement from October 1, 2011 through January 31, 2012 due to non-occupancy of the property. GovGuam has the option to purchase the premises for a purchase price of $43,500,000 to be exercised no later than December 31, 2013.

K. Ukudo High School Expansion

On June 3, 2011, the Guam Legislature enacted Public Law 31-74 authorizing the expansion of Ukudo High School in the amount of $21,818,000. The financing of this facility is to be funded by entering into Qualified School Construction Bonds as authorized under Section 1521 of the American Recovery and Reinvestment Act of 2009 and the issuance of tax exempt bonds of lease certificates. As of September 30, 2012, no commitment has been entered into with respect to the construction of this facility (see Note 14).

L. Municipal School Lease Agreements

On October 19, 2006, GovGuam issued on behalf of the Guam Department of Education (GDOE), formerly the Guam Public School System, $50,880,000 in 2006 Series A Certificates of Participation (COPS) and $14,015,000 in 2006 Series B COPS to finance the design, construction, insurance and maintenance of four new schools (the “Leased Schools”) on Guam. The proceeds of the COPS were remitted to a trustee, who then remitted the amounts to a developer as construction progressed.

(13) Commitments and Contingencies, Continued

L. Municipal School Lease Agreements, Continued

On November 12, 2008, GovGuam issued on behalf of GDOE $7,520,000 in 2008 Series A COPS to finance the off-site infrastructure improvements, equipment and athletic field lighting (the "Leased Facilities") for the use of the Leased Schools. The holders of the COPS are the current owners of the Leased Schools. Accordingly, GovGuam's rental payments for the use of the Leased Schools and Facilities are paid to a trustee, who then remits those amounts to the holders of the COPS, with annual rental payments to be funded by a pledge of U.S. Compact Impact grant revenues through December 1, 2022 with the remaining payments subject to future appropriations by the Guam Legislature. Payments commenced on December 1, 2006 in the amount of $6,100,000 and continue through December 1, 2025 (with incremental increases on December 1, 2008 through December 1, 2018), with varying interest rates at 4.5% - 5.875% per annum. Title to the Leased Schools and Facilities will transfer to GovGuam upon the payment of all required rents.

Commencing in 2010, $7,100,000 of Compact Impact grant revenues will be received annually for a ten year period. Of this amount, $1,000,000 will be allocated for rental, principal and interest, to fund additional equipment requirements, as defined. Subsequent to that ten year period, the annual grant returns to $6,100,000.

On September 16, 2010, GovGuam issued on behalf of GDOE $65,735,000 in 2010 Series A COPS to finance the demolition, acquisition, construction, renovation and installation of facilities comprising the new John F. Kennedy High School to be located in Guam and to be leased to Lessee by Lessor pursuant to the Lease. The proceeds of the COPS were remitted to a trustee, who then remitted the amounts to a developer as construction progressed.

The holders of the COPS are the owners of the new High School. Accordingly, GDOE's rental payments for the use of the new High School are paid to a trustee, who then remits those payments to the holders of the COPS, with annual rental payments subject to appropriations by the Guam Legislature. Payments commenced on December 1, 2010, for base and additional rentals and continue through December 1, 2040 (with incremental increases subsequent to the first payment), with varying interest rates of 5.5% - 6.875% per annum. Title to the new High School will transfer to GDOE upon the payment of all required rents.

The assets acquired through capital leases are as follows:

Asset:	
Buildings	$ 154,264,866
Less accumulated depreciation	(12,083,003)
	$ 142,181,863

These buildings are summarized as follows:

Liguan Elementary School	$ 13,082,080
Adacao Elementary School	14,482,938
Astumbo Middle School	18,383,500
John F. Kennedy High School	65,735,000
Ukudo High School	42,581,348
	$ 154,264,866

(13) Commitments and Contingencies, Continued

L. Municipal School Lease Agreements, Continued

Future minimum lease obligations to maturity for municipal school lease agreements are as follows:

Year ending September 30,	Principal	Interest	Additional Rental	Total
2013	$ 4,195,000	$ 7,058,156	$ 2,573,448	$ 13,826,604
2014	4,385,000	6,864,530	2,573,649	13,823,179
2015	4,610,000	6,643,207	2,572,405	13,825,612
2016	4,865,000	6,388,926	2,573,591	13,827,517
2017	5,110,000	6,146,725	2,575,208	13,831,933
2018 – 2022	25,540,000	26,749,564	12,869,879	65,159,443
2023 – 2027	26,690,000	19,520,918	11,847,229	58,058,147
2028 – 2032	11,710,000	13,931,681	7,840,000	33,481,681
2033 – 2037	16,305,000	9,334,188	7,840,000	33,479,188
2037 – 2041	17,745,000	4,183,266	6,272,000	28,200,266
	$ 121,155,000	$ 106,821,161	$ 59,537,409	$ 287,513,570

M. Sick Leave

It is the policy of GovGuam 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, 2012. The estimated accumulated amount of unused sick leave at September 30, 2012, is $79,131,415, of which an estimated $19,461,902 has been accrued and may be convertible by members of the DCRS to pay upon retirement.

N. Litigation

GovGuam is party to several legal proceedings arising from governmental operations; however, the Attorney General of Guam is unable to assess the likelihood of potential liabilities related to claims outstanding as of September 30, 2012. Hence, it is not possible to predict a reasonable estimation of these claims to be paid through the claims process, as set forth in footnote 13O below and, therefore, no provision for any liability that may result has been made in the accompanying financial statements.

O. Self-Insurance

GovGuam does not purchase insurance covering potential risks; it is substantially self-insured against claims for negligence and catastrophic losses. In the event that losses arise from such claims or disasters, the General Fund would be required to pay the majority of these losses. An annual appropriation is made to the Government Claims Fund and then valid claims are paid out against the appropriated amount. During the year ended September 30, 2012, claims in the amount of $100,000 were made from the Government Claims Fund. GovGuam has not experienced material prior year losses as a result of this policy. Virtually all discretely presented component units have some form of commercial insurance to insure against risk of loss such as property, liability and typhoon.

(13) Commitments and Contingencies, Continued

P. 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, 2012, $15,487,595 was held by GovGuam in bonds as security against possible claims.

Q. Medicare

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

R. Other Commitments

Public Law 30-228 authorizes the construction of the Guam Museum and certain other projects that benefit Guam's tourism industry in the amount of $55,569,000. During the year ended September 30, 2012, GovGuam entered into certain contracts associated with these projects in the aggregate amount of $7,113,500, with capital-related expenditures of $1,603,163 being incurred under these contracts. The remaining unliquidated contract amount of $5,510,337 is recorded within restricted fund balance of the Tourist Attraction Fund.

(14) Subsequent Events

On October 4, 2012, the Guam Power Authority (GPA) issued 2012 Series Revenue Bonds, with a face value of $340,620,000. The bond proceeds will be used to refund GPA's 1993 and 1999 Senior Bonds, make a deposit to the Senior Bond Reserve Fund to increase the amount on deposit therein to the Bond Reserve Fund Requirement, and pay issuance costs incurred in connection with the 2012 Senior Bonds.

On December 20, 2012, the Port Authority of Guam signed an agreement for the $12,000,000 purchase of four cranes. A loan equal to the purchase cost was obtained from a local bank as part of the Port Modernization Plan.

On January 31, 2013, GovGuam issued $22,640,000 of Business Privilege Tax Revenue Bonds for the purpose of refunding the General Obligation 1993 Series A Bonds.

On March 1, 2013, GovGuam obtained a loan from a local bank of $21,818,000 to finance the expansion of Ukudo High School.

(15) Discretely Presented Component Unit Disclosures

A. Restricted Cash and Cash Equivalents

Guam Memorial Hospital Authority (GMHA):

At September 30, 2012, GMHA maintained restricted cash and cash equivalents for debt service related accounts in the amount of $209,267.

Guam Power Authority (GPA):

The bond indenture agreements for GPA's 1993, 1999 and 2010 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. At September 30, 2012, restricted cash and cash equivalents held by the trustees, in trust for GPA, in these funds and accounts are as follows:

Construction Funds	$ 99,062,970
Interest and Principal Funds	36,454,297
Bond Funds	5,543,818
Working Capital Funds	30,733,970
	$ 171,795,055

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 2005 and 2010 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA's trustees. At September 30, 2012, restricted cash and cash equivalents held by the trustees, in trust for GWA, in these funds and accounts are as follows:

Construction Funds	$ 75,472,071
Operations, Maintenance, Renewal and Replacement Fund	12,439,716
Capitalized Interest Fund	8,148,241
Operations and Maintenance Fund	4,731,078
Revenue Fund	4,743,258
Capital Improvement Fund	469,950
	$ 106,004,314

Furthermore, GWA maintained restricted cash and cash equivalents for specific capital projects related accounts. At September 30, 2012, these consisted of the following:

Water and Sewer Development Fund	$ 163,663
Operation and Maintenance Fund	6,031
Navy Surcharge Fund	21,941
Meter Reserve Fund	1,132,445
Sewer Hook-up Revolving Fund	72,341
Debt Service Fund	1,204,480
Moratorium Project	3,386,825
Island Water and Sewer Infrastructure Development Fund	3,502,680
	$ 9,490,406

(15) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Cash and Cash Equivalents, Continued

University of Guam (UOG):

At September 30, 2012, UOG maintained restricted cash and cash equivalents for the following purposes:

Enhancement of Learning Resources and Technology	$ 298,924
Guam Cancer Trust Fund	1,271,127
Debt Service and Operations and Maintenance Reserve Funds	2,084,030
Other	197,675
	$ 3,851,756

Guam Community College (GCC):

Pursuant to Public Law 25-187, GCC is the recipient of tobacco settlement bond proceeds issued by the Guam Economic Development and Commerce Authority. Public Law 25-187 requires the establishment of a separate account to be administered by GCC to be expended exclusively for enhancement of learning resources and technology. At September 30, 2012, restricted cash and cash equivalents held for this purpose amounted to $369,373.

Guam Housing and Urban Renewal Authority (GHURA):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2012, cash and cash equivalents and time certificates of deposits held by GHURA in these funds and accounts are as follows:

Supportive Housing for the Elderly	$ 600,549
Section 8 HCV	404,132
Central Office Cost Center	1,163,085
Low Rent Housing	183,813
Revolving Fund	100,749
	$ 2,452,328

Guam Housing Corporation (GHC):

Cash and cash equivalents are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2012, cash and cash equivalents held by GHC in these funds and accounts are as follows:

Revolving Loan Fund	$ 1,103,584
First-time Homeowner Assistance Program	391,931
Community Affordable Housing Action Trust	181,688
Trust fund and borrower's deposit	434,102
Hazard Mitigation Program	142,430
Building renovation contract	75,700
	$ 2,329,435

(15) Discretely Presented Component Unit Disclosures, Continued

A. Restricted Cash and Cash Equivalents, Continued

Guam Economic Development Authority (GEDA):

The bond indenture for GEDA requires the establishment of special debt service funds and accounts to be held and administered by GEDA's trustees for the accounting of the monies. At September 30, 2012, restricted short-term money market fund investments held for this purpose amounted to $3,644,390.

Guam Visitors Bureau (GVB):

Cash and cash equivalent balances are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2012, cash and cash equivalents held by GVB in these funds and accounts are as follows:

Tourist Attraction Fund Projects	$ 351,945

Guam Educational Telecommunications Corporation (GETC):

Cash and cash equivalent balances are classified as restricted due to the specific nature and purpose of their existence. At September 30, 2012, cash and cash equivalents held by GETC for this purpose amounted to $188,252.

B. Deposits and Investments

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

AWPIAA maintains cash deposits in banks, which at times may exceed federal depository insurance limits. At September 30, 2012, $250,000 of bank deposits was covered by federal depository insurance, with the remainder being uninsured and uncollateralized.

The bond indentures for AWPIAA require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the monies. At September 30, 2012, investments held by the trustees, in trust for AWPIAA, in these funds and accounts are as follows:

Unrestricted:	
Federal Grants Fund	$ 6,414,589
Operations and Maintenance Reserve Fund	9,378,260
Operations and Maintenance Fund	4,682
General Revenue Fund	225,457
Self-Insurance Fund	3,838,135
Capital Improvement Fund	400,038
	20,261,161

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

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

Restricted:	
Cash with trustees	4,718
Bond Reserve Funds	18,506,524
Debt Service Funds	13,430,224
Renewal and Replacement Fund	1,000,146
	32,941,612
	$ 53,202,773

Investments held by AWPIAA consist of money market funds, U.S. Treasury and agency obligations, and corporate notes. The carrying value of investments is as follows:

Cash with trustees	$ 4,718
Money market funds	29,102,569
Fixed income securities	24,059,767
Other	35,719
	$ 53,202,773

As of September 30, 2012, AWPIAA's investments in debt securities were as follows:

		Investment Maturities (In Years)				
	Credit Rating	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury obligations	Aaa	$ -	$ 1,246,250	$ -	$ -	$ 1,246,250
U.S. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	399,868	210,562	-	-	610,430
Federal National Mortgage Association	Aaa	824,533	1,688,129	-	-	2,512,662
Corporate notes:						
CDC Funding Corporation	Aa1	-	-	-	18,045,950	18,045,950
Other	Aaa	-	17,884	-	-	17,884
Other	Aa	68,341	282,706	-	-	351,047
Other	A	233,738	774,808	-	-	1,008,546
Other	Baa	118,056	133,512	-	-	251,568
Other	NR	15,430	-	-	-	15,430
		$ 1,659,966	$ 4,353,851	$ -	$18,045,950	24,059,767
Cash with trustees						4,718
Money market funds						29,102,569
Accrued interest						35,719
						$53,202,773

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

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

At September 30, 2012, AWPIAA's investments are held and administered by trustees in accordance with bond indentures for the purpose of funding various capital projects and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in AWPIAA's name by AWPIAA's custodial financial institutions at September 30, 2012.

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2012, the carrying amount of GMHA's total cash and cash equivalents was $1,852,153 and the corresponding bank balances were $2,941,021, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2012, bank deposits were fully FDIC insured.

Guam Power Authority (GPA):

As of September 30, 2012, the carrying amount of GPA's total cash and cash equivalents was $204,469,188 and the corresponding bank balances were $203,842,561. Of the bank balance amount, $15,256,596 is maintained in financial institutions subject to FDIC insurance. The remaining amount represents short-term investments held and administered by GPA's trustees and cash on hand. Based on negotiated trust and custody agreements, all of these investments were held by GPA's trustees in GPA's name in accordance with various trust agreements and bond indentures. As of September 30, 2012, bank deposits in the amount of $1,221,124 were FDIC insured. GPA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

The bond indentures for GPA require the establishment of special funds and accounts to be held and administered by GPA's trustees for the accounting of the monies. At September 30, 2012, investments held by the trustees, in trust for GPA, in these funds and accounts are as follows:

Restricted:	
Bond Reserve Funds	$ 45,342,829

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Power Authority (GPA), Continued:

As of September 30, 2012, GPA's investments in debt securities were as follows:

	Credit Rating	Investment Maturities (In Years) Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury obligations	Aaa	$ 5,828,957	$ -	$ -	$ -	$ 5,828,957
Commercial paper:						
General Electric Capital Corp.	A1	13,743,000	-	-	-	13,743,000
Natixis U.S. Finance Company	P-1	13,742,000	-	-	-	13,742,000
Natixis Funding Corporation	A2	-	12,028,872	-	-	12,028,872
		$ 33,313,957	$ 12,028,872	$ -	$ -	$ 45,342,829

Guam Waterworks Authority (GWA):

As of September 30, 2012, the carrying amount of GWA's total cash and cash equivalents was $117,916,675 and the corresponding bank balances were $118,599,444. Of the bank balance amount, $11,858,779 is maintained in financial institutions subject to FDIC insurance. The remaining amount of $106,740,665 represents short-term investments held and administered by GWA's trustees. Based on negotiated trust and custody agreements, all of these investments were held by GWA's trustees in GWA's name in accordance with various trust agreements and bond indentures. As of September 30, 2012, bank deposits in the amount of $4,400,744 were FDIC insured. GWA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

The bond indentures for GWA require the establishment of special funds and accounts to be held and administered by GWA's trustees for the accounting of the monies. At September 30, 2012, investments held by the trustees, in trust for GWA, in these funds and accounts are as follows:

Restricted:	
Bond Reserve Funds	$ 7,707,871
Debt Service Funds	9,492,534
	$ 17,200,405

As of September 30, 2012, GWA's investments in debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years) Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury obligations	Aaa	$ 17,200,405	$ -	$ -	$ -	$ 17,200,405

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Port Authority of Guam (PAG):

As of September 30, 2012, the carrying amount of PAG's total cash and cash equivalents was $10,886,253 and the corresponding bank balance was $11,061,516, all of which were maintained in financial institutions subject to FDIC insurance. As of September 30, 2012, bank deposits in the amount of $1,868,624 were FDIC insured. PAG does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

University of Guam (UOG):

As of September 30, 2012, the carrying amount of UOG's total cash and cash equivalents and time certificates of deposit was $22,629,278 and the corresponding bank balance was $23,861,368. Of the bank balance amount, $2,488,606 is maintained in financial institutions subject to FDIC insurance, or collateralized by securities held by a trustee in the name of the financial institution. UOG does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Investments held by UOG (excluding the legally separate tax-exempt foundation) consist of time certificates of deposit, money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments is as follows:

Certificates of deposit	$ 8,561,733
Money market funds	697,777
Mutual funds	845,864
Fixed income securities	4,355,595
Municipal bonds	1,747,381
Domestic equities	10,862,368
	$ 27,070,718

As of September 30, 2012, UOG's investments in debt securities were as follows:

	Investment Maturities (In Years)				
	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury notes	$ -	$ -	$ -	$ 114,562	$ 114,562
U.S. government agencies:					
Federal Home Loan Mortgage Corporation	-	239,709	151,218	83,673	474,600
Federal National Mortgage Association	-	63,023	300,061	917,915	1,280,999
Mortgage and asset-backed securities	-	-	-	208,132	208,132
Corporate notes and bonds	-	-	2,277,302	-	2,277,302
	$ -	$ 302,732	$ 2,728,581	$ 1,324,282	$ 4,355,595

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

University of Guam (UOG), Continued:

UOG's exposure to credit risk at September 30, 2012, was as follows:

Moody's Rating	Domestic
AAA	$ 1,948,221
A	1,850,176
BAA	550,911
CAA	6,287
	$ 4,355,595

Investments held by the University of Guam Endowment Foundation, Inc., a legally separate tax-exempt foundation of UOG, consist of money market funds, U.S. Treasury and agency obligations, and common stock.

The carrying value of investments held by the Foundation is as follows:

Restricted for endowments:	
Money market funds	$ 167,979
U.S. Government notes and bonds	2,333,182
Domestic equities	4,656,345
	$ 7,157,506

Guam Community College (GCC):

As of September 30, 2012, the carrying amount of GCC's cash and cash equivalents was $3,957,757 and the corresponding bank balance was $3,739,673, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2012, bank deposits in the amount of $2,303,470 were FDIC insured. GCC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Pursuant to Public Law 25-187, GCC is the recipient of tobacco settlement bond proceeds issued by the Guam Economic Development Authority. Public Law 25-187 requires the establishment of a separate account to be administered by GCC to be expended exclusively for enhancement of learning resources and technology. At September 30, 2012, GCC had one fixed income corporate note in the amount of $1,798,929, with interest at 7.25% per annum, matures on June 1, 2057, and which is uninsured and unregistered.

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Community College (GCC), Continued:

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

Restricted for endowments:	
Money market funds	$ 503,420
U.S. Government notes and bonds	1,191,655
Government and government-sponsored entity bonds	1,101,745
Common stocks	4,961,692
	$ 7,758,512

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2012, the carrying amount of GHURA's total cash and cash equivalents was $13,932,592 and the corresponding bank balances were $13,930,192, which is maintained in financial institutions subject to FDIC insurance or fully collateralized by securities held by a trustee in the name of the financial institution. As of September 30, 2012, bank deposits in the amount of $13,599,857 were FDIC insured or collateralized by U.S. securities. GHURA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Guam Housing Corporation (GHC):

As of September 30, 2012, the carrying amount of GHC's total cash and cash equivalents was $7,463,544, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2012, bank deposits in the approximate amount of $250,000 were FDIC insured. GHC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

The bond indenture for GHC requires the establishment of special funds and accounts to be held and administered by GHC's trustees for the accounting of the monies. At September 30, 2012, investments held by the trustees, in trust for GHC, in these funds and accounts are as follows:

Restricted:	
Foreclosure Protection Fund	$ 500,168
Capitalized Interest Fund	257
Revenue Fund	4,410,553
	$ 4,910,978

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Housing Corporation (GHC), Continued:

Investments of GHC as of September 30, 2012, are classified as follows:

Restricted:	
Money market funds	$ 2,580,627
Fixed income	2,330,351
	$ 4,910,978

As of September 30, 2012, GHC's investments in debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years) Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. government agencies:						
Federal Home Loan Mortgage Corporation	Aaa	$ -	$ -	$ -	$ 2,330,351	$ 2,330,351

Guam Economic Development Authority (GEDA):

At September 30, 2012, the carrying amount of GEDA's cash and cash equivalents was $3,425,726 and the corresponding bank balance was $3,523,231, which is maintained in financial institutions subject to FDIC insurance. The remaining amount of $3,644,390 represents short-term investments held and administered by GEDA's trustees in accordance with a tobacco settlement agreement. Based on a negotiated trust and custody contract, these investments were held in GEDA's name by GEDA's custodial financial institution at September 30, 2012. As of September 30, 2012, bank deposits in the amount of $348,674 were FDIC insured. GEDA does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

As of September 30, 2012, GEDA's investments are as follows:

Unrestricted:	
Mutual funds	$ 4,383,732
Brokered certificates of deposit	315,149
U.S. Government obligations	52,645
	$ 4,751,526

(15) Discretely Presented Component Unit Disclosures, Continued

B. Deposits and Investments, Continued

Guam Economic Development Authority (GEDA), Continued:

As of September 30, 2012, GEDA's investments in debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years) Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury notes	Aaa	$ -	$ 52,645	$ -	$ -	$ 52,645

Guam Preservation Trust (GPT):

As of September 30, 2012, the carrying amount of GPT's total cash and cash equivalents was $4,024,170, which is maintained in a financial institution subject to FDIC insurance. As of September 30, 2012, bank deposits in the amount of $1,029,564 were FDIC insured with the remaining amounts subject to collateralization. Accordingly, these deposits are not exposed to custodial credit risk.

Investments of GPT as of September 30, 2012 are classified as follows:

Mutual funds	$ 1,780,695

Guam Visitors Bureau (GVB):

At September 30, 2012, the carrying amount of GVB's cash and cash equivalents was $11,654,672 and the corresponding bank balance was $12,026,924. Of the bank balance amount, $11,813,628 is maintained in financial institutions subject to FDIC insurance. As of September 30, 2012, bank deposits in the amount of $561,423 were FDIC insured. GVB does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Guam Educational Telecommunications Corporation (GETC):

At September 30, 2012, the carrying amount of GETC's cash and cash equivalents and time certificates of deposit was $602,924 and the corresponding bank balance was $609,055, which is maintained in financial institutions subject to FDIC insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. As of September 30, 2012, bank deposits in the amount of $266,281 were FDIC insured and bank deposits in the amount of $342,774 were NCUA insured. GETC does not have a deposit policy for custodial credit risk and does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC or NCUA insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk.

Investments of GETC as of September 30, 2012 are classified as follows:

Certificates of deposit	$ 200,000

(15) Discretely Presented Component Unit Disclosures, Continued

C. Receivables

Receivables as of September 30, 2012, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
Receivables:								
Trade	$ 9,878,376	$ 220,538,848	$ 43,700,429	$ 24,636,280	$ 6,181,327	$ 8,654,262	$ 3,554,091	$ 317,143,613
Federal grants	3,566,402	-	11,584,701	1,373,880	-	6,287,675	5,940,404	28,753,062
Loans	-	-	-	-	-	17,513,726	29,141,922	46,655,648
Interest	-	-	581,291	-	-	-	89,761	671,052
Other	1,587,544	376,344	2,939,329	1,583,989	-	1,607,567	5,773,709	13,868,482
	15,032,322	220,915,192	58,805,750	27,594,149	6,181,327	34,063,230	44,499,887	407,091,857
Allowance for uncollectible accounts	(1,991,620)	(188,173,372)	(4,782,950)	(15,473,002)	(971,565)	(21,347,993)	(4,121,548)	(236,862,050)
Net receivables	$ 13,040,702	$ 32,741,820	$ 54,022,800	$ 12,121,147	$ 5,209,762	$ 12,715,237	$ 40,378,339	$ 170,229,807

University of Guam (UOG):

The Guam Legislature appropriates funds for the student loan program available to residents of Guam who attend institutions of higher education. UOG is responsible for awarding loans and monitoring compliance with respect to repayment. Due to the uncertainty of collection and due to recipient ability to repay the loans through work credits, student loan receivables are fully reserved for in the year granted, and payments are reflected as recoveries in the year received. As of September 30, 2012, loan receivables are reserved in the amount of $17,513,726.

Nonmajor Component Units:

Guam Housing and Urban Renewal Authority (GHURA):

Loans receivable from first time homebuyers under GHURA's Down Payment and Closing Cost Assistance Program, due in varying monthly installments, interest free and with a maximum loan amount of $18,000 or 18% of the purchase price, with maturities to 2026, collateralized by second mortgages on real estate.	$ 842,142

Guam Housing Corporation (GHC):

Loans receivable from first time homebuyers under GHC's Low Cost Housing Assistance Program, due in varying monthly installments, interest free, with maturities to 2024, collateralized by first mortgages on real estate.	28,299,780

(15) Discretely Presented Component Unit Disclosures, Continued

C. Receivables, Continued

Guam Housing Corporation (GHC), Continued:

Loans receivable from first time homebuyers under the Community Affordable Housing Action Trust, Hazard Mitigation, Down Payment and Closing Assistance, and the Sagan Linayan Project programs, due in varying monthly installments, interest free.	2,211,047
	$ 31,352,969

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government at September 30, 2012, are summarized as follows:

	Antonio B. Won Pat International Airport Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
Due from Primary Government:								
General Fund	$ -	$ 1,237,199	$ 1,822,750	$ -	$ -	$ 6,115,359	$ 2,714,011	$ 11,889,319
Due to Primary Government:								
Nonmajor governmental funds	$ 2,042,986	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,042,986

Guam Power Authority (GPA):

GPA has entered into a payment agreement with the primary government. Details of this payment agreement are as follows:

Receivable from the Guam Department of Education, a line agency of the primary government, due in 109 monthly installments, inclusive of interest at 4.47% per annum ($500,000 per month for the first three months, then $100,000 per month escalating at intervals to $200,000 per month), beginning July 20, 2004, with the final installment payment due in July 2013, uncollateralized.	$ 1,822,750

(15) Discretely Presented Component Unit Disclosures, Continued

E. Capital Assets

Capital asset activities of the discretely presented component units for the year ended September 30, 2012, are as follows:

	Estimated Useful Lives	Balance October 1, 2011	Additions	Transfers	Retirements	Balance September 30, 2012
Nondepreciable capital assets:						
Land		$ 78,848,533	$ 425,000	$ -	$ -	$ 79,273,533
Construction in progress		138,931,559	109,371,944	(69,569,878)	-	178,733,625
		217,780,092	109,796,944	(69,569,878)	-	258,007,158
Depreciable capital assets:						
Capital lease assets	20 - 40 yrs	171,382,727	-	-	-	171,382,727
Buildings and improvements	5 - 60 yrs	1,285,938,535	2,889,023	19,448,506	(2,913,187)	1,305,362,877
Machinery, equipment and furniture	2 - 40 yrs	145,099,749	8,373,437	2,764,712	(4,282,001)	151,955,897
Intangible	30 yrs	4,353,988	-	-	-	4,353,988
Infrastructure	10 - 50 yrs	798,501,336	-	47,356,660	(2,314,318)	843,543,678
		2,405,276,335	11,262,460	69,569,878	(9,509,506)	2,476,599,167
Less accumulated depreciation		(1,207,011,384)	(80,428,357)	-	8,830,274	(1,278,609,467)
Depreciable capital assets, net		1,198,264,951	(69,165,897)	69,569,878	(679,232)	1,197,989,700
		$ 1,416,045,043	$ 40,631,047	$ -	$ (679,232)	$ 1,455,996,858

F. Bonds Payable

As of September 30, 2012, the discretely presented component units had the following bonds payable outstanding:

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

General Revenue Bonds, Series 2003 (original issue of $216,250,000, dated December 1, 2003), varying interest rates at 1.45% - 5.375% per annum, payable semiannually on October 1 and April 1, principal fund payments due in varying annual installments, commencing on October 1, 2004 of $5,600,000 and increasing to a final payment of $17,175,000 on October 1, 2023. The bonds were issued for the purpose of advance refunding 1993 Series bonds and to provide additional proceeds to fund the Bond Reserve account.	$ 155,005,000
Add net unamortized premium on bonds	3,551,487
Less deferred difference on refunding of 1993 bonds	(2,860,031)
	$ 155,696,456

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

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

On September 30, 2003, AWPIAA issued $216,250,000 in General Revenue Bonds, 2003 Series, with varying interest rates of 2% - 5.25% per annum to advance refund $216,185,000 of outstanding 1993 Series bonds. The net proceeds of $192,699,547 (after payment of $11,007,710 in underwriting fees, insurance, and other issuance costs) plus an additional $30,969,034 from the Series 1993 funds were placed in escrow, of which $211,525,000 were used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the 1993 Series bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements of AWPIAA. This advance refunding was undertaken to provide additional proceeds to fund the Bond Reserve Account and resulted in a loss of $7,937,352, representing the difference between the reacquisition price and the carrying amount of the Series 1993 bonds. The loss has been deferred and amortized over the remaining life the Series 1993 bonds and is reflected as a reduction of the bond liability. As of September 30, 2012, bonds outstanding from the abovementioned advance refunding activities in the amount of $161,695,000 are considered defeased.

The 2003 General Revenue Bonds, including interest, are payable solely from and are secured by a pledge of revenues under the indenture. The bonds are collateralized by a lien upon and pledge of revenues to be received by AWPIAA, the trustees and the depository. Neither the payment of the principal of the bonds, nor any interest thereon, is a debt, liability or obligation of GovGuam. The debt service for the 2003 series bonds was $17,108,902 or 32.6% of pledged gross revenues for the year ended September 30, 2012.

The bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service.

The aforementioned bond indentures also require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the bond proceeds.

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

Year ending September 30,	Principal	Interest	Total
2013	$ 9,590,000	$ 7,482,000	$ 17,072,000
2014	10,030,000	7,076,000	17,106,000
2015	10,510,000	6,621,000	17,131,000
2016	11,065,000	6,121,000	17,186,000
2017	11,635,000	5,585,000	17,220,000
2018 - 2022	68,770,000	18,019,000	86,789,000
2023 - 2024	33,405,000	1,732,000	35,137,000
	$ 155,005,000	$ 52,636,000	$ 207,641,000

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA):

General Revenue Bonds, Series 1993 (original issue of $100,000,000, dated October 1, 1993), interest rate at 5.25% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of $1,725,000 on October 1, 1996, and increasing to a final payment of $6,535,000 on October 1, 2023. The bonds have been issued to finance acquisitions of additional generating capacity, to construct additional transmission facilities, and to upgrade and refurbish existing equipment.	$ 60,090,000
General Revenue Bonds, Series 1999 (original issue of $349,178,601, dated May 1, 1999 and June 3, 1999), varying interest rates at 5.0% - 5.25% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of $2,950,000 on October 1, 2000, and increasing to a final payment of $26,110,000 on October 1, 2034. The bonds have been issued to finance new projects as specified in the bond indenture and to retire certain outstanding bonds and the commercial paper issued for the purpose of financing certain commercial paper projects.	304,595,000
General Revenue Bonds, Series 2010 (original issue of $150,440,000, dated July 1, 2010), varying interest rates at 5.0% - 5.5% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of $225,000 in October 2022, increasing to $17,215,000 in October 2040. The bonds have been issued to finance a new administration building and various generation, transmission, and distribution facilities.	150,440,000
Subordinated General Revenue Bonds, Series 2010 (original issue of $56,115,000, dated July 1, 2010), varying interest rates at 6.0% - 7.5% per annum, payable semiannually on October 1 and April 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of $4,435,000 in October 2011, increasing to $14,155,000 in October 2015. The bonds have been issued to fund the Working Capital Fund and to refinance existing subordinate lien obligations.	51,680,000
	566,805,000
Less discount on bonds	(7,504,431)
Less deferred loss on defeasance	(10,701,777)
	$ 548,598,792

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

All gross revenues of GPA have been pledged to repay the 1993, 1999 and 2010 series bond principal and interest. The debt service for the 1993, 1999 and 2010 series bonds was $39,072,313 or 8.9% of pledged gross revenues for the year ended September 30, 2012. Discounts associated with 1993, 1999 and 2010 bond series are being amortized using the effective interest method over the lives of the bonds. On September 28, 2000, GPA entered into a Bond Reserve Fund Forward Delivery Agreement (the agreement) with the Lehman Brothers and Bank of America. In connection with the agreement, GPA received cash totaling $13,500,000 in October 2000 representing the present value amount of interest income on certain bond proceeds invested by GPA.

Based on the terms of the agreement, gross proceeds totaled $17,521,029 while GPA incurred termination fees and closing costs totaling $3,530,000 and $1,250,529, respectively. The $13,500,000 in net proceeds received included $759,500 of interest income earned as of the closing date of the agreement. The gross proceeds, termination fees and closing costs have been deferred and are amortized on a straight line basis over the average remaining life of the 1993 and 1999 bonds.

On September 26, 2012, GPA entered into an agreement to terminate the portion of the Bond Reserve Fund Forward Delivery Agreement attributable to Lehman Brothers. As a result of the termination, GPA wrote off $1,434,159 and $5,256,159 in deferred assets and deferred revenues, respectively, and recognized a liability of $3,574,285 for the settlement amount. The transaction also resulted in a gain of $247,715.

The following summarizes deferred revenues and deferred asset at September 30, 2012 associated with this agreement:

Deferred revenues	$ 8,903,314
Accumulated amortization	(3,504,355)
	$ 5,398,959
Deferred asset	$ 2,390,265
Accumulated amortization	(956,107)
	$ 1,434,158

The bond indentures require the establishment of special funds and accounts to be held and administered by GPA's trustees for the accounting of the bond proceeds.

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Power Authority (GPA), Continued:

On October 4, 2012, GPA issued 2012 Series Revenue Bonds to refund all of the 1993 and 1999 Senior Bonds. As of September 30, 2012, future maturities of principal and interest, including adjustment on the 1993 and 1999 Senior Bonds refunding and the 2012 Series Revenue Bonds issuance, are as follows:

Year ending September 30,	Principal	Interest	Total
2013	$ 20,815,000	$ 19,451,664	$ 40,266,664
2014	12,310,000	27,962,900	40,272,900
2015	13,600,000	27,039,975	40,639,975
2016	14,265,000	26,045,630	40,310,630
2017	115,000	24,980,630	25,095,630
2018 - 2022	54,035,000	121,082,075	175,117,075
2023 - 2027	116,765,000	97,753,575	214,518,575
2028 - 2032	144,115,000	64,396,550	208,511,550
2033 - 2037	111,665,000	29,738,490	141,403,490
2038 - 2041	63,690,000	8,952,500	72,642,500
	$ 551,375,000	$ 447,403,989	$ 998,778,989

On May 1, 1999, GPA issued $349,178,601 in General Revenue Bonds, 1999 Series, with varying interest rates of 3.9% - 5.25% per annum to retire $45,000,000 in tax exempt commercial paper notes and to advance refund $143,660,000 of outstanding 1992 Series bonds and $99,820,000 of outstanding 1994 Series bonds. Of the net proceeds of $338,234,284 (after payment of $5,852,150 in underwriting fees, insurance, and other issuance costs), $260,965,674 were placed in escrow and were used to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the 1992 and 1994 Series bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements of GPA. This advance refunding was undertaken to provide additional proceeds to fund the 1999 Projects and resulted in a loss of $21,989,949 representing the difference between the reacquisition price and the carrying amount of the Series 1992 and 1994 bonds. The loss has been deferred and amortized over the remaining life the Series 1992 and 1994 bonds and is reflected as a reduction of the bond liability. As of September 30, 2012, bonds outstanding from the abovementioned advance refunding activities in the amount of $182,515,000 are considered defeased.

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA):

Water and Wastewater System Revenue Bonds, Series 2005 (original issue of $101,175,000, dated November 1, 2005), varying interest rates at 5% - 5.875% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of $1,865,000 on July 1, 2008, and increasing to a final payment of $6,810,000 on July 1, 2035. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems, refinancing certain outstanding obligations, and financing new water meters.	$ 90,865,000
Water and Wastewater System Revenue Bonds, Series 2010 (original issue of $118,825,000, dated November 9, 2010), varying interest rates at 4% - 5.625% per annum, payable semiannually on January 1 and July 1, principal and mandatory sinking fund payments due in varying annual installments commencing with a payment of $1,055,000 on July 1, 2015, and increasing to a final payment of $14,460,000 on July 1, 2040. The bonds have been issued to finance capital improvements to GWA's water and wastewater systems.	118,825,000
	209,690,000
Less net unamortized discount on 2010 bonds	(2,270,926)
Add net unamortized premium on 2005 bonds	2,783,492
	$ 210,202,566

All gross revenues of GWA, except PUC surcharge revenues, have been pledged to repay the 2005 and 2010 series bond principal and interest. The debt service for the 2005 and 2010 series bonds was $14,224,194 or 20.7% of pledged gross revenues for the year ended September 30, 2012. A premium associated with the 2005 bond series is being amortized using the effective interest method over the lives of the bonds. The discount associated with the 2010 bond series has been deferred and is being amortized using the effective interest method over the lives of the bonds.

GWA fully paid a debt to Municipal Services Group, Inc. (MSG) with proceeds from the 2005 bond issuance. MSG indicated that it may make a claim against GWA in connection with the investment earnings on the Acquisition Fund for the Certificates of Participation 2005 Services relative to financing the purchase and installation of GWA's water meters. No provision has been recorded in the accompanying financial statements for a liability, if any, because an estimate of the amount or range of potential loss cannot be determined at this time.

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Waterworks Authority (GWA), Continued:

On November 1, 2010, GWA entered into a supplemental indenture agreement for the issuance of $118,825,000 Water and Wastewater System Revenue Bonds, Series 2010, to finance various water and wastewater capital improvement projects. The 2010 bonds are limited obligations of GWA payable solely from and secured by a pledge of revenues as defined in the indenture. The bonds are subject to mandatory, optional and special redemption prior to maturity.

Total bond proceeds were $116,404,591, net of a bond discount of $2,420,409 and GWA incurred closing costs of $2,805,108. The discount and closing costs have been deferred and amortized on a straight line basis over the average remaining life of the 2010 bonds. Proceeds of the 2010 series bonds are to be used for the purpose of funding capital improvements of water and wastewater systems, meeting certain requirements of the U.S. Environmental Protection Agency, to paying capitalized interest, to fund a deposit to the Bond Reserve Fund, and paying related issuance costs.

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

Year ending September 30,	Principal	Interest	Total
2013	$ 2,380,000	$ 11,840,694	$ 14,220,694
2014	2,500,000	11,721,694	14,221,694
2015	3,690,000	11,584,194	15,274,194
2016	3,875,000	11,397,070	15,272,070
2017	4,065,000	11,207,794	15,272,794
2018 - 2022	23,900,000	52,461,969	76,361,969
2023 - 2027	31,500,000	44,863,844	76,363,844
2028 - 2032	41,610,000	34,749,038	76,359,038
2033 - 2037	55,060,000	21,297,630	76,357,630
2038 - 2040	41,110,000	4,709,249	45,819,249
	$ 209,690,000	$ 215,833,176	$ 425,523,176

Guam Housing Corporation (GHC):

Mortgage-Backed Revenue Bonds, Series 1998, (original issue of $50,000,000, dated April 15, 1998), varying interest rates at 4.45% - 5.75% per annum, payable semiannually on March 1 and September 1, principal fund payments due in varying semiannual installments commencing with a payment of $25,000 on March 1, 2002, and increasing to a final payment of $194,201 on September 1, 2031. The bonds were issued for the purpose of providing money to engage in a home-financing program within the territory of Guam.	$ 4,710,000

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Housing Corporation (GHC), Continued:

The bonds are limited obligations of GHC payable from the revenues and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GHC, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bonds do not constitute indebtedness or a loan of credit of GovGuam or the United States of America, within the meaning of the Organic Act of Guam or statutory provisions. Neither the faith and credit nor the taxing power of GovGuam is pledged to the payment of the principal of, or interest on the bonds. GHC has no taxing authority. The bonds are not debts, liabilities or obligations of GovGuam, and GovGuam is not liable for the payment should GHC default on the loan.

The bonds maturing in September 2031 are not subject to optional redemption prior to maturity. The bonds maturing after September 2009 but before September 2021 are subject to redemption on any date on or after September 2009, at the option of GHC, in whole, or in part from such maturities as are determined by GHC, from any source of available monies, at the redemption prices set forth in the Indenture. The bonds maturing in September 2018, in September 2021, and in September 2031 are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the date fixed for redemption, from sinking fund installments which are required to be made in amounts sufficient to redeem on dates set forth in the Indenture.

The bond indenture contains certain restrictive covenants, including restrictions on the use of bond funds. Management of GHC is of the opinion that GHC was in compliance with all significant covenants as of September 30, 2012.

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

Year ending September 30,	Principal	Interest	Total
2013	$ 145,000	$ 257,643	$ 402,643
2014	152,204	249,891	402,095
2015	160,985	241,622	402,607
2016	169,180	232,900	402,080
2017	179,132	223,724	402,856
2018 - 2022	1,105,136	964,915	2,070,051
2023 - 2027	1,376,369	635,820	2,012,189
2028 - 2031	1,421,994	190,050	1,612,044
	$ 4,710,000	$ 2,996,565	$ 7,706,565

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Economic Development Authority (GEDA):

Tobacco Settlement Asset-Backed Bonds, 2007 Series A, (original issue of $33,575,000, dated December 1, 2007), varying interest rates at 5.25% - 5.625% per annum, payable semiannually on June 1 and December 1, principal fund payments due in varying annual installments commencing with a payment of $1,025,000 on June 1, 2008 and increasing to a final payment of $3,840,000 on June 1, 2026. These bonds are payable solely from and secured by certain revenues. The bonds have been issued for deposit to trust and endowment funds.	$ 29,055,000
Tobacco Settlement Asset-Backed Capital Appreciation Bonds, 2007 Series B (original issue of $3,407,077, dated December 1, 2007), interest not paid currently, compounded annually on December 1 based on an imputed interest rate of 7.25% to become part of the accreted value until the maturity date or earlier redemptions. The bonds bear an original maturity value of $115,455,000 with final maturity date of June 1, 2057. The projected turbo redemption date, however, is June 1, 2034 with a total projected principal amount of $16,773,618. Under the Turbo Redemption assumption, principal fund payments are due in varying annual installments commencing with a payment of $917,533 on June 1, 2008 and increasing to a final payment of $1,191,488 on June 1, 2034. The Series B bonds are also secured by certain revenues with the Series A bonds; however, they are subordinate to the 2007 Series A Bonds.	16,773,618
	45,828,618
Less discount on Series B capital appreciation turbo term bonds	(12,005,906)
Less discount on issuance	(1,218,047)
Less deferred difference on defeasance of 2001 bonds	(1,126,804)
	$ 31,477,861

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Economic Development Authority (GEDA), Continued:

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

Year ending September 30,	Principal	Interest	Total
2013	$ 1,850,000	$ 1,429,004	$ 3,279,004
2014	1,980,000	1,331,879	3,311,879
2015	2,120,000	1,227,732	3,347,732
2016	2,270,000	1,116,300	3,386,300
2017	2,430,000	996,380	3,426,380
2018 - 2022	6,460,000	3,681,515	10,141,515
2023 - 2027	9,872,533	1,479,867	11,352,400
2028 - 2032	13,334,175	-	13,334,175
2033 - 2034	5,511,910	-	5,511,910
	$ 45,828,618	$ 11,262,677	$ 57,091,295

On December 13, 2007, GEDA issued $36,982,077 in Series 2007 Tobacco Settlement Asset-Backed Bonds to retire $25,040,000 of outstanding 2001 Series bonds. The net proceeds were $35,478,149 ($34,359,109 of original principal after issuance discount, underwriter discount and other issuance costs, plus an additional $794,040 from the Series 2001 funds plus $325,000 received in connection with the termination of Series 2001 Reserve Fund Agreement). Of this amount, $8,345,278 was transferred into a custodial account for the benefit of GovGuam. The remaining $27,132,871 was deposited in an irrevocable trust with an escrow agent to provide for the future service of the Series 2001 bonds through May 15, 2016. Except to the extent of any excess which is to be released upon termination (when all transfers and payments required are satisfied), GEDA has no interest in the funds or investments held in the escrow fund and as a result, the Series 2001 bonds indenture was satisfied and discharged. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements of GEDA. This advance refunding resulted in a loss of $2,628,344, representing the difference between the reacquisition price and the carrying amount of the Series 2001 bonds. The loss has been deferred and amortized over the remaining life the Series 2001 bonds and is reflected as a reduction of the bond liability. As of September 30, 2012, bonds outstanding from the abovementioned advance refunding activities in the amount of $14,990,000 are considered defeased.

The defeasance of the bonds resulted in an increase of GEDA's aggregate debt service payment by approximately $36 million over the life of the new Series 2007 bonds and an economic loss (difference between the present value of the old and new debt service payments, plus the $8,345,278 received) of approximately $455,000.

The difference between the original principal amount of $3,407,077 and the projected turbo redemption projected value of $16,773,618 represents discount that is amortizing into interest expense using the straight-line method through the weighted average life of the Series 2007 bonds.

(15) Discretely Presented Component Unit Disclosures, Continued

F. Bonds Payable, Continued

Guam Economic Development Authority (GEDA), Continued:

The Series 2007 bonds are subject to mandatory redemption, in whole or in part, prior to their stated maturity dates from amounts on deposit in the Turbo Redemption Account on each Distribution Date (December 1). Due to a number of factors, including actual shipment of cigarettes in the United States and the actual level of payments received by the settling states under the Master Settlement Agreement, the amount available to pay the principal or accredited value of and interest on the Series 2007 bonds may fluctuate from year to year.

G. Notes Payable

As of September 30, 2012, the discretely presented component units had the following notes payable outstanding:

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

Note payable to a bank in the amount of $11,900,000, dated June 27, 2012, interest at 3.75% per annum, due initially in monthly installments of interest commencing July 27, 2012, with monthly installments of principal and interest of $267,362 commencing August 27, 2013 through July 27, 2017.	$ 5,594,897

On June 27, 2012, AWPIAA entered into an $11,900,000 U.S. Department of Agriculture (USDA) Guaranteed Term Loan with a bank, of which proceeds of $5,594,897 were used to finance energy efficient upgrades. The loan is secured by a Security Agreement and UCC-1 Financing Statement which identify sums in the Subordinate Securities Fund and Capital Improvement Fund as collateral for the loan. Both funds are allocated revenues pursuant to Section 5.02 of the 2003 General Revenue Bond indenture. Obligations of AWPIAA payable from the aforementioned funds are subordinate to the pledge and lien of airport revenues to secure payment of AWPIAA's bonds.

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

Year ending September 30,	Principal	Interest	Total
2013	$ 216,137	$ 207,740	$ 423,877
2014	1,329,658	178,934	1,508,592
2015	1,380,386	128,206	1,508,592
2016	1,432,832	75,760	1,508,592
2017	1,235,884	21,278	1,257,162
	$ 5,594,897	$ 611,918	$ 6,206,815

(15) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Guam Memorial Hospital Authority (GMHA):

Note payable to a local bank in the amount of $12,000,000, dated February 11, 2011, variable interest at 1% over bank's reference rate subject to a minimum rate of 6.5% per annum and a maximum rate of 9.5% per annum, due in monthly installments of principal and interest of $104,634 through January 2018. The loan is collateralized by a pledge of GMHA revenues and guaranteed by GovGuam and the full faith and credit of GovGuam.	$ 11,292,872

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

Year ending September 30,	Principal	Interest	Total
2013	$ 541,763	$ 713,840	$ 1,255,603
2014	573,777	681,826	1,255,603
2015	612,204	643,399	1,255,603
2016	651,493	604,110	1,255,603
2017	696,836	558,767	1,255,603
2018	8,216,799	219,464	8,436,263
	$ 11,292,872	$ 3,421,406	$ 14,714,278

Guam Waterworks Authority (GWA):

Note payable to a local bank in the amount of $25,000,000, dated June 15, 2010, interest at 7.75% per annum, due in monthly installments of principal and interest of $300,027 through June 15, 2015.	$ 20,937,748
Note payable to a local bank in the amount of $5,000,000, dated June 15, 2010, interest at 7.75% per annum, due in monthly installments of principal and interest of $100,785 through June 2015.	2,988,016
	$ 23,925,764

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

Year ending September 30,	Principal	Interest	Total
2013	$ 3,074,328	$ 1,735,409	$ 4,809,737
2014	3,310,153	1,499,584	4,809,737
2015	17,541,283	947,221	18,488,504
	$ 23,925,764	$ 4,182,214	$ 28,107,978

(15) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Port Authority of Guam (PAG):

Note payable to a bank, variable interest at 3% above the Federal Home Loan Bank of Seattle's 15-Year amortizing fixed advanced rate at the time of funding (6.18% per annum at September 30, 2012), due in monthly installments of principal and interest of $30,049 through October 2025. $ 3,201,009

On October 22, 2010, PAG obtained a $4,500,000 U.S. Department of Agriculture (USDA) Guaranteed Term Loan with a bank, of which proceeds of $3,500,000 were received to reimburse PAG for the acquisition of four top lifters and ten terminal yard contractors. The loan is secured by the abovementioned equipment.

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

Year ending September 30,	Principal	Interest	Total
2013	$ 165,692	$ 195,857	$ 361,549
2014	175,348	185,234	360,582
2015	186,660	173,925	360,585
2016	198,238	162,347	360,585
2017	211,481	149,104	360,585
2018 - 2022	1,305,084	527,890	1,832,974
2023 - 2026	958,506	92,969	1,051,475
	$ 3,201,009	$ 1,487,326	$ 4,688,335

University of Guam (UOG):

Rural development loan payable to the U.S. Department of Agriculture, dated June 12, 2003, in the amount of $13,500,000, interest at 4.5% per annum, principal and interest payable commencing on July 12, 2006 in monthly installments of $62,505, and collateralized by real property. Loan proceeds were used to finance the construction of the Business and Public Administration (BPA) Building. The loan is secured by equipment, furniture and fixtures located at the BPA Building. $ 12,396,023

(15) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

University of Guam (UOG), Continued:

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

Year ending September 30,	Principal	Interest	Total
2013	$ 192,704	$ 557,356	$ 750,060
2014	201,557	548,503	750,060
2015	210,817	539,243	750,060
2016	220,501	529,559	750,060
2017	230,631	519,429	750,060
2018 - 2022	1,322,160	2,428,140	3,750,300
2023 - 2027	1,655,075	2,095,225	3,750,300
2028 - 2032	2,071,815	1,678,485	3,750,300
2033 - 2037	2,593,490	1,156,810	3,750,300
2038 - 2042	3,246,520	503,780	3,750,300
2043	450,753	9,577	460,330
	$ 12,396,023	$ 10,566,107	$ 22,962,130

Guam Community College (GCC):

Due to U.S. Department of Agriculture in the original amount of $2,250,000, with interest at 4.125% per annum, payable in monthly installments of $9,698, including interest, through March 2051, collateralized by a pledge of all gross revenues and fixed assets of GCC.	$ 2,238,119
Due to U.S. Department of Agriculture in the original amount of $372,340, with interest at 4.375% per annum, payable in monthly installments of $2,755, including interest, through April 2024, collateralized by certain revenues and fixed assets of GCC.	256,694
	$ 2,494,813

(15) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Guam Community College (GCC), Continued:

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

Year ending September 30,	Principal	Interest	Total
2013	$ 281,196	$ 91,862	$ 373,058
2014	25,544	90,832	116,376
2015	26,618	89,758	116,376
2016	27,737	88,639	116,376
2017	28,903	87,473	116,376
2018 - 2022	163,796	418,084	581,880
2023 - 2027	201,244	380,636	581,880
2028 - 2032	247,253	334,627	581,880
2033 - 2037	303,782	278,098	581,880
2038 - 2042	373,234	208,646	581,880
2043 - 2047	458,565	123,315	581,880
2048 - 2051	356,941	25,271	382,212
	$ 2,494,813	$ 2,217,241	$ 4,712,054

On March 10, 2011, GCC entered into a $2,250,000 Community Facilities Loan agreement with the U.S. Department of Agriculture for the purpose of funding construction of a new Learning Resource Center. The loan is guaranteed by a pledge of all gross revenues and fixed assets of GCC.

Guam Housing and Urban Renewal Authority:

Due to Farmers' Home Administration, with interest at 6% per annum, payable in equal monthly installments of $10,540, including interest, through April 2030, collateralized by restricted cash balances.	$ 1,310,139

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

Year ending September 30,	Principal	Interest	Total
2013	$ 49,000	$ 77,480	$ 126,480
2014	52,000	74,480	126,480
2015	55,000	71,480	126,480
2016	59,000	67,480	126,480
2017	62,000	64,480	126,480
2018 - 2022	375,000	257,400	632,400
2023 - 2027	506,000	126,400	632,400
2028 - 2030	152,139	5,738	157,877
	$ 1,310,139	$ 744,938	$ 2,055,077

(15) Discretely Presented Component Unit Disclosures, Continued

G. Notes Payable, Continued

Guam Housing Corporation (GHC):

Note payable to Federal Home Loan Bank of Seattle, interest rate at 6.49% per annum, interest payable monthly, principal due in 2014, collateralized by proceeds received from mortgage loans made by GHC. As of September 30, 2012, GHC has pledged as security for this loan approximately $7,244,507 of related outstanding mortgage loans.	$ 2,267,289

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

Year ending September 30,	Principal	Interest	Total
2013	$ 1,147,820	$ 113,309	$ 1,261,129
2014	1,119,469	36,553	1,156,022
	$ 2,267,289	$ 149,862	$ 2,417,151

H. Capital Lease Financing

Guam Power Authority (GPA):

In September 1996, GPA entered into agreements to purchase electricity produced by generating plants constructed or refurbished and operated by three companies. The agreements have twenty year terms. At the end of the agreements, ownership of the plants and the plant improvements reverts to GPA. Under each of the agreements, GPA pays capacity and operation and maintenance costs.

GPA has determined that the agreements to purchase electricity were in fact capital leases to acquire the plants and that the capacity payments made under the agreements were lease payments.

The assets acquired through capital leases are as follows:

Asset:	
Buildings	$ 171,382,727
Less accumulated depreciation	(65,759,774)
	$ 105,622,953

The leases have effective interest rates ranging from 8.6% to 14.2%. Future capacity payments under these agreements are as follows:

(15) Discretely Presented Component Unit Disclosures, Continued

H. Capital Lease Financing, Continued

Guam Power Authority (GPA), Continued:

Future minimum lease obligations to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2013	$ 11,562,495	$ 11,521,809	$ 23,084,304
2014	13,064,559	10,019,745	23,084,304
2015	14,765,627	8,318,677	23,084,304
2016	16,692,419	6,391,885	23,084,304
2017	18,875,274	4,209,030	23,084,304
2018 – 2019	22,869,891	2,094,092	24,963,983
	$ 97,830,265	$ 42,555,238	$ 140,385,503

I. Changes in Long-Term Liabilities

During the year ended September 30, 2012, the following changes occurred in liabilities reported as part of the discretely presented component units' long-term liabilities in the statement of net assets:

Bonds Payable:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due Within One Year
Bonds payable:					
Antonio B. Won Pat International Airport Authority	$ 164,100,000	$ -	$ (9,095,000)	$ 155,005,000	$ 9,590,000
Guam Power Authority	579,445,000	-	(12,640,000)	566,805,000	20,815,000
Guam Waterworks Authority	211,960,000	-	(2,270,000)	209,690,000	2,380,000
Guam Housing Corporation	4,850,000	-	(140,000)	4,710,000	145,000
Guam Economic Development Authority	46,548,618	-	(720,000)	45,828,618	1,850,000
	1,006,903,618	-	(24,865,000)	982,038,618	34,780,000
Deferred amounts:					
Unamortized premiums:					
Antonio B. Won Pat International Airport Authority	4,130,326	-	(578,839)	3,551,487	-
Guam Waterworks Authority	2,903,643	-	(120,151)	2,783,492	-
Unamortized discounts:					
Guam Power Authority	(7,757,396)	-	252,965	(7,504,431)	-
Guam Waterworks Authority	(2,351,607)	-	80,681	(2,270,926)	-
Guam Economic Development Authority	(13,670,879)	-	446,926	(13,223,953)	-
Unamortized difference on bond defeasance:					
Antonio B. Won Pat International Airport Authority	(3,326,187)	-	466,156	(2,860,031)	-
Guam Power Authority	(11,581,374)	-	879,597	(10,701,777)	-
Guam Economic Development Authority	(1,437,646)	-	310,842	(1,126,804)	-
	$ 973,812,498	$ -	$ (23,126,823)	$ 950,685,675	$ 34,780,000

(15) Discretely Presented Component Unit Disclosures, Continued

I. Changes in Long-Term Liabilities, Continued

Notes Payable:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due Within One Year
Notes payable:					
Antonio B. Won Pat International Airport Authority	$ -	$ 5,594,897	$ -	$ 5,594,897	$ 216,137
Guam Memorial Hospital Authority	11,890,946	-	(598,074)	11,292,872	541,763
Guam Waterworks Authority	27,913,334	-	(3,987,570)	23,925,764	3,074,328
Port Authority of Guam	3,355,095	-	(154,086)	3,201,009	165,692
University of Guam	12,615,802	-	(219,779)	12,396,023	192,704
Guam Community College	2,396,802	131,216	(33,205)	2,494,813	281,196
Guam Housing and Urban Renewal Authority	1,356,328	-	(46,189)	1,310,139	49,000
Guam Housing Corporation	3,343,170	-	(1,075,881)	2,267,289	1,147,820
	$ 62,871,477	$ 5,726,113	$ (6,114,784)	$ 62,482,806	$ 5,668,640

Other Long-term Liabilities:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due Within One Year
Compensated absences	$ 13,539,249	$ 8,625,157	$ (8,607,265)	$ 13,557,141	$ 7,178,766
Capital lease obligations	108,065,740	-	(10,235,475)	97,830,265	11,562,495
DCRS sick leave	9,934,213	2,879,471	(1,673,774)	11,139,910	-
Other noncurrent liabilities	22,471,925	4,175,223	(17,405,940)	9,241,208	-
	$ 154,011,127	$ 15,679,851	$ (37,922,454)	$ 131,768,524	$ 18,741,261

J. Commitments and Contingencies

Guam Economic Development Authority (GEDA) Tobacco Settlement Reserve Fund

In connection with the Series 2007 Tobacco Settlement Bonds, GEDA entered into a Reserve Fund Agreement (the "Agreement") with Lehman Brothers Special Financing, Inc. ("LBSF"), which requires LBSF to cause Lehman Brothers, Inc., as qualified dealer, to deliver securities that mature on or before the next interest payment date, at a price designed to produce a rate of return of at least 4.365%. The contractual termination date for the Reserve Fund Agreement is June 1, 2047. LBSF's obligation under the Agreement was guaranteed by Lehman Brothers Holdings Inc.("LBHI"). On September 15, 2008, LBSF and LBHI filed for Chapter 11 bankruptcy protection, LBSF failed to deliver new Qualified Securities under the Agreement on the next scheduled delivery date of December 1, 2008, and, as a result, Co-Trustee U.S. Bank National Association declared an event of default under the Agreement and invested the amount on deposit in the Reserve Fund in short-term securities as required under the Agreement.

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Guam Economic Development Authority (GEDA) Tobacco Settlement Reserve Fund, Continued

On September 22, 2009, GEDA filed claims with the United States Bankruptcy Court against LBSF and LBHI, each for approximately $1,800,000, as the estimated replacement market value of the Reserve Fund Agreement. Such replacement value represents the present value of the difference between the guaranteed rate and the market interest rate over the remaining term of the Agreement, i.e. through June 1, 2047. If the termination claim is not favorably resolved, GEDA's earnings from the investment of the Reserve Fund could be lower than originally expected, but no loss of principal has occurred or would occur. These events are not expected to have an adverse impact on the timely repayment of the Series 2007 Tobacco Settlement Bonds.

Performance Management Contracts (PMCs)

Guam Power Authority (GPA) has entered into two new PMCs with two companies for the operation and maintenance of Cabras 1 and 2 and Cabras 3 and 4 generators, which became effective on October 1, 2010 and July 1, 2010, respectively. These PMCs are for a period of five years with an option to extend for another five-year term.

The future minimum annual management fee payments for commitments under these contracts are as follows:

Year Ending September 30,	
2013	$ 2,659,801
2014	2,734,177
2015	2,526,743
	$ 7,920,721

On December 5, 2006, Guam Waterworks Authority entered into a three year PMC with a company for the operation and maintenance of its Wastewater Treatment Plants, Collection System, and Lift Stations, which were extended to mature on December 31, 2013.

The future minimum annual management fee payments for commitments under these contracts are as follows:

Year Ending September 30,	
2013	$ 1,138,423
2014	286,557
	$ 1,424,980

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor

In November 2002, the DFS Group L.P. (DFS) was selected as the primary concessionaire and was awarded a ten year concession agreement by Antonio B. Won Pat International Airport Authority (AWPIAA) commencing on January 1, 2003 and terminating on December 31, 2012. On March 17, 2006, AWPIAA entered into a concession agreement for additional space for a five year term which expired in 2011, but the concession continues on a month-to-month basis until a new agreement is finalized. Effective fiscal year 2011, DFS entered into another concession agreement with AWPIAA for a separate additional store space for a five year term. The concession agreements provide for a minimum annual guarantee rent as well as percentage rent on gross revenues exceeding certain levels.

The future minimum lease receipts for the aforementioned concession agreements are as follows:

Year Ending September 30,	
2013	$ 1,750,000
2014	250,000
	$ 2,000,000

AWPIAA has lease agreements with scheduled air carriers, various other concessionaires and airport users. The agreements provide the lessees with the use of AWPIAA's system facilities, equipment and services. The signatory airline operating agreement and terminal building leases expire on September 30, 2016. Other ground lease agreements will expire ranging from September 2015 through September 2035. The lease agreements with six rent-a-car companies will expire in June 2016.

The future minimum rental receipts for the aforementioned noncancellable operating leases (excluding the DFS lease) are as follows:

Year Ending September 30,	
2013	$ 7,015,000
2014	6,089,000
2015	5,800,000
2016	5,357,000
2017	1,301,000
Thereafter	10,033,000
	$ 35,595,000

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessor, Continued

Port Authority of Guam (PAG), in cooperation with the Guam Economic Development Authority, leases space to tenants under noncancellable operating leases, with options to renew, providing for future minimum rentals.

The future minimum rental receipts for the aforementioned noncancellable operating leases are as follows:

Year Ending September 30,	
2013	$ 756,709
2014	756,709
2015	756,709
2016	756,709
2017	756,709
Thereafter	4,565,549
	$ 8,349,094

PAG also leases equipment and space to tenants on a month to month basis.

Lease Obligations as Lessee

In February 2003, Guam Housing Corporation (GHC) entered into a Memorandum of Understanding (MOU) with Guam Economic Development Authority (GEDA) to provide support services to GHC. Such services were for network and computer administration for a fee of $21,696 per annum.

On December 31, 2002, Guam Power Authority (GPA) entered into a lease agreement for its office building for an initial term of two years with a monthly rental of $25,000. On January 1, 2010, GPA renewed the lease agreement for an additional term of three years with a monthly rental of $45,000, expiring on December 31, 2012.

GPA also leases fuel storage tanks for a monthly fee of $100,000 beginning September 1998, increasing to $107,500 in March 2003. The initial term of the lease is for a period of 10 years with an option to renew for an additional 5-year period, expiring on September 2013, at an increased monthly lease fee of $115,650. On February 8, 2008, GPA renewed the agreement for an additional five year term from March 1, 2008 through February 28, 2013.

GPA entered into a commercial space lease beginning July 1, 2010, with monthly rentals of $4,495. The lease has an option to renew for an additional term of five years.

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessee, Continued

The future minimum lease payments for the aforementioned leases are as follows:

Year Ending September 30,	
2013	$ 1,233,686
2014	656,516
2015	237,042
2016	61,261
2017	61,261
2018 – 2022	306,305
2023	5,105
	$ 2,561,176

In January 2012, Guam Waterworks Authority (GWA) entered into a commercial space lease for a period of three years with monthly rentals of $13,655.

The future minimum lease payments for the aforementioned leases are as follows:

Year Ending September 30,	
2013	$ 163,860
2014	163,860
2015	47,792
	$ 375,512

In January 2012, Guam Housing and Urban Rural Authority (GHURA) entered into a lease agreement for office space for an initial term of two years with a monthly rental of $6,825.

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

Year Ending September 30,	
2013	$ 81,900
2014	81,896
2015	27,299
	$ 191,095

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Lease Obligations as Lessee, Continued

GHC also sub-leases office space from GEDA under its operating lease, which expires February 28, 2014.

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

Year Ending September 30,	
2013	$ 116,000
2014	49,000
	$ 165,000

On January 1, 2007, Guam Educational Telecommunications Corporation (GETC) entered into a twenty-one year lease agreement with the Chamorro Land Trust Commission (CLTC) for an antennae site with transmitter building facilities. The terms of the lease require monthly lease payments of $850.

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

Year Ending September 30,	
2013	$ 10,200
2014	10,200
2015	10,200
2016	10,200
2017	10,200
2018 - 2022	51,000
2023 - 2027	51,000
2028	10,200
	$ 163,200

Derivatives

Guam Power Authority (GPA) is exposed to market price fluctuations on its purchases of fuel oil. GPA uses derivatives such as commodity swaps to protect itself from increases in market prices. GPA has an outstanding commodity swap for fiscal year 2013 fuel requirements based on a notional amount of 90,000 metric tons of low sulfur and high sulfur fuel oil. Payment is based on current spot prices at the settlement date. At September 30, 2012, the commodity swaps had a positive fair value of approximately $1,112,000. Accordingly, GPA was exposed to credit risk on the amount of their fair value. At September 30, 2012, there are four counterparties, rated as A-1, P2, A3 and Baa1 by Moody's and S&P.

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Renewable Energy Contracts

On June 27, 2012, the Guam Power Authority (GPA) entered into an agreement to purchase renewable energy and associated renewable energy credits. The planned commercial operation date is June 26, 2014. During each of the contract years starting from the commercial operation date, GPA is committed to purchase approximately 35,000 to 40,000 megawatt hours of annual renewable energy. At September 30, 2012, the minimum future renewable energy purchases are as follows:

The future minimum renewable energy purchases for the aforementioned contracts are as follows:

Year Ending September 30,	
2013	$ -
2014	1,984,598
2015	7,938,618
2016	7,943,977
2017	7,953,487
2018 – 2022	39,702,835
2023 – 2027	39,698,435
2028 – 2032	39,698,972
2033 – 2037	39,703,002
2038 – 2039	13,882,506
	$ 198,506,430

Fuel Bulk Storage Facility Contract

In June 2012, The Guam Power Authority entered into an agreement for the management and operations of its fuel bulk storage facility. The agreement is for three years ending May 31, 2015 with an option to extend the contract for two additional one-year terms with the mutual consent of both parties. Mandatory management fees are $675,273 annually with optional additional insurance fees of $41,750 annually.

The future minimum management fees are as follows:

Year Ending September 30,	
2013	$ 675,273
2014	675,273
2015	450,182
	$ 1,800,728

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Fuel Purchase Contract

In March 2010, the Guam Power Authority (GPA) has entered into an agreement to purchase residual fuel oil and low sulfur fuel oil from a fuel supplier. The agreement is for three years with an option to extend for two additional one year terms, renewable annually. In May 2012, the fuel supplier informed GPA that it will not exercise the option to extend the agreement. As a result, GPA issued an invitation for bid for fuel supply services in September 2012 and made its selection in January 2013. However, the fuel contract award to the new vendor has been delayed because of a protest in the bidding process which was subsequently withdrawn on March 29, 2013. GPA intends to reissue the bid and while such is in process, GPA has negotiated a six-month contract extension with the fuel supplier until August 2013.

In 2009, GPA entered into two contracts to purchase diesel fuel oil. The agreements are for three years ending September 30, 2012 with an option to extend for two additional one-year terms, renewable annually. In February, 2012, GPA renewed the two contracts through November 30, 2014.

U.S. Environmental Protection Agency (EPA)

On May 24, 1986, the administrator of the U.S. EPA granted a continuing exemption to the Guam Power Authority (GPA) under the provisions of Section 325(b) of the Clean Air Act, as amended. The terms of the exemption require monitoring by EPA, certain commitments by GPA regarding fuel stocks, and reporting and delineation of grounds for revocation of the exemption. In February 2011, EPA finalized four sets of emission standards, known as Maximum Available Control Technology (MACT) standards. Compliance under the diesel MACT is due May 3, 2013. Non-compliance under the diesel MACT could result in penalty fees of $37,000 per unit per day. GPA has requested an exemption, extension and waiver for its generation units, until a decision is made on switching to liquefied natural gas.

Environmental Monitoring

In September 2000, the U.S. Navy (the Navy) transferred 1,417 acres of property to the Antonio B. Won Pat International Airport Authority (AWPIAA) and GovGuam at no cost. In November 2000, the Navy paid AWPIAA $10,000,000. In exchange for the payment, AWPIAA and GovGuam agreed to complete certain environmental monitoring work on the property even if the cost of the environmental monitoring work exceeds the $10,000,000 remitted by the Navy. AWPIAA management has been made aware that in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, a decision document or record of decision requires execution by AWPIAA, the Navy and the Guam Environmental Protection Agency with the concurrence of the U.S. EPA. The decision document would codify the responsibilities of each party for the environmental response actions.

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Environmental Monitoring, Continued

Although the primary remediation action is natural attenuation, AWPIAA has substantially completed a water system project as part of the military airport program, which concurrently satisfies, in part, certain response actions contemplated under the Environmental Services Cooperative Agreement. AWPIAA will continue the voluntary monitoring until such time the decision document is executed and AWPIAA's remediation responsibilities are specified. The long-term obligation to operate and maintain the facilities built under the remedial construction as well as the required sampling will be handled through a water system commercial agreement. As of September 30, 2012, AWPIAA estimated that its pollution remediation obligations amounted to $354,868.

Stipulated Order

In 2002, the U.S. Government filed a complaint against the Guam Waterworks Authority (GWA) and GovGuam for alleged violations under the Federal Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). Because of GWA's non-compliance with the National Primary Drinking Water Regulations, the U.S. Government is seeking both civil penalties and injunctive relief to address such non-compliance. GWA and the U.S. Government of Justice, Environmental and Natural Resources Division mutually agreed in the form of a Stipulated Order to resolve the violation issues.

On June 5, 2003, a Stipulated Order for Preliminary Relief was filed before the District Court of Guam. The Stipulation requires implementation of short-term projects and initial planning measures by GWA. GWA is required to submit a final financial plan in the Master Plan that generates sufficient revenue to cover the cost of all compliance activities and deliverables required by the Stipulated Order for Preliminary Relief, as well as any other anticipated expenses, including any measures necessary to ensure compliance with the CWA and the SDWA and costs related to the infrastructure improvements identified in the Master Plan.

In 2006, the Stipulated Order was amended which required GWA to perform approximately $220 million worth of capital improvement projects and perform other actions to bring GWA's system into compliance. However, GWA was unable to meet all deadlines set out in the amended Stipulated Order. The District Court ordered the parties to stipulate as to scope of remaining projects and project completion dates; however, the parties were unable to reach an agreement on all items. As a result, on November 10, 2011, the District Court issued an order setting new deadlines for the unfinished projects and establishing new projects that were not part of the amended Stipulated Order. As of September 30, 2012, the financial impact of the order has not been determined.

Primary Treatment Permits

On November 29, 2011, the U.S. Environmental Protection Agency (EPA) informed GWA that its primary treatment permits for the Hagatna and Northern District Wastewater Treatment Plants had been denied and that GWA would be required to upgrade the plants to secondary treatment. The upgrades have been estimated to cost approximately $300 million. GWA intends to negotiate with the EPA on the timelines for upgrading the plants, which may be deferring the upgrades for approximately 20 to 30 years.

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Construction Contracts

Antonio B. Won Pat International Airport Authority has commitments of approximately $16,200,000 under several construction contracts as of September 30, 2012 and approximately $13,900,000 under other various contracts as of September 30, 2012.

Guam Waterworks Authority has commitments of $12,117,249 under several capital projects as of September 30, 2012.

Guam Housing and Urban Renewal Authority has commitments of $1,853,807 under several development stage contracts as of September 30, 2012.

Loans

Guam Housing Corporation has $2,706,694 in loan commitments as of September 30, 2012.

Port Modernization Plan

The Port Modernization Plan (the Plan) spans a 30-year planning horizon with an estimated project cost of $260 million and was conditionally approved in 2008 through Public Law 29-125. The Plan consists of Phases I-A and I-B with a focus on critical maintenance and repair of waterfront activities over the next five years and Phase II with a focus on expansion needed to address long-term cargo growth demands of Guam and neighboring islands over the next twenty years. In 2009, the Guam Legislature approved Phases I-A and I-B of the Plan through Public Law 30-57.

In June 2008, through a Memorandum of Understanding (MOU), PAG partnered with the Maritime Administration (MARAD) for the "Port of Guam Improvement Enterprise Program" (the Program). MARAD was designated as the lead federal agency assisting the Authority in securing funding sources to modernize its facilities and operations. Under the Program, MARAD is to provide federal oversight and coordination of projects, act as a central procurement organization, leverage federal, non-federal and private funding sources, and streamline the environmental review and permitting process. The partnership with MARAD was formalized through U.S. Public Law 110-417, *National Defense Authorization Act for 2010*. U.S. Public Law 110-417 also established the "Port of Guam Improvement Enterprise Fund" (the Fund), a separate account in the Treasury of the United States that will be used to receive funding from federal and non-federal sources to carry out the Program.

PAG commenced with the Phase I-A of the Plan in 2010 and is to be funded by a $50,000,000 appropriation from the U.S. Department of Defense, a $25,000,000 loan from the U.S. Department of Agriculture, a $25,000,000 Community Facilities Guaranteed Loan with a local bank, and a $4,500,000 guaranteed term loan with a local bank. Due to changes in certain factors relating to the military buildup and cargo forecast, PAG management no longer intends to utilize the $25,000,000 Community Facilities Guaranteed Loan.

At September 30, 2012, PAG has $13,800,000 recorded in construction work in progress for the Port Modernization Plan. Realization of these assets is dependent on future events, including continuation of the Plan as currently envisioned.

(15) Discretely Presented Component Unit Disclosures, Continued

J. Commitments and Contingencies, Continued

Land Held for Development

Public Law 20-225 authorized the transfer of land under the Lada Estates Project from GovGuam to the Guam Housing Corporation (GHC) for the development of affordable housing units for sale to first-time homeowners. In addition to the initial cost of $392,385, subsequent capitalized development costs were incurred of $15,721,953, which included improvement costs incurred by the contractor of $7,640,000 for on-site infrastructure and $2,915,000 for off-site infrastructure. Subsequent economic conditions prevented the completion of the project and, as a result, GHC halted further development. The contractor subsequently sued GHC and GovGuam for the amount of improvement costs incurred. On January 6, 2012, the Superior Court of Guam approved a settlement agreement between GHC and the contractor wherein GHC conveyed the subject property to the contractor through a grant deed. The contractor agreed to give up its rights and claims to collect on the on-site improvement costs; however, reserved the right to continue the lawsuit against GovGuam for the costs associated with the off-site improvements. As of September 30, 2012, a liability has been recorded in GovGuam's General Fund associated with the off-site improvement costs of $2,915,000.

GOVERNMENT OF GUAM

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2012

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual (Unaudited)
General Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Income	$ 297,710,412	$ 297,710,412	$ 284,219,325	$ (13,491,087)
Gross receipts	215,900,178	215,900,178	221,443,640	5,543,462
Income - COLA	-	-	604,016	604,016
Excise	3,529,781	3,529,781	2,459,927	(1,069,854)
Section 30 Federal income tax collections	50,228,855	50,228,855	53,125,949	2,897,094
Immigration fees	-	-	1,864,973	1,864,973
Indirect cost reimbursement	-	-	379,935	379,935
Contributions from component units	20,447,762	2,114,429	2,114,429	-
Other	8,070,337	8,070,337	17,924,134	9,853,797
Total revenues	595,887,325	577,553,992	584,136,328	6,582,336
Expenditures by Department:				
Executive Branch:				
Office of I Maga'lahen Guahan	6,889,999	6,054,727	5,697,741	356,986
Office of I Segundu Na Maga'lahen Guahan	2,571	926,800	775,559	151,241
Bureau of Budget and Management Research	1,023,869	1,023,869	988,176	35,693
Civil Service Commission	803,958	803,958	771,030	32,928
Department of Administration	24,708,983	24,641,143	23,907,114	734,029
Guam Election Commission	1,169,767	1,169,767	875,525	294,242
Department of Revenue and Taxation	14,890,535	14,890,535	10,721,042	4,169,493
Bureau of Statistics and Plans	1,189,251	1,189,251	1,095,834	93,417
Department of Public Works	9,434,084	9,507,912	8,530,122	977,790
Office of the Attorney General	12,713,496	11,768,303	7,596,832	4,171,471
Guam Police Department	24,814,271	24,382,585	24,558,412	(175,827)
Department of Corrections	15,652,897	16,731,829	16,002,493	729,336
Department of Agriculture	2,624,578	2,399,832	2,171,750	228,082
Department of Public Health and Social Services	35,235,553	9,575,951	7,714,179	1,861,772
Department of Education	194,293,586	264,491,824	203,191,486	61,300,338
Department of Youth Affairs	4,175,398	4,175,173	3,710,698	464,475
Department of Mental Health and Substance Abuse	14,738,555	14,738,555	11,116,768	3,621,787
Department of Labor	1,154,993	1,111,993	987,686	124,307
Department of Parks and Recreation	2,733,750	2,368,435	2,319,228	49,207
Department of Integrated Services for Individuals with Disabilities	1,256,683	671,744	499,243	172,501
Mayors' Council of Guam	8,681,225	8,681,225	7,965,813	715,412
Department of Land Management	640,932	640,932	544,792	96,140
Chief Medical Examiner	398,894	398,894	387,724	11,170
Department of Chamorro Affairs	1,002,897	2,124,921	1,844,299	280,622
Department of Military Affairs	371,298	158,246	141,004	17,242
Guam Fire Department	26,791,007	28,011,961	27,962,189	49,772
Payments to Component Units	57,829,965	68,955,765	57,874,950	11,080,815
GovGuam Retirement Fund appropriations	1,685,944	1,685,944	1,659,913	26,031
Miscellaneous appropriations	22,087,745	22,783,518	22,769,013	14,505
Interest and other charges	332,753	17,305,520	35,166,791	(17,861,271)
Debt service	55,947,432	64,661,275	62,882,314	1,778,961
Total expenditures	545,276,869	628,032,387	552,429,720	75,602,667
Excess (deficiency) of revenues over (under) expenditures	50,610,456	(50,478,395)	31,706,608	82,185,003
Other financing sources (uses):				
Proceeds from bonds issued	-	343,700,000	358,216,986	14,516,986
Transfers in from other funds	17,489,222	17,489,222	20,162,245	2,673,023
Transfers out to other funds	(97,803,167)	(110,100,852)	(100,575,081)	9,525,771
Total other financing sources (uses), net	(80,313,945)	251,088,370	277,804,150	26,715,780
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	-	-	2,098,712	2,098,712
Net change in fund balance (deficit)	$ (29,703,489)	$ 200,609,975	$ 311,609,470	$ 110,999,495

See accompanying notes to required supplementary information - budgetary reporting.

(1) Budgetary Process

As required under law (5 GCA §4103 and §4106), the Governor directs the preparation and administration of the Executive Budget for GovGuam on an annual basis. The Executive Budget represents the Governor's financial proposal with recommended priorities for allocating resources. The budget process is important and necessary for the enactment of a budget and review of government operations. The Budget Process occurs in four (4) phases: formulation, adoption, execution, and audit.

During the *formulation phase*, the economic forecast and the program and financial plans are prepared for the various departments. Economic data and statistics are utilized in developing projected revenues for the upcoming fiscal year. Once revenues have been projected, a budget call is distributed to all the line agencies. This process starts when the Bureau of Budget and Management Research (BBMR) issues guidelines to each line agency in the preparation and development of their respective budgets. The formulation phase culminates in the transmittal of the Program and Financial Plan (Executive Budget) with the Governor's Budget Message to the Legislature for its consideration.

The *adoption phase* is the process in which the Legislature considers the Governor's proposal and passes the overall revenue and spending plan under a General Appropriations Bill. The Bill usually receives more detailed hearings within the auspices of the applicable legislative committees. Usually, a series of hearings will be called during which department heads and staff members give an overview of the Governor's proposed budget and are expected to provide explanations when their department's/agency's appropriations are considered. Finally, the Legislature may pass a General Appropriations Bill. The Bill is then transmitted to the Governor for approval. Other bills to include amendments during the fiscal year may be introduced for enactment into law.

The *execution phase* involves the release of funds appropriated per the General Appropriations Act. Each department prepares allotment of appropriations and may request revisions, legislative or administrative transfers, or supplemental appropriations. BBMR must approve such revisions to allotments. The Bureau also monitors and assists agencies in carrying out the approved budget in line with the established policies of the Governor.

The *audit phase* involves the evaluation of departments/agencies to identify areas in need of improving compliance procedures with applicable laws and regulations. During the audit phase, financial transactions, accounts and reports are assessed and analyzed to improve accountability, effectiveness, and efficiency in the achievement of goals and objectives. This phase is also to assure economic use of resources to enhance achievement of public services.

Budgetary control is maintained within the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effective with certain executive and legislative branch approval. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the Legislature as representing continuing appropriations.

See Accompanying Independent Auditors' Report.

(1) Budgetary Process, Continued

The Budget Act for fiscal year 2012, Public Law No. 31-77, was approved for the Executive branch and the Legislative branch. Budgets for Special Revenue Funds and Capital Projects Funds are generally not submitted. Accordingly, a budget to actual presentation for Special Revenue Funds and Capital Projects Funds is not required or presented. The accompanying Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund presents solely the financial activities of the General Fund administered by the Department of Administration, and does not include the financial activities of the General Fund administered by the Guam Department of Education or the impact of implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

GovGuam's annual budget has been prepared on a basis that differs from governmental GAAP. Actual amounts in the accompanying budgetary comparison statements are presented on a budgetary basis, which includes outstanding encumbrances as a budgetary expenditure.

Encumbrance accounting is employed in governmental funds. For budgetary purposes, the encumbrances (i.e., purchase orders, contracts) are considered expenditures when incurred. For GAAP reporting purposes, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year.

(2) Reconciliation of Budgetary Schedule

Net change in fund balance (deficit) - budgetary basis	$ 311,609,470
GASB 54 Funds included within the General Fund;	
Guam Department of Education	8,235,533
Better Public Service Fund	213,868
DHMSA Receiver Fund	(4,627,013)
DOC Inmates Revolving Fund	1,081,997
GSA Inventory Revolving Fund	319,641
Legislature Operations Fund	333,641
Medically Indigent Program Payment Revolving Fund	(602,886)
Supplemental Appropriations Revenue Fund	629,133
Unified Courts of Guam Fund	(1,357,549)
Streetlight Note Payable 2008 Debt Service Fund	(320,023)
Limited Obligation Series 2009 A Debt Service Fund	17,321,431
Other Miscellaneous Funds	431,468
	21,659,241
Net change in fund balance (deficit) - General Fund	$ 333,268,711

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Funding Progress and Actuarial Accrued Liability - Post Employment Benefits Other than Pension (Unaudited)

The Schedule of Funding Progress presents GASB 45 results of OPEB valuations as of fiscal year ends September 30, 2011, 2009, and 2007 for GovGuam's Post Employment Benefits other than Pensions. The schedule provides an information trend about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
October 1, 2007	$ -	$ 1,635,223,000	$ 1,635,223,000	0.0%	$ 466,346,000	350.6%
October 1, 2009	$ -	$ 1,852,558,000	$ 1,852,558,000	0.0%	$ 466,346,000	397.2%
October 1, 2011	$ -	$ 2,088,331,000	$ 2,088,331,000	0.0%	$ 466,346,000	447.8%

The Schedule of Actuarial Accrued Liability presents GASB 45 agency-specific results of the OPEB valuation as of fiscal year end September 30, 2011 as a whole and assists in providing information that is helpful for understanding the scale of the information presented relative to each employer.

Primary Government:	
GovGuam Line Agencies	$ 359,547,000
GovGuam Retirement Fund	5,638,000
Guam Legislature	3,370,000
Guam Department of Education	382,476,000
Public Defender Service Corporation	4,988,000
Unified Courts of Guam	37,155,000
Guam Retirement Fund Retirees	875,878,000
Defined Contribution Retirees	84,688,000
Total Primary Government	1,753,740,000
Component Units:	
Antonio B. Won Pat International Airport Authority	19,876,000
Guam Community College	19,794,000
Guam Economic Development Authority	1,877,000
Guam Housing Corporation	3,190,000
Guam Housing and Urban Renewal Authority	6,167,000
Guam Memorial Hospital Authority	79,012,000
Guam Power Authority	58,314,000
Guam Visitors Bureau	4,371,000
Guam Waterworks Authority	38,357,000
Port Authority of Guam	37,028,000
University of Guam	66,605,000
Total Component Units	334,591,000
Total Actuarial Accrued Liability	$ 2,088,331,000

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

OTHER SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2012

GOVERNMENT OF GUAM

General Fund
September 30, 2012

The General Fund is the most significant of GovGuam's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund. The General Fund is divided into several accounts. A brief discussion of the accounts that comprise GovGuam's General Fund as of September 30, 2012, follows.

Department of Administration – the Department of Administration is responsible for maintaining the financial data of all line agencies of GovGuam with the exception of the Department of Education.

Guam Department of Education - the Guam Department of Education (GDOE), formerly known as the Guam Public School System, is a line agency of GovGuam. This fund is maintained separately by the Department of Education.

Department of Education Operations Fund - this fund was created by Public Law 28-68 to account for local appropriations to cover the operational expenses of the Guam Department of Education and any use associated with the Guam Department of Education, as determined in the Department of Education budget in accordance with 10 GCA Chapter 3, by the Guam Education Policy Board *or* the laws of Guam. This fund is maintained within the Department of Administration.

Agana Fractional Lots Program Fund - The Agana Fractional Lots Program Fund was initially established to account for transactions relevant to the Agana Fractional Lot Program dating back to the 1960s. Such transactions may involve the condemnation and seizure of lands from property owners by GovGuam and the compensation of those seized lands to the property owners.

Better Public Service Fund - This fund was created by Public Law 29-002 to account for 10% of all fees and license revenues received by the Department of Revenue and Taxation (DRT) for the purpose of improving and modernizing systems used to provide DRT services, including on-line filing of taxes, renewal of licenses and permits, upgrades of computer hardware/software to improve record retrieval by members of the public, and the training of DRT staff in technical skills and customer service.

Community Development Fund - This fund was created to account for funds allocated by the Mayor's Council of Guam to Mayors for payment of salaries of employees performing minor repairs and maintenance and for purchase of equipment and supplies necessary for performing minor repairs and maintenance.

DMHSA Receiver Fund - This fund accounts for all activities of the Federal Management Team associated with the Permanent Injunction requiring GovGuam to provide treatment and develop programs to mentally ill patients residing on Guam.

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

See Accompanying Independent Auditors' Report.

D.O.D. Contract Fund - This fund was created by the Department of Administration to account for funds from the United States Department of Defense to the Department of Education (D.O.E.) specifically to provide for fixed tuition payment per eligible D.O.D. 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.

DPHSS Sanitary Inspection Revolving Fund - This fund was created by the Department of Public Health and Social Services to account for the overall cost of conducting sanitary inspections of temporary workforce housing and other required inspections.

Exxon Fuel Overcharge Fund - This fund was created based on a federal court decision against the Exxon Corporation. Guam was allocated 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.

Financial Management Revolving Fund - This fund was created by Executive Order No. 2002-12 for costs associated with the handling and accounting for monies and deposits to be charged for treasury services related to the Financial Management Division.

General Services Agency (GSA) Fund - GSA is maintained within the Department of Administration as the centralized procurement and warehousing for departments and agencies of GovGuam. Additionally, GSA oversees the delegation of procurement authority of approximately eleven departments and agencies.

GSA Inventory Revolving Fund - This fund was created for the purchase and replenishment of items to be carried in the supplies inventory maintained in the warehouse operated by GSA.

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

Guam Memorial Hospital Authority Pharmaceuticals Fund - This fund was created by Public Law 28-68 for the purpose of accounting for 5.61% of all gross receipts taxes collected in Guam for appropriation by *I Liheslaturan Guahan* to fund all pharmaceutical, drug and medicine requirements for Guam Memorial Hospital.

Guam Telephone Authority Privatization Proceeds Fund – This fund was created by Public Law 26-70 to account for the proceeds realized from the sale of the Guam Telephone Authority.

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

Human Resource Services Revolving Fund – This fund was created by Executive Order No. 2002-01 for administrative costs and supplies and equipment costs associated within the areas of classification and pay, recruitment, records, employee benefits, test development, employee management relations, training and development, as well as the Drug-Free Workplace Program of the Human Resources Division.

See Accompanying Independent Auditors' Report.

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

Income Tax Efficiency Payment Fund – This fund was created by Public Law 26-74 for the purpose of improving the efficiency of tax refund payments by hiring temporary income tax return processors, training of Department of Revenue and Taxation employees, and the purchase of computer and other equipment to quickly process income tax returns.

Legislature Operations Fund - The Guam Legislature was created by the Organic Act of Guam, as amended. It is a unicameral body of 15 members elected bi-annually. It meets in two regular year-round sessions. Funding is provided through General Fund appropriations.

Medically Indigent Program Payment Revolving Fund – This fund was created by Public Law 25-164 to be used for the payment of any authorized Medically Indigent Program obligation, regardless of when the obligation was incurred.

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

Office of Public Accountability Fund – The Office of Public Accountability was created by Public Law 21-122 as an instrumentality of GovGuam, independent of the executive, legislative and judicial branches.

Parks and Recreation Revolving Fund - This fund was created by Public Law 16-44 for the development, improvement and maintenance of the Guam Territorial Park System. Expenditures are authorized and made by appropriations from the Legislature.

Plant Protection and Quarantine Revolving Fund - This fund was created to account for all fees collected under the Department of Agriculture's fee schedule for agricultural quarantine activities.

Public Defender Service Corporation Fund – This fund was created by Public Law 13-51 to provide effective legal aid and assistance to those persons on Guam who are unable to afford counsel.

State Agency for Surplus Property Fund – This fund was created for the disposal of salvage and surplus personal property from GovGuam agencies and departments.

Stripperwell Overcharge Fund - This fund was created 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.

See Accompanying Independent Auditors' Report.

Supplemental Annuity Benefits Fund - This fund was created by Public Law 27-29 for the purpose of accounting for the payment of retiree supplemental annuity benefits by the Department of Administration.

Supplemental Appropriations Revenue Fund - This fund was created by Public Law 31-74 to ensure that various GovGuam agencies "deemed vital" would be funded, despite limited resources available.

Typhoon Chata'an and Halong Fund - This fund was created by Public Law 26-116 to account for appropriations made by the Legislature to cover the emergency recovery needs of Guam resulting from Typhoons Chata'an and Halong.

Unified Courts of Guam Fund - The fund was created as an independent judicial branch of GovGuam to account for the operations of the Supreme Court of Guam and the Superior Court of Guam. Funding is provided primarily through Government of Guam General Fund appropriations.

Water System Revenue Bond Fund - This fund is used to account for an assignment of Section 30 funds required by: (i) the Limited Obligation (Section 30) Bond Series A 2001 bond indenture to redeem bond principal and to pay bond interest as such becomes due; and (ii) a $10,000,000 promissory bank note.

General Obligation Bond Series A 1993 Fund - This fund is used to account for funds required by the General Obligation Bond Series A 1993 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

General Obligation Bond Series A 1995 Fund - This fund is used to account for funds required by the General Obligation Bond Series A 1995 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

General Obligation Bond Series A 2007 Fund - This fund is used to account for funds required by the General Obligation Bond Series A 2007 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

Streetlight Note Payable 2008 Fund - This fund is used to account for an assignment of Section 30 funds required by a $13,800,000 promissory bank note.

Limited Obligation Bond Series A 2009 Fund - This fund is used to account for funds required by the Limited Obligation Bond Series A 2009 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Schedule of Balance Sheet Accounts

General Fund

September 30, 2012

AS/400 Fund Number	100		618	309	628	319	255/643	214	106	638
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Community Development	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
ASSETS										
Cash and cash equivalents	$ 30,218,219	$ 3,839,759	$ 4,995	$ -	$ -	$ -	$ -	$ -	$ 1,921	$ 46,829
Investments	1,206,699	-	-	-	-	-	-	-	-	-
Receivables, net:										
Taxes	42,248,408	-	-	-	-	-	-	-	-	-
Federal agencies	6,480,556	-	-	-	-	-	-	-	-	-
Other	1,054,884	-	-	90,169	-	-	-	62,475	-	-
Due from other funds	119,675,332	3,244,506	179,368	-	362,093	-	-	1,019,522	-	207,626
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Prepayments	1,713,492	2,011,483	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	-	36,347,899	-	-	-	-	4,340,373	-	-	-
Investments	52,686,453	19,037,741	-	-	-	-	-	-	-	-
Total assets	$ 255,284,043	$ 64,481,388	$ 184,363	$ 90,169	$ 362,093	$ -	$ 4,340,373	$ 1,081,997	$ 1,921	$ 254,455
LIABILITIES AND FUND BALANCE (DEFICIT)										
Accounts payable	$ 70,026,515	$ 6,952,413	$ 179,368	$ -	$ -	$ -	$ 839,909	$ -	$ -	$ -
Accrued payroll and other	2,472,932	11,195,935	-	-	-	-	345,545	-	-	-
Due to component units	6,424,406	1,822,750	-	-	-	-	-	-	-	-
Due to other funds	40,844,698	-	-	-	-	89,038	240,617	-	-	-
Due to private purpose trust funds	-	-	-	-	-	-	-	-	-	-
Payable to federal agencies	21,826,406	-	-	-	-	-	-	-	-	-
Deferred revenue	56,626,935	-	-	-	-	-	-	-	-	-
Provision for tax refunds	95,769,198	-	-	-	-	-	-	-	-	-
COLA liability	5,459,327	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	12,458,581	-	-	-	-	-	-	-	748	-
Total liabilities	311,908,998	19,971,098	179,368	-	-	89,038	1,426,071	-	748	-
Fund balance (deficit):										
Non-spendable	1,000,000	-	-	-	-	-	-	-	-	-
Restricted	36,566,588	55,385,640	-	-	-	-	2,914,302	-	-	-
Committed	23,390,365	-	4,995	90,169	293,703	-	-	1,070,064	-	254,455
Assigned	-	-	-	-	68,390	-	-	11,933	-	-
Unassigned	(117,581,908)	(10,875,350)	-	-	-	(89,038)	-	-	1,173	-
Total fund balance (deficit)	(56,624,955)	44,510,290	4,995	90,169	362,093	(89,038)	2,914,302	1,081,997	1,173	254,455
Total liabilities and fund balance (deficit)	$ 255,284,043	$ 64,481,388	$ 184,363	$ 90,169	$ 362,093	$ -	$ 4,340,373	$ 1,081,997	$ 1,921	$ 254,455

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Balance Sheet Accounts

General Fund

September 30, 2012

AS/400 Fund Number	104	299	229	404	239	617	616	201	298	303	321
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Government Claims	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment
ASSETS											
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 1,404	$ -	$ -	$ -	$ 305,867	$ 11,270,801
Investments	232,641	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	-	-	-	-	-	-	-	-
Other	28,738	19,661	-	-	-	-	627,169	302,929	-	-	-
Due from other funds	101,693	58,928	6,904	888,472	-	-	172,617	920	42,025	5,405,053	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	62,147	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 363,072	$ 78,589	$ 6,904	$ 950,619	$ -	$ 1,404	$ 799,786	$ 303,849	$ 42,025	$ 5,710,920	$ 11,270,801
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll and other	-	-	-	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	1,397	-	-	-	-	11,012,303
Due to private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	5,192,264	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	8,894	-	-	-
Total liabilities	-	-	-	-	-	1,397	-	8,894	-	5,192,264	11,012,303
Fund balance (deficit):											
Non-spendable	-	-	-	62,147	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	363,072	77,672	-	-	-	7	799,786	294,955	40,930	518,656	258,498
Assigned	-	917	3,809	888,472	-	-	-	-	1,095	-	-
Unassigned	-	-	3,095	-	-	-	-	-	-	-	-
Total fund balance (deficit)	363,072	78,589	6,904	950,619	-	7	799,786	294,955	42,025	518,656	258,498
Total liabilities and fund balance (deficit)	$ 363,072	$ 78,589	$ 6,904	$ 950,619	$ -	$ 1,404	$ 799,786	$ 303,849	$ 42,025	$ 5,710,920	$ 11,270,801

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Balance Sheet Accounts

General Fund

September 30, 2012

AS/400 Fund Number		293	329		225	504		314	103	607	645
	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Parks and Recreation Revolving	Plant Protection and Quarantine Revolving	Public Defender Service Corporation	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue
ASSETS											
Cash and cash equivalents	$ 2,152,643	$ -	$ -	$ 129,424	$ -	$ -	$ 1,466,240	$ 26	$ -	$ -	$ 1,768,398
Investments	-	-	-	307,176	-	-	-	-	19,481	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Federal agencies	-	-	-	16,554	-	-	-	-	-	-	-
Other	5,345	-	-	-	-	-	5,458	19,515	-	-	-
Due from other funds	-	3,349,902	-	-	-	-	-	177,320	-	-	-
Due from private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	165,412	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 2,157,988	$ 3,349,902	$ -	$ 453,154	$ -	$ -	$ 1,471,698	$ 362,273	$ 19,481	$ -	$ 1,768,398
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	$ 53,669	$ 3,952,788	$ -	$ 2,029	$ -	$ -	$ 4,754	$ -	$ -	$ -	$ -
Accrued payroll and other	120,151	-	651	-	-	-	118,616	8,132	-	-	1,822
Due to component units	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	35,110	-	4,808	3,548	-	-	-	-	3,844,527
Due to private purpose trust funds	-	-	-	-	-	-	-	-	-	-	-
Payable to federal agencies	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Provision for tax refunds	-	-	-	-	-	-	-	-	-	-	-
COLA liability	-	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	13,213	-	-	-	7,859	-	-	-	-
Total liabilities	173,820	3,952,788	48,974	2,029	4,808	3,548	131,229	8,132	-	-	3,846,349
Fund balance (deficit):											
Non-spendable	-	-	-	-	-	-	-	165,412	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	1,984,168	-	-	451,125	-	-	1,340,469	124,306	19,481	-	-
Assigned	-	-	-	-	-	-	-	64,423	-	-	-
Unassigned	-	(602,886)	(48,974)	-	(4,808)	(3,548)	-	-	-	-	(2,077,951)
Total fund balance (deficit)	1,984,168	(602,886)	(48,974)	451,125	(4,808)	(3,548)	1,340,469	354,141	19,481	-	(2,077,951)
Total liabilities and fund balance (deficit)	$ 2,157,988	$ 3,349,902	$ -	$ 453,154	$ -	$ -	$ 1,471,698	$ 362,273	$ 19,481	$ -	$ 1,768,398

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Balance Sheet Accounts

General Fund

September 30, 2012

AS/400 Fund Number	501		355	357	359	361	362	363			
	Typhoon Chataan & Halong	Unified Courts of Guam	Water System Revenue Bond Debt Service	General Obligation Series A 1993 Debt Service	General Obligation Series A 1995 Debt Service	General Obligation Series A 2007 Debt Service	Streetlight Note Payable 2008 Debt Service	Limited Obligation Series A 2009 Debt Service	Combined Total	Eliminating Entries	Total
ASSETS											
Cash and cash equivalents	$ -	$ 1,072,909	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,279,435	$ -	$ 52,279,435
Investments	-	-	34,302,027	-	-	-	-	-	36,068,024	-	36,068,024
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	42,248,408	-	42,248,408
Federal agencies	-	673,336	-	-	-	-	-	-	7,170,446	-	7,170,446
Other	-	26,939	-	-	-	-	-	-	2,243,282	-	2,243,282
Due from other funds	-	2,800,057	-	-	630,656	-	-	-	138,322,994	(98,603,143)	39,719,851
Due from private purpose trust funds	-	6,558,789	-	-	-	-	-	-	6,558,789	(672,500)	5,886,289
Inventories	-	-	-	-	-	-	-	-	227,559	-	227,559
Prepayments	-	-	-	-	-	-	-	-	3,724,975	-	3,724,975
Deposits and other assets	-	969,981	-	-	-	-	-	-	969,981	-	969,981
Restricted assets:											
Cash and cash equivalents	-	-	-	-	-	-	-	-	40,688,272	-	40,688,272
Investments	-	-	-	3,342,053	-	7,281,268	-	32,995,703	115,343,218	-	115,343,218
Total assets	$ -	$ 12,102,011	$ 34,302,027	$ 3,342,053	$ 630,656	$ 7,281,268	$ -	$ 32,995,703	$ 445,845,383	$ (99,275,643)	$ 346,569,740
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	$ -	$ 1,813,839	$ 2,000	$ -	$ -	$ -	$ -	$ -	$ 83,827,284	$ -	$ 83,827,284
Accrued payroll and other	-	1,177,052	-	-	-	-	-	-	15,440,836	-	15,440,836
Due to component units	-	-	-	-	-	-	-	-	8,247,156	-	8,247,156
Due to other funds	770	-	32,083,412	165,609	-	5,839,166	320,023	15,672,706	110,157,732	(98,603,143)	11,554,589
Due to private purpose trust funds	-	672,500	-	-	-	-	-	-	672,500	(672,500)	-
Payable to federal agencies	-	-	-	-	-	-	-	-	21,826,406	-	21,826,406
Deferred revenue	-	-	-	-	-	-	-	-	56,626,935	-	56,626,935
Provision for tax refunds	-	-	-	-	-	-	-	-	100,961,462	-	100,961,462
COLA liability	-	-	-	-	-	-	-	-	5,459,327	-	5,459,327
Deposits and other liabilities	-	-	-	-	-	-	-	-	12,489,295	-	12,489,295
Total liabilities	770	3,663,391	32,085,412	165,609	-	5,839,166	320,023	15,672,706	415,708,933	(99,275,643)	316,433,290
Fund balance (deficit):											
Non-spendable	-	-	-	-	-	-	-	-	1,227,559	-	1,227,559
Restricted	-	-	-	3,342,053	-	7,281,268	-	17,322,997	122,812,848	-	122,812,848
Committed	-	8,438,620	-	-	-	-	-	-	39,815,496	-	39,815,496
Assigned	-	-	-	-	-	-	-	-	1,039,039	-	1,039,039
Unassigned	(770)	-	2,216,615	(165,609)	630,656	(5,839,166)	(320,023)	-	(134,758,492)	-	(134,758,492)
Total fund balance (deficit)	(770)	8,438,620	2,216,615	3,176,444	630,656	1,442,102	(320,023)	17,322,997	30,136,450	-	30,136,450
Total liabilities and fund balance (deficit)	$ -	$ 12,102,011	$ 34,302,027	$ 3,342,053	$ 630,656	$ 7,281,268	$ -	$ 32,995,703	$ 445,845,383	$ (99,275,643)	$ 346,569,740

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number	100		618	309	628	319	255/643	214	106	638
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Community Development	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:										
Taxes:										
Income	$ 284,219,325	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	221,443,640	-	-	-	-	-	-	-	-	-
Income - COLA	604,016	-	-	-	-	-	-	-	-	-
Excise	2,459,927	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	53,125,949	-	-	-	-	-	-	-	-	-
Intergovernmental	-	564,041	-	-	-	-	-	-	-	-
Licenses and permits	7,017,236	-	-	-	-	50	-	-	-	114,525
Charges for services	1,864,973	1,718,348	-	-	-	-	-	1,741,875	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	162,690	-	17	-	-	-	52,153	-	2	34
Contributions from component units	2,114,429	-	-	-	-	-	-	-	-	-
Indirect cost reimbursement	379,935	-	-	-	-	-	-	-	-	-
Other	12,240,914	-	-	-	-	-	-	-	-	-
Total revenues	585,633,034	2,282,389	17	-	-	50	52,153	1,741,875	2	114,559
Expenditures by Function:										
Current:										
General government	46,134,193	-	-	-	1,223,908	-	-	-	-	-
Protection of life and property	79,755,531	-	-	-	-	-	-	659,878	-	-
Public health	15,804,095	-	-	-	-	-	4,679,166	-	-	-
Community services	3,553,646	-	-	-	-	-	-	-	-	-
Recreation	2,298,701	-	-	-	-	-	-	-	-	-
Individual and collective rights	11,778,926	-	-	-	-	500	-	-	-	-
Public education	5,260,105	208,634,681	-	-	-	-	-	-	-	-
Economic development	3,265,545	-	-	-	-	-	-	-	-	-
Payments to:										
GovGuam Retirement Fund	1,659,913	-	-	-	-	-	-	-	-	-
Guam Community College	13,157,212	-	-	-	-	-	-	-	-	-
Guam Educational Telecom. Corporation	180,582	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	15,016,510	-	-	-	-	-	-	-	-	-
University of Guam	29,520,646	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	45,738,651	8,058,962	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	3,405,000	780,000	-	-	-	-	-	-	-	-
Bond issuance costs	5,476,111	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	25,365,764	5,918,663	-	-	-	-	-	-	-	-
Total expenditures	307,371,131	223,392,306	-	-	1,223,908	500	4,679,166	659,878	-	-
Excess (deficiency) of revenues over (under) expenditures	278,261,903	(221,109,917)	17	-	(1,223,908)	(450)	(4,627,013)	1,081,997	2	114,559
Other financing sources (uses):										
Proceeds from issuance of bonds	343,700,000	-	-	-	-	-	-	-	-	-
Premium on bonds issued	14,516,986	-	-	-	-	-	-	-	-	-
Transfers in from other funds	20,162,245	229,345,450	191,140,477	-	1,437,776	-	-	-	-	-
Transfers out to other funds	(345,031,664)	-	(191,140,477)	-	-	-	-	-	-	-
Total other financing sources (uses), net	33,347,567	229,345,450	-	-	1,437,776	-	-	-	-	-
Net change in fund balances (deficit)	311,609,470	8,235,533	17	-	213,868	(450)	(4,627,013)	1,081,997	2	114,559
Fund balances (deficit) at beginning of year	(368,234,425)	36,274,757	4,978	90,169	148,225	(88,588)	7,541,315	-	1,171	139,896
Fund balances (deficit) at end of year	$ (56,624,955)	$ 44,510,290	$ 4,995	$ 90,169	$ 362,093	$ (89,038)	$ 2,914,302	$ 1,081,997	$ 1,173	$ 254,455

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number	104	299	229	404	239	617	616	201	298	303	321
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Government Claims	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment
Revenues:											
Taxes:											
Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Income - COLA	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	74,883	7,987	319,641	-	-	-	-	51,424	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1	-	-	-	-	2	-	-	-	400	8,190
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1	-	-	14,027
Total revenues	1	74,883	7,987	319,641	-	2	-	1	51,424	400	22,217
Expenditures by Function:											
Current:											
General government	1,167	33,248	275	-	100,000	-	-	-	31,492	-	-
Protection of life and property	-	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Educational Telecom. Corporation	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	8,414,434	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,167	33,248	275	-	100,000	8,414,434	-	-	31,492	-	-
Excess (deficiency) of revenues over (under) expenditures	(1,166)	41,635	7,712	319,641	(100,000)	(8,414,432)	-	1	19,932	400	22,217
Other financing sources (uses):											
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	100,000	8,414,434	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	100,000	8,414,434	-	-	-	-	-
Net change in fund balances (deficit)	(1,166)	41,635	7,712	319,641	-	2	-	1	19,932	400	22,217
Fund balances (deficit) at beginning of year	364,238	36,954	(808)	630,978	-	5	799,786	294,954	22,093	518,256	236,281
Fund balances (deficit) at end of year	$ 363,072	$ 78,589	$ 6,904	$ 950,619	$ -	$ 7	$ 799,786	$ 294,955	$ 42,025	$ 518,656	$ 258,498

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number		293	329		225	504		314	103	607	645
	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Parks and Recreation Revolving	Plant Protection and Quarantine Revolving	Public Defender Service Corporation	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue
Revenues:											
Taxes:											
Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Income - COLA	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	35,106	-	-	34,350	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	1,977	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1,746	-	-	4,486	-	-	-	-	-	-	1,041
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Other	219,832	-	-	4	-	-	31	231,085	-	-	1,003,787
Total revenues	221,578	-	-	39,596	-	-	34,381	233,062	-	-	1,004,828
Expenditures by Function:											
Current:											
General government	7,713,309	-	1,201,287	1,111,354	-	-	4,604,666	76,735	749	11,965,000	222,131
Protection of life and property	-	-	-	-	-	-	-	-	-	-	41,273
Public health	-	-	-	-	-	-	-	-	-	-	112,291
Community services	-	9,081,904	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	-
Guam Educational Telecom. Corporation	-	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-	1,360,943
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	7,713,309	9,081,904	1,201,287	1,111,354	-	-	4,604,666	76,735	749	11,965,000	1,736,638
Excess (deficiency) of revenues over (under) expenditures	(7,491,731)	(9,081,904)	(1,201,287)	(1,071,758)	-	-	(4,570,285)	156,327	(749)	(11,965,000)	(731,810)
Other financing sources (uses):											
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	7,825,372	8,479,018	1,199,999	1,080,445	-	-	4,632,425	-	-	11,965,000	1,360,943
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	7,825,372	8,479,018	1,199,999	1,080,445	-	-	4,632,425	-	-	11,965,000	1,360,943
Net change in fund balances (deficit)	333,641	(602,886)	(1,288)	8,687	-	-	62,140	156,327	(749)	-	629,133
Fund balances (deficit) at beginning of year	1,650,527	-	(47,686)	442,438	(4,808)	(3,548)	1,278,329	197,814	20,230	-	(2,707,084)
Fund balances (deficit) at end of year	$ 1,984,168	$ (602,886)	$ (48,974)	$ 451,125	$ (4,808)	$ (3,548)	$ 1,340,469	$ 354,141	$ 19,481	$ -	$ (2,077,951)

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number	501		355	357	359	361	362	363			
	Typhoon Chataan & Halong	Unified Courts of Guam	Water System Revenue Bond Debt Service	General Obligation Series A 1993 Debt Service	General Obligation Series A 1995 Debt Service	General Obligation Series A 2007 Debt Service	Streetlight Note Payable 2008 Debt Service	Limited Obligation Series A 2009 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:											
Taxes:											
Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 284,219,325	$ -	$ 284,219,325
Gross receipts	-	-	-	-	-	-	-	-	221,443,640	-	221,443,640
Income - COLA	-	-	-	-	-	-	-	-	604,016	-	604,016
Excise	-	-	-	-	-	-	-	-	2,459,927	-	2,459,927
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	53,125,949	-	53,125,949
Intergovernmental	-	3,273,757	-	-	-	-	-	-	3,907,254	-	3,907,254
Licenses and permits	-	-	-	-	-	-	-	-	7,587,723	-	7,587,723
Charges for services	-	-	-	-	-	-	-	-	5,325,196	-	5,325,196
Fines and forfeits	-	385,935	-	-	-	-	-	-	385,935	-	385,935
Interest and investment earnings	-	-	780	9	-	701	-	665,449	897,701	-	897,701
Contributions from component units	-	-	-	-	-	-	-	-	2,114,429	-	2,114,429
Indirect cost reimbursement	-	-	-	-	-	-	-	-	379,935	-	379,935
Other	-	-	-	-	-	-	-	-	13,709,681	-	13,709,681
Total revenues	-	3,659,692	780	9	-	701	-	665,449	596,160,711	-	596,160,711
Expenditures by Function:											
Current:											
General government	-	30,857,278	-	-	-	-	-	-	105,276,792	-	105,276,792
Protection of life and property	-	-	-	-	-	-	-	-	80,456,682	-	80,456,682
Public health	-	-	-	-	-	-	-	-	20,595,552	-	20,595,552
Community services	-	-	-	-	-	-	-	-	12,635,550	-	12,635,550
Recreation	-	-	-	-	-	-	-	-	2,298,701	-	2,298,701
Individual and collective rights	-	-	-	-	-	-	-	-	11,779,426	-	11,779,426
Public education	-	-	-	-	-	-	-	-	213,894,786	-	213,894,786
Economic development	-	-	-	-	-	-	-	-	3,265,545	-	3,265,545
Payments to:											
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	1,659,913	-	1,659,913
Guam Community College	-	-	-	-	-	-	-	-	13,157,212	-	13,157,212
Guam Educational Telecom. Corporation	-	-	-	-	-	-	-	-	180,582	-	180,582
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	23,430,944	-	23,430,944
University of Guam	-	-	-	-	-	-	-	-	30,881,589	-	30,881,589
Miscellaneous appropriations	-	-	-	-	-	-	-	-	53,797,613	-	53,797,613
Debt service:											
Principal retirement	-	-	10,731,722	3,235,000	-	-	3,363,219	-	21,514,941	-	21,514,941
Bond issuance costs	-	-	-	-	-	-	-	-	5,476,111	-	5,476,111
Interest and fiscal charges	-	-	382,747	1,600,702	-	7,874,700	108,464	11,197,456	52,448,496	-	52,448,496
Total expenditures	-	30,857,278	11,114,469	4,835,702	-	7,874,700	3,471,683	11,197,456	652,750,435	-	652,750,435
Excess (deficiency) of revenues over (under) expenditures	-	(27,197,586)	(11,113,689)	(4,835,693)	-	(7,873,999)	(3,471,683)	(10,532,007)	(56,589,724)	-	(56,589,724)
Other financing sources (uses):											
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	343,700,000	-	343,700,000
Premium on bonds issued	-	-	-	-	-	-	-	-	14,516,986	-	14,516,986
Transfers in from other funds	-	27,815,816	11,114,469	4,835,702	-	7,874,700	3,151,660	27,853,438	569,789,369	(506,430,793)	63,358,576
Transfers out to other funds	-	(1,975,779)	-	-	-	-	-	-	(538,147,920)	506,430,793	(31,717,127)
Total other financing sources (uses), net	-	25,840,037	11,114,469	4,835,702	-	7,874,700	3,151,660	27,853,438	389,858,435	-	389,858,435
Net change in fund balances (deficit)	-	(1,357,549)	780	9	-	701	(320,023)	17,321,431	333,268,711	-	333,268,711
Fund balances (deficit) at beginning of year	(770)	9,796,169	2,215,835	3,176,435	630,656	1,441,401	-	1,566	(303,132,261)	-	(303,132,261)
Fund balances (deficit) at end of year	$ (770)	$ 8,438,620	$ 2,216,615	$ 3,176,444	$ 630,656	$ 1,442,102	$ (320,023)	$ 17,322,997	$ 30,136,450	$ -	$ 30,136,450

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number	100		618	309	628	319	255/643	214	106	638
	Department of Administration	Guam Department of Education	Department of Education Operations	Agana Fractional Lots Program	Better Public Service	Community Development	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract	DPHSS Sanitary Inspection Revolving
Revenues:										
Taxes:										
Income	$ 284,219,325	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	221,443,640	-	-	-	-	-	-	-	-	-
Income - COLA	604,016	-	-	-	-	-	-	-	-	-
Excise	2,459,927	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	53,125,949	-	-	-	-	-	-	-	-	-
Intergovernmental	-	564,041	-	-	-	-	-	-	-	-
Licenses and permits	7,017,236	-	-	-	-	50	-	-	-	114,525
Charges for services	1,864,973	1,718,348	-	-	-	-	-	1,741,875	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	162,690	-	17	-	-	-	52,153	-	2	34
Contributions from component units	2,114,429	-	-	-	-	-	-	-	-	-
Indirect cost reimbursement	379,935	-	-	-	-	-	-	-	-	-
Other	12,240,914	-	-	-	-	-	-	-	-	-
Total revenues	585,633,034	2,282,389	17	-	-	50	52,153	1,741,875	2	114,559
Expenditures by Object:										
Salaries and wages - regular	91,392,384	123,273,248	-	-	-	-	2,255,321	-	-	-
Salaries and wages - overtime	5,783,930	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	27,141,860	42,704,050	-	-	-	-	478,429	-	-	-
Health benefits	5,414,345	-	-	-	-	-	-	-	-	-
Travel	219,044	331,402	-	-	8,072	-	16,052	-	-	-
Contractual services	15,862,971	8,189,489	-	-	1,180,111	-	1,070,698	659,878	-	-
Building rent	3,421,791	2,995,504	-	-	-	-	459,499	-	-	-
Supplies	2,353,297	1,109,792	-	-	35,725	500	8,394	-	-	-
Equipment	241,561	4,670,571	-	-	-	-	17,323	-	-	-
Utilities - power and water	3,431,058	16,366,181	-	-	-	-	-	-	-	-
Communications	1,277,290	115,847	-	-	-	-	-	-	-	-
Capital outlays	213,392	8,085,348	-	-	-	-	351,234	-	-	-
Grants and subsidies	59,534,863	-	-	-	-	-	-	-	-	-
Supplemental annuity benefits	6,813,400	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	14,551,265	8,058,962	-	-	-	-	-	-	-	-
Principal retirement	3,405,000	780,000	-	-	-	-	-	-	-	-
Interest and fiscal charges	42,012,966	5,918,663	-	-	-	-	-	-	-	-
Miscellaneous	24,300,714	793,249	-	-	-	-	22,216	-	-	-
Total expenditures	307,371,131	223,392,306	-	-	1,223,908	500	4,679,166	659,878	-	-
Excess (deficiency) of revenues over (under) expenditures	278,261,903	(221,109,917)	17	-	(1,223,908)	(450)	(4,627,013)	1,081,997	2	114,559
Other financing sources (uses):										
Proceeds from issuance of bonds	343,700,000	-	-	-	-	-	-	-	-	-
Premium on bonds issued	14,516,986	-	-	-	-	-	-	-	-	-
Transfers in from other funds	20,162,245	229,345,450	191,140,477	-	1,437,776	-	-	-	-	-
Transfers out to other funds	(345,031,664)	-	(191,140,477)	-	-	-	-	-	-	-
Total other financing sources (uses), net	33,347,567	229,345,450	-	-	1,437,776	-	-	-	-	-
Net change in fund balances (deficit)	311,609,470	8,235,533	17	-	213,868	(450)	(4,627,013)	1,081,997	2	114,559
Fund balances (deficit) at beginning of year	(368,234,425)	36,274,757	4,978	90,169	148,225	(88,588)	7,541,315	-	1,171	139,896
Fund balances (deficit) at end of year	$ (56,624,955)	$ 44,510,290	$ 4,995	$ 90,169	$ 362,093	$ (89,038)	$ 2,914,302	$ 1,081,997	$ 1,173	$ 254,455

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number	104	299	229	404	239	617	616	201	298	303	321
	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Government Claims	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment
Revenues:											
Taxes:											
Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Income - COLA	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	74,883	7,987	319,641	-	-	-	-	51,424	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1	-	-	-	-	2	-	-	-	400	8,190
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1	-	-	14,027
Total revenues	1	74,883	7,987	319,641	-	2	-	1	51,424	400	22,217
Expenditures by Object:											
Salaries and wages - regular	-	1,667	-	-	-	-	-	-	-	-	-
Salaries and wages - overtime	-	18,807	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	2,951	-	-	-	-	-	-	-	-	-
Health benefits	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-
Contractual services	-	5,217	275	-	-	-	-	-	-	-	-
Building rent	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	3,736	-	-	-	-	-	-	234	-	-
Equipment	-	870	-	-	-	-	-	-	-	-	-
Utilities - power and water	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	8,414,434	-	-	-	-	-
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-	-	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,167	-	-	-	100,000	-	-	-	31,258	-	-
Total expenditures	1,167	33,248	275	-	100,000	8,414,434	-	-	31,492	-	-
Excess (deficiency) of revenues over (under) expenditures	(1,166)	41,635	7,712	319,641	(100,000)	(8,414,432)	-	1	19,932	400	22,217
Other financing sources (uses):											
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	-	-	-	-	100,000	8,414,434	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	100,000	8,414,434	-	-	-	-	-
Net change in fund balances (deficit)	(1,166)	41,635	7,712	319,641	-	2	-	1	19,932	400	22,217
Fund balances (deficit) at beginning of year	364,238	36,954	(808)	630,978	-	5	799,786	294,954	22,093	518,256	236,281
Fund balances (deficit) at end of year	$ 363,072	$ 78,589	$ 6,904	$ 950,619	$ -	$ 7	$ 799,786	$ 294,955	$ 42,025	$ 518,656	$ 258,498

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number		293	329		225	504		314	103	607	645
	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Parks and Recreation Revolving	Plant Protection and Quarantine Revolving	Public Defender Service Corporation	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue
Revenues:											
Taxes:											
Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-	-	-	-	-	-	-	-
Income - COLA	-	-	-	-	-	-	-	-	-	-	-
Excise	-	-	-	-	-	-	-	-	-	-	-
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	35,106	-	-	34,350	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	1,977	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	1,746	-	-	4,486	-	-	-	-	-	-	1,041
Contributions from component units	-	-	-	-	-	-	-	-	-	-	-
Indirect cost reimbursement	-	-	-	-	-	-	-	-	-	-	-
Other	219,832	-	-	4	-	-	31	231,085	-	-	1,003,787
Total revenues	221,578	-	-	39,596	-	-	34,381	233,062	-	-	1,004,828
Expenditures by Object:											
Salaries and wages - regular	5,204,681	-	89,824	586,775	-	-	2,969,151	1,908	-	-	19
Salaries and wages - overtime	-	-	-	-	-	-	-	25,485	-	-	1,238
Salaries and wages - fringe benefits	1,109,465	-	38,407	209,198	-	-	1,064,883	397	-	-	348
Health benefits	-	-	-	-	-	-	-	-	-	-	-
Travel	35,553	35,389	19,369	12,487	-	-	-	-	-	-	-
Contractual services	273,314	-	-	167,416	-	-	115,475	20,314	-	-	370,055
Building rent	567,022	-	31,200	102,594	-	-	335,698	-	-	-	-
Supplies	75,717	-	-	7,674	-	-	24,547	15,176	-	-	-
Equipment	37,384	-	-	8,233	-	-	24,115	7,672	-	-	-
Utilities - power and water	236,976	-	-	3,174	-	-	28,800	-	-	-	4,035
Communications	78,598	-	-	-	-	-	10,319	-	-	-	-
Capital outlays	-	-	-	-	-	-	9,504	5,783	-	-	-
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	1,360,943
Supplemental annuity benefits	-	-	-	-	-	-	-	-	-	11,965,000	-
Retiree healthcare benefits	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	94,599	9,046,515	1,022,487	13,803	-	-	22,174	-	749	-	-
Total expenditures	7,713,309	9,081,904	1,201,287	1,111,354	-	-	4,604,666	76,735	749	11,965,000	1,736,638
Excess (deficiency) of revenues over (under) expenditures	(7,491,731)	(9,081,904)	(1,201,287)	(1,071,758)	-	-	(4,570,285)	156,327	(749)	(11,965,000)	(731,810)
Other financing sources (uses):											
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in from other funds	7,825,372	8,479,018	1,199,999	1,080,445	-	-	4,632,425	-	-	11,965,000	1,360,943
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	7,825,372	8,479,018	1,199,999	1,080,445	-	-	4,632,425	-	-	11,965,000	1,360,943
Net change in fund balances (deficit)	333,641	(602,886)	(1,288)	8,687	-	-	62,140	156,327	(749)	-	629,133
Fund balances (deficit) at beginning of year	1,650,527	-	(47,686)	442,438	(4,808)	(3,548)	1,278,329	197,814	20,230	-	(2,707,084)
Fund balances (deficit) at end of year	$ 1,984,168	$ (602,886)	$ (48,974)	$ 451,125	$ (4,808)	$ (3,548)	$ 1,340,469	$ 354,141	$ 19,481	$ -	$ (2,077,951)

(continued)

GOVERNMENT OF GUAM

Combining Schedule of Revenues, Expenditures by Object, and Changes in Fund Balance (Deficit) Accounts

General Fund

Year Ended September 30, 2012

AS/400 Fund Number	501		355	357	359	361	362	363			
	Typhoon Chataan & Halong	Unified Courts of Guam	Water System Revenue Bond Debt Service	General Obligation Series A 1993 Debt Service	General Obligation Series A 1995 Debt Service	General Obligation Series A 2007 Debt Service	Streetlight Note Payable 2008 Debt Service	Limited Obligation Series A 2009 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:											
Taxes:											
Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 284,219,325	$ -	$ 284,219,325
Gross receipts	-	-	-	-	-	-	-	-	221,443,640	-	221,443,640
Income - COLA	-	-	-	-	-	-	-	-	604,016	-	604,016
Excise	-	-	-	-	-	-	-	-	2,459,927	-	2,459,927
Section 30 Federal income tax collections	-	-	-	-	-	-	-	-	53,125,949	-	53,125,949
Intergovernmental	-	3,273,757	-	-	-	-	-	-	3,907,254	-	3,907,254
Licenses and permits	-	-	-	-	-	-	-	-	7,587,723	-	7,587,723
Charges for services	-	-	-	-	-	-	-	-	5,325,196	-	5,325,196
Fines and forfeits	-	385,935	-	-	-	-	-	-	385,935	-	385,935
Interest and investment earnings	-	-	780	9	-	701	-	665,449	897,701	-	897,701
Contributions from component units	-	-	-	-	-	-	-	-	2,114,429	-	2,114,429
Indirect cost reimbursement	-	-	-	-	-	-	-	-	379,935	-	379,935
Other	-	-	-	-	-	-	-	-	13,709,681	-	13,709,681
Total revenues	-	3,659,692	780	9	-	701	-	665,449	596,160,711	-	596,160,711
Expenditures by Object:											
Salaries and wages - regular	-	16,691,671	-	-	-	-	-	-	242,466,649	-	242,466,649
Salaries and wages - overtime	-	38,528	-	-	-	-	-	-	5,867,988	-	5,867,988
Salaries and wages - fringe benefits	-	6,037,302	-	-	-	-	-	-	78,787,290	-	78,787,290
Health benefits	-	-	-	-	-	-	-	-	5,414,345	-	5,414,345
Travel	-	264,330	-	-	-	-	-	-	941,698	-	941,698
Contractual services	-	5,794,898	-	-	-	-	-	-	33,710,111	-	33,710,111
Building rent	-	18,773	-	-	-	-	-	-	7,932,081	-	7,932,081
Supplies	-	343,252	-	-	-	-	-	-	3,978,044	-	3,978,044
Equipment	-	448,746	-	-	-	-	-	-	5,456,475	-	5,456,475
Utilities - power and water	-	999,048	-	-	-	-	-	-	21,069,272	-	21,069,272
Communications	-	186,485	-	-	-	-	-	-	1,668,539	-	1,668,539
Capital outlays	-	18,673	-	-	-	-	-	-	8,683,934	-	8,683,934
Grants and subsidies	-	-	-	-	-	-	-	-	69,310,240	-	69,310,240
Supplemental annuity benefits	-	-	-	-	-	-	-	-	18,778,400	-	18,778,400
Retiree healthcare benefits	-	-	-	-	-	-	-	-	22,610,227	-	22,610,227
Principal retirement	-	-	10,731,722	3,235,000	-	-	3,363,219	-	21,514,941	-	21,514,941
Interest and fiscal charges	-	-	382,747	1,600,702	-	7,874,700	108,464	11,197,456	69,095,698	-	69,095,698
Miscellaneous	-	15,572	-	-	-	-	-	-	35,464,503	-	35,464,503
Total expenditures	-	30,857,278	11,114,469	4,835,702	-	7,874,700	3,471,683	11,197,456	652,750,435	-	652,750,435
Excess (deficiency) of revenues over (under) expenditures	-	(27,197,586)	(11,113,689)	(4,835,693)	-	(7,873,999)	(3,471,683)	(10,532,007)	(56,589,724)	-	(56,589,724)
Other financing sources (uses):											
Proceeds from issuance of bonds	-	-	-	-	-	-	-	-	343,700,000	-	343,700,000
Premium on bonds issued	-	-	-	-	-	-	-	-	14,516,986	-	14,516,986
Transfers in from other funds	-	27,815,816	11,114,469	4,835,702	-	7,874,700	3,151,660	27,853,438	569,789,369	(506,430,793)	63,358,576
Transfers out to other funds	-	(1,975,779)	-	-	-	-	-	-	(538,147,920)	506,430,793	(31,717,127)
Total other financing sources (uses), net	-	25,840,037	11,114,469	4,835,702	-	7,874,700	3,151,660	27,853,438	389,858,435	-	389,858,435
Net change in fund balances (deficit)	-	(1,357,549)	780	9	-	701	(320,023)	17,321,431	333,268,711	-	333,268,711
Fund balances (deficit) at beginning of year	(770)	9,796,169	2,215,835	3,176,435	630,656	1,441,401	-	1,566	(303,132,261)	-	(303,132,261)
Fund balances (deficit) at end of year	$ (770)	$ 8,438,620	$ 2,216,615	$ 3,176,444	$ 630,656	$ 1,442,102	$ (320,023)	$ 17,322,997	$ 30,136,450	$ -	$ 30,136,450

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Revenues:		
Taxes:		
Income	$ 284,219,325	$ 282,284,515
Gross receipts	221,443,640	200,047,641
Income - COLA	604,016	125,020
Excise	2,459,927	2,549,493
Section 30 Federal income tax collections	53,125,949	46,357,373
Intergovernmental	3,907,254	6,051,102
Licenses and permits	7,587,723	5,735,762
Charges for services	5,325,196	1,967,660
Fines and forfeits	385,935	410,043
Interest and investment earnings	897,701	183,100
Indirect cost reimbursement	379,935	(55,693)
Contributions from component units	2,114,429	2,199,058
Other	13,709,681	4,500,586
Total revenues	596,160,711	552,355,660
Expenditures by Department:		
General Government:		
Office of I Maga'lahen Guahan:		
Office of the Governor	3,506,528	3,904,674
Office of the Governor - Guam Liaison Office	195,472	168,576
Ancestral Land Trust Commission	168,985	208,365
Government House	462,820	687,014
Bureau of Information Technology	128,099	157,785
Medical Referral Offices	601,468	656,982
Office of Veteran's Affairs	325,316	318,301
	5,388,688	6,101,697
Office of I Segundu Na Maga'lahen Guahan:		
Office of the Lieutenant Governor	754,994	965,717
Bureau of Budget and Management Research:		
Office of the Director	346,848	303,924
Internal Audit Division	641,328	5,600
	988,176	309,524
Civil Service Commission:		
Office of the Director	362,348	364,402
Board of Commissioners	33,875	59,221
Legal Office	99,977	83,561
Personnel Management	266,896	269,724
	763,096	776,908

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Expenditures by Department, continued:		
General Government, continued:		
Department of Administration:		
Office of the Director	3,574,011	3,438,591
Office of the Director - COLA	18,778,400	18,325,074
Office of the Director - Child Support	650,367	675,958
Office of the Director - Drug Free Workplace	8,882	-
Office of the Director - Health insurance benefits	5,414,355	5,294,462
Office of the Director - Power and Water	3,264,103	6,584,052
Personnel Management	1,568,037	1,641,975
Financial Management	710,348	724,382
Data Processing	1,053,966	899,873
General Services Agency	697,277	777,404
Division of Accounts	1,632,206	1,607,972
	37,351,952	39,969,743
Department of Public Works:		
Office of the Director	982,030	1,326,887
Capital Improvement Projects	1,587,104	-
Transportation Maintenance Division	-	1,104,698
Building Construction and Facilities Maintenance	1,025,964	-
	3,595,098	2,431,585
Department of Revenue and Taxation:		
Office of the Director	4,991,384	4,003,197
Office of the Director - Vacancies and Tax Attorney	77,848	-
Office of the Director - Real Property Assessment Bond	216,338	664,386
Tax Enforcement Division	2,134,383	2,114,157
Real Property Tax Division	631,641	662,805
Taxpayer Services Division	1,750,457	1,987,161
Regulatory Division	1,147,876	1,167,678
Motor Vehicle Division	653,461	708,938
	11,603,388	11,308,322
Department of Land Management:		
Office of the Director	544,792	243,223
Legislative Branch:		
Guam Legislature	7,713,309	8,368,608
Public Auditor:		
Office of Public Accountability	1,111,354	1,185,571
Legal Services::		
Public Defender Services Corporation	4,604,666	4,251,397
Total General Government	74,419,513	75,912,295

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Expenditures by Department, continued:		
Protection of Life and Property		
Department of Corrections:		
Office of the Director	3,347,879	6,222,142
Office of the Director - Rent	-	104,500
Office of the Director - Bureau of Prisons	417,038	1,287,272
Adult Correctional Facility	9,600,106	10,110,414
Rosario Detention Center	2,075,513	2,418,577
Casework and Counseling Service Division	312,501	330,805
Forensic Division	188,970	315,098
Parole Service Division	564,433	549,653
	16,506,440	21,338,461
Department of Youth Affairs:		
Office of the Director	114,663	226,570
Office of the Director - Nursing and Medication	29,765	25,461
Division of Youth Development	564,184	543,815
Division of Youth Corrections	2,492,471	2,585,149
Division of Vocational Rehabilitation and Support Services	496,551	578,538
	3,697,634	3,959,533
Guam Fire Department:		
Office of the Fire Chief	186,461	2,798,830
Administrative and Logistical Support	961,429	950,353
Emergency Medical Service/Rescue Operations Bureau	9,285,217	7,990,422
Fire Suppression Bureau	17,542,227	16,050,917
	27,975,334	27,790,522
Guam Police Department:		
Office of the Chief	1,677,257	2,196,263
Office of the Chief - Police Commander	2,892,166	2,821,511
Office of the Chief - Administration Division	1,505,532	1,416,332
Office of the Chief - Overtime	1,827,032	1,165,155
Office of the Chief - Fuel	477,282	450,881
Criminal Investigation Division	2,702,158	2,845,819
Neighborhood Patrol Division	9,097,097	9,350,160
Support Division	1,820,649	1,930,425
Forensic Science Division	1,052,481	1,140,959
Highway Patrol Division	1,423,072	1,416,197
	24,474,726	24,733,702
Office of the Attorney-General:		
Attorney-General's Office	7,418,296	6,683,255
Chief Medical Examiner:		
Medical Examiner's Office	384,252	419,665
Total Protection of Life and Property	80,456,682	84,925,138

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Expenditures by Department, continued:		
Public Health:		
Department of Mental Health and Substance Abuse:		
Office of the Director	7,324,571	5,918,816
Office of the Director - Permanent Injunction	4,679,166	1,569,728
Clinical Services Division	883,555	1,000,296
Child and Adolescent Services Division	728,512	768,553
Nursing Services Division	2,228,015	1,941,355
	15,843,819	11,198,748
Department of Public Health and Social Services:		
Office of the Director	1,840,773	400,851
Chief Public Health Office	159,869	3,000
Community Health Services	96,000	-
Communicable Disease Control	525,294	-
Primary Care Services	113,341	2,399
Family Health and Nursing	-	962
Division of Environmental Health	544,292	552,666
Financial Management Services	190,976	187,414
Supply Section	124,999	120,502
Management Support Services	176,277	167,391
Facilities and Maintenance	829,385	872,206
Systems Group	150,528	286,820
	4,751,734	2,594,211
Total Public Health	20,595,553	13,792,959
Community Services:		
Department of Public Health and Social Services:		
Medically Indigent Program	9,167,210	15,727,524
Foster Care	1,954,916	1,871,531
Division of Senior Citizens	232,209	208,194
Adult Protective Services	430,908	468,125
	11,785,243	18,275,374
Department of Integrated Services for Individuals with Disabilities:		
Office of the Director	482,762	630,179
Basic Support 110	13,815	24,985
	496,577	655,164
Guam Public Library System:		
Office of the Director	248,129	806,687
Hagatna-Dededo Library	40,913	148,842
Barrigada Library	19,541	59,674
Agat Library	11,049	37,668
Yona Library	12,000	34,639
Merizo Library	22,098	63,215
	353,730	1,150,725
Total Community Services	12,635,550	20,081,263

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Expenditures by Department, continued:		
Recreation:		
Department of Parks and Recreation:		
Office of the Director	254,106	382,339
Memorial Services	55,150	112,645
Community Programs	305,277	346,518
Pool and Beach Programs	336,527	428,268
Paseo Stadium	84,476	-
Parks Administration and Planning	88,572	154,576
Historic Preservation Division	214,618	233,332
Parks Maintenance	792,773	966,109
Territorial Park Protection	167,202	139,779
Total Recreation	2,298,701	2,763,566
Individual and Collective Rights:		
Office of I Maga'lahen Guahan:		
Commission on Decolonization	153,240	18,015
Department of Chamorro Affairs:		
Office of the Director	572,987	455,159
Guam Public Library	602,997	-
Language and Culture Division	51,270	50,218
Research Publication and Training	74,836	71,021
Guam Educational Telecommunications Corporation	283,365	-
Guam Museum	238,641	291,627
	1,824,096	868,025
Department of Labor:		
Office of the Director	121,206	424,343
Occupational Safety and Health Agency	-	4,878
Wage and Hour Division	205,649	1,890
Bureau of Labor Statistics	280,474	2,360
Fair Employment Practice Office	81,027	-
Worker's Compensation Commission	154,504	5,558
Fiscal and Support Office	134,153	112,257
	977,013	551,286
Department of Military Affairs:		
Office of the Adjutant General	141,004	142,072
Other:		
Unified Courts of Guam	30,857,278	28,044,579
Guam Election Commission	867,359	862,151
Mayor's Council of Guam	7,816,714	8,232,335
	39,541,351	37,139,065
Total Individual and Collective Rights	42,636,704	38,718,463

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Expenditures by Department, continued:		
Public Education:		
Education Suruhanu	-	118,797
Guam Commission for Educator Certification	158,786	172,664
Office of I Maga'lahen Guahan:		
Office of the Governor - JFK School Lease	-	4,493,256
Department of Education:		
Guam Public School System	208,634,681	198,632,127
Department of Public Works:		
Bus Operations	5,101,319	6,145,760
Total Public Education	213,894,786	209,562,604
Economic Development:		
Bureau of Statistics and Plans:		
Administration	314,873	385,987
Chief Economist's Office	2,359	6,652
Planning Information	257,118	245,733
Socio-Economic Planning	143,547	137,755
Business and Economic Statistics Division	377,502	380,008
	1,095,399	1,156,135
Department of Agriculture:		
Office of the Director	806,848	830,365
Fire Protection	127,431	252,280
Aquatic and Wildlife Resources Division	586,020	137,441
Animal and Plant Industry Division	273,497	831,039
Animal Health Section	376,350	385,667
	2,170,146	2,436,792
Total Economic Development	3,265,545	3,592,927
Payments to Component Units:		
Government of Guam Retirement Fund:		
Medicare Reimbursement	968,950	697,696
Governor and Lieutenant Governor Pension Contributions	232,515	210,636
Judge and Justice Retirement Annuities	458,448	735,425
	1,659,913	1,643,757
Guam Community College	13,157,212	13,131,969
Guam Educational Telecommunications Corporation	180,582	530,059
Guam Visitors Bureau	-	20,605
Guam Memorial Hospital Authority	23,430,944	9,368,560
University of Guam	30,881,589	30,851,172
Total Payments to Component Units	69,310,240	55,546,122
Miscellaneous Appropriations:		
Retiree Healthcare Premiums	22,610,227	27,299,574
Hagatna Restoration and Redevelopment	-	22,397
Total Miscellaneous Appropriations	22,610,227	27,321,971

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Expenditures by Department, continued:		
Interest and other charges:		
Interest on tax refunds	11,171,090	4,663,347
Public Law 28-38 Special Retirement payments	658,319	852,469
Public Law 31-74 GGRF savings payments	-	6,163,348
Credit card charge fees and other bank fees	1,496,706	4,290,392
COLA interest	-	1,985,124
Merit bonus	9,386,458	-
Lada Estate court judgment	2,915,000	-
Other	5,559,813	5,153,997
Total Interest and other charges	31,187,386	23,108,677
Debt service:		
Principal retirement	21,514,941	20,291,072
Bond issuance costs	5,476,111	-
Interest and fiscal charges	52,448,496	36,317,372
Total Debt Service	79,439,548	56,608,444
Capital Projects:		
John F. Kennedy High School	-	65,735,000
Total expenditures	652,750,435	677,669,429
Deficiency of revenues under expenditures	(56,589,724)	(125,313,769)
Other financing sources (uses):		
Proceeds from bonds issued	343,700,000	-
Premium on bonds issued	14,516,986	-
	358,216,986	-
Capital leases	-	65,735,000
Transfers in from other funds:		
Census Fund	-	1,000,000
Federal Grants Fund	3,077,220	-
GDOE Federal Grants Fund	-	80,235,043
Guam Cancer Trust Fund	-	1,033,533
Guam Environmental Trust Fund	32,833	38,546
Health and Human Services Fund	-	1,155
Healthy Futures Fund	6,246,661	533,894
Indirect Cost Fund	212,500	-
Landfill CIP Fund	20,718,419	-
Limited Obligation Infrastructure Improvement Bonds Fund	-	1,000,000
Public Library System Fund	652,440	804,876
Recycling Revolving Fund	2,100,879	-
Section 2718 Fund	4,046,055	-
Solid Waste Operations Fund	4,497,097	3,747,581
Territorial Education Facilities Fund	20,869,104	18,478,397
Territorial Highway Fund	905,368	890,280
Tourist Attraction Fund	-	1,075,942
	63,358,576	108,839,247

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GOVERNMENT OF GUAM

Statement of Revenues, Expenditures by Department, and
Changes in Fund Balance (Deficit) - General Fund, Continued
Year Ended September 30, 2012
(With comparatives for the year ended September 30, 2011)

	2012	2011
Other financing sources (uses), continued:		
Transfers out to other funds:		
Customs, Agriculture and Quarantine Inspection Services Fund	1,617,893	3,264,296
Federal Grants Assistance Fund	27,432,600	24,915,172
Geodetic Network Fund	14,291	-
Land Survey Revolving Fund	-	816,007
Manpower Development Fund	-	927,228
Streetlight Fund	713,673	-
Unified Courts of Guam Trust Fund	1,140,109	473,787
Worker's Compensation Fund	798,561	679,226
	31,717,127	31,075,716
Total other financing sources (uses), net	389,858,435	143,498,531
Net change in fund balance (deficit)	333,268,711	18,184,762
Deficit at the beginning of the year	(303,132,261)	(321,317,023)
Fund balance (deficit) at the end of the year	$ 30,136,450	$ (303,132,261)

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Revenues:				
Taxes:				
Income	$ 297,710,412	$ 297,710,412	$ 284,219,325	$ (13,491,087)
Gross receipts	215,900,178	215,900,178	221,443,640	5,543,462
Income - COLA	-	-	604,016	604,016
Excise	3,529,781	3,529,781	2,459,927	(1,069,854)
Section 30 Federal income tax collections	50,228,855	50,228,855	53,125,949	2,897,094
Immigration fees	-	-	1,864,973	1,864,973
Indirect cost reimbursement	-	-	379,935	379,935
Contributions from component units	20,447,762	2,114,429	2,114,429	-
Other	8,070,337	8,070,337	17,924,134	9,853,797
Total revenues	595,887,325	577,553,992	584,136,328	6,582,336
Expenditures by Department:				
Executive Branch:				
Office of I Maga'lahen Guahan:				
Office of the Governor	6,273,157	3,849,990	3,590,582	259,408
Office of the Governor - Guam Liaison Office	7,326	222,497	200,802	21,695
Commission on Decolonization	104,438	164,214	153,542	10,672
Ancestral Land Trust Commission	180,819	180,819	168,985	11,834
Government House	17,530	524,563	513,539	11,024
Bureau of Information Technology	-	164,573	137,364	27,209
Medical Referral Offices	-	612,160	603,679	8,481
Office of Civil Defense	1,485	1,485	1,485	-
Office of Veteran's Affairs	305,244	334,426	327,763	6,663
	6,889,999	6,054,727	5,697,741	356,986
Office of I Segundu Na Maga'lahen Guahan:				
Office of the Lieutenant Governor	2,571	926,800	775,559	151,241
Bureau of Budget and Management Research:				
Office of the Director	1,023,869	366,205	346,848	19,357
Internal Audit Division	-	657,664	641,328	16,336
	1,023,869	1,023,869	988,176	35,693
Civil Service Commission:				
Office of the Director	803,958	378,458	370,282	8,176
Board of Commissioners	-	53,989	33,875	20,114
Legal Office	-	99,977	99,977	-
Personnel Management	-	271,534	266,896	4,638
	803,958	803,958	771,030	32,928

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Administration:				
Office of the Director	7,829,357	2,360,597	2,241,211	119,386
Office of the Director - COLA	6,770,500	6,770,500	6,813,400	(42,900)
Office of the Director - Child Support	651,466	651,466	650,493	973
Office of the Director - Drug Free Workplace	47,222	39,532	8,882	30,650
Office of the Director - Health insurance benefits	5,744,594	5,746,742	5,414,355	332,387
Office of the Director - Power and Water	3,261,074	3,261,074	3,260,936	138
Office of the Director - Vacancy Pool	404,770	342,846	-	342,846
Personnel Management	-	1,509,327	1,536,545	(27,218)
Financial Management	-	665,120	677,100	(11,980)
Data Processing	-	1,040,084	1,053,966	(13,882)
General Services Agency	-	633,874	619,936	13,938
Division of Accounts	-	1,619,981	1,630,290	(10,309)
	24,708,983	24,641,143	23,907,114	734,029
Guam Election Commission	1,169,767	1,169,767	875,525	294,242
Department of Revenue and Taxation:				
Office of the Director	14,589,832	7,746,088	4,078,725	3,667,363
Office of the Director - Vacancies and Tax Attorney	-	277,720	89,179	188,541
Office of the Director - Stimulus Tax Rebates	65,383	65,383	-	65,383
Office of the Director - Real Property Assessment Bond	235,320	235,320	235,320	-
Tax Enforcement Division	-	2,178,538	2,134,383	44,155
Real Property Tax Division	-	631,586	631,641	(55)
Taxpayer Services Division	-	1,771,362	1,750,457	20,905
Regulatory Division	-	1,191,460	1,147,876	43,584
Motor Vehicle Division	-	793,078	653,461	139,617
	14,890,535	14,890,535	10,721,042	4,169,493
Bureau of Statistics and Plans:				
Administration	1,162,590	386,375	315,229	71,146
Chief Economist's Office	26,661	26,661	2,438	24,223
Planning Information	-	257,118	257,118	-
Socio-Economic Planning	-	141,290	143,547	(2,257)
Business and Economic Statistics Division	-	377,807	377,502	305
	1,189,251	1,189,251	1,095,834	93,417
Department of Public Works:				
Office of the Director	8,461,020	986,746	982,030	4,716
Office of the Director - Consent Decree	415,709	415,709	-	415,709
Office of the Director - Streetlights	553,481	553,481	-	553,481
Capital Improvement Projects	-	1,420,809	1,420,809	-
Transportation Maintenance Division	2,555	2,555	-	2,555
Bus Operations Division	1,319	5,102,648	5,101,319	1,329
Building Construction and Facilities Maintenance	-	1,025,964	1,025,964	-
	9,434,084	9,507,912	8,530,122	977,790

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Expenditures by Department, continued:				
Executive Branch, continued:				
Office of the Attorney-General:				
Attorney-General's Office	12,713,496	11,768,303	7,596,832	4,171,471
Guam Police Department:				
Office of the Chief	24,801,802	1,765,342	1,752,361	12,981
Office of the Chief - Police Commander	-	2,888,291	2,892,166	(3,875)
Office of the Chief - Administration Division	-	1,501,916	1,505,532	(3,616)
Office of the Chief - Overtime	-	1,493,380	1,827,032	(333,652)
Office of the Chief - Equipment and Training	11,764	3,201	3,201	-
Office of the Chief - Fuel	-	477,283	477,282	1
Criminal Investigation Division	-	2,699,779	2,702,158	(2,379)
Neighborhood Patrol Division	-	9,251,759	9,097,097	154,662
Support Division	665	1,821,153	1,820,649	504
Forensic Science Division	40	1,057,818	1,057,862	(44)
Highway Patrol Division	-	1,422,663	1,423,072	(409)
	24,814,271	24,382,585	24,558,412	(175,827)
Department of Corrections:				
Office of the Director	15,652,897	2,988,278	2,843,932	144,346
Office of the Director - Bureau of Prisons	-	676,457	417,038	259,419
Adult Correctional Facility	-	9,878,499	9,600,106	278,393
Rosario Detention Center	-	2,133,768	2,075,513	58,255
Casework and Counseling Service Division	-	297,842	312,501	(14,659)
Forensic Division	-	190,933	188,970	1,963
Parole Service Division	-	566,052	564,433	1,619
	15,652,897	16,731,829	16,002,493	729,336
Department of Agriculture:				
Office of the Director	2,618,608	969,119	807,400	161,719
Aquatic and Wildlife Resources Division	-	134,127	127,431	6,696
Animal and Plant Industry Division	-	601,032	586,770	14,262
Plant Inspection Station	-	276,442	273,497	2,945
Animal Health Section	5,970	419,112	376,652	42,460
	2,624,578	2,399,832	2,171,750	228,082

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Public Health and Social Services:				
Office of the Director	35,088,896	2,507,865	1,879,903	627,962
Chief Public Health Office	15,544	304,994	170,936	134,058
Community Health Services	2,910	98,910	96,000	2,910
Communicable Disease Control	3,973	855,372	532,760	322,612
Professional Social Services	572	23,972	-	23,972
Primary Care Services	3,343	199,837	130,902	68,935
Family Health and Nursing	-	47,012	-	47,012
Division of Environmental Health	18,495	635,559	544,631	90,928
Financial Management Services	2,068	195,761	192,024	3,737
Supply Section	843	131,495	125,498	5,997
Management Support Services	1,346	185,660	177,366	8,294
Facilities and Maintenance	28,377	945,028	856,999	88,029
Systems Group	34,843	442,843	270,721	172,122
Medically Indigent Program	1,267	104,315	85,687	18,628
Foster Care	13,386	2,061,260	1,963,247	98,013
Division of Senior Citizens	10,202	278,245	243,431	34,814
Adult Protective Services	9,488	557,823	444,074	113,749
	35,235,553	9,575,951	7,714,179	1,861,772
Department of Education:				
Guam Public School System	193,068,986	264,048,731	202,835,356	61,213,375
Guam Public Library System:				
Office of the Director	1,145,205	258,549	250,277	8,272
Hagatna-Dededo Library	77,652	118,241	41,165	77,076
Barrigada Library	203	19,744	19,541	203
Agat Library	367	11,385	11,049	336
Yona Library	194	12,097	12,000	97
Merizo Library	979	23,077	22,098	979
	194,293,586	264,491,824	203,191,486	61,300,338
Department of Youth Affairs:				
Office of the Director	4,091,496	118,106	114,663	3,443
Office of the Director - Nursing and Medication	-	96,345	37,655	58,690
Division of Youth Development	-	574,406	564,184	10,222
Division of Youth Corrections	-	2,682,782	2,492,471	190,311
Division of Vocational Rehabilitation and Support Services	83,902	703,534	501,725	201,809
	4,175,398	4,175,173	3,710,698	464,475

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Mental Health and Substance Abuse:				
Office of the Director	14,683,398	7,784,050	7,260,448	523,602
Office of the Director - Permanent Injunction	12,631	3,012,631	12,139	3,000,492
Clinical Services Division	2,000	940,740	883,555	57,185
Child and Adolescent Services Division	390	779,456	728,512	50,944
Nursing Services Division	40,136	2,221,678	2,232,114	(10,436)
	14,738,555	14,738,555	11,116,768	3,621,787
Department of Labor:				
Office of the Director	1,154,993	149,121	129,141	19,980
Occupational Safety and Health Agency	-	30,755	-	30,755
Wage and Hour Division	-	216,950	207,585	9,365
Bureau of Labor Statistics	-	300,060	280,474	19,586
Fair Employment Practice Office	-	89,615	81,027	8,588
Worker's Compensation Commission	-	160,931	154,504	6,427
Fiscal and Support Office	-	164,561	134,955	29,606
	1,154,993	1,111,993	987,686	124,307
Department of Parks and Recreation:				
Office of the Director	2,731,806	298,500	274,633	23,867
Memorial Services	-	60,034	55,150	4,884
Community Programs	-	297,457	305,277	(7,820)
Pool and Beach Programs	-	353,785	336,527	17,258
Paseo Stadium	-	91,584	84,476	7,108
Parks Administration and Planning	-	91,888	88,572	3,316
Historic Preservation Division	-	239,961	214,618	25,343
Parks Maintenance	1,944	792,250	792,773	(523)
Territorial Park Protection	-	142,976	167,202	(24,226)
	2,733,750	2,368,435	2,319,228	49,207
Department of Integrated Services for Individuals with Disabilities:				
Service Contracts	1,250,345	-	-	-
Permanent Injunction	4,011	4,011	-	4,011
Office of the Director	2,327	650,046	485,428	164,618
Fiscal Support	-	17,687	13,815	3,872
	1,256,683	671,744	499,243	172,501
Mayor's Council of Guam:				
Mayors' Council Consolidated Accounts	8,681,225	8,681,225	7,965,813	715,412
Department of Land Management:				
Office of the Director	640,932	640,932	544,792	96,140
Chief Medical Examiner:				
Medical Examiner's Office	398,894	398,894	387,724	11,170

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Expenditures by Department, continued:				
Executive Branch, continued:				
Department of Chamorro Affairs:				
Office of the Director	1,002,897	608,706	582,705	26,001
Guam Public Library	-	781,507	613,482	168,025
Language and Culture Division	-	54,021	51,270	2,751
Research Publication and Training	-	78,742	74,836	3,906
Guam Educational Telecommunications Corporation	-	340,517	283,365	57,152
Guam Museum	-	261,428	238,641	22,787
	1,002,897	2,124,921	1,844,299	280,622
Department of Military Affairs:				
Office of the Adjutant General	371,298	158,246	141,004	17,242
Guam Fire Department:				
Office of the Fire Chief	26,755,133	156,044	146,573	9,471
Administrative and Logistical Support	35,874	1,028,471	988,172	40,299
Emergency Medical Service/Rescue Operations Bureau	-	9,285,218	9,285,217	1
Fire Suppression Bureau	-	17,542,228	17,542,227	1
	26,791,007	28,011,961	27,962,189	49,772
Payments to Component Units:				
Guam Community College	14,004,575	14,004,575	13,157,212	847,363
Guam Educational Telecommunications Corporation	524,731	184,214	180,582	3,632
Guam Visitors Bureau	3,000	3,000	-	3,000
Guam Memorial Hospital Authority	13,264,449	24,730,766	15,016,510	9,714,256
University of Guam	30,033,210	30,033,210	29,520,646	512,564
	57,829,965	68,955,765	57,874,950	11,080,815
Government of Guam Retirement Fund Appropriations:				
Medicare Reimbursement	987,000	987,000	968,950	18,050
Governor and Lieutenant Governor Pension Contributions	232,515	232,515	232,515	-
Judge and Justice Retirement Annuities	466,429	466,429	458,448	7,981
	1,685,944	1,685,944	1,659,913	26,031
Total Executive Branch	466,908,939	523,282,074	431,611,602	91,670,472

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Expenditures by Department, continued:				
Miscellaneous Appropriations:				
Retiree Healthcare Premiums	21,614,454	22,610,227	22,610,227	-
Guam Council on the Arts and Humanities Agency	300,000	-	-	-
Education Suruhanu	102	102	-	102
Guam Commission for Educator Certification	173,189	173,189	158,786	14,403
Total Miscellaneous Appropriations	22,087,745	22,783,518	22,769,013	14,505
Interest and other charges:				
Interest on tax refunds	-	11,171,090	11,171,090	-
Public Law 28-38 Special Retirement payments	332,753	658,319	658,319	-
Credit card charge fees and other bank fees	-	-	-	-
Bond issuance costs	-	5,476,111	5,476,111	-
Merit bonus	-	-	9,386,458	(9,386,458)
Lada estate court judgment	-	-	2,915,000	(2,915,000)
Other	-	-	5,559,813	(5,559,813)
Total Interest and other charges	332,753	17,305,520	35,166,791	(17,861,271)
Debt Service:				
Principal retirement	20,734,941	20,844,314	20,525,134	319,180
Interest and fiscal charges	35,212,491	43,816,961	42,357,180	1,459,781
	55,947,432	64,661,275	62,882,314	1,778,961
Total expenditures	545,276,869	628,032,387	552,429,720	75,602,667
Excess of revenues over expenditures	50,610,456	(50,478,395)	31,706,608	82,185,003
Other financing sources (uses):				
Proceeds from bonds issued	-	343,700,000	358,216,986	14,516,986
Transfers in from other funds:				
Healthy Futures Fund	-	-	5,460,000	5,460,000
Recycling Revolving Fund	-	-	2,100,879	2,100,879
Solid Waste Operations Fund	7,135,019	7,135,019	4,497,097	(2,637,922)
Section 2718 Health Insurance Rebate Fund	7,545,989	7,545,989	4,046,055	(3,499,934)
Territorial Education Facilities Fund	2,808,214	2,808,214	4,058,214	1,250,000
	17,489,222	17,489,222	20,162,245	2,673,023

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Revenues, Expenditures by Department, and Changes in Deficit - Budget and Actual - General Fund, Continued
Year Ended September 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance
Other financing sources (uses), continued:				
Transfers out to other funds:				
Better Public Service Fund	547,542	547,542	499,575	47,967
Customs, Agriculture and Quarantine Inspection Fund	-	-	1,617,893	(1,617,893)
Federal Grants Assistance Fund	19,980,208	31,784,386	27,970,526	3,813,860
Geodetic Network Fund	-	56,382	14,291	42,091
Government Claims Fund	100,000	100,000	100,000	-
GMHA Pharmaceuticals Fund	8,636,007	8,636,007	8,414,434	221,573
Guam Legislature Fund	7,825,372	7,825,372	7,825,372	-
MIP Payment Revolving Fund	15,317,551	12,857,582	8,479,018	4,378,564
Office of Public Accountability	1,549,799	1,549,799	1,080,445	469,354
Off-island Treatment Fund	1,200,000	1,200,000	1,199,999	1
Public Defender Service Corporation Fund	3,796,755	3,796,755	3,796,755	-
Streetlight Fund	-	-	713,673	(713,673)
Supplemental Annuity Benefits Fund	11,696,303	11,696,303	11,965,000	(268,697)
Supplemental Appropriation Revenue Fund	-	2,897,094	1,360,943	1,536,151
Unified Courts of Guam Fund	26,355,037	26,355,037	24,738,596	1,616,441
Worker's Compensation Fund	798,593	798,593	798,561	32
	97,803,167	110,100,852	100,575,081	9,525,771
Total other financing sources (uses), net	(80,313,945)	251,088,370	277,804,150	12,198,794
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	-	-	2,098,712	2,098,712
	-	-	2,098,712	2,098,712
Net change in fund deficit	$ (29,703,489)	$ 200,609,975	$ 311,609,470	$ 110,999,495

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
September 30, 2012

The Nonmajor Governmental Funds statements include the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for nonmajor special revenue funds, nonmajor capital projects funds, and nonmajor debt service funds that comprise the other governmental funds column in the basic financial statements. The combining nonmajor special revenue funds statements, the combining nonmajor capital projects funds statements, and the combining nonmajor debt service funds are detailed behind the special revenue funds, capital project funds and debt service funds dividers.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2012

ASSETS	Other Special Revenue	Other Capital Project	Other Debt Service	Total
Cash and cash equivalents	$ 26,360,459	$ 1,343,270	$ 1,925	$ 27,705,654
Investments	11,941,436	-	-	11,941,436
Receivables, net:				
Taxes	4,780,956	-	-	4,780,956
Other	5,056,120	-	-	5,056,120
Due from other funds	10,729,870	824,719	-	11,554,589
Due from component units	2,042,986	-	-	2,042,986
Deposits and other assets	-	2,279	-	2,279
Restricted assets:				
Cash and cash equivalents	2,144,393	38,005,239	11,312,031	51,461,663
Investments	-	15,991,414	-	15,991,414
Total assets	$ 63,056,220	$ 56,166,921	$ 11,313,956	$ 130,537,097
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,943,021	$ 432,948	$ -	$ 2,375,969
Accrued payroll and other	615,966	-	-	615,966
Due to other funds	11,834,868	1,215,563	-	13,050,431
Due to component units	788,581	-	-	788,581
Deferred revenue	2,057,175	-	-	2,057,175
Deposits and other liabilities	945,985	-	-	945,985
Total liabilities	18,185,596	1,648,511	-	19,834,107
Fund balances:				
Restricted	10,966,879	53,531,758	11,312,031	75,810,668
Committed	34,362,494	986,652	1,925	35,351,071
Assigned	1,647,860	-	-	1,647,860
Unassigned:				
Special revenue funds	(2,106,609)	-	-	(2,106,609)
Total fund balances	44,870,624	54,518,410	11,313,956	110,702,990
Total liabilities and fund balances	$ 63,056,220	$ 56,166,921	$ 11,313,956	$ 130,537,097

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Function, and
Changes in Fund Balances
Year Ended September 30, 2012

	Other Special Revenue	Other Capital Project	Other Debt Service	Total
Revenues:				
Taxes:				
Property	$ 19,225,091	$ -	$ -	$ 19,225,091
Hotel	26,054,476	-	-	26,054,476
Liquid fuel	9,831,039	-	-	9,831,039
Tobacco	17,055,970	-	-	17,055,970
Alcoholic beverages	2,485,550	-	-	2,485,550
Licenses and permits	49,495,418	-	-	49,495,418
Charges for services	16,494,131	-	-	16,494,131
Interest and investment earnings	298,745	1,952,482	6,570	2,257,797
Intergovernmental	1,413,506	-	-	1,413,506
Other	520,815	-	-	520,815
Total revenues	142,874,741	1,952,482	6,570	144,833,793
Expenditures by Function:				
Current:				
General government	17,386,879	16,152	-	17,403,031
Protection of life and property	14,766,898	-	-	14,766,898
Public health	10,889,125	-	-	10,889,125
Community services	364,198	-	-	364,198
Recreation	744,462	-	-	744,462
Individual and collective rights	3,368,296	1,540,146	-	4,908,442
Transportation	5,059,144	-	-	5,059,144
Public education	899,644	-	-	899,644
Environmental protection	11,378,639	-	-	11,378,639
Economic development	55,506	-	-	55,506
Payments to:				
GovGuam Retirement Fund	2,130,569	-	-	2,130,569
Chamorro Land Trust Commission	492,556	-	-	492,556
Guam Community College	810,705	-	-	810,705
Guam Memorial Hospital Authority	3,026,308	-	-	3,026,308
Guam Preservation Trust	338,605	4,288,811	-	4,627,416
Guam Regional Transit Authority	2,917,834	-	-	2,917,834
Guam Visitors Bureau	16,260,310	-	-	16,260,310
University of Guam	3,048,635	-	-	3,048,635
Miscellaneous appropriations	1,463,068	-	-	1,463,068
Capital projects	-	2,686,446	-	2,686,446
Debt service:				
Principal retirement	-	501,981	7,435,000	7,936,981
Interest and fiscal charges	-	491,023	5,466,992	5,958,015
Total expenditures	95,401,381	9,524,559	12,901,992	117,827,932
Excess (deficiency) of revenues over (under) expenditures	47,473,360	(7,572,077)	(12,895,422)	27,005,861
Other financing sources (uses):				
Transfers in from other funds	9,546,557	-	5,813,220	15,359,777
Transfers out to other funds	(51,138,834)	-	-	(51,138,834)
Total other financing sources (uses), net	(41,592,277)	-	5,813,220	(35,779,057)
Net change in fund balances	5,881,083	(7,572,077)	(7,082,202)	(8,773,196)
Fund balances at beginning of year	38,989,541	62,090,487	18,396,158	119,476,186
Fund balances at end of year	$ 44,870,624	$ 54,518,410	$ 11,313,956	$ 110,702,990

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Object, and
Changes in Fund Balances
Year Ended September 30, 2012

	Other Special Revenue	Other Capital Project	Other Debt Service	Total
Revenues:				
Taxes:				
Property	$ 19,225,091	$ -	$ -	$ 19,225,091
Hotel	26,054,476	-	-	26,054,476
Liquid fuel	9,831,039	-	-	9,831,039
Tobacco	17,055,970	-	-	17,055,970
Alcoholic beverages	2,485,550	-	-	2,485,550
Licenses and permits	49,495,418	-	-	49,495,418
Charges for services	16,494,131	-	-	16,494,131
Interest and investment earnings	298,745	1,952,482	6,570	2,257,797
Intergovernmental	1,413,506	-	-	1,413,506
Other	520,815	-	-	520,815
Total revenues	142,874,741	1,952,482	6,570	144,833,793
Expenditures by Object:				
Salaries and wages - regular	21,139,805	-	-	21,139,805
Salaries and wages - overtime	404,962	-	-	404,962
Salaries and wages - fringe benefits	7,341,535	-	-	7,341,535
Health benefits	593,471	-	-	593,471
Travel	181,415	-	-	181,415
Contractual services	17,691,907	2,098,394	-	19,790,301
Building rent	3,544,869	-	-	3,544,869
Supplies	4,030,030	-	-	4,030,030
Equipment	288,402	-	-	288,402
Utilities - power and water	10,057,448	-	-	10,057,448
Communications	303,779	-	-	303,779
Capital outlays	358,095	1,887,303	-	2,245,398
Grants and subsidies	26,473,443	4,288,811	-	30,762,254
Principal retirement	-	501,981	7,435,000	7,936,981
Interest and fiscal charges	-	491,023	5,466,992	5,958,015
Other	2,992,220	257,047	-	3,249,267
Total expenditures	95,401,381	9,524,559	12,901,992	117,827,932
Excess (deficiency) of revenues over (under) expenditures	47,473,360	(7,572,077)	(12,895,422)	27,005,861
Other financing sources (uses):				
Transfers in from other funds	9,546,557	-	5,813,220	15,359,777
Transfers out to other funds	(51,138,834)	-	-	(51,138,834)
Total other financing sources (uses), net	(41,592,277)	-	5,813,220	(35,779,057)
Net change in fund balances	5,881,083	(7,572,077)	(7,082,202)	(8,773,196)
Fund balances at beginning of year	38,989,541	62,090,487	18,396,158	119,476,186
Fund balances at end of year	$ 44,870,624	$ 54,518,410	$ 11,313,956	$ 110,702,990

See Accompanying Independent Auditors' Report.

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. A brief discussion of GovGuam's nonmajor governmental funds - special revenue funds as of September 30, 2012, follows.

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

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

Autonomous Agency Infrastructure Collections Fund - This fund, created by Public Law 24-14, was created 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.

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

Carrier Off-Duty Services Revolving Fund - This fund was created by Public Law 25-138. Charges from this fund are from services performed by Customs and Quarantine Officers, in the performance of their duties on any day of the week upon special request by the Director of Customs and Quarantine outside of normal working hours.

Census 2010 Fund - This fund was created by Public Law 30-58, which authorizes the temporary recruitment and employment of personnel, consistent with the U.S. Census Bureau guidelines, and to conduct necessary activities related to the Guam Decennial 2010 Census.

Chamorro Land Trust Operations Fund - This fund was created by Public Law 28-68 to account for the proceeds from all land use permits, monetary contributions and fees for the benefit of the Chamorro Land Trust Commission.

Chamorro Loan Guarantee Fund - This fund was created by Public Law 12-226 to account for loans made by governmental agencies or lending institutions to those holding leases or licenses issued by the Chamorro Land Trust Commission may be guaranteed. This guarantee may be for home or commercial loan purposes. The loan guarantees shall be subject to certain restrictions.

Child Care Revolving Fund - This fund was created by Public Law 31-73 to account for all funds received under the Child Welfare Services Act.

See Accompanying Independent Auditors' Report.

Community Health Centers Fund - This fund was created 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.

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

Controlled Substance Diversion Fund – This fund was created by Public Law 24-149 for use by the Department of Public Health for programs to monitor controlled substances, to identify and detect its diversion, equipment, supplies and contracts necessary to monitor controlled substances, and training of employees tasked with administering the Act. Revenues for this fund are provided for by fees assessed in relation to the registration and control of the manufacture, distribution and dispensing of controlled substances in Guam.

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

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

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

DLM Building Construction Fund - This fund was created by Public Law 29-46 to account for all monies received from FEMA for the construction of the Department of Land Management building.

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

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

See Accompanying Independent Auditors' Report.

Enhanced 911 Emergency Reporting System Fund - This fund was created by Public Law 25-55. The fund is created to provide a source of funding for cost associated with the "911" Emergency Reporting System by charging a monthly surcharge known as the "911 Surcharge" paid by Local Exchange Telephone and Commercial Mobil Radio Service subscribers. All money and interest earned by this fund will be used by the Guam Fire Department solely for enhanced "911" equipment and systems.

Environmental Health Fund - This fund was created by Public Law 25-120 to account for all fees and penalties collected pursuant to laws enforced by the Division of Environmental Health of the Department of Public Health and Social Services.

Examiner Off-Duty Services Fund – This fund was created by Public Law 30-140 to account for hourly charges for services required by Department of Revenue and Taxation examiners outside of normal working hours.

GFD Capital Revolving Fund - This fund was created by Public Law 22-52 to establish a capital outlay revolving fund within the Guam Fire Department to purchase essential emergency rescue and firefighting vehicles and emergency and life support equipment.

Guam Cancer Trust Fund - This fund was created to provide financial assistance to organizations that provide patient directed services for the prevention of cancers, its treatment, diagnosis, and other services that *may* be required to access treatment, including, but *not limited to,* off-island transportation and temporary housing.

Guam Charter Schools Fund - This fund was created by Public Law 29-140 to account for all funds received under the Guam Academy Charter Schools Act of 2009.

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

Guam Deodetic Network Fund – This fund was created by Public Law 23-31 to account for transactions associated with the 1993 Guam Geodetic Network, which was established to administer the control standards prescribed in the Federal Geodetic Control Committee's (FGCC) publication Geometric Geodetic Accuracy Standards and Specifications for using GPS relative Positioning Techniques, Version 5.0 (Reprinted 1 August 1989) and as updated as necessary.

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

Guam Preservation Trust Fund - This fund was created by Public Law 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.

Guam Unarmed Combat Commission Fund – This fund was created by Public Law 30-045 to account for the operations of the Guam Unarmed Combat Commission.

Health and Human Services Fund - This fund was created by Public Law 24-174 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement for settlements received from the tobacco industry.

Healthy Futures Fund – This fund was created by Public Law 27-05 to account for 50% of proceeds received on alcoholic beverages excise taxes and all tobacco-related taxes to be expended for health and education programs relating to tobacco and alcohol prevention, cessation, treatment and control, and to improving overall health and well-being.

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

Health and Security Trust Fund - This fund was created by Public Law 24-174 to account for 50% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be expended for the operations and capital expenditures of the Guam Memorial Hospital Authority.

Indirect Cost Fund - This fund was created by Public Law 29-113 to account for appropriations for the following purposes: (a) training such as Continuing Professional Education Credits, CPE; (b) negotiating and administering GovGuam's indirect cost rate; (c) purchasing of supplies and equipment associated with negotiating and administering GovGuam's indirect cost rate; and (d) automated budget development and maintenance.

Land Survey Revolving Fund - This fund was created 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 created by the Bureau of Budget and Management Research.

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

Mental Health and Substance Abuse Fund - This fund was created by Public Law 26-68 to account for all proceeds received by the Youth Tobacco Education and Prevention Fund to be expended for youth compliance monitoring and tobacco and drug prevention and education programs.

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

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

See Accompanying Independent Auditors' Report.

Pesticide Management Fund - This fund was created by Public Law 29-46 to account for fees collected by the Guam Environmental Protection Agency to be used for the purchase of equipment, payment of personnel costs, public outreach, training, contracts, and disposal of confiscated pesticides and devices associated with the Pesticide Enforcement program.

Plant Nursery Revolving Fund - This fund was created by Public Law 26-140 to account for fees collected under the Department of Agriculture's Fee Schedule for plant nursery services and activities.

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

Prison Industries Revolving Fund - This fund was created by Public Law 29-94 to account for all revenues collected under the Department of Correction's Prison Industries program that was established as a means for inmates to receive job training and skills development.

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

Public Library System Fund – This fund accounts for the operations of all libraries in the Library System on Guam in accordance with the rules and regulations promulgated by the Library Board.

Public Recreation Services Fund – This fund was created by Public Law 27-106 to account for the maintenance, upgrade and upkeep of all parks and recreational facilities within the jurisdiction of the Department of Parks and Recreation, and the creation and continuance of existing community related programs and activities for the benefit of the island.

Public Transit Fund – This fund was created by Public Law 26-76 under the authority of the Department of Administration to operate Guam's mass transit system.

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

Recycling Revolving Fund – This fund was created by Public Law 28-171 to account for recycling fees levied upon the registered owner of a motor vehicle to assist in the recycling and disposal of motor vehicles and other recyclable materials.

Safe Homes Safe Streets Fund - This fund was created by Public Law 27-05 to account for 50% of alcoholic beverage excise taxes received and to be expended on public safety and social programs that enforce alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-related violence and abuse, and/or support community-based drug and substance abuse prevention programs.

See Accompanying Independent Auditors' Report.

Safe Streets Fund - This fund was created by Public Law 22-41 to account for fines collected for certain offenses involving alcohol and controlled substances, convictions involving children, vehicular negligence and homicide, and drinking while driving a motor vehicle. So much of the Fund as is required is appropriated to the Department of Corrections to be used to compensate staff and provide supplies or facilities to house incarcerated persons convicted of misdemeanors and persons convicted of abovementioned offenses.

Section 2718 Fund - This fund was created by Public Law 31-77 to account for all proceeds from rebates paid to and entitled to GovGuam pursuant to Section 2718(b)(1)(A) of the Public Health Services Act, as amended by the Patient Protection and Affordable Care Act (PPACA), Public Law 111-148.

Solid Waste Management Plan - This fund was created by Public Law 25-175 to be administered by the Guam Environmental Protection Agency to deal with solid waste management.

Solid Waste Operations Fund - This fund was created by Public Law 24-272 to provide a financing source for GovGuam's costs and expenses directly related to the closure and post-closure of the solid waste landfill.

Special Assets Forfeiture Fund - This fund was created by Public Law 26-120 to account for property that is forfeited under any local law enforced or administered by the Guam Police Department.

Street Light Fund - This fund was created by Public Law 27-38 to pay for the installation and operation of public street lights.

Tax Collection Fund - This fund was created by Public Law 27-05. Fifty percent (50%) of the fund is earmarked for the purposes of employing tax technicians, revenue agents, revenue officers, and for other related expenses in order to increase collection of taxes and for the salaries of employees serving as Passport Acceptance Agents. The remaining fifty percent (50%) is to be deposited in the Public School Library Resources Fund.

Territorial Educational Facilities Fund (TEF) - TEF was created by Public Law 22-19 (as amended by Public Law 23-14) to account for all real property tax revenues received by or on behalf of GovGuam. These revenues are used for the debt service payments of the General Obligation Bonds, 1993 Series A and 1995 Series A.

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

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

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

See Accompanying Independent Auditors' Report.

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

Unreserved Fund Balance Fund – This fund was created by Public Law 28-68 to account for the transfer of funds equal to the amounts in the unreserved fund balances of the Corrections Revolving Fund, the Dededo Buffer Strip Revolving Fund, the DPW Building and Design Fee Account Fund, the Enhanced 911 Emergency Reporting System Fund, the Guam Plant Inspection and Permit Fund, the Healthy Futures Fund, the Housing Revolving Fund, the Police Services Fund, and Parks & Recreation Services Fund at September 30, 2004.

Village Streets Fund - This fund was created by Public Law 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.

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

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

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

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

Youth Tobacco Education and Prevention Fund – This fund was created by Public Law 25-187 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be utilized by the Department of Mental Health and Substance Abuse, for youth compliance monitoring and tobacco and drug prevention and education programs.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	236	265	262	266	282	633	624	415	646	105
	Accessible Parking	Air Pollution Control	Autonomous Agency Infrastructure Collections	Board of Accountancy	Carrier Off-duty Services Revolving	Census 2010	Chamorro Land Trust Operations	Chamorro Loan Guarantee	Child Care Revolving	Community Health Centers
ASSETS										
Cash and cash equivalents	$ -	$ -	$ -	$ 93,292	$ -	$ 94	$ 901,361	$ -	$ -	$ 1,259,025
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	1,053,501	-	-	-	-	-	-
Receivables, net:										
Taxes	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	32,945	-	-	-	-	-	-
Due from other funds	470,725	-	-	-	192,753	11,000	221,297	3	7,670	1,217,832
Due from component units	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	$ 470,725	$ -	$ -	$ 1,179,738	$ 192,753	$ 11,094	$ 1,122,658	$ 3	$ 7,670	$ 2,476,857
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ 22,134	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll and other	-	1,184	-	-	22,152	-	7,098	-	-	32,452
Due to other funds	-	58,138	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	59,322	-	22,134	22,152	-	7,098	-	-	32,452
Fund balances (deficit):										
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	463,534	-	-	1,157,604	170,601	11,094	1,089,055	3	7,670	1,624,006
Assigned	7,191	-	-	-	-	-	26,505	-	-	820,399
Unassigned	-	(59,322)	-	-	-	-	-	-	-	-
Total fund balances (deficit)	470,725	(59,322)	-	1,157,604	170,601	11,094	1,115,560	3	7,670	2,444,405
Total liabilities and fund balances (deficit)	$ 470,725	$ -	$ -	$ 1,179,738	$ 192,753	$ 11,094	$ 1,122,658	$ 3	$ 7,670	$ 2,476,857

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	213	272	325	209	267	630	235	246	281	600
	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Enhanced 911 Emergency Reporting System	Environmental Health
ASSETS										
Cash and cash equivalents	$ 208,494	$ -	$ -	$ 328,328	$ -	$ 601,713	$ -	$ -	$ -	$ -
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Receivables, net:										
Taxes	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	541,162	-	-	-	-	-	-
Due from other funds	332,227	144,877	487,537	-	64,590	-	539,986	114,877	848,506	451,617
Due from component units	-	-	-	2,042,986	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	$ 540,721	$ 144,877	$ 487,537	$ 2,912,476	$ 64,590	$ 601,713	$ 539,986	$ 114,877	$ 848,506	$ 451,617
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	$ -	$ -	$ 169	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll and other	8,743	-	-	155,039	-	-	2,789	-	16,399	8,376
Due to other funds	-	-	-	2,752,993	-	300	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	179,388	-	-	-	-	-	-	-
Total liabilities	8,743	-	179,557	2,908,032	-	300	2,789	-	16,399	8,376
Fund balances (deficit):										
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	511,938	142,107	307,980	-	64,590	601,413	434,451	114,877	807,780	391,854
Assigned	20,040	2,770	-	4,444	-	-	102,746	-	24,327	51,387
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	531,978	144,877	307,980	4,444	64,590	601,413	537,197	114,877	832,107	443,241
Total liabilities and fund balances (deficit)	$ 540,721	$ 144,877	$ 487,537	$ 2,912,476	$ 64,590	$ 601,713	$ 539,986	$ 114,877	$ 848,506	$ 451,617

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	640	231	641	639	245	649	608	326	635	270
	Examiner Off-Duty Services	GFD Capital Revolving	Guam Cancer Trust	Guam Charter Schools	Guam Environmental Trust	Guam Geodetic Network	Guam Plant Inspection and Permit	Guam Preservation Trust	Guam Unarmed Combat Commission	Health and Human Services
ASSETS										
Cash and cash equivalents	$ -	$ -	$ 1,448	$ -	$ 125,658	$ -	$ 48,771	$ 503,356	$ -	$ 1,507
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	3,448,732
Receivables, net:										
Taxes	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	3,968	214,367	-	1,500	-	-	20,816	392,522	1,480	466,542
Due from component units	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	$ 3,968	$ 214,367	$ 1,448	$ 1,500	$ 125,658	$ -	$ 69,587	$ 895,878	$ 1,480	$ 3,916,781
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll and other	-	-	-	-	2,555	-	-	-	-	-
Due to other funds	-	-	256,554	-	42,899	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	256,554	-	45,454	-	-	-	-	-
Fund balances (deficit):										
Restricted	-	-	-	-	-	-	-	-	-	3,916,781
Committed	3,968	212,545	-	1,500	46,384	-	66,852	895,878	1,480	-
Assigned	-	1,822	-	-	33,820	-	2,735	-	-	-
Unassigned	-	-	(255,106)	-	-	-	-	-	-	-
Total fund balances (deficit)	3,968	214,367	(255,106)	1,500	80,204	-	69,587	895,878	1,480	3,916,781
Total liabilities and fund balances (deficit)	$ 3,968	$ 214,367	$ 1,448	$ 1,500	$ 125,658	$ -	$ 69,587	$ 895,878	$ 1,480	$ 3,916,781

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	602	241	311	632	222	232	294	261	650	629
	Healthy Futures	Health Professional Licensure	Health and Security Trust	Indirect Cost	Land Survey Revolving	Manpower Development	Mental Health and Substance Abuse	Notary Public Revolving	Office of Vital Statistics Revolving	Pesticide Management
ASSETS										
Cash and cash equivalents	$ 92,669	$ -	$ 6,829	$ 177	$ -	$ 178,717	$ -	$ -	$ -	$ -
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	5,973,415	-	-	-	-	-	-	-
Receivables, net:										
Taxes	1,211,047	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	479,246	247,775	-	328,835	-	355,169	-	39,150	64,317	212,640
Due from component units	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	$ 1,782,962	$ 247,775	$ 5,980,244	$ 329,012	$ -	$ 533,886	$ -	$ 39,150	$ 64,317	$ 212,640
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	$ 51,208	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll and other	113,556	-	-	28,403	42,853	7,860	-	-	-	1,124
Due to other funds	-	-	100,000	-	61,042	-	9,065	-	-	-
Due to component units	181,544	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	766,597	-	-	-	-
Total liabilities	346,308	-	100,000	28,403	103,895	774,457	9,065	-	-	1,124
Fund balances (deficit):										
Restricted	-	-	5,880,244	-	-	-	-	-	-	-
Committed	1,409,484	211,379	-	287,874	-	-	-	39,150	64,317	210,394
Assigned	27,170	36,396	-	12,735	-	-	-	-	-	1,122
Unassigned	-	-	-	-	(103,895)	(240,571)	(9,065)	-	-	-
Total fund balances (deficit)	1,436,654	247,775	5,880,244	300,609	(103,895)	(240,571)	(9,065)	39,150	64,317	211,516
Total liabilities and fund balances (deficit)	$ 1,782,962	$ 247,775	$ 5,980,244	$ 329,012	$ -	$ 533,886	$ -	$ 39,150	$ 64,317	$ 212,640

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	211	263	644	215	604	620	317	285	619	601
	Plant Nursery Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Recreation Services	Public Transit	Rabies Prevention	Recycling Revolving	Safe Homes Safe Streets
ASSETS										
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 1,023,208	$ 92,505	$ -	$ -	$ 1,500,690	$ -
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Receivables, net:										
Taxes	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	10,073	126,926	1,569	346,318	-	-	173,699	50,435	-	3,024
Due from component units	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	$ 10,073	$ 126,926	$ 1,569	$ 346,318	$ 1,023,208	$ 92,505	$ 173,699	$ 50,435	$ 1,500,690	$ 3,024
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued payroll and other	-	-	-	716	-	-	-	-	1,125	-
Due to other funds	-	-	-	-	851,857	26,333	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	716	851,857	26,333	-	-	1,125	-
Fund balances (deficit):										
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	10,073	104,890	1,569	340,971	171,351	33,075	170,392	43,453	1,107,683	3,024
Assigned	-	22,036	-	4,631	-	33,097	3,307	6,982	391,882	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	10,073	126,926	1,569	345,602	171,351	66,172	173,699	50,435	1,499,565	3,024
Total liabilities and fund balances (deficit)	$ 10,073	$ 126,926	$ 1,569	$ 346,318	$ 1,023,208	$ 92,505	$ 173,699	$ 50,435	$ 1,500,690	$ 3,024

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	217	647	284	416	417	605	202	603	205	208	206
	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Solid Waste Operations	Special Assets Forfeiture	Street Light	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction
ASSETS											
Cash and cash equivalents	$ 991	$ 1,626,660	$ -	$ 7,052,033	$ -	$ 269,920	$ -	$ -	$ 395,652	$ 7,511,807	$ 2,333,856
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables, net:											
Taxes	-	-	-	-	-	-	-	-	552,987	781,514	2,235,408
Other	-	-	-	4,482,013	-	-	-	-	-	-	-
Due from other funds	-	-	10,309	1,104,859	-	340,452	-	189,886	-	-	41,714
Due from component units	-	-	-	-	-	-	-	-	-	-	-
Restricted assets:											
Cash and cash equivalents	-	-	-	2,144,393	-	-	-	-	-	-	-
Total assets	$ 991	$ 1,626,660	$ 10,309	$ 14,783,298	$ -	$ 610,372	$ -	$ 189,886	$ 948,639	$ 8,293,321	$ 4,610,978
LIABILITIES AND FUND BALANCES (DEFICIT)											
Liabilities:											
Accounts payable	$ -	$ -	$ -	$ 1,796,315	$ -	$ -	$ -	$ -	$ -	$ 59,269	$ 13,926
Accrued payroll and other	-	-	-	29,229	-	-	-	14,304	-	119,176	-
Due to other funds	12,404	1,625,489	-	-	-	-	-	-	1,892,785	3,795,496	-
Due to component units	-	-	-	-	-	-	-	-	-	-	532,037
Deferred revenue	-	-	-	1,627,024	-	-	-	-	430,151	-	-
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	12,404	1,625,489	-	3,452,568	-	-	-	14,304	2,322,936	3,973,941	545,963
Fund balances (deficit):											
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	-	1,171	10,309	11,330,730	-	608,554	-	175,582	-	4,319,380	4,065,015
Assigned	-	-	-	-	-	1,818	-	-	-	-	-
Unassigned	(11,413)	-	-	-	-	-	-	-	(1,374,297)	-	-
Total fund balances (deficit)	(11,413)	1,171	10,309	11,330,730	-	610,372	-	175,582	(1,374,297)	4,319,380	4,065,015
Total liabilities and fund balances (deficit)	$ 991	$ 1,626,660	$ 10,309	$ 14,783,298	$ -	$ 610,372	$ -	$ 189,886	$ 948,639	$ 8,293,321	$ 4,610,978

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

September 30, 2012

AS/400 Fund Number	636	297	621	247	283	300	203	310	276	
	Underground Storage Tank Management	University of Guam Capital Improvements	Unreserved Fund Balance	Village Streets	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
ASSETS										
Cash and cash equivalents	$ 200,226	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,472	$ 26,360,459
Time certificates of deposit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	1,465,788	11,941,436
Receivables, net:										
Taxes	-	-	-	-	-	-	-	-	-	4,780,956
Other	-	-	-	-	-	-	-	-	-	5,056,120
Due from other funds	114,549	75,000	-	-	13,323	-	141,518	52,392	-	10,729,870
Due from component units	-	-	-	-	-	-	-	-	-	2,042,986
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	2,144,393
Total assets	$ 314,775	$ 75,000	$ -	$ -	$ 13,323	$ -	$ 141,518	$ 52,392	$ 1,467,260	$ 63,056,220
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,943,021
Accrued payroll and other	-	-	-	-	-	833	-	-	-	615,966
Due to other funds	-	-	6,394	22,695	-	23,018	-	-	297,406	11,834,868
Due to component units	-	75,000	-	-	-	-	-	-	-	788,581
Deferred revenue	-	-	-	-	-	-	-	-	-	2,057,175
Deposits and other liabilities	-	-	-	-	-	-	-	-	-	945,985
Total liabilities	-	75,000	6,394	22,695	-	23,851	-	-	297,406	18,185,596
Fund balances (deficit):										
Restricted	-	-	-	-	-	-	-	-	1,169,854	10,966,879
Committed	314,775	-	-	-	12,334	-	134,009	52,392	-	34,362,494
Assigned	-	-	-	-	989	-	7,509	-	-	1,647,860
Unassigned	-	-	(6,394)	(22,695)	-	(23,851)	-	-	-	(2,106,609)
Total fund balances (deficit)	314,775	-	(6,394)	(22,695)	13,323	(23,851)	141,518	52,392	1,169,854	44,870,624
Total liabilities and fund balances (deficit)	$ 314,775	$ 75,000	$ -	$ -	$ 13,323	$ -	$ 141,518	$ 52,392	$ 1,467,260	$ 63,056,220

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	236	265	262	266	282	633	624	415	646	105
	Accessible Parking	Air Pollution Control	Autonomous Agency Infrastructure Collections	Board of Accountancy	Carrier Off-duty Services Revolving	Census 2010	Chamorro Land Trust Operations	Chamorro Loan Guarantee	Child Care Revolving	Community Health Centers
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	9,416	168,088	-	589,287	621,504	-	1,066,839	-	5,265	1,445,912
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	8,840	-	-	529	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	1,413,506
Other	-	-	-	-	-	-	-	3	-	-
Total revenues	9,416	168,088	-	598,127	621,504	-	1,067,368	3	5,265	2,859,418
Expenditures by Function:										
Current:										
General government	-	27,769	-	359,859	-	-	27,243	-	-	31
Protection of life and property	25,349	-	-	-	605,866	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	2,623,653
Community services	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	123,954	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-
Chamorro Land Trust Commission	-	-	-	-	-	-	492,556	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-
Guam Regional Transit Authority	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	1,000,000	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-
Total expenditures	25,349	151,723	-	1,359,859	605,866	-	519,799	-	-	2,623,684
Excess (deficiency) of revenues over (under) expenditures	(15,933)	16,365	-	(761,732)	15,638	-	547,569	3	5,265	235,734
Other financing sources (uses):										
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	(101,835)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	(101,835)	-	-	-	-	-	-	-	-	-
Net change in fund balances (deficit)	(117,768)	16,365	-	(761,732)	15,638	-	547,569	3	5,265	235,734
Fund balances (deficit) at beginning of year	588,493	(75,687)	-	1,919,336	154,963	11,094	567,991	-	2,405	2,208,671
Fund balances (deficit) at end of year	$ 470,725	$ (59,322)	$ -	$ 1,157,604	$ 170,601	$ 11,094	$ 1,115,560	$ 3	$ 7,670	$ 2,444,405

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	213	272	325	209	267	630	235	246	281	600
	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Enhanced 911 Emergency Reporting System	Environmental Health
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	789,831	122,020	14,965	10,052,383	18,510	-	741,624	34,017	1,869,276	974,651
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	46	-	-	976	-	10	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	789,877	122,020	14,965	10,053,359	18,510	10	741,624	34,017	1,869,276	974,651
Expenditures by Function:										
Current:										
General government	513,504	-	-	351,366	-	-	305,138	-	4,300	-
Protection of life and property	-	-	-	11,315,442	-	-	-	-	1,621,854	-
Public health	-	4,096	-	-	-	-	-	-	-	519,232
Community services	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-
Guam Regional Transit Authority	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-
Total expenditures	513,504	4,096	-	11,666,808	-	-	305,138	-	1,626,154	519,232
Excess (deficiency) of revenues over (under) expenditures	276,373	117,924	14,965	(1,613,449)	18,510	10	436,486	34,017	243,122	455,419
Other financing sources (uses):										
Transfers in from other funds	-	-	-	1,617,893	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	1,617,893	-	-	-	-	-	-
Net change in fund balances (deficit)	276,373	117,924	14,965	4,444	18,510	10	436,486	34,017	243,122	455,419
Fund balances (deficit) at beginning of year	255,605	26,953	293,015	-	46,080	601,403	100,711	80,860	588,985	(12,178)
Fund balances (deficit) at end of year	$ 531,978	$ 144,877	$ 307,980	$ 4,444	$ 64,590	$ 601,413	$ 537,197	$ 114,877	$ 832,107	$ 443,241

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	640	231	641	639	245	649	608	326	635	270
	Examiner Off-Duty Services	GFD Capital Revolving	Guam Cancer Trust	Guam Charter Schools	Guam Environmental Trust	Guam Geodetic Network	Guam Plant Inspection and Permit	Guam Preservation Trust	Guam Unarmed Combat Commission	Health and Human Services
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	8,291	270,893	-	500	332,444	-	82,861	1,096,345	-	9,551
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	66	-	2	-	23	112	-	36,197
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	8,291	270,893	66	500	332,446	-	82,884	1,096,457	-	45,748
Expenditures by Function:										
Current:										
General government	4,396	-	-	-	53,010	14,291	35,485	956	-	-
Protection of life and property	-	105,798	-	-	-	-	-	-	-	-
Public health	-	-	255,172	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	-	123,848
Transportation	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	194,941	-	-	-	-	-
Economic development	-	-	-	-	-	-	15,342	-	-	-
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	320,000
Guam Preservation Trust	-	-	-	-	-	-	-	338,605	-	-
Guam Regional Transit Authority	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,396	105,798	255,172	-	247,951	14,291	50,827	339,561	-	443,848
Excess (deficiency) of revenues over (under) expenditures	3,895	165,095	(255,106)	500	84,495	(14,291)	32,057	756,896	-	(398,100)
Other financing sources (uses):										
Transfers in from other funds	-	-	-	-	-	14,291	-	-	-	-
Transfers out to other funds	-	-	-	-	(32,833)	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	(32,833)	14,291	-	-	-	-
Net change in fund balances (deficit)	3,895	165,095	(255,106)	500	51,662	-	32,057	756,896	-	(398,100)
Fund balances (deficit) at beginning of year	73	49,272	-	1,000	28,542	-	37,530	138,982	1,480	4,314,881
Fund balances (deficit) at end of year	$ 3,968	$ 214,367	$ (255,106)	$ 1,500	$ 80,204	$ -	$ 69,587	$ 895,878	$ 1,480	$ 3,916,781

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	602	241	311	632	222	232	294	261	650	629
	Healthy Futures	Health Professional Licensure	Health and Security Trust	Indirect Cost	Land Survey Revolving	Manpower Development	Mental Health and Substance Abuse	Notary Public Revolving	Office of Vital Statistics Revolving	Pesticide Management
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	17,055,970	-	-	-	-	-	-	-	-	-
Alcoholic beverages	2,485,550	-	-	-	-	-	-	-	-	-
Licenses and permits	-	144,803	-	-	2,393,844	1,218,086	-	23,150	64,317	160,093
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	36	-	166,784	-	-	175	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	(205,110)	-	-	623,113	-	(29,000)	-	-	-	-
Total revenues	19,336,446	144,803	166,784	623,113	2,393,844	1,189,261	-	23,150	64,317	160,093
Expenditures by Function:										
Current:										
General government	25,521	-	-	1,434,011	2,497,739	26,504	-	-	-	-
Protection of life and property	255,091	-	-	-	-	-	-	-	-	-
Public health	7,435,404	46,959	-	-	-	-	4,609	-	-	-
Community services	324,198	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Individual and collective rights	-	-	-	-	-	615,086	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	17,115
Economic development	-	-	-	-	-	-	-	-	-	-
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	788,242	-	-	-	-
Guam Memorial Hospital Authority	2,706,308	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-
Guam Regional Transit Authority	-	-	-	-	-	-	-	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-
University of Guam	1,208,635	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-
Total expenditures	11,955,157	46,959	-	1,434,011	2,497,739	1,429,832	4,609	-	-	17,115
Excess (deficiency) of revenues over (under) expenditures	7,381,289	97,844	166,784	(810,898)	(103,895)	(240,571)	(4,609)	23,150	64,317	142,978
Other financing sources (uses):										
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	(6,246,661)	-	-	(212,500)	-	-	-	-	-	-
Total other financing sources (uses), net	(6,246,661)	-	-	(212,500)	-	-	-	-	-	-
Net change in fund balances (deficit)	1,134,628	97,844	166,784	(1,023,398)	(103,895)	(240,571)	(4,609)	23,150	64,317	142,978
Fund balances (deficit) at beginning of year	302,026	149,931	5,713,460	1,324,007	-	-	(4,456)	16,000	-	68,538
Fund balances (deficit) at end of year	$ 1,436,654	$ 247,775	$ 5,880,244	$ 300,609	$ (103,895)	$ (240,571)	$ (9,065)	$ 39,150	$ 64,317	$ 211,516

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	211	263	644	215	604	620	317	285	619	601
	Plant Nursery Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Recreation Services	Public Transit	Rabies Prevention	Recycling Revolving	Safe Homes Safe Streets
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	19,289	479,865	1,569	301,886	815,818	185,981	114,061	46,656	2,611,867	3,024
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	852	34	-	-	21	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	19,289	479,865	1,569	301,886	816,670	186,015	114,061	46,656	2,611,888	3,024
Expenditures by Function:										
Current:										
General government	-	-	-	126,241	942	-	-	-	-	-
Protection of life and property	-	442,617	-	-	-	-	-	-	-	-
Public health	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	130,515	-	-	-	-
Individual and collective rights	-	-	-	-	-	-	-	-	347,044	-
Transportation	-	-	-	-	-	-	-	-	-	-
Public education	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	63,997	-
Economic development	5,851	-	-	-	-	-	-	24,167	-	-
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	-
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-
Guam Regional Transit Authority	-	-	-	-	-	-	365,755	-	-	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-
University of Guam	-	-	-	-	-	-	-	-	-	-
Miscellaneous appropriations	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,851	442,617	-	126,241	942	130,515	365,755	24,167	411,041	-
Excess (deficiency) of revenues over (under) expenditures	13,438	37,248	1,569	175,645	815,728	55,500	(251,694)	22,489	2,200,847	3,024
Other financing sources (uses):										
Transfers in from other funds	-	101,835	-	-	-	-	357,280	-	-	-
Transfers out to other funds	-	-	-	-	(652,440)	-	-	-	(2,100,879)	-
Total other financing sources (uses), net	-	101,835	-	-	(652,440)	-	357,280	-	(2,100,879)	-
Net change in fund balances (deficit)	13,438	139,083	1,569	175,645	163,288	55,500	105,586	22,489	99,968	3,024
Fund balances (deficit) at beginning of year	(3,365)	(12,157)	-	169,957	8,063	10,672	68,113	27,946	1,399,597	-
Fund balances (deficit) at end of year	$ 10,073	$ 126,926	$ 1,569	$ 345,602	$ 171,351	$ 66,172	$ 173,699	$ 50,435	$ 1,499,565	$ 3,024

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	217	647	284	416	417	605	202	603	205	208	206
	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Solid Waste Operations	Special Assets Forfeiture	Street Light	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction
Revenues:											
Taxes:											
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,225,091	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-	26,054,476
Liquid fuel	-	-	-	-	-	-	-	-	-	9,831,039	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	56,000	6,176,624	5,740	-	-	10,870	3,954,182	834,684	-	9,053,675	-
Charges for services	-	-	-	16,494,131	-	-	-	-	-	-	-
Interest and investment earnings	2	1,171	-	42,781	-	308	-	-	1,865	1,831	72
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	56,002	6,177,795	5,740	16,536,912	-	11,178	3,954,182	834,684	19,226,956	18,886,545	26,054,548
Expenditures by Function:											
Current:											
General government	-	-	-	723,521	-	-	4,695,765	586,099	52,882	5,273,648	230,482
Protection of life and property	68,608	-	-	-	-	42,131	-	-	284,142	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-	40,000
Recreation	-	-	-	-	-	-	-	-	-	-	613,947
Individual and collective rights	-	-	-	-	-	-	-	-	-	-	1,392,017
Transportation	-	-	-	-	-	-	-	-	-	5,059,144	-
Public education	-	-	-	-	-	-	-	-	-	899,644	-
Environmental protection	-	-	5,656	10,815,186	-	-	-	-	-	-	68,751
Economic development	-	-	-	-	-	-	-	-	-	-	-
Payments to:											
GovGuam Retirement Fund	-	2,130,569	-	-	-	-	-	-	-	-	-
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	-	-
Guam Community College	-	-	-	-	-	-	-	-	-	-	22,463
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	-	-
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	-	-
Guam Regional Transit Authority	-	-	-	-	-	-	-	-	-	2,552,079	-
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	-	16,260,310
University of Guam	-	-	-	-	-	-	-	-	-	-	340,000
Miscellaneous appropriations	-	-	-	1,459,251	-	-	-	-	-	-	-
Total expenditures	68,608	2,130,569	5,656	12,997,958	-	42,131	4,695,765	586,099	337,024	13,784,515	18,967,970
Excess (deficiency) of revenues over (under) expenditures	(12,606)	4,047,226	84	3,538,954	-	(30,953)	(741,583)	248,585	18,889,932	5,102,030	7,086,578
Other financing sources (uses):											
Transfers in from other funds	-	-	-	5,443,024	-	-	713,673	-	-	-	-
Transfers out to other funds	-	(4,046,055)	-	(4,497,097)	(4,803,562)	-	-	-	(20,869,104)	(1,762,648)	(5,813,220)
Total other financing sources (uses), net	-	(4,046,055)	-	945,927	(4,803,562)	-	713,673	-	(20,869,104)	(1,762,648)	(5,813,220)
Net change in fund balances (deficit)	(12,606)	1,171	84	4,484,881	(4,803,562)	(30,953)	(27,910)	248,585	(1,979,172)	3,339,382	1,273,358
Fund balances (deficit) at beginning of year	1,193	-	10,225	6,845,849	4,803,562	641,325	27,910	(73,003)	604,875	979,998	2,791,657
Fund balances (deficit) at end of year	$ (11,413)	$ 1,171	$ 10,309	$ 11,330,730	$ -	$ 610,372	$ -	$ 175,582	$ (1,374,297)	$ 4,319,380	$ 4,065,015

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

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

Year Ended September 30, 2012

AS/400 Fund Number	636	297	621	247	283	300	203	310	276	
	Underground Storage Tank Management	University of Guam Capital Improvements	Unreserved Fund Balance	Village Streets	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,225,091
Hotel	-	-	-	-	-	-	-	-	-	26,054,476
Liquid fuel	-	-	-	-	-	-	-	-	-	9,831,039
Tobacco	-	-	-	-	-	-	-	-	-	17,055,970
Alcoholic beverages	-	-	-	-	-	-	-	-	-	2,485,550
Licenses and permits	235,400	-	-	-	114,255	17,210	23,016	101,930	3,050	49,495,418
Charges for services	-	-	-	-	-	-	-	-	-	16,494,131
Interest and investment earnings	34	-	-	-	-	-	-	-	35,978	298,745
Intergovernmental	-	-	-	-	-	-	-	-	-	1,413,506
Other	-	-	-	-	-	-	131,809	-	-	520,815
Total revenues	235,434	-	-	-	114,255	17,210	154,825	101,930	39,028	142,874,741
Expenditures by Function:										
Current:										
General government	-	-	-	-	10,105	6,071	-	-	-	17,386,879
Protection of life and property	-	-	-	-	-	-	-	-	-	14,766,898
Public health	-	-	-	-	-	-	-	-	-	10,889,125
Community services	-	-	-	-	-	-	-	-	-	364,198
Recreation	-	-	-	-	-	-	-	-	-	744,462
Individual and collective rights	-	-	-	-	-	-	-	890,301	-	3,368,296
Transportation	-	-	-	-	-	-	-	-	-	5,059,144
Public education	-	-	-	-	-	-	-	-	-	899,644
Environmental protection	-	-	-	-	46,774	42,265	-	-	-	11,378,639
Economic development	-	-	-	-	-	-	10,146	-	-	55,506
Payments to:										
GovGuam Retirement Fund	-	-	-	-	-	-	-	-	-	2,130,569
Chamorro Land Trust Commission	-	-	-	-	-	-	-	-	-	492,556
Guam Community College	-	-	-	-	-	-	-	-	-	810,705
Guam Memorial Hospital Authority	-	-	-	-	-	-	-	-	-	3,026,308
Guam Preservation Trust	-	-	-	-	-	-	-	-	-	338,605
Guam Regional Transit Authority	-	-	-	-	-	-	-	-	-	2,917,834
Guam Visitors Bureau	-	-	-	-	-	-	-	-	-	16,260,310
University of Guam	-	500,000	-	-	-	-	-	-	-	3,048,635
Miscellaneous appropriations	-	-	-	-	-	-	-	3,817	-	1,463,068
Total expenditures	-	500,000	-	-	56,879	48,336	10,146	894,118	-	95,401,381
Excess (deficiency) of revenues over (under) expenditures	235,434	(500,000)	-	-	57,376	(31,126)	144,679	(792,188)	39,028	47,473,360
Other financing sources (uses):										
Transfers in from other funds	-	500,000	-	-	-	-	-	798,561	-	9,546,557
Transfers out to other funds	-	-	-	-	-	-	-	-	-	(51,138,834)
Total other financing sources (uses), net	-	500,000	-	-	-	-	-	798,561	-	(41,592,277)
Net change in fund balances (deficit)	235,434	-	-	-	57,376	(31,126)	144,679	6,373	39,028	5,881,083
Fund balances (deficit) at beginning of year	79,341	-	(6,394)	(22,695)	(44,053)	7,275	(3,161)	46,019	1,130,826	38,989,541
Fund balances (deficit) at end of year	$ 314,775	$ -	$ (6,394)	$ (22,695)	$ 13,323	$ (23,851)	$ 141,518	$ 52,392	$ 1,169,854	$ 44,870,624

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	236	265	262	266	282	633	624	415	646	105
	Accessible Parking	Air Pollution Control	Autonomous Agency Infrastructure Collections	Board of Accountancy	Carrier Off-duty Services Revolving	Census 2010	Chamorro Land Trust Operations	Chamorro Loan Guarantee	Child Care Revolving	Community Health Centers
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	9,416	168,088	-	589,287	621,504	-	1,066,839	-	5,265	1,445,912
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	8,840	-	-	529	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	1,413,506
Other	-	-	-	-	-	-	-	3	-	-
Total revenues	9,416	168,088	-	598,127	621,504	-	1,067,368	3	5,265	2,859,418
Expenditures by Object:										
Salaries and wages - regular	-	82,164	-	-	394,498	-	-	-	-	1,217,251
Salaries and wages - overtime	-	-	-	-	203,168	-	-	-	-	-
Salaries and wages - fringe benefits	-	21,184	-	-	8,200	-	-	-	-	437,478
Health benefits	-	5,893	-	-	-	-	27,039	-	-	-
Travel	-	-	-	-	-	-	-	-	-	27,009
Contractual services	840	17,000	-	307,883	-	-	-	-	-	554,959
Building rent	-	-	-	23,868	-	-	-	-	-	-
Supplies	15,169	3,606	-	8,603	-	-	-	-	-	271,880
Equipment	740	-	-	2,689	-	-	-	-	-	95,538
Utilities - power and water	-	20,000	-	-	-	-	115	-	-	-
Communications	-	1,876	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	19,105
Payments to component units	-	-	-	1,000,000	-	-	492,556	-	-	-
Miscellaneous	8,600	-	-	16,816	-	-	89	-	-	464
Total expenditures	25,349	151,723	-	1,359,859	605,866	-	519,799	-	-	2,623,684
Excess (deficiency) of revenues over (under) expenditures	(15,933)	16,365	-	(761,732)	15,638	-	547,569	3	5,265	235,734
Other financing sources (uses):										
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	(101,835)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	(101,835)	-	-	-	-	-	-	-	-	-
Net change in fund balances (deficit)	(117,768)	16,365	-	(761,732)	15,638	-	547,569	3	5,265	235,734
Fund balances (deficit) at beginning of year	588,493	(75,687)	-	1,919,336	154,963	11,094	567,991	-	2,405	2,208,671
Fund balances (deficit) at end of year	$ 470,725	$ (59,322)	$ -	$ 1,157,604	$ 170,601	$ 11,094	$ 1,115,560	$ 3	$ 7,670	$ 2,444,405

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	213	272	325	209	267	630	235	246	281	600
	Contractors' License Board	Controlled Substance Diversion	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Enhanced 911 Emergency Reporting System	Environmental Health
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	789,831	122,020	14,965	10,052,383	18,510	-	741,624	34,017	1,869,276	974,651
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	46	-	-	976	-	10	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	789,877	122,020	14,965	10,053,359	18,510	10	741,624	34,017	1,869,276	974,651
Expenditures by Object:										
Salaries and wages - regular	322,800	-	-	5,635,122	-	-	100,231	-	539,478	299,329
Salaries and wages - overtime	-	-	-	114	-	-	-	-	22,706	-
Salaries and wages - fringe benefits	99,298	-	-	2,054,975	-	-	30,448	-	211,148	108,660
Health benefits	26,633	-	-	351,338	-	-	7,415	-	-	-
Travel	-	4,096	-	-	-	-	-	-	-	-
Contractual services	26,284	-	-	76,904	-	-	70,487	-	670,534	70,799
Building rent	-	-	-	3,419,213	-	-	-	-	-	-
Supplies	9,398	-	-	65,966	-	-	51,576	-	100,533	15,652
Equipment	13,341	-	-	-	-	-	7,095	-	28,652	24,792
Utilities - power and water	8,766	-	-	-	-	-	-	-	4,300	-
Communications	4,204	-	-	32,561	-	-	37,886	-	35,341	-
Capital outlays	-	-	-	-	-	-	-	-	11,000	-
Payments to component units	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,780	-	-	30,615	-	-	-	-	2,462	-
Total expenditures	513,504	4,096	-	11,666,808	-	-	305,138	-	1,626,154	519,232
Excess (deficiency) of revenues over (under) expenditures	276,373	117,924	14,965	(1,613,449)	18,510	10	436,486	34,017	243,122	455,419
Other financing sources (uses):										
Transfers in from other funds	-	-	-	1,617,893	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	1,617,893	-	-	-	-	-	-
Net change in fund balances (deficit)	276,373	117,924	14,965	4,444	18,510	10	436,486	34,017	243,122	455,419
Fund balances (deficit) at beginning of year	255,605	26,953	293,015	-	46,080	601,403	100,711	80,860	588,985	(12,178)
Fund balances (deficit) at end of year	$ 531,978	$ 144,877	$ 307,980	$ 4,444	$ 64,590	$ 601,413	$ 537,197	$ 114,877	$ 832,107	$ 443,241

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	640	231	641	639	245	649	608	326	635	270
	Examiner Off-Duty Services	GFD Capital Revolving	Guam Cancer Trust	Guam Charter Schools	Guam Environmental Trust	Guam Geodetic Network	Guam Plant Inspection and Permit	Guam Preservation Trust	Guam Unarmed Combat Commission	Health and Human Services
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	8,291	270,893	-	500	332,444	-	82,861	1,096,345	-	9,551
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	66	-	2	-	23	112	-	36,197
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	8,291	270,893	66	500	332,446	-	82,884	1,096,457	-	45,748
Expenditures by Object:										
Salaries and wages - regular	-	-	-	-	100,030	-	-	-	-	-
Salaries and wages - overtime	3,198	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	1,198	-	-	-	31,420	-	-	-	-	-
Health benefits	-	-	-	-	8,972	-	-	-	-	-
Travel	-	-	2,773	-	-	-	-	-	-	-
Contractual services	-	94,651	-	-	41,253	-	4,755	-	-	123,848
Building rent	-	-	-	-	-	-	-	-	-	-
Supplies	-	147	-	-	1,813	-	6,996	-	-	-
Equipment	-	-	-	-	-	14,291	-	-	-	-
Utilities - power and water	-	-	-	-	44,038	-	35,485	-	-	-
Communications	-	-	-	-	20,003	-	2,991	-	-	-
Capital outlays	-	11,000	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	338,605	-	320,000
Miscellaneous	-	-	252,399	-	422	-	600	956	-	-
Total expenditures	4,396	105,798	255,172	-	247,951	14,291	50,827	339,561	-	443,848
Excess (deficiency) of revenues over (under) expenditures	3,895	165,095	(255,106)	500	84,495	(14,291)	32,057	756,896	-	(398,100)
Other financing sources (uses):										
Transfers in from other funds	-	-	-	-	-	14,291	-	-	-	-
Transfers out to other funds	-	-	-	-	(32,833)	-	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	(32,833)	14,291	-	-	-	-
Net change in fund balances (deficit)	3,895	165,095	(255,106)	500	51,662	-	32,057	756,896	-	(398,100)
Fund balances (deficit) at beginning of year	73	49,272	-	1,000	28,542	-	37,530	138,982	1,480	4,314,881
Fund balances (deficit) at end of year	$ 3,968	$ 214,367	$ (255,106)	$ 1,500	$ 80,204	$ -	$ 69,587	$ 895,878	$ 1,480	$ 3,916,781

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	602	241	311	632	222	232	294	261	650	629
	Healthy Futures	Health Professional Licensure	Health and Security Trust	Indirect Cost	Land Survey Revolving	Manpower Development	Mental Health and Substance Abuse	Notary Public Revolving	Office of Vital Statistics Revolving	Pesticide Management
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	17,055,970	-	-	-	-	-	-	-	-	-
Alcoholic beverages	2,485,550	-	-	-	-	-	-	-	-	-
Licenses and permits	-	144,803	-	-	2,393,844	1,218,086	-	23,150	64,317	160,093
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	36	-	166,784	-	-	175	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	(205,110)	-	-	623,113	-	(29,000)	-	-	-	-
Total revenues	19,336,446	144,803	166,784	623,113	2,393,844	1,189,261	-	23,150	64,317	160,093
Expenditures by Object:										
Salaries and wages - regular	4,876,264	-	-	1,002,082	1,655,353	337,649	-	-	-	7,708
Salaries and wages - overtime	13,992	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	1,703,801	-	-	362,663	494,901	104,709	-	-	-	2,405
Health benefits	5,521	-	-	-	131,925	26,504	-	-	-	-
Travel	3,625	-	-	8,270	-	4,113	-	-	-	5,104
Contractual services	487,165	35,292	-	45,373	159,134	26,208	-	-	-	-
Building rent	-	-	-	-	12,314	71,974	-	-	-	-
Supplies	317,347	8,255	-	1,324	23,666	17,749	-	-	-	-
Equipment	8,214	3,412	-	4,341	637	12,913	4,609	-	-	-
Utilities - power and water	20,000	-	-	-	-	-	-	-	-	-
Communications	-	-	-	7,203	16,071	4,996	-	-	-	1,898
Capital outlays	-	-	-	-	-	34,495	-	-	-	-
Payments to component units	3,914,943	-	-	-	-	788,242	-	-	-	-
Miscellaneous	604,285	-	-	2,755	3,738	280	-	-	-	-
Total expenditures	11,955,157	46,959	-	1,434,011	2,497,739	1,429,832	4,609	-	-	17,115
Excess (deficiency) of revenues over (under) expenditures	7,381,289	97,844	166,784	(810,898)	(103,895)	(240,571)	(4,609)	23,150	64,317	142,978
Other financing sources (uses):										
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	(6,246,661)	-	-	(212,500)	-	-	-	-	-	-
Total other financing sources (uses), net	(6,246,661)	-	-	(212,500)	-	-	-	-	-	-
Net change in fund balances (deficit)	1,134,628	97,844	166,784	(1,023,398)	(103,895)	(240,571)	(4,609)	23,150	64,317	142,978
Fund balances (deficit) at beginning of year	302,026	149,931	5,713,460	1,324,007	-	-	(4,456)	16,000	-	68,538
Fund balances (deficit) at end of year	$ 1,436,654	$ 247,775	$ 5,880,244	$ 300,609	$ (103,895)	$ (240,571)	$ (9,065)	$ 39,150	$ 64,317	$ 211,516

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	211	263	644	215	604	620	317	285	619	601
	Plant Nursery Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Recreation Services	Public Transit	Rabies Prevention	Recycling Revolving	Safe Homes Safe Streets
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-
Liquid fuel	-	-	-	-	-	-	-	-	-	-
Tobacco	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-
Licenses and permits	19,289	479,865	1,569	301,886	815,818	185,981	114,061	46,656	2,611,867	3,024
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment earnings	-	-	-	-	852	34	-	-	21	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	19,289	479,865	1,569	301,886	816,670	186,015	114,061	46,656	2,611,888	3,024
Expenditures by Object:										
Salaries and wages - regular	-	-	-	47,932	-	570	-	-	45,158	-
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	-
Salaries and wages - fringe benefits	-	-	-	15,123	-	147	-	-	18,272	-
Health benefits	-	-	-	1,995	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Contractual services	-	234,683	-	34,646	-	40,743	-	8,225	347,611	-
Building rent	-	-	-	17,500	-	-	-	-	-	-
Supplies	5,743	100,678	-	2,304	-	72,991	-	11,788	-	-
Equipment	108	-	-	-	-	16,064	-	4,154	-	-
Utilities - power and water	-	-	-	3,450	-	-	-	-	-	-
Communications	-	7,315	-	1,941	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	365,755	-	-	-
Miscellaneous	-	99,941	-	1,350	942	-	-	-	-	-
Total expenditures	5,851	442,617	-	126,241	942	130,515	365,755	24,167	411,041	-
Excess (deficiency) of revenues over (under) expenditures	13,438	37,248	1,569	175,645	815,728	55,500	(251,694)	22,489	2,200,847	3,024
Other financing sources (uses):										
Transfers in from other funds	-	101,835	-	-	-	-	357,280	-	-	-
Transfers out to other funds	-	-	-	-	(652,440)	-	-	-	(2,100,879)	-
Total other financing sources (uses), net	-	101,835	-	-	(652,440)	-	357,280	-	(2,100,879)	-
Net change in fund balances (deficit)	13,438	139,083	1,569	175,645	163,288	55,500	105,586	22,489	99,968	3,024
Fund balances (deficit) at beginning of year	(3,365)	(12,157)	-	169,957	8,063	10,672	68,113	27,946	1,399,597	-
Fund balances (deficit) at end of year	$ 10,073	$ 126,926	$ 1,569	$ 345,602	$ 171,351	$ 66,172	$ 173,699	$ 50,435	$ 1,499,565	$ 3,024

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	217	647	284	416	417	605	202	603	205	208	206
	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Solid Waste Operations	Special Assets Forfeiture	Street Light	Tax Collection	Territorial Educational Facilities	Territorial Highway	Tourist Attraction
Revenues:											
Taxes:											
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,225,091	$ -	$ -
Hotel	-	-	-	-	-	-	-	-	-	-	26,054,476
Liquid fuel	-	-	-	-	-	-	-	-	-	9,831,039	-
Tobacco	-	-	-	-	-	-	-	-	-	-	-
Alcoholic beverages	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	56,000	6,176,624	5,740	-	-	10,870	3,954,182	834,684	-	9,053,675	-
Charges for services	-	-	-	16,494,131	-	-	-	-	-	-	-
Interest and investment earnings	2	1,171	-	42,781	-	308	-	-	1,865	1,831	72
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	56,002	6,177,795	5,740	16,536,912	-	11,178	3,954,182	834,684	19,226,956	18,886,545	26,054,548
Expenditures by Object:											
Salaries and wages - regular	-	-	-	1,171,869	-	-	-	344,597	-	2,897,656	9,835
Salaries and wages - overtime	-	-	-	58,803	-	-	-	223	-	102,758	-
Salaries and wages - fringe benefits	-	-	-	411,461	-	-	-	119,415	-	1,086,084	3,567
Health benefits	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	5,656	-	-	32,131	-	7,706	-	21,086	58,222
Contractual services	-	-	-	9,128,929	-	-	-	1,236	284,142	2,712,253	1,189,082
Building rent	-	-	-	-	-	-	-	-	-	-	-
Supplies	68,608	-	-	436,803	-	-	-	11,624	-	1,698,159	693,312
Equipment	-	-	-	-	-	-	-	-	-	13,109	33,703
Utilities - power and water	-	-	-	82,359	-	-	4,695,765	-	-	4,914,748	212,482
Communications	-	-	-	-	-	-	-	101,298	-	16,662	2,000
Capital outlays	-	-	-	113,458	-	-	-	-	-	111,035	58,002
Payments to component units	-	2,130,569	-	-	-	-	-	-	-	-	16,622,773
Miscellaneous	-	-	-	1,594,276	-	10,000	-	-	52,882	210,965	84,992
Total expenditures	68,608	2,130,569	5,656	12,997,958	-	42,131	4,695,765	586,099	337,024	13,784,515	18,967,970
Excess (deficiency) of revenues over (under) expenditures	(12,606)	4,047,226	84	3,538,954	-	(30,953)	(741,583)	248,585	18,889,932	5,102,030	7,086,578
Other financing sources (uses):											
Transfers in from other funds	-	-	-	5,443,024	-	-	713,673	-	-	-	-
Transfers out to other funds	-	(4,046,055)	-	(4,497,097)	(4,803,562)	-	-	-	(20,869,104)	(1,762,648)	(5,813,220)
Total other financing sources (uses), net	-	(4,046,055)	-	945,927	(4,803,562)	-	713,673	-	(20,869,104)	(1,762,648)	(5,813,220)
Net change in fund balances (deficit)	(12,606)	1,171	84	4,484,881	(4,803,562)	(30,953)	(27,910)	248,585	(1,979,172)	3,339,382	1,273,358
Fund balances (deficit) at beginning of year	1,193	-	10,225	6,845,849	4,803,562	641,325	27,910	(73,003)	604,875	979,998	2,791,657
Fund balances (deficit) at end of year	$ (11,413)	$ 1,171	$ 10,309	$ 11,330,730	$ -	$ 610,372	$ -	$ 175,582	$ (1,374,297)	$ 4,319,380	$ 4,065,015

(continued)

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Special Revenue Funds

Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances (Deficit)

Year Ended September 30, 2012

AS/400 Fund Number	636	297	621	247	283	300	203	310	276	
	Underground Storage Tank Management	University of Guam Capital Improvements	Unreserved Fund Balance	Village Streets	Water Protection	Water Research and Development	Wildlife Conservation	Workman's Compensation	Youth Tobacco Education and Prevention	Total
Revenues:										
Taxes:										
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,225,091
Hotel	-	-	-	-	-	-	-	-	-	26,054,476
Liquid fuel	-	-	-	-	-	-	-	-	-	9,831,039
Tobacco	-	-	-	-	-	-	-	-	-	17,055,970
Alcoholic beverages	-	-	-	-	-	-	-	-	-	2,485,550
Licenses and permits	235,400	-	-	-	114,255	17,210	23,016	101,930	3,050	49,495,418
Charges for services	-	-	-	-	-	-	-	-	-	16,494,131
Interest and investment earnings	34	-	-	-	-	-	-	-	35,978	298,745
Intergovernmental	-	-	-	-	-	-	-	-	-	1,413,506
Other	-	-	-	-	-	-	131,809	-	-	520,815
Total revenues	235,434	-	-	-	114,255	17,210	154,825	101,930	39,028	142,874,741
Expenditures by Object:										
Salaries and wages - regular	-	-	-	-	25,480	26,749	-	-	-	21,139,805
Salaries and wages - overtime	-	-	-	-	-	-	-	-	-	404,962
Salaries and wages - fringe benefits	-	-	-	-	7,019	7,959	-	-	-	7,341,535
Health benefits	-	-	-	-	105	131	-	-	-	593,471
Travel	-	-	-	-	-	-	-	1,624	-	181,415
Contractual services	-	-	-	-	8,670	1,942	2,143	884,233	-	17,691,907
Building rent	-	-	-	-	-	-	-	-	-	3,544,869
Supplies	-	-	-	-	102	1,585	6,653	-	-	4,030,030
Equipment	-	-	-	-	-	-	-	-	-	288,402
Utilities - power and water	-	-	-	-	10,000	5,940	-	-	-	10,057,448
Communications	-	-	-	-	5,503	4,030	-	-	-	303,779
Capital outlays	-	-	-	-	-	-	-	-	-	358,095
Payments to component units	-	500,000	-	-	-	-	-	-	-	26,473,443
Miscellaneous	-	-	-	-	-	-	1,350	8,261	-	2,992,220
Total expenditures	-	500,000	-	-	56,879	48,336	10,146	894,118	-	95,401,381
Excess (deficiency) of revenues over (under) expenditures	235,434	(500,000)	-	-	57,376	(31,126)	144,679	(792,188)	39,028	47,473,360
Other financing sources (uses):										
Transfers in from other funds	-	500,000	-	-	-	-	-	798,561	-	9,546,557
Transfers out to other funds	-	-	-	-	-	-	-	-	-	(51,138,834)
Total other financing sources (uses), net	-	500,000	-	-	-	-	-	798,561	-	(41,592,277)
Net change in fund balances (deficit)	235,434	-	-	-	57,376	(31,126)	144,679	6,373	39,028	5,881,083
Fund balances (deficit) at beginning of year	79,341	-	(6,394)	(22,695)	(44,053)	7,275	(3,161)	46,019	1,130,826	38,989,541
Fund balances (deficit) at end of year	$ 314,775	$ -	$ (6,394)	$ (22,695)	$ 13,323	$ (23,851)	$ 141,518	$ 52,392	$ 1,169,854	$ 44,870,624

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Project Funds
September 30, 2012

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. A brief discussion of GovGuam's nonmajor governmental funds - capital projects funds as of September 30, 2012, follows:

Limited Obligation Highway Improvement Bonds Fund – This fund is used to account for the construction of highway improvement projects from Limited Obligation Highway Improvement bond proceeds.

Limited Obligation Infrastructure Improvement Bonds Fund – This fund is used to account for the construction of capital improvement projects from Limited Obligation Infrastructure Improvement bond proceeds.

Water System Revenue Bond Fund – This fund is used to account for the repayment of certain debt, including the 1989 Water System Revenue Bonds, the debt of the Guam Memorial Hospital Authority, the voluntary service debt and for expanding and improving the existing water system of GovGuam operated by the Public Utility Agency of Guam, now the Guam Waterworks Authority.

General Obligation Bond Series A 1993 Fund – This fund is used to account for the construction of new or renovated educational facilities from General Obligation Bond Series A 1993 bond proceeds.

Judicial Building Fund – This fund is used to account for the construction of miscellaneous capital improvements of the Superior Court of Guam and to redeem loan principal and to pay loan interest as such becomes due.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet
September 30, 2012

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	252 Water System Revenue Bond	253 General Obligation Bond Series A 1993	Judicial Building	Total
ASSETS:						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 1,343,270	$ 1,343,270
Due from other funds	50,517	-	5,000	769,202	-	824,719
Deposits and other assets	-	-	-	-	2,279	2,279
Restricted assets:						
Cash and cash equivalents	1,454,627	36,550,612	-	-	-	38,005,239
Time certificates of deposit	-	-	-	-	-	-
Investments	-	14,527,112	562,183	15	902,104	15,991,414
Total assets	$ 1,505,144	$ 51,077,724	$ 567,183	$ 769,217	$ 2,247,653	$ 56,166,921
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 77,227	$ 355,721	$ -	$ -	$ -	$ 432,948
Due to other funds	-	31,947	-	-	1,183,616	1,215,563
Total liabilities	77,227	387,668	-	-	1,183,616	1,648,511
Fund balances:						
Restricted	1,377,400	50,690,056	562,183	15	902,104	53,531,758
Committed	50,517	-	5,000	769,202	161,933	986,652
Total fund balances	1,427,917	50,690,056	567,183	769,217	1,064,037	54,518,410
Total liabilities and fund balances	$ 1,505,144	$ 51,077,724	$ 567,183	$ 769,217	$ 2,247,653	$ 56,166,921

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Govenmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances
Year Ended September 30, 2012

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	252 Water Systems Revenue Bond	253 General Obligation Bond Series A 1993	Judicial Building	Total
Revenues:						
Interest and investment earnings	$ 189	$ 32,117	$ 55	$ -	$ 1,920,121	$ 1,952,482
Expenditures by function:						
Current:						
General government	-	16,152	-	-	-	16,152
Individual and collective rights	-	-	-	-	1,540,146	1,540,146
Payments to Guam Preservation Trust	-	4,288,811	-	-	-	4,288,811
Capital projects	944,075	1,742,371	-	-	-	2,686,446
Debt service:						
Principal retirement	-	-	-	-	501,981	501,981
Interest and fiscal charges	-	-	-	-	491,023	491,023
Total expenditures	944,075	6,047,334	-	-	2,533,150	9,524,559
Net change in fund balances	(943,886)	(6,015,217)	55	-	(613,029)	(7,572,077)
Fund balances at beginning of year	2,371,803	56,705,273	567,128	769,217	1,677,066	62,090,487
Fund balances at end of year	$ 1,427,917	$ 50,690,056	$ 567,183	$ 769,217	$ 1,064,037	$ 54,518,410

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Govenmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures by Object, and Changes in Fund Balances
Year Ended September 30, 2012

AS/400 Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	252 Water Systems Revenue Bond	253 General Obligation Bond Series A 1993	Judicial Building	Total
Revenues:						
Interest and investment earnings	$ 189	$ 32,117	$ 55	$ -	$ 1,920,121	$ 1,952,482
Expenditures by object:						
Contractual services	662,251	1,436,143	-	-	-	2,098,394
Capital outlays	40,929	306,228	-	-	1,540,146	1,887,303
Grants and subsidies	-	4,288,811	-	-	-	4,288,811
Principal retirement	-	-	-	-	501,981	501,981
Interest and fiscal charges	-	-	-	-	491,023	491,023
Miscellaneous	240,895	16,152	-	-	-	257,047
Total expenditures	944,075	6,047,334	-	-	2,533,150	9,524,559
Net change in fund balances	(943,886)	(6,015,217)	55	-	(613,029)	(7,572,077)
Fund balances at beginning of year	2,371,803	56,705,273	567,128	769,217	1,677,066	62,090,487
Fund balances at end of year	$ 1,427,917	$ 50,690,056	$ 567,183	$ 769,217	$ 1,064,037	$ 54,518,410

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Debt Service Funds
September 30, 2012

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment. A brief discussion of GovGuam's nonmajor governmental funds - debt service funds as of September 30, 2012, follows:

Limited Obligation Highway Improvement Bonds Fund – This fund is used to account for funds required by the Limited Obligation Highway Improvement bond indenture to redeem bond principal and to pay bond interest as such becomes due.

Limited Obligation Infrastructure Improvement Bonds Fund – This fund is used to account for funds required by the Limited Obligation Infrastructure Improvement bond indenture to redeem bond principal and to pay bond interest as such becomes due.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Debt Service Funds
Combining Balance Sheet
September 30, 2012

AS/400 Fund Numbers	226 Limited Obligation Highway Improvement Bonds	354 Limited Obligation Infrastructure Improvement Bonds	Total
ASSETS			
Cash and cash equivalents	$ 1,925	$ -	$ 1,925
Restricted assets:			
Cash and cash equivalents	-	11,312,031	11,312,031
Total assets	$ 1,925	$ 11,312,031	$ 11,313,956
FUND BALANCES			
Fund balances:			
Restricted	$ -	$ 11,312,031	$ 11,312,031
Committed	1,925	-	1,925
Total fund balances	$ 1,925	$ 11,312,031	$ 11,313,956

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Governmental Funds - Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2012

AS/400 Fund Numbers	226 Limited Obligation Highway Improvement Bonds	354 Limited Obligation Infrastructure Improvement Bonds	Total
Revenues:			
Interest and investment earnings	$ -	$ 6,570	$ 6,570
Expenditures:			
Debt service:			
Principal retirement	5,765,000	1,670,000	7,435,000
Interest and fiscal charges	132,551	5,334,441	5,466,992
Total expenditures	5,897,551	7,004,441	12,901,992
Deficiency of revenues under expenditures	(5,897,551)	(6,997,871)	(12,895,422)
Other financing sources:			
Transfers in from other funds	-	5,813,220	5,813,220
Net change in fund balances	(5,897,551)	(1,184,651)	(7,082,202)
Fund balances at beginning of year	5,899,476	12,496,682	18,396,158
Fund balances at end of year	$ 1,925	$ 11,312,031	$ 11,313,956

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Pension Trusts
September 30, 2012

Pension trusts are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and defined contribution plans. A brief discussion of GovGuam's fiduciary funds - pension trusts as of September 30, 2012, follows:

Defined Benefits Plan - GovGuam participates in the GovGuam Defined Benefit (DB) Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the GovGuam Retirement Fund (GGRF). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995.

Defined Contributions Plan - All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS) administered by GGRF.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Statement of Fiduciary Net Assets
Fiduciary Funds - Pension Trusts
September 30, 2012

	Defined Benefit	Defined Contribution	Total
ASSETS			
Cash and cash equivalents	$ 3,398,096	$ 1,504,138	$ 4,902,234
Investments at fair value:			
Common stocks	831,846,693	-	831,846,693
U.S. Government securities	202,542,843	-	202,542,843
Corporate bonds and notes	180,336,742	-	180,336,742
Money market funds	64,696,700	-	64,696,700
Mutual funds	141,150,650	288,727,710	429,878,360
DC plan forfeitures	-	6,561,354	6,561,354
Total investments	1,420,573,628	295,289,064	1,715,862,692
Accounts receivable:			
Employer contributions, net	1,717,520	503,981	2,221,501
Member contributions	591,143	502,348	1,093,491
Interest and penalties on contributions	231,896	-	231,896
Accrued investment income	4,780,898	-	4,780,898
Due from brokers for unsettled trades	4,815,852	-	4,815,852
Service credits	1,083,922	-	1,083,922
Notes receivable - ERIP	2,290,473	-	2,290,473
Supplemental/COLA benefits	56,350,125	-	56,350,125
Supplemental/Insurance benefits advanced	3,511,711	-	3,511,711
Other	3,427,989	141,555	3,569,544
Due from DC plan	260,250	-	260,250
Total receivables	79,061,779	1,147,884	80,209,663
Capital assets	908,472	105,197	1,013,669
Total assets	1,503,941,975	298,046,283	1,801,988,258
LIABILITIES			
Deferred revenue	4,097,948	-	4,097,948
Accounts payable and accrued expenses	2,064,479	-	2,064,479
Due to DB plan	-	260,250	260,250
Due to brokers for unsettled trades	54,105,484	632,023	54,737,507
Total liabilities	60,267,911	892,273	61,160,184
NET ASSETS			
Held in trust for retirement benefits	$ 1,443,674,064	$ 297,154,010	$ 1,740,828,074

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Pension Trusts
Year Ended September 30, 2012

	Defined Benefit	Defined Contribution	Total
Additions:			
Contributions:			
Employer	$ 116,512,456	$ 14,539,406	$ 131,051,862
Member	16,712,987	14,394,176	31,107,163
Total contributions	133,225,443	28,933,582	162,159,025
Net investment income:			
Net appreciation in fair value of investments	207,622,587	33,922,594	241,545,181
Interest	17,266,613	8,609,946	25,876,559
Dividends	15,288,485	-	15,288,485
Other	538,358	966,137	1,504,495
Total investment income	240,716,043	43,498,677	284,214,720
Less: investment expenses	4,867,456	102,000	4,969,456
Net investment income	235,848,587	43,396,677	279,245,264
Total additions	369,074,030	72,330,259	441,404,289
Deductions:			
Benefits	184,380,351	-	184,380,351
Refunds	2,709,194	12,203,108	14,912,302
Interest on refunded contributions	1,294,416	-	1,294,416
Balance transfer to DC plan	33,891	(33,891)	-
Administrative and general expenses	2,807,624	1,707,794	4,515,418
Total deductions	191,225,476	13,877,011	205,102,487
Change in net assets	177,848,554	58,453,248	236,301,802
Net assets at beginning of year	1,265,825,510	238,700,762	1,504,526,272
Net assets at end of year	$ 1,443,674,064	$ 297,154,010	$ 1,740,828,074

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
September 30, 2012

Private purpose trusts are used to report any trust arrangement not properly reported in a pension trust fund or an investment trust fund under which principal and income benefit individuals, private organizations, or other governments. A brief discussion of GovGuam's fiduciary funds - private purpose trusts as of September 30, 2012, follows:

Trust Fund - this fund was established to account for judgments compelling individuals to award payments arising from various civil and criminal cases.

Traffic Court Trust Fund - this fund was established to account for deposits made by accused traffic offenders who are contesting charges against them.

Guardianship Trust Fund - this fund was established by Public Law 25-103 to account for the financial affairs of individuals for whom the Court has been petitioned to act as a guardian.

Land Condemnation Trust Fund - this fund was established as an escrow account for governmental land acquisitions.

Jury Trust Fund - this fund was established by Public Law 19-28 to account for funds awarded and to be awarded to citizens who serve on juries. Funding is derived from local appropriations.

Judicial Client Service Trust Fund - this fund was established by Public Law 27-55 to account for funds collected for: (i) the appointment of Counsel of Indigent Defendants including, but not limited to, attorney fees, investigator fees, interpreter fees, expert fees, jury fees, and any other related expenses approved by the Superior Court of Guam or the Supreme Court of Guam; (ii) Law Enforcement Escort Costs; and (iii) operations of Erica's House.

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Fiduciary Net Assets
September 30, 2012

	Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Total
ASSETS:							
Cash and cash equivalents	$ 8,243,203	$ 9,152	$ 1,280,537	$ 1,431,890	$ 481,610	$ 320,296	$ 11,766,688
Time certificates of deposit	2,406,023	-	-	-	-	-	2,406,023
Due from other funds	-	-	-	-	-	672,500	672,500
Total assets	10,649,226	9,152	1,280,537	1,431,890	481,610	992,796	14,845,211
LIABILITIES							
Due to other funds	6,249,433	-	-	-	309,356	-	6,558,789
Deposits and other liabilities	4,399,793	9,152	1,280,537	1,431,890	-	-	7,121,372
Total liabilities	10,649,226	9,152	1,280,537	1,431,890	309,356	-	13,680,161
NET ASSETS							
Held in trust for other purposes	$ -	$ -	$ -	$ -	$ 172,254	$ 992,796	$ 1,165,050

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Changes in Fiduciary Net Assets
Year Ended September 30, 2012

	Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Total
Additions:							
Use of money and property	$ -	$ -	$ -	$ -	$ 7,496	$ 1,477,446	$ 1,484,942
Transfers in from other funds	-	-	-	-	394,676	745,433	1,140,109
Total additions	-	-	-	-	402,172	2,222,879	2,625,051
Deductions:							
Individual and collective rights	-	-	-	-	437,950	1,652,797	2,090,747
Total deductions	-	-	-	-	437,950	1,652,797	2,090,747
Change in net assets	-	-	-	-	(35,778)	570,082	534,304
Net assets at beginning of year	-	-	-	-	208,032	422,714	630,746
Net assets at end of year	$ -	$ -	$ -	$ -	$ 172,254	$ 992,796	$ 1,165,050

See Accompanying Independent Auditors' Report.

Agency funds are used to report resources held by GovGuam in a purely custodial capacity (assets equal liabilities). A brief discussion of GovGuam's fiduciary funds - private purpose trusts as of September 30, 2012, follows:

GOVERNMENT OF GUAM

Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency
September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
ASSETS				
Deposits and other assets	$ 15,487,595	$ -	$ -	$ 15,487,595
Total assets	$ 15,487,595	$ -	$ -	$ 15,487,595
LIABILITIES				
Deposits and other liabilities	$ 15,487,595	$ -	$ -	$ 15,487,595
Total liabilities	$ 15,487,595	$ -	$ -	$ 15,487,595

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
September 30, 2012

Component units are legally separate organizations for which the elected officials of GovGuam are financially accountable. Nonmajor component units are defined as those component units whose activities are not significant or material to that of the primary government or to all component units as a whole. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi - business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds. The generally accepted accounting principles here are generally those applicable to similar businesses in the private sector: the measurement focus is on determination of the change in net assets, financial position and cash flows. A brief discussion of GovGuam's nonmajor component units as of September 30, 2012, follows:

Guam Community College (GCC) - GCC was created 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 GCC is under the control of a nine-member Board of Trustees appointed by the Governor of Guam with the advice and consent of the Guam Legislature. Two of the nine members have no voting and participation rights as they represent the faculty and staff union.

Guam Housing and Urban Renewal Authority (GHURA) – GHURA was created by Government Code, Vol. II, Title XIV, Chapter X, 13902. GHURA's purpose is to promote the health, safety and welfare of the people of Guam by eliminating slum and blight conditions, by the orderly redevelopment and renewal of communities, by proper planning of community development and by provision of safe, decent and sanitary dwellings for low-income families, through all available Federal and local governmental programs. The Board of Commissioners of GHURA is appointed by the Governor of Guam with the advice and consent of the Guam Legislature. Revenues are derived from Federal financial assistance and rentals or charges for dwelling accommodations.

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

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

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

To accomplish the stated purposes, GEDA is authorized to conduct research, invest in, provide loans, operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain GovGuam 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.

See Accompanying Independent Auditors' Report.

Guam Preservation Trust (GPT) - This fund was created by Public Law 20-151 to establish a program for historic preservation at all levels of government and to promote the use and conservation of such preservations for education, inspiration, pleasure and enrichment of the residents of the Territory.

Guam Visitors Bureau (GVB) - GVB is a public corporation created for the purpose of promoting the visitor industry in Guam. Funding is provided from transfers of appropriations from the Tourist Attraction Fund and interest income.

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

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
Combining Statement of Net Assets (Deficiency)
September 30, 2012

ASSETS	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm-unications Corporation	Total
Current assets:								
Cash and cash equivalents	$ 3,588,384	$ 11,480,264	$ 5,134,109	$ 3,425,726	$ 4,024,170	$ 11,302,727	$ 214,672	$ 39,170,052
Investments	-	-	-	4,751,526	1,780,695	-	200,000	6,732,221
Receivables, net	7,079,237	1,552,215	20,268,590	378,519	662,684	145,165	93,800	30,180,210
Due from primary government	840,191	-	-	-	-	1,873,820	-	2,714,011
Inventories	457,195	242,893	394,364	10,629	-	-	-	1,105,081
Prepayments	-	116,005	153,608	3,094	13,413	6,452	2,099	294,671
Restricted assets:								
Cash and cash equivalents	369,373	2,452,328	2,329,435	3,644,390	-	351,945	188,252	9,335,723
Investments	7,758,512	-	4,910,978	-	-	-	-	12,669,490
Total current assets	20,092,892	15,843,705	33,191,084	12,213,884	6,480,962	13,680,109	698,823	102,201,459
Noncurrent assets:								
Investments	1,798,929	-	-	-	-	-	-	1,798,929
Receivables, net	-	765,434	9,432,695	-	-	-	-	10,198,129
Capital assets:								
Nondepreciable capital assets	7,114,282	3,675,882	2,934,227	-	-	5,992,415	18,000	19,734,806
Capital assets, net of accumulated depreciation	25,594,913	24,160,583	3,336,819	555,803	2,787	988,095	2,410,906	57,049,906
Land held for development	-	3,329,212	-	-	-	-	-	3,329,212
Deferred bond issuance costs	-	-	-	560,683	-	-	-	560,683
Other assets	206,921	-	-	3,500	-	133,125	-	343,546
Total noncurrent assets	34,715,045	31,931,111	15,703,741	1,119,986	2,787	7,113,635	2,428,906	93,015,211
Total assets	$ 54,807,937	$ 47,774,816	$ 48,894,825	$ 13,333,870	$ 6,483,749	$ 20,793,744	$ 3,127,729	$ 195,216,670

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
Combining Statement of Net Assets (Deficiency), Continued
September 30, 2012

LIABILITIES AND NET ASSETS (DEFICIENCY)	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm-unications Corporation	Total
Current liabilities:								
Current portion of bonds payable	$ -	$ -	$ 145,000	$ 1,850,000	$ -	$ -	$ -	$ 1,995,000
Current portion of notes payable	281,196	49,000	1,147,820	-	-	-	-	1,478,016
Accounts payable	3,473,678	703,638	115,020	352,386	196,238	3,128,885	39,283	8,009,128
Accrued interest payable	-	-	33,753	529,000	-	-	-	562,753
Accrued payroll and other	-	96,279	-	176,415	-	-	16,971	289,665
Deferred revenues	1,997,753	1,860,361	51,441	4,344,654	-	43,100	162,335	8,459,644
Compensated absences	196,137	44,595	94,036	-	-	104,915	22,252	461,935
Deposits and other liabilities	281,181	941,179	597,828	-	8,000	-	-	1,828,188
Total current liabilities	6,229,945	3,695,052	2,184,898	7,252,455	204,238	3,276,900	240,841	23,084,329
Noncurrent liabilities:								
Compensated absences	255,602	658,580	-	-	-	-	49,877	964,059
Noncurrent portion of bonds payable	-	-	4,565,000	29,627,861	-	-	-	34,192,861
Noncurrent portion of notes payable	2,213,617	1,261,139	1,119,469	-	-	-	-	4,594,225
Other noncurrent liabilities	-	-	370,178	138,823	-	-	-	509,001
DCRS sick leave liability	978,663	-	166,093	102,654	-	141,766	8,564	1,397,740
Total noncurrent liabilities	3,447,882	1,919,719	6,220,740	29,869,338	-	141,766	58,441	41,657,886
Total liabilities	9,677,827	5,614,771	8,405,638	37,121,793	204,238	3,418,666	299,282	64,742,215
Net assets (deficiency):								
Invested in capital assets, net of related debt	29,649,033	29,924,844	6,271,046	555,803	2,787	6,980,510	2,428,906	75,812,929
Restricted:								
Endowment - nonexpendable	55,267	-	-	-	-	-	-	55,267
Other purposes	9,470,500	3,978,251	8,694,060	-	-	1,322,833	-	23,465,644
Unrestricted (deficit)	5,955,310	8,256,950	25,524,081	(24,343,726)	6,276,724	9,071,735	399,541	31,140,615
Total net assets (deficiency)	45,130,110	42,160,045	40,489,187	(23,787,923)	6,279,511	17,375,078	2,828,447	130,474,455
Total liabilities and net assets (deficiency)	$ 54,807,937	$ 47,774,816	$ 48,894,825	$ 13,333,870	$ 6,483,749	$ 20,793,744	$ 3,127,729	$ 195,216,670

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Nonmajor Component Units
Combining Statement of Revenues, Expenses, and Changes in Net Assets (Deficiency)
Year Ended September 30, 2012

	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm-unications Corporation	Total
Operating revenues:								
Charges for services	$ 2,375,589	$ 995,244	$ 2,742,413	$ 1,644,018	$ -	$ -	$ -	$ 7,757,264
Grants and contracts	17,030,895	47,783,377	-	182,755	-	122,090	851,611	65,970,728
Other	1,900,913	31,084	-	3,236,565	-	201,708	361,938	5,732,208
Total operating revenues	21,307,397	48,809,705	2,742,413	5,063,338	-	323,798	1,213,549	79,460,200
Operating expenses:								
Cost of services	31,828,463	33,042,007	2,338,721	2,679,525	383,361	13,759,968	212,524	84,244,569
Depreciation and amortization	1,967,458	2,570,274	141,172	39,326	934	109,364	175,397	5,003,925
General and administrative	2,806,504	18,605,478	-	-	395,362	-	1,392,071	23,199,415
Total operating expenses	36,602,425	54,217,759	2,479,893	2,718,851	779,657	13,869,332	1,779,992	112,447,909
Operating income (loss)	(15,295,028)	(5,408,054)	262,520	2,344,487	(779,657)	(13,545,534)	(566,443)	(32,987,709)
Nonoperating revenues (expenses):								
Contributions from the primary government	14,569,116	-	-	-	5,384,311	16,260,310	553,121	36,766,858
Investment income	1,087,633	12,880	22,304	87,041	143,926	12,925	-	1,366,709
Interest expense	(112,629)	(80,291)	(444,377)	(2,412,902)	-	-	-	(3,050,199)
Other income (expenses), net	(80,923)	471,995	660,760	37,110	-	391,937	-	1,480,879
Total nonoperating revenues (expenses), net	15,463,197	404,584	238,687	(2,288,751)	5,528,237	16,665,172	553,121	36,564,247
Net income (loss) before capital contributions	168,169	(5,003,470)	501,207	55,736	4,748,580	3,119,638	(13,322)	3,576,538
Capital grants from the United States government	3,171,646	637,397	-	-	-	-	-	3,809,043
Change in net assets (deficiency)	3,339,815	(4,366,073)	501,207	55,736	4,748,580	3,119,638	(13,322)	7,385,581
Net assets (deficiency) at beginning of year	41,790,295	46,526,118	39,987,980	(23,843,659)	1,530,931	14,255,440	2,841,769	123,088,874
Net assets (deficiency) at end of year	$ 45,130,110	$ 42,160,045	$ 40,489,187	$ (23,787,923)	$ 6,279,511	$ 17,375,078	$ 2,828,447	$ 130,474,455

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Other Information
September 30, 2012

A brief discussion of other information presented for additional analysis as of September 30, 2012, follows:

Combining Schedule of Expenditures By Object:
All Governmental Funds

Schedule of Outstanding Debt:
Primary Government
Component Units

GOVERNMENT OF GUAM

All Governmental Funds
Combining Schedule of Expenditures By Object
Year Ended September 30, 2012

		Special Revenue		Capital Projects		
	General	Federal Grants Assistance	GDOE Federal Grants	Landfill CIP	Other Governmental Funds	Total
Expenditures by Object:						
Salaries and wages:						
Regular	$ 242,466,649	$ 25,257,221	$ 24,392,541	$ -	$ 21,139,805	$ 313,256,216
Overtime	5,867,988	39,316	-	-	404,962	6,312,266
Fringe benefits	78,787,290	8,756,363	7,441,254	-	7,341,535	102,326,442
Health benefits	5,414,345	-	-	-	593,471	6,007,816
Travel	941,698	2,019,070	909,579	-	181,415	4,051,762
Contractual services	33,710,111	74,820,786	26,644,225	8,542,602	19,790,301	163,508,025
Building rent	7,932,081	1,802,415	-	-	3,544,869	13,279,365
Supplies	3,978,044	1,561,223	3,166,611	-	4,030,030	12,735,908
Equipment	5,456,475	1,706,702	3,298,610	-	288,402	10,750,189
Utilities - power and water	21,069,272	2,085,822	44,930	-	10,057,448	33,257,472
Communications	1,668,539	381,701	-	-	303,779	2,354,019
Capital outlays	8,683,934	3,154,791	407,400	-	2,245,398	14,491,523
Grants and subsidies	69,310,240	145,383,621	-	-	30,762,254	245,456,115
Supplemental annuity benefits	18,778,400	-	-	-	-	18,778,400
Retiree healthcare benefits	22,610,227	-	-	-	-	22,610,227
Principal retirement	21,514,941	-	3,210,000	-	7,936,981	32,661,922
Interest and fiscal charges	69,095,698	-	3,890,000	-	5,958,015	78,943,713
Miscellaneous	35,464,503	58,713,069	1,445,058	-	3,249,267	98,871,897
	$ 652,750,435	$ 325,682,100	$ 74,850,208	$ 8,542,602	$ 117,827,932	$ 1,179,653,277

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

Schedule of Outstanding Debt
September 30, 2012

	Outstanding Principal Amount	Fiscal Year 2013 Debt Service			Final Maturity (Year Ending September 30)
		Principal	Interest	Total	
Primary Government:					
General Obligation Bonds:					
1993 Series A	$ 28,065,000	$ 3,405,000	$ 1,422,252	$ 4,827,252	2019
2007 Series A	151,935,000	-	7,874,700	7,874,700	2038
2009 Series A	264,445,000	3,600,000	17,830,387	21,430,387	2040
Limited Obligation Bonds:					
2009 Series A Section 30 Bonds	202,425,000	4,590,000	11,082,706	15,672,706	2035
2011 Series A Hotel Tax Revenue Bonds	88,995,000	1,740,000	5,258,363	6,998,363	2041
2011 Series A Business Privilege Tax Revenue Bonds	235,000,000	-	11,948,013	11,948,013	2042
2012 Series B Business Privilege Tax Revenue Bonds	108,700,000	-	5,246,046	5,246,046	2042
Other Loans Payable:					
2002 Bank loan	1,656,534	1,656,534	60,915	1,717,449	2013
2006 Bank loan	9,345,108	528,041	464,964	993,005	2018
	1,090,566,642	15,519,575	61,188,346	76,707,921	
Component Units:					
Antonio B. Won Pat International Airport Authority:					
2003 Series A, B, C and D Revenue Bonds	155,005,000	9,590,000	7,482,000	17,072,000	2024
2012 Bank loan	5,594,897	216,137	207,740	423,877	2017
Guam Memorial Hospital Authority:					
2011 Bank loan	11,292,872	541,763	713,840	1,255,603	2018
Guam Power Authority:					
1993 Series A Revenue Bonds	60,090,000	3,720,000	3,057,075	6,777,075	2024
1999 Series A Revenue Bonds	304,595,000	4,915,000	15,564,069	20,479,069	2035
2010 Series A Revenue Bonds	150,440,000	-	7,999,200	7,999,200	2041
2010 Series A Subordinate Revenue Bonds	51,680,000	12,180,000	3,754,200	15,934,200	2016
Guam Waterworks Authority:					
2005 Series A Revenue Bonds	90,865,000	2,380,000	5,324,294	7,704,294	2035
2010 Series A Revenue Bonds	118,825,000	-	6,516,400	6,516,400	2040
2010 Bank loans	23,925,764	3,074,328	1,735,409	4,809,737	2015
Port Authority of Guam:					
2010 Bank loan	3,201,009	165,692	195,857	361,549	2026
University of Guam:					
Rural development loan	12,396,023	192,704	557,356	750,060	2043
Guam Community College:					
Rural development loans	2,494,813	281,196	91,862	373,058	2024/2051
Guam Housing and Urban Renewal Authority:					
Rural development loan	1,310,139	49,000	77,480	126,480	2030
Guam Housing Corporation:					
1998 Series A Mortgage-Backed Revenue Bonds	4,710,000	145,000	257,643	402,643	2031
Federal Home Loan Bank loan	2,267,289	1,147,820	113,309	1,261,129	2014
Guam Economic Development Authority:					
2007 Series A and B Tobacco Settlement Revenue Bonds	45,828,618	1,850,000	1,429,004	3,279,004	2026/2034
	1,044,521,424	40,448,640	55,076,738	95,525,378	
	$ 2,135,088,066	$ 55,968,215	$ 116,265,084	$ 172,233,299	

See Accompanying Independent Auditors' Report.

GOVERNMENT OF GUAM

SINGLE AUDIT REPORTS

YEAR ENDED SEPTEMBER 30, 2012

GOVERNMENT OF GUAM

SINGLE AUDIT REPORTS
YEAR ENDED SEPTEMBER 30, 2012

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Eddie B. Calvo
Governor
Government of Guam:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam) as of and for the year ended September 30, 2012, which collectively comprise GovGuam's basic financial statements and have issued our report thereon dated June 26, 2013. Our report includes an explanatory paragraph concerning the correction of an error and a reference to other auditors. 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. Other auditors audited the financial statements of the GovGuam Retirement Fund, the Antonio B. Won Pat International Airport Authority, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust, as described in our report on GovGuam's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

For purposes of this report, our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants, and other matters did not include the Guam Community College, the Guam Department of Education, the Guam Economic Development Authority, the Guam Educational Telecommunications Corporation, the Guam Memorial Hospital Authority, the Guam Power Authority, the Guam Visitors Bureau, the Guam Waterworks Authority, the Solid Waste Operations Fund, the Territorial Highway Fund, and the Tourist Attraction Fund, which were all audited by us. We have issued separate reports on our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters for these entities. Other auditors issued separate reports on their consideration of internal control over financial reporting and their tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters for the GovGuam Retirement Fund, the Antonio B. Won Pat International Airport Authority, the Guam Housing and Urban Renewal Authority, the Guam Housing Corporation, and the Guam Preservation Trust. The findings, if any, included in those reports are not included herein.

Internal Control Over Financial Reporting

Management of GovGuam is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered GovGuam's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of GovGuam's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-4, 2012-5 and 2012-7 to be material weaknesses. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-6 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether GovGuam's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of GovGuam in a separate letter dated June 26, 2013.

GovGuam's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit GovGuam's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management of the Government of Guam, others within the entity, the Office of Public Accountability - Guam, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

Deloitte + Touche LLP

June 26, 2013

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Honorable Eddie B. Calvo
Governor
Government of Guam:

Compliance

We have audited the Government of Guam's (GovGuam's) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the GovGuam's major federal programs for the year ended September 30, 2012. GovGuam's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs (pages 17 through 35). Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of GovGuam's management. Our responsibility is to express an opinion on the GovGuam's compliance based on our audit.

As discussed in Note 2b to the Schedule of Expenditures of Federal Awards, GovGuam's basic financial statements include the operations of certain entities whose federal awards are not included in the Schedule of Expenditures of Federal Awards for the year ended September 30, 2012. Our audit, described below, did not include the operations of the entities identified in Note 2b as these entities conducted separate audits in accordance with OMB Circular A-133, if required.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about GovGuam's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of GovGuam's compliance with those requirements.

As described in items 2012-1 to 2012-3 in the accompanying Schedule of Findings and Questioned Costs, the Government of Guam did not comply with requirements regarding eligibility, equipment and real property management, and reporting that are applicable to its major federal programs as described in the Federal Award Findings and Questioned Cost Section of the accompanying Schedule of Findings and Questioned Costs (page 18). Compliance with such requirements is necessary, in our opinion, for the Government of Guam to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Government of Guam complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CFDA Program 15.875 Economic, Social and Political Development of the Territories; CFDA Program 20.205 Highway Planning and Construction; CFDA Program 84.397 State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act; CFDA Program 93.558 Temporary Assistance for Needy Families; and CFDA Program 93.778 Medical Assistance Program (Medicaid). Also in our opinion, the Government of Guam complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of GovGuam is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered GovGuam's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of GovGuam's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 to 2012-3 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam as of and for the year ended September 30, 2012, and have issued our report thereon dated June 26, 2013, which contained an unqualified opinion on those financial statements and which report included an explanatory paragraph concerning the correction of an error and a reference to other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise GovGuam's financial statements. The accompanying Schedule of Expenditures of Federal Awards (pages 6 through 13) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has

been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

GovGuam's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit GovGuam's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management of the Government of Guam, others within the entity, the Office of Public Accountability - Guam, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

Deloitte + Touche LLP

June 26, 2013

GOVERNMENT OF GUAM

Summary of Schedule of Expenditures of Federal Awards, by Grantor
Year Ended September 30, 2012

Agency	Expenditures
U.S. Department of Agriculture	$ 123,407,222
U.S. Department of Commerce	1,797,635
U.S. Department of Defense	4,598,104
U.S. Department of Housing and Urban Development	275,264
U.S. Department of the Interior	27,127,340
U.S. Department of Justice	5,415,835
U.S. Department of Labor	5,610,934
U.S. Department of Transportation	44,182,288
National Foundation on the Arts and the Humanities	365,492
U.S. Environmental Protection Agency	2,854,779
U.S. Department of Energy	15,625,272
U.S. Department of Education	26,597,964
U.S. Department of Health and Human Services	61,109,127
Corporation for National and Community Service	1,526,106
U.S. Department of Homeland Security	5,688,427
GRAND TOTAL	$ 326,181,789

Note: All awards are received direct from the Federal agency.

See accompanying notes to Schedule of Expenditures of Federal Awards.

GOVERNMENT OF GUAM

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

CFDA#	Agency/Program Title	Expenditures	Amounts Passed-Through to Subrecipients per Major Program
	U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	$ 49,448	
10.170	Specialty Crop Block Grant Program - Farm Bill	34,414	
10.551	Supplemental Nutrition Assistance Program (SNAP)	113,301,540	$ -
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	8,440,936	$ -
10.561	State Administrative Matching Grants for the SNAP	1,273,980	$ -
10.572	WIC Farmers' Market Nutrition Program (FMNP)	52,608	
10.578	WIC Grants to States (WGS)	6,866	
10.664	Cooperative Forestry Assistance	247,430	
	U.S. DEPARTMENT OF AGRICULTURE TOTAL	$ 123,407,222	
	U.S. DEPARTMENT OF COMMERCE		
11.307	Economic Adjustment Assistance	$ 40,490	
11.407	Interjurisdictional Fisheries Act of 1986	9,378	
11.419	Coastal Zone Management Administration Awards	1,021,162	
11.426	Financial Assistance for National Centers for Coastal Ocean Science	60,211	
11.437	Pacific Fisheries Data Program	32,624	
11.454	Unallied Management Projects	12,951	
11.467	Meteorologic and Hydrologic Modernization Development	47,716	
11.482	Coral Reef Conservation Program	116,204	
11.555	Public Safety Interoperable Communications Grant Program	456,899	
	U.S. DEPARTMENT OF COMMERCE TOTAL	$ 1,797,635	
	U.S. DEPARTMENT OF DEFENSE		
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	$ 72,914	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	3,001,843	$ -
12.607	Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	1,470,849	
12.613	Growth Management Planning Assistance	52,498	
	U.S. DEPARTMENT OF DEFENSE TOTAL	$ 4,598,104	
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
14.225	Community Development Block Grant/Special Purpose Grant	$ 46,777	
14.235	Supportive Housing Program	204,810	
14.251	Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	23,677	
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOTAL	$ 275,264	

See accompanying notes to Schedule of Expenditures of Federal Awards.

GOVERNMENT OF GUAM

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

CFDA#	Agency/Program	Expenditures	Amounts Passed-Through to Subrecipients per Major Program
	U.S. DEPARTMENT OF THE INTERIOR		
15.605	Sport Fish Restoration Program	$ 1,315,991	
15.611	Wildlife Restoration	270,764	
15.615	Cooperative Endangered Species Conservation Fund	208,258	
15.634	State Wildlife Grants	234,903	
15.875	Economic, Social, and Political Development of the Territories	24,773,118	$ 21,363,638
15.904	Historic Preservation Fund Grants-In-Aid	324,306	
	U.S. DEPARTMENT OF THE INTERIOR TOTAL	$ 27,127,340	
	U.S. DEPARTMENT OF JUSTICE		
16.013	Violence Against Women Act Court Training and Improvement Grants	$ 87,538	
16.017	Sexual Assault Services Formula Program	23,369	
16.523	Juvenile Accountability Block Grants	198,290	$ -
16.527	Supervised Visitation, Safe Havens for Children	30,324	
16.532	Part E_National Priority Program Grants	72,678	
16.548	Title V - Delinquency Prevention Program	10,323	
16.554	Youth Gang Prevention	47,382	
16.575	Crime Victim Assistance	401,171	
16.579	Edward Byrne Memorial Formula Grant Program	45,189	
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	37,437	
16.588	Violence Against Women Formula Grants	669,473	
16.588	ARRA Violence Against Women Formula Grants	179,616	
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Prog	153,338	
16.593	Residential Substance Abuse Treatment for State Prisoners	9,674	
16.606	State Criminal Alien Assistance Program	532,059	
16.609	Project Safe Neighborhoods	68,353	
16.710	Public Safety Partnership and Community Policing Grants	12,711	
16.710	ARRA Public Safety Partnership and Community Policing Grants	462,376	
16.727	Enforcing Underage Drinking Laws Program	47,801	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	777,836	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	27,534	
16.750	Support for Adam Walsh Act Implementation Grant Program	151,959	
16.803	ARRA Recovery Act - Edward Byrne Memorial JAG Program/Grants to States and Territories	848,777	
16.810	ARRA Guam Criminal Justice Information Sharing Improvement Project	424,441	
16.816	John R. Justice Prosecutors and Defenders Incentive Act	96,186	
	U.S. DEPARTMENT OF JUSTICE TOTAL	$ 5,415,835	

See accompanying notes to Schedule of Expenditures of Federal Awards.

GOVERNMENT OF GUAM

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

CFDA#	Agency/Program	Expenditures	Amounts Passed-Through to Subrecipients per Major Program
	U.S. DEPARTMENT OF LABOR		
17.002	Labor Force Statistics	$ 71,671	
17.005	Compensation and Working Conditions	40,250	
17.207	Employment Service/Wagner-Peyser Funded Activities	468,215	
17.235	Senior Community Service Employment Program	1,135,839	
17.258	WIA Adult Program	1,460,637	
17.259	WIA Youth Activities	1,145,957	
17.260	WIA Dislocated Workers	838,508	
17.273	Temporary Labor Certification for Foreign Workers	79,842	
17.278	WIA Dislocated Worker Formula Grants	83,054	
17.504	Consultation Agreements	254,468	
17.801	Disabled Veterans' Outreach Program (DVOP)	32,493	
	U.S. DEPARTMENT OF LABOR TOTAL	$ 5,610,934	
	U.S. DEPARTMENT OF TRANSPORTATION		
20.205	Highway Planning and Construction	$ 36,464,225	
20.205	ARRA Highway Planning and Construction	5,772,177	
20.218	National Motor Carrier Safety	335,690	
20.509	Formula Grants for Other Than Urbanized Areas	249,099	
20.600	State and Community Highway Safety	1,318,617	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	42,480	
	U.S. DEPARTMENT OF TRANSPORTATION TOTAL	$ 44,182,288	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.025	Promotion of the Arts-Partnership Agreements	$ 237,697	
45.310	Grants to States	127,795	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES TOTAL	$ 365,492	
	U.S. ENVIRONMENTAL PROTECTION AGENCY		
66.454	ARRA Water Quality Management Planning	$ 89,811	
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	2,649,063	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	115,905	
	U.S. ENVIRONMENTAL PROTECTION AGENCY TOTAL	$ 2,854,779	

See accompanying notes to Schedule of Expenditures of Federal Awards.

GOVERNMENT OF GUAM

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

CFDA#	Agency/Program	Expenditures	Amounts Passed-Through to Subrecipients per Major Program
	U.S. DEPARTMENT OF ENERGY		
81.041	State Energy Program	$ 17,533	$ -
81.041	ARRA State Energy Program	11,299,300	$ 10,779,719
81.042	ARRA Weatherization Assistance for Low-Income Persons	475,856	
81.127	ARRA Energy Efficient Appliance Rebate Program (EEARP)	97	
81.128	ARRA Energy Efficiency and Conservation Block Grant Program	3,832,486	$ 3,541,249
	U.S. DEPARTMENT OF ENERGY TOTAL	$ 15,625,272	
	U.S. DEPARTMENT OF EDUCATION		
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	$ 869,572	
84.149	Migrant Education-College Assistance Migrant Program	5,317	
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	6,624	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	11,638	
84.394	ARRA State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	5,484,917	$ 5,484,917
84.397	ARRA State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	20,192,839	$ 17,326,020
84.403	Consolidated Grants to the Outlying Areas	27,057	
	U.S. DEPARTMENT OF EDUCATION TOTAL	$ 26,597,964	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	$ 12,153	
93.042	Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services	41,421	
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	18,716	
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	849,311	
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	1,575,962	
93.048	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	285,761	
93.052	National Family Caregiver Support, Title III, Part E	447,545	
93.053	Nutrition Services Incentive Program	371,257	
93.069	Public Health Emergency Preparedness	318,725	
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	137,196	
	BALANCE FORWARD	$ 4,058,047	

See accompanying notes to Schedule of Expenditures of Federal Awards.

GOVERNMENT OF GUAM

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

CFDA#	Agency/Program	Expenditures	Amounts Passed-Through to Subrecipients per Major Program
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
	BALANCE FORWARD	$ 4,058,047	
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,575,426	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Prog	422,617	
93.127	Emergency Medical Services for Children	99,241	
93.136	Injury Prevention and Control Research and State and Community Based Prog	28,093	
93.150	Projects for Assistance in Transition from Homelessness (PATH)	49,994	
93.217	Family Planning - Services	335,481	
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	1,413,506	
93.235	Affordable Care Act (ACA) Abstinence Education Program	26,268	
93.243	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	454,008	
93.268	Immunization Cooperative Agreements	969,087	
93.283	The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	1,150,401	
93.296	State Partnership Grant Program to Improve Minority Health	122,021	
93.505	Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Prog	322,820	
93.507	PPHF 2012 National Public Health Improvement Initiative	194,365	
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Rvw	2,771	
93.520	Centers for Disease Control and Prevention - Affordable Care Act (ACA) Communities Putting Prevention to Work	66,655	
93.544	The Patient Protection and Affordable Care Act of 2010 authorizes Coordinated Chronic Disease prevention and Health Promotion Program	39,060	
93.558	Temporary Assistance for Needy Families	4,857,846	$ -
93.563	Child Support Enforcement	2,491,961	
93.575	Child Care and Development Block Grant	3,600,932	$ 1,034,008
93.597	Grants to States for Access and Visitation Programs	69,220	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	231,684	
93.667	Social Services Block Grant	2,652,862	
93.712	ARRA - Immunization	47,328	
93.719	ARRA State Grants to Promote Health Information Technology	427,667	
93.723	ARRA - Prevention and Wellness-State, Territories and Pacific Islands	38,330	
93.767	Children Health Insurance Program	4,528,086	$ -
93.778	Medical Assistance Program	24,310,124	$ -
93.778	ARRA Medical Assistance Program	3,846,929	$ -
	BALANCE FORWARD	$ 58,432,830	

See accompanying notes to Schedule of Expenditures of Federal Awards.

GOVERNMENT OF GUAM

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

CFDA#	Agency/Program	Expenditures
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
	BALANCE FORWARD	$ 58,432,830
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	46,825
93.917	HIV Care Formula Grants	281,395
93.940	HIV Prevention Activities_Health Department Based	397,494
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	25,181
93.958	Block Grants for Community Mental Health Services	211,708
93.959	Block Grants for Prevention and Treatment of Substance Abuse	936,932
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	98,322
93.991	Preventive Health and Health Services Block Grant	161,010
93.994	Maternal and Child Health Services Block Grant to the States	517,430
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL	$ 61,109,127
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	
94.003	State Commissions	$ 245,025
94.006	AmeriCorps	1,258,215
94.007	Program Development and Innovation Grants	3,783
94.009	Training and Technical Assistance	19,083
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE TOTAL	$ 1,526,106
	U.S. DEPARTMENT OF HOMELAND SECURITY	
97.001	Pilot Demonstration or Earmarked Projects	$ 6,340
97.012	Boating Safety Financial Assistance	480,064
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	1,903,204
97.039	Hazard Mitigation Grant	(12,741)
97.042	Emergency Management Performance Grants	654,282
97.052	Emergency Operations Centers	3,427
97.067	Homeland Security Grant Program	1,984,184
97.078	Buffer Zone Protection Program (BZPP)	100,701
97.082	Earthquake Consortium	13,864
97.089	Real ID Program	555,102
	U.S. DEPARTMENT OF HOMELAND SECURITY TOTAL	$ 5,688,427
	TOTAL FEDERAL AWARDS	$ 326,181,789

See accompanying notes to Schedule of Expenditures of Federal Awards.

1. Scope of Audit

The Government of Guam (GovGuam) is a governmental entity established by the 1950 Organic Act of Guam, as amended, and has the powers of a body corporate, as defined in the Act and local statutes. All significant operations of the Government of Guam are included within the scope of the audit. The U.S. Department of the Interior has been designated as the Government of Guam's cognizant agency for the Single Audit.

Programs Subject to Single Audit:

The Schedule of Expenditures of Federal Awards presents each Federal program related to the following agencies:

Corporation for National and Community Service
U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Defense
U.S. Department of Education
U.S. Department of Energy
U.S. Department of Health and Human Services
U.S. Department of Homeland Security
U.S. Department of Housing and Urban Development
U.S. Department of the Interior
U.S. Department of Justice
U.S. Department of Labor
U.S. Department of Transportation
U.S. Environmental Protection Agency
National Foundation on the Arts and the Humanities

2. Summary of Significant Accounting Policies

a. Basis of Accounting:

All expenditures and capital outlays that represent the federal share are reported as expenditures. Expenditures are recognized on the modified accrual basis of accounting, consistent with the manner in which the Government of Guam maintains its accounting records. This includes earned reimbursements under different formula grants and entitlement programs that are accounted for as revenues in the General Fund of the Government of Guam and Supplemental Nutrition Assistance Program (SNAP) electronic benefits transfer (EBT) during the period.

b. Reporting Entity:

For purposes of complying with The Single Audit Act of 1984, as amended in 1996, GovGuam's reporting entity is defined in Note 1A to its September 30, 2012 basic financial statements; except that the Guam Department of Education, the GovGuam Retirement Fund, and all of the discretely presented component units are excluded. Accordingly, the accompanying Schedule of Expenditures of Federal Awards presents the federal award programs administered by GovGuam, as defined above, for the year ended September 30, 2012.

The Government of Guam administers certain federal awards programs through subrecipients. Those subrecipients are also not considered part of the Government of Guam reporting entity.

2. Summary of Significant Accounting Policies, Continued

c. Cost Allocation:

The Government of Guam has a plan for allocation of common costs related to public health and social services federal awards programs. The amounts allocated to 2012 grant programs are based on 2012 actual expenditures and caseloads.

d. Matching Costs:

The non-Federal shares of certain programs are not included in the accompanying Schedule of Expenditures of Federal Awards.

3. Amounts Passed-Through to Subrecipients

Expenditures include amounts passed through to subrecipients during the fiscal year.

4. Noncash Awards

Certain federal awards programs do not involve cash awards to the Government of Guam. These programs generally could include donated commodities, insurance, electronic benefit payments under the Supplemental Nutrition Assistance Program (SNAP), and loans. For the year ended September 30, 2012, the Government of Guam had the following noncash award:

U.S. Department of Agriculture Food Stamps CFDA #10.551 SNAP EBT payments	$ 113,301,540
Total SNAP EBT payments reported on the Schedule of Expenditures of Federal Awards	$ 113,301,540

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level.

Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for 16.55 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2011.

5. American Recovery and Reinvestment Act of 2009 (ARRA)

In February 2009, the Federal Government enacted the American Recovery and Reinvestment Act of 2009 (ARRA). As of September 30, 2012, GovGuam's expenditures during the fiscal year and related grant award notifications are as follows:

CFDA	Grant Amount	FY 2012 Expenditures
16.588	$ 661,510	$ 179,616
16.710	1,817,536	462,376
16.801	212,000	-
16.803	4,972,500	848,777
16.810	993,037	424,441
20.205	19,560,000	5,772,177
66.454	200,000	89,811
81.041	19,098,000	11,299,300
81.042	1,431,132	475,856
81.127	166,000	97
81.128	9,593,500	3,832,486
84.390	554,268	-
84.394	75,742,784	5,484,917
84.397	32,240,353	20,192,839
84.398	22,523	-
93.712	251,656	47,328
93.719	1,600,000	427,667
93.723	150,000	38,330
93.778	5,405,000	3,846,929
	$ 174,671,799	$ 53,422,947

GovGuam received federal funding from certain programs under ARRA, which are not subject to continuing compliance requirements, and therefore, are not included in the Schedule. For the year ended September 30, 2012, $43.6 million of federal funds not subject to continuing compliance requirements were received, as follows:

Additional Child Tax Credit	$ 40,204,594
American Opportunity Tax Credit	3,361,266
Total ARRA receipts not included in the Schedule	$ 43,565,860

GOVERNMENT OF GUAM

Reconciliation of Schedule of Expenditures of Federal Awards to
Basic Financial Statements
Year Ended September 30, 2012

		2012 Expenditures
Federal contributions, as reported in the 2012 financial statements:		
Federal Grants Assistance Fund, expenditures		$ 325,682,100
Less local match and contributions		(27,432,600)
Plus transfers out		12,977,220
Federal expenditures, transfers, and other uses		311,226,720
CFDA #		
	Guam Department of Education:	
15.875	Economic, Social and Political Development of the Territories	7,100,000
84.394	State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act	5,484,917
	Superior Court of Guam:	
16.013	Violence Against Women Act Court Training and Improvement Grants	87,538
16.554	National Criminal History Improvement Program (NCHIP)	47,382
16.579	Edward Byrne Memorial Formula Grant Program	45,189
16.750	Support For Adam Walsh Act Implementation Grant Program	113,425
16.810	Recovery Act Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	424,441
	Fund 105:	
93.224	Consolidated Health Centers	1,413,506
	Other Federal Expenditures	238,671
	Total Federal Expenditures Subject to Audit	$ 326,181,789

GOVERNMENT OF GUAM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2012

GOVERNMENT OF GUAM

Schedule of Findings and Questioned Costs
Year Ended September 30, 2012

Part I - Summary of Auditors' Results Section

	Financial Statements	
1.	Type of auditors' report issued:	Unqualified
	Internal control over financial reporting:	
2.	Material weakness(es) identified?	Yes
3.	Significant deficiency(ies) identified?	Yes
4.	Noncompliance material to the financial statements noted?	No
	Federal Awards	
	Internal control over major programs:	
5.	Material weakness(es) identified?	Yes
6.	Significant deficiency(ies) identified?	None reported
7.	Type of auditors' report issued on compliance for major programs:	
	CFDA # 15.875	Qualified
	CFDA # 20.205	Qualified
	CFDA # 84.397	Qualified
	CFDA # 93.558	Qualified
	CFDA # 93.778	Qualified
	All other major programs	Unqualified
8.	Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	Yes
9.	Identification of major programs:	

CFDA Numbers	Name of Federal Program or Cluster
	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the SNAP
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
15.875	Economic, Social and Political Development of the Territories
16.523	Juvenile Accountability Block Grants
20.205	Highway Planning and Construction
81.041	State Energy Program
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)
	SFSF Cluster:
84.394	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
84.397	State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act
93.558	Temporary Assistance for Needy Families
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.713	ARRA Child Care and Development Block Grant
93.767	Children's Health Insurance Program
93.778	Medical Assistance Program

Part I - Summary of Auditors' Results Section, Continued

10. Dollar threshold used to distinguish between Type A and Type B Programs:	$3,000,000
11. Auditee qualified as low-risk auditee?	No

Part II – Financial Statement Findings Section

Reference Number	Finding	Questioned Costs
2012-4	Fixed Assets	$ -
2012-5	Post-Closing Adjustments	$ -
2012-6	Revenues	$ -
2012-7	Interface of POS and Non-POS System and Income Tax Liability Account	$ -

Part III - Federal Award Findings and Questioned Cost Section

Reference Number		Finding	Questioned Costs
2012-1	15.875	Equipment and Real Property Management	$ -
2012-1	20.205	Equipment and Real Property Management	-
2012-1	84.397	Equipment and Real Property Management	-
2012-2	93.558	Eligibility	971
2012-3	93.558	Reporting	-
2012-2	93.778	Eligibility	34,322
		Total Federal Questioned Costs	$ 35,293

Finding No.:	2012-1
CFDA Program:	15.875 DOI Economic, Social and Political Development of the Territories
CFDA Program:	20.205 DOT Highway Planning and Construction
CFDA Program:	84.397 ED State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act
Area:	Equipment and Real Property Management
Questioned Costs:	$0

Criteria:

In accordance with the applicable equipment management requirements, grantees that acquire equipment with Federal funds are required to perform a physical inventory of the property and reconcile results with property records at least once every two years. Such property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data, including the date of disposal and sale price of the property. In addition, adequate maintenance procedures must be established to keep the property in good condition.

Condition:

The Government of Guam has not performed the required comprehensive physical inventories of its property in FY 2012 or in the two prior years. We are unable to assess the overall cumulative monetary value of this deficiency. However, a summary of total capital outlays over the past five years for the Government of Guam's FY 2012 major programs is as follows:

	Program CFDA #s		2012 Purchases	2011 Purchases	2010 Purchases	2009 Purchases	2008 Purchases	Total
1.	10.551/10.561	$	14,995	14,500	-	-	-	29,495
2.	10.557	$	-	-	14,488	17,700	-	32,188
3.	12.401	$	-	-	-	-	-	-
4.	15.875	$	573,017	564,249	1,201,607	701,368	544,666	3,584,907
5.	16.523	$	-	-	-	-	-	-
6.	20.205	$	538,071	6,064,230	11,506,775	3,931,920	2,962,379	25,003,375
7.	81.041	$	49,438	-	-	-	-	49,438
8.	84.128	$	-	-	-	-	-	-
9.	84.394/84.397	$	1,179,154	-	-	-	-	1,179,154
10.	93.558	$	-	-	-	-	-	-
11.	93.575	$	-	-	-	-	-	-
12.	93.767	$	-	-	-	-	-	-
13.	93.778	$	-	12,550	-	-	-	12,550

Cause:

Noncompliance with applicable equipment management requirements has been a continuing finding from prior audits, and Government of Guam management is still in the process of effecting corrective action and of developing an equipment management system that complies with applicable equipment management standards. Efforts are being made to tag all equipment with bar code property identification labels. Until the Government completes tagging of all equipment, it will not be able to conduct a comprehensive physical inventory.

Finding No.:	2012-1, Continued
CFDA Program:	15.875 DOI Economic, Social and Political Development of the Territories
CFDA Program:	20.205 DOT Highway Planning and Construction
CFDA Program:	84.397 ED State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act
Area:	Equipment and Real Property Management
Questioned Costs:	$0

Effect:

The Government is in noncompliance with applicable equipment management requirements. The underlying capital outlays are not considered questioned costs as corrective action is in progress. This noncompliance applies to the following major programs, for which cumulative capital outlays over the past five years exceed FY 2012 materiality levels: CFDA numbers 15.875, 20.205, and 84.397.

Recommendation:

The Government of Guam should complete tagging of all equipment and conduct a physical inventory immediately thereafter.

Auditee Response and Corrective Action Plan:

We agree with the findings and with the recommendations provided. DOA (Department of Administration) will work with DPW's (Department of Public Works') federal highway Division to determine the total outstanding capital improvement projections and to obtain a list of items that need to be transferred from the CIP to the infrastructure account. DOA is in the process of hiring the program coordinator who will primarily be responsible for the reconciliation and investigation of capital asset accounts. Further efforts will be made to seek funding to hire additional staff to perform the fixed assets physical inventory on a more regular basis.

Finding No.: 2012-2
Grantor Agency: U.S. Department of Health and Human Services

CFDA Program: 93.558 Temporary Assistance for Needy Families
Grant Number: 1201GUTANF
Questioned Costs: $971

CFDA Program: 93.778 Medical Assistance Program
Grant Number: 05-1205GQ5MAP
Questioned Costs: $34,322

Area: Eligibility

Criteria:

In accordance with applicable eligibility requirements, such documents as application worksheets, social security cards, proof of citizenship, notice of action, verification of employment forms, and recertification forms should be maintained on file to substantiate eligibility determinations. Furthermore, the income and eligibility verification system (IEVS) shall be used to verify eligibility using wage information available from such sources as the agencies administering State unemployment compensation laws, Social Security Administration (SSA), the Internal Revenue Service, or other alternative sources approved by the grantor to verify income eligibility and the amount of eligible benefits.

Condition:

Of 75 case files tested, we noted deficiencies, as follows:

CFDA 93.558

1. For 2 (or 3%), no PA worksheet is in the file.

		Eligibility Period		
	Case #	**Begin Date**	**End Date**	**TANF Claim Amount and Questioned Cost**
1	10-48723	10/01/11	09/30/12	$ 513
2	10-53235	11/01/11	10/31/12	458
				$ 971

CFDAs 93.558 and 93.778

2. For 73 (or 97%), we noted no documentation to demonstrate that the income and eligibility verification system (IEVS) was used to verify eligibility. We did note that the new automated data processing (ADP) system has IEVS capabilities. However, no evidence was provided to show that the eligibility specialist used the available IEVS features during the eligibility determination process.

Finding No.: 2012-2, Continued
Grantor Agency: U.S. Department of Health and Human Services

CFDA Program: 93.558 Temporary Assistance for Needy Families
Grant Number: 1201GUTANF
Questioned Costs: $971

CFDA Program: 93.778 Medical Assistance Program
Grant Number: 05-1205GQ5MAP
Questioned Costs: $34,322

Area: Eligibility

Condition, Continued:

CFDA 93.778

3. For 15 (or 20%), the certification form is not signed by the eligibility specialist.

		Eligibility Period		
	Case #	**Begin Date**	**End Date**	**Medicaid Claim Amount**
1	10-48425-01	12/01/10	11/30/11	$ 1,670
2	330074645-1	07/01/11	06/01/12	1,392
3	330081353-3	07/01/11	06/30/12	3,810
4	33-33196-01	08/01/10	08/31/11	1,409
5	33-48188-03	02/01/11	01/31/12	506
6	33-49635-03	06/01/11	05/31/12	746
7	33-55347-01	03/01/11	02/08/12	2,702
8	33-57286-01	04/01/11	03/31/12	1,132
9	33-58161-01	08/01/11	07/31/12	950
10	33-74220-02	08/01/11	07/31/12	797
11	33-80738-02	Incomplete Worksheet		1,335
12	33-92153-03	08/01/11	07/31/12	157
13	340012367-1	01/17/12	12/31/12	25,290
14	340056819-1	01/19/12	12/31/12	9,000
15	500057097-1	09/01/11	08/31/12	35,091
				$ 85,987

No questioned cost is presented for this condition because all other case file documentation substantiates the eligibility determination.

4. For 6 (or 8%), the birth certificate or equivalent record is not documented to substantiate the citizenship of a certain household member for each of the following case numbers:
33-33196-01, 330034086-2, 330077520-3, 330079467-3, 33-92215-04, and 500029931-1.

5. For 6 (or 8%), the social security card is not documented for all household members for the following case numbers:
33-33196-01, 330034086-2, 330077520-3, 330079467-3, 33-92215-04, and 500029931-1.

Finding No.: 2012-2, Continued
Grantor Agency: U.S. Department of Health and Human Services

CFDA Program: 93.558 Temporary Assistance for Needy Families
Grant Number: 1201GUTANF
Questioned Costs: $971

CFDA Program: 93.778 Medical Assistance Program
Grant Number: 05-1205GQ5MAP
Questioned Costs: $34,322

Area: Eligibility

Condition, Continued:

6. For 3 (or 4%), other required documentation, such as exemption documents, application worksheet, and income are not on file.

		Eligibility Period		
	Case #	**Begin Date**	**End Date**	**Medicaid Claim Amount and Questioned Cost**
1	330034086-2	01/01/12	12/31/12	$ 75
2	33-33196-01	08/01/10	08/31/11	1,409
3	33-80738-02	Incomplete Worksheet		1,335
				$ 2,819

7. For 6 (or 8%), the applicable renewal application and required eligibility documents were not provided.

	Case #	**Service Date**	**Medicaid Claim Amount And Questioned Cost**
1	300078063-7	11/14/11	$ 723
2	30-92063-01	11/28/11	884
3	330053125-1	03/20/12	1,591
4	33-46776-04	02/14/12	44,795
5	33-92135-02	01/06/12	101
6	33-92215-04	10/14/11	7,000
			$ 55,094

8. For 2 (or 3%), the following case files were not provided.

	Case #	**Service Date**	**Medicaid Claim Amount and Questioned Cost**
1	30-57292-02	03/13/07	$ 640
2	33-52947-01	09/23/10	3,850
			$ 4,490

Finding No.: 2012-2, Continued
Grantor Agency: U.S. Department of Health and Human Services

CFDA Program: 93.558 Temporary Assistance for Needy Families
Grant Number: 1201GUTANF
Questioned Costs: $971

CFDA Program: 93.778 Medical Assistance Program
Grant Number: 05-1205GQ5MAP
Questioned Costs: $34,322

Area: Eligibility

Cause:

The Government of Guam did not require eligibility specialists to use the available IEVS features of the ADP system. Furthermore, the Government of Guam did not properly manage the files containing the participant's personal data. There is no system in place to properly track the usage and location of each participant's file.

Effect:

The Government of Guam is in noncompliance with applicable eligibility requirements. Questioned costs exist, as follows:

	CFDA 93.558	CFDA 93.778
Costs Questioned Above	$ 971	$ 62,403
X Federal Share	100%	55%
Total Questioned Cost	$ 971	$ 34,322

Recommendation:

The Program Administrator should implement an IEVS in accordance with applicable eligibility requirements. If GovGuam is unable to use the IEVS, then the Program Administrator should consider discussing the issue with the grantor agency and obtaining a written waiver or approved alternative. Furthermore, the Program Administrator should implement monitoring and recordkeeping controls over maintaining compliance with applicable eligibility requirements.

Auditee Response and Corrective Action Plan:

Condition 1:

Case #	Response
10-48723	Disagree. Under PHPRO, PA worksheet is longer being completed but instead a CAP calculation sheet is found in file (see attachment 1).
10-53235	Agree

Condition 2:

Response: Agree, however, ES verifies information on income with the Department of Revenue and Taxation's SWICA module to verify income. ES could profile a client to verify vehicles, real property and income.

Finding No.: 2012-2, Continued
Grantor Agency: U.S. Department of Health and Human Services

CFDA Program: 93.558 Temporary Assistance for Needy Families
Grant Number: 1201GUTANF
Questioned Costs: $971

CFDA Program: 93.778 Medical Assistance Program
Grant Number: 05-1205GQ5MAP
Questioned Costs: $34,322

Area: Eligibility

Auditee Response and Corrective Action Plan, Continued:

Corrective Action Plan: Guam had submitted the Security Design Plan to SSA on May 9, 2013. Guam is awaiting for SSA's review completion and approval of Guam's submitted Security Design Plan. Upon approval, Guam will continue to transmit files to SSA every work week day. With the IEVS activity, all SSNs will be subject to the Numident check. As new applications are received by the program, the new SSN will be subject to the Numident check. If there is a problem with the SSN, an alert will automatically be sent to the assigned Eligibility Specialist (ES) to verify with the client. Upon approval of the Guam Security Design Plan, Guam will immediately start the transmission of files to and from SSA. Guam will then review and update existing the IEVS policies and procedures based on the activities carried out.

Condition 3:

RESPONSE: Agree. Most ES as a practice only signs the original issued to the client and file the copy of the Notice of Action in the case file without signing the copy.

CORRECTIVE ACTION PLAN: Issue memorandum to staff to remind them to sign the original and copy of the Notice of Action and file immediately in the case file.

Condition 4:

Case No.	Response
330033196-1	Agree
330034086-2	Agree
330077520-3	Agree
330079467-3	Agree that there is no BC for A.
33-92215-04	BC missing for case file
500029931-1	Agree

Condition 5:

Case No.	Response
330033196-1	Agree
330034086-2	Agree
330077520-3	Agree
330079467-3	Agree that there is no SSN card for A.
33-92215-04	SS missing for case file
500029931-1	Agree

Finding No.: 2012-2, Continued
Grantor Agency: U.S. Department of Health and Human Services

CFDA Program: 93.558 Temporary Assistance for Needy Families
Grant Number: 1201GUTANF
Questioned Costs: $971

CFDA Program: 93.778 Medical Assistance Program
Grant Number: 05-1205GQ5MAP
Questioned Costs: $34,322

Area: Eligibility

Auditee Response and Corrective Action Plan, Continued:

Condition 6:

Case #	Response
330034086-2	Agree
33-33196-01	Agree
33-80738-02	Agree

Condition 7:

Case #	Response
300078063-7	Agree
30-92063-01	Agree
330053125-1	Agree
33-46776-04	Agree
33-92135-02	Agree
33-92215-04	Agree

Condition 8:

Case #	Response
30-57292-02	Agree
33-52947-01	Agree

Auditor Response:

The auditee disagrees with a case file at condition 1. As the documentation provided to us relates to a subsequent certification period, the condition remains.

Finding No.:	2012-3
Grantor Agency:	U.S. Department of Health and Human Services
CFDA Program:	93.558 Temporary Assistance for Needy Families Grant (TANF)
Area:	Reporting
Questioned Costs:	$0

Criteria:

In accordance with applicable reporting requirements, such reports as ACF-199 should be prepared accurately and submitted, as applicable.

Condition:

Report ACF-199, *TANF Data Report* (*OMB No. 0970-0309*), was not provided for examination.

Cause:

Government of Guam management did not consistently monitor required reports for submission or accuracy in compliance with applicable reporting requirements.

Effect:

The Government of Guam is in noncompliance with applicable reporting requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

Government of Guam management should strengthen monitoring controls over compliance with reporting requirements. Required reports should be accurately prepared, submitted, and maintained.

Auditee Response and Corrective Action Plan:

The Government of Guam has not provided a response.

Finding No.: 2012-4
Area: Fixed Assets

Criteria:

Construction work in progress should be properly recorded and capitalized. Transactions that meet the capitalization threshold ($50,000 per item and capital in nature) should be recorded as fixed assets.

Condition:

The assessment of construction work in progress and completed projects was performed six to seven months subsequent to fiscal year end, which resulted in an audit adjustment of $14,925,114.

Cause:

The cause of this condition appears to be that substantial extra duties have been assigned to existing personnel. Due to the need for additional personnel well versed in accounting reconciliations and processes, sufficient time was not available to timely reconcile and investigate capital asset accounts. Additionally, substantial interface with DPW and other parties that perform engineering responsibilities within GovGuam is required to document and understand the percentage of completion of various projects. Accounting personnel do not have access to this information and coordination with the respective parties has not routinely occurred.

Effect:

The effect of this condition is potential misstatements of capital assets prior to proposed audit adjustments.

Prior Year Status:

The lack of properly recording capital assets was reported as a finding in the audit of GovGuam for fiscal year 2011.

Recommendation:

Account balances should be timely reviewed and capitalizable transactions be recorded as fixed assets. Additionally, the Division of Accounts should investigate whether additional trained accountants may be required to allow for timely investigation and recordation of capital assets, especially given the substantial capital asset construction that is currently being undertaken by the Government of Guam. Furthermore, coordination with DPW and other engineering firms must occur at project commencement so that accounts are established to track capital costs and that periodic reports be prepared documenting a project's percentage of completion.

Auditee Response and Corrective Action Plan:

DOA (Department of Administration) is in the process of hiring the program coordinator who will primarily be responsible for the reconciliation and investigation of capital asset accounts. Further efforts will be made to seek funding to hire additional staff to perform the fixed assets physical inventory on a more regular basis.

Finding No.: 2012-5
Area: Post-Closing Adjustments

Criteria:

Financial statements should reflect existing business circumstances and economic conditions in accordance with adopted accounting policies.

Supplier invoices and credit notes received at, before, or after the end of an accounting period are to be scrutinized and/or reconciled to ensure complete and consistent recording in the appropriate period and to be timely recognized in the financial statements.

Condition:

The financial statements included a significant number of post-closing adjustments approved five to eight months subsequent to fiscal year end.

Cause:

The cause of this condition appears to be that substantial extra duties have been assigned to existing personnel. Due to the need for additional personnel well versed in accounting reconciliations and processes, sufficient time was not available to timely reconcile all required accounts at an earlier date.

Effect:

Incorrect cutoff could lead to a material misstatement of the financial statements.

Financial statements may not reflect existing business circumstances and economic conditions in accordance with the adopted accounting policies.

Prior Year Status:

The lack of timely recognition of accounting transactions resulting in post-closing adjustments was reported as a finding in the audit of GovGuam for fiscal year 2011.

Recommendation:

It appears that additional experienced accountant level personnel may be required to allow for timely reconciliation of all required accounts.

Auditee Response and Corrective Action Plan:

DOA (Department of Administration) is in the process of seeking funding to recruit two accountants to perform daily and monthly reconciliations, therefore eliminating significant post closing adjustments.

Finding No.: 2012-6
Area: Revenues

Criteria:

The Government of Guam should enforce collection of import and use taxes.

Condition:

The Guam Customs and Quarantine Agency receives over $2.5M of annual revenues. Over the years, receivables due from vendors for import and use taxes have not decreased significantly. At September 30, 2012, the recorded receivable approximated $4.5M.

Cause:

A standard method of enforced collection has not been formulated.

Effect:

The Government of Guam will continue to fully allow for, as a provision, these uncollected tax receipts.

Prior Year Status:

Collection of import and use tax was reported as a finding in the audit of GovGuam for fiscal year 2011.

Recommendation:

We recommend the Guam Customs and Quarantine Agency work with the Guam Department of Revenue and Taxation to collect unpaid import and use taxes.

Auditee Response and Corrective Action Plan:

We agree with the findings and recommendations contained above. The Department of Administration, Department of Revenue and Taxation, and the Guam Customs and Quarantine Agency, collectively, are working on a Memorandum of Understanding (MOU) which will specify our collective responsibilities to enforce the collection of the Use Taxes and will determine what method of enforcement will be available to all three departments. We believe that this MOU would significantly help to reduce the outstanding receivables.

Finding No.: 2012-7
Area: Interface of Point of Sale (POS) and Non-POS System
Area: Income Tax Liability Account

Criteria:

1. The point of sale (POS) system, which captures all cash receipts via POS system at Treasurer of Guam (TOG) cashier's stations and web-based POS, and Non-POS system, should interface with the TOG Payment Records System. Payments applied within the TOG Payment Records System should interface to the Department of Revenue and Taxation (DRT) AS400 and the Department of Administration (DOA) AS400.

2. The Department of Revenue and Taxation (DRT) should possess the capability to scan in tax payer returns to allow for timely computations of income tax refund liabilities.

Condition:

1. During fiscal year 2012 (December 2011 through sometime in March 2012), all cash receipts were keyed in to a non-POS system which did not interface with the TOG Payment Records System or the DRT AS400. This resulted in the following:

   A.) Manpower and delay of posting taxpayer payments to the individual DRT accounts receivable sub-leger occurred and this also resulted in $1,714,548 of unreconciled deposits in general ledger accounts (account #110010412 and 110010421). This condition does not impact total recorded revenue or cash receipts, however, a passed adjustment was proposed to reconcile the general ledger.

   B.) A delay occurred in recording GRT collections to corresponding revenue accounts. As such, a GRT suspense account was created by DOA A reconciliation was performed of this account eight months subsequent to fiscal year end, with a final unreconciled balance of $5,022,345, which has not been classified to the corresponding revenue sub-accounts as of 09/30/2012. Again, this condition does not impact total recorded GRT revenue or applicable cash accounts.

   C.) Cash short was initially recorded at $2,323,573, of which $1,146,445 had been reconciled. The reconciliation identified certain voided transactions from the point of sale system that did not interface properly with the general ledger and posting of duplicate and inaccurate collections. The remaining unreconciled balance, $1,177,128, is currently being reconciled by Treasurer of Guam.

2. DRT acquired a scanner but such is not functioning as designed. Therefore, DRT appears to be formulating the income tax refund liability based on manually processing tax returns.

Cause:

1. Termination of the prior POS and the newly acquired POS, which does not interface with the DRT system, resulted in a delay in posting and application of collections to the corresponding DRT receivable sub-ledgers and to the correct revenue sub-accounts.

2. The acquired scanner has not functioned with existing systems.

Effect:

1. Delays in collection efforts and assessment of outstanding receivable accounts can result from the condition. Misclassifications can occur among revenue sub-accounts based on the nature of the gross receipts taxes paid. The lack of timely reconciliation of the cash short account can result in financial statement errors.

2. Substantial manpower is devoted to manually processing returns to be able to assess the income tax refund liability.

Finding No.:	2012-7, Continued
Area:	Interface of Point of Sale (POS) and Non-POS System
Area:	Income Tax Liability Account

Prior Year Status:

Condition 2 was noted in the audit of GovGuam for fiscal year 2011.

Recommendation:

1. We recommend that collections from the POS system and Non-POS system interface with TOG Payment System Records and the DRT system and the DOA AS400 to minimize reconciliation complications.

2. DRT should request sufficient funds to automate the tax return process.

Auditee Response and Corrective Action Plan:

The Government of Guam has not provided a response.

GOVERNMENT OF GUAM

Summary of Unresolved and Resolved Questioned Costs Arising from
Prior Year Single Audits
Year Ended September 30, 2012

	Prior Year Listed Unresolved Questioned Costs	Questioned Costs Resolved During the Year	End of Year
Unresolved Questioned Costs FY 07	$ 944,648	$ 944,648	$ -
Unresolved Questioned Costs FY 08	442,399	432,322	10,077
Unresolved Questioned Costs FY 11	41,790	41,790	-
	$ 1,428,837	$ 1,418,760	10,077
Add Questioned Costs for FY 2012			35,293
Total Unresolved Questioned Costs at September 30, 2012			$ 45,370

Unresolved Questioned Costs by CFDA Program:

CFDA #		2012	2008	Total
93.558	TANF	$ 971	$ -	$ 971
93.778	Medicaid	34,322	10,077	44,399
	Totals	$ 35,293	$ 10,077	$ 45,370

GOVERNMENT OF GUAM

Summary of Unresolved and Resolved Questioned Costs Arising from
Prior Year Single Audits, Continued
Year Ended September 30, 2012

Resolved Questioned Costs as Represented by the Government of Guam:

Finding #	CFDA #	Questioned Costs Resolved in 2012	Responding Office
2007-05	15.875	$ 781,531	OMB Circular A-133, Section .315(b)(4)
2007-06	15.875	39,757	OMB Circular A-133, Section .315(b)(4)
2007-08	20.205	12,536	OMB Circular A-133, Section .315(b)(4)
2007-26	16.540	14,565	OMB Circular A-133, Section .315(b)(4)
2007-26	11.419	33,139	OMB Circular A-133, Section .315(b)(4)
2007-26	16.575	6,198	OMB Circular A-133, Section .315(b)(4)
2007-26	84.186	32,790	OMB Circular A-133, Section .315(b)(4)
2007-26	93.116	7,250	OMB Circular A-133, Section .315(b)(4)
2007-26	93.563	6,000	OMB Circular A-133, Section .315(b)(4)
2007-26	93.779	10,445	OMB Circular A-133, Section .315(b)(4)
2007-26	93.959	144	OMB Circular A-133, Section .315(b)(4)
2007-26	93.994	293	OMB Circular A-133, Section .315(b)(4)
2008-13	93.778	378,899	DPHSS correspondence with U.S. HHS
2008-19	97.052	53,423	OMB Circular A-133, Section .315(b)(4)
2011-02	93.558	13,786	DOA correspondence with U.S. HHS
2011-02	93.778	28,004	DOA correspondence with U.S. HHS
Total Questioned Costs Resolved		$ 1,418,760	

BUREAU OF BUDGET & MANAGEMENT RESEARCH

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Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

JOHN A. RIOS
DIRECTOR

JUN 07 2013

Ms. Mizpah Wiegand
Deloitte and Touche LLP
361 South Marine Corps Drive 96913-3911

Dear Ms. Wiegand,

In connection with the Single Audit of the Government of Guam for the year ended September 30, 2012, transmitted herewith is the Fiscal Year 2012 Summary Schedule of Prior Findings in accordance with OMB Circular A-133, Section .315 Audit findings follow up. The schedule provides the status of single audit findings for fiscal years 2007 through 2011.

The Bureau of Budget and Management Research (BBMR) had requested line departments to make the required follow-up with their federal grantor agencies for determination/resolution letters. BBMR also advised the departments to review their outstanding audit findings and cite to OMB Circular A-133, Section .315(b)(4) as a means to close their audit findings when applicable to their respective grants.

The Bureau understands that departments/agencies may cite OMB Circular A-133 to close their audit findings; however, a grantor agency may still have audit finding(s) opened. Should a grantor agency subsequently follow up on an audit finding, BBMR will work with the grantor agency and the grantee departments on a case by case basis to resolve the audit finding issue.

If you should have any questions, please contact Matthew Quinata at 475-9412.

Sincerely,

JOHN A. RIOS
DIRECTOR

Attachments

Government of Guam
FY 2012 Schedule of Prior Years Findings
Unresolved Audit Findings and Questioned Costs
Fiscal Years 2007 through FY2011

	CFDA	Page	Questioned Cost	Resolved Questioned Cost	Unresolved	Grantor Agency	Government of Guam Department (Grantee)	Status
FY2007								
Finding No								
2007-05	15.875	39	781,531.00	781,531.00	0.00	Dept. of the Interior	DOA/GSA	OMB A-133
2007-06	15.875	42	39,757.00	39,757.00	0.00	Dept. of the Interior	DOA	OMB A-133
2007-08	20.205	45	12,536.00	12,536.00	0.00	Dept. of Transportation	DPW/DOA	OMB A-133
2007-26	Non Major Programs	65	110,824.00	110,824.00	0.00	Non Major Programs	DOA	OMB A-133
Total			**944,648.00**	**944,648.00**	**0.00**			
FY2008								
Finding No								
2008-04	15.875	27	0.00	0.00	0.00	Dept. of the Interior	DOA	OMB A-133
2008-05	20.205	28	0.00	0.00	0.00	U.S. Dept. of Transportation	DOA/GSA	OMB A-133
2008-13	93.778	42	388,976.00	378,899.00	10,077.00	USDHHS	DPHSS	On Going
2008-19	ALL PROGRAMS	56	53,423.00	53,423.00	0.00	ALL Grantor Agencies	DOA/GSA	OMB A-133
2008-20	Various	58-59	0.00	0.00	0.00	Various	DOA	OMB A-133
Total			**442,399.00**	**432,322.00**	**10,077.00**			
FY2009								
Finding No								
2009-01	10.557	21-22	0.00	0.00	0.00	USDA	GSA/DOA	No response
2009-03	17.258/17.25917.260	26-27	0.00	0.00	0.00	USDOL	DOL	On Going
2009-04	17.258/17.25917.260	28-29	0.00	0.00	0.00	USDOL	DOL	On Going
2009-08	93.778	36-38	0.00	0.00	0.00	USDHHS	DPHSS	Resolved
2009-09	20.205	39-40	0.00	0.00	0.00	U.S. Dept of Transportation	DOA	No response
2009-09	93.778	39-40	0.00	0.00	0.00	USDHHS	DOA	No response
2009-09	97.039	39-40	0.00	0.00	0.00	U.S. Dept of Homeland Security	DOA	No response
Total			**0.00**	**0.00**	**0.00**			
FY2010								
Finding No								
2010-01	11.004	21	0.00	0.00	0.00	Dept. of Commerce	BOSP/DOA	No response
2010-01	16.803	21	0.00	0.00	0.00	Dept. of Justice	BOSP/DOA	No response
2010-02	15.875	24	0.00	0.00	0.00	U.S. Dept. of the Interior	DOA	On Going
2010-02	17.258	24	0.00	0.00	0.00	US Dept of Labor	Dept of Labor	On Going
2010-02	20.509	24	0.00	0.00	0.00	U.S. Dept of Homeland Security	DOA - GMTA	No response
2010-02	93.558	24	0.00	0.00	0.00	USDHHS	DPHSS	OMB A-133
2010-02	97.067	24	0.00	0.00	0.00	U.S. Dept of Homeland Security	GHS - Homeland Security/DOA	No response
2010-03	Various	27	0.00	0.00	0.00	USDHHS	DOA- GSA	No response
2010-05	93.778/93.558	31	0.00	0.00	0.00	USDHHS	DPHSS	OMB A-133
2010-07	Fixed Assets	34	0.00	0.00	0.00		DOA	No response
2010-09	Revenues	36	0.00	0.00	0.00		DOA	No response
Total			**0.00**	**0.00**	**0.00**			
2011-01	15.875	22-23	0.00	0.00	0.00	U.S. Department of the Interior	DOA	Resolved
2011-01	20.205	22-23	0.00	0.00	0.00	U.S. Dept of Transportation	DOA/Public Works	Resolved
2011-01	93.778	22-23	0.00	0.00	0.00	USDHHS	DOA/DPHSS	Resolved
2011-02	93.558	24-30	13,786.00	13,786.00	0.00	USDHHS	DOA/DPHSS	Resolved
2011-02	93.778	24-30	28,004.00	28,004.00	0.00	USDHHS	DOA/DPHSS	Resolved
2011-03	93.558	31.-32	0.00	0.00	0.00	USDHHS	DPHSS	Resolved
2011-03	97.012	31-32	0.00	0.00	0.00	U.S. Dept of Homeland Security	Guam Police Department	CLOSED
2011-04	15.875	33-34	0.00	0.00	0.00	U.S. Department of the Interior	DOA	Resolved
2011-04	20.205	33-34	0.00	0.00	0.00	U.S. Dept of Transportation	DOA	Resolved
2011-04	97.012	33-34	0.00	0.00	0.00	U.S. Dept of Homeland Security	DOA	Resolved
2011-05	Fixed Assets	35-36	0.00	0.00	0.00		DOA	On Going
2011-06	Post Closing Adj	37	0.00	0.00	0.00		DOA	On Going
2011-07	Adj. to Fund Balance	38-39	0.00	0.00	0.00		DOA	No response
2011-08	Unfunded Expenditures	40	0.00	0.00	0.00		DOA	On Going
2011-09	Revenues	41	0.00	0.00	0.00		DOA	No Response
2011-10	Income Tax Fund Liability Account	42	0.00	0.00	0.00		Dept of Revenue and Taxation	No Response
			41,790.00	**41,790.00**	**0.00**			
GRAND TOTAL			**1,428,837.00**	**1,418,760.00**	**10,077.00**			

Audit Finding Number	Description of Recommendation	Status
2007-05 CFDA# 15.875 Page 39-41 **Questioned Costs:** **781,531** **Grantee: GSA (DOA)** Grantor Agency: DOI	Government of Guam management should enforce established procurement regulations. Also, the Government of Guam should provide the requested procurement documents to effect resolution of Conditions 2 and 3. **Area: Procurement** **Program:** Economic, Social, and Political Development of the Territories	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2007-06 CFDA# 15.875 Page 42 **Questioned Costs:** **$39,757** Interest Liability $39,757 **Grantee: DOA** Grantor Agency: DOI	The Comptroller should strengthen internal controls to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approval Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: Economic, Social, and Political Development of the Territories** **Area: Cash Management**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2007-08 CFDA# 20.205 Page 45 **Questioned Costs:** **$12,536** Interest Liability $12,536 **Grantee: DOA/DPW** Grantor Agency: Department of Transportation	The Comptroller should strengthen internal controls to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approval Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: Highway Planning and Construction** **Area: Cash Management**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2007-19 CFDA# 93.778 Pages 62 Questioned Cost: $0 Interest Liability $3,796 **Grantee: DOA** Grantor Agency: USDHHS	The Controller should strengthen internal controls to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: Medical Assistance Program** **Area: Cash Management**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2007-26 CFDA# Pages 76-77 Questioned Cost ~~$113,035~~ $110,824 Depts: DISID, DPHSS, Law, GSA, DYA Mental Health Grantor Agency: Various	Government of Guam management should enforce established procurement regulations. Prior to preparing a purchase order or contract, the responsible procurement official should ensure that the rationale for selecting each vendor is documented in accordance with applicable procurement regulations. Also, the Government of Guam should ensure that open competition is applied to the selection of vendors, including the selection selection of vendors being named in a grant application or State Plan. **Program: Nonmajor Programs** **Area: Procurement**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2008-04 CFDA# 15.875 Page 27 Questioned Costs: 0 **Grantee: DOA - Division of Accounts** **Grantor Agency: U.S. Dept of the Interior**	Government of Guam management should ensure that required reports are prepared, submitted, and maintained on file. **Program: Economic, Social, and Political Development of the Territories** **Area: Reporting**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2008-05 CFDA# 20.205 Page 28 Questioned Costs: 0 **Grantee: GSA (DOA)** **Grant Number: 2008 PROJ#GU-NH 0004(104)015-LT10** **Grantor Agency: U.S. Department of Transportation**	Government of Guam management should establish controls to ensure compliance with applicable Davis-Bacon Act requirements. The Government of Guam should ensure that the responsible personnel monitors and ensures that wages are paid at rates no less than the established prevailing wage rates set by the Department of Labor. **Program: Highway Planning and Construction** **Area: Davis-Bacon Act**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2008-13 CFDA# 93.778 Page 42-44 Questioned Cost: $388,976 **Grantee: DPHSS** **Grant Number: 05-0805GQ5028** **Grantor Agency: U.S. Department of Health & Human Services**	The Program Administrator should strengthen record keeping controls to ensure that complete case files are maintained to substantiate eligibility and that the IEVS is implemented in accordance with applicable eligibility requirements. Furthermore, if the grantee is unable to use the IEVS, then the Program Administrator should consider discussing the issue with the grantor agency and obtaining a written waiver or approved alternative. **Program: Medical Assistance Program** **Area: Eligibility**	**Department of Public Health and Social Services Response (5/13/2013)** Questioned costs reduced to $10,076.97. **DPHSS email dated May 6, 2013 (Attachment B-5)** **BBMR's Comments:** Total of $378,899 in questioned costs cleared.

Audit Finding Number	Description of Recommendation	Status
2008-19 CFDA# Pages 56-57 Questioned Cost: $53,423 **Grantee: DOA- Division of Accounts** **Grantor Agency:**	Government of Guam management should enforce established procurement regulations and should demonstrate open competition in the selection of any vendor in accordance with applicable procurement requirements. Additionally, the Government of Guam should strengthen controls to ensure that such accounting records as contracts are retained on file for at least three years to substantiate expenditures. **Program: Nonmajor Programs** **Area: Procurement** **Area: Allowable Costs/Cost Principles**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2008-20 CFDA# see below Pages 58-59 Questioned Cost $0 **Grantee: DOA - Division of Accounts** **Grantor: USDOI** **Grantor: USDOT** **Grantor: USDHHS** **Grantor: USDHS** **Grantor: USDHS**	The Controller should more closely monitor the timing of drawdowns to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: 15.875 Economic, Social, and Political Development of the Territories** **Program: 20.205 Highway Planning and Construction** **Program: 93.778 Medicaid** **Program: 87.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)** **Program: 97.039 Hazard Mitigation Grants** **Area: Cash Management**	**DOA/BBMR's Response:** DOA has noted that the Department of Interior, OIA is actively following up on FY2009 through FY2011 prior year audit findings. DOA is citing OMB Circular A-133 Section .315(b)(4)(ii) to close this finding. If any Grantor Agencies subsequently notes the finding is still active/open, BBMR will reinstate the finding in the schedule for the department to respond and resolve. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
09-01 CFDA #:10.557 Pages:21-22 **Questioned Costs:** $0 **Grantee: DPHSS/DOA- GSA** **Grant Number: 7GU700GU7** **Grantor Agency: U.S. Department of Agriculture**	Government of Guam management should demonstrate open competition in the selection of any vendor in accordance with applicable procurement requirements. **Program: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** **Area: Procurement and Suspension and Debarment**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**
Audit Finding Number **09-03** CFDA# 17.258/17.259/17.260 Pages 26-27 **Questioned Costs:** $0 **Grantee: Department of Labor** **Grant Number: AA-17161-08-55-A-66** **Grantor Agency:** **U.S. Department of Labor**	Description of Recommendation The Retention and Monitoring Unit should obtain an understanding of all subrecipient monitoring requirements and ensure compliance. **Program: WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers** **Area: Subrecipient Monitoring**	Status **Department of Labor's Response:** The administrative findings have been remedied and demonstrated during the following year audits. Update from the Federal Grantor will be requested. Status Quo until formal response from our Grantor. **Email dated June 4, 2013 (Attachment E)**
Audit Finding Number **09-04** CFDA# 17.258/17.259/17.260 Page 28-29 **Questioned Costs:** $0 **Grantee: Department of Labor** **Grant Number: AA-17161-08-55-A-66** **Grantor Agency: U.S. Department of Labor**	Description of Recommendation Government of Guam management should identify and document, at the time of the subawards, the Federal award number and CFDA number, and should require the subrecipient to provide appropriate identification in their SEFA and SF-SAC. **Program: WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers** **Area: Special Tests and Provisions**	Status **Department of Labor's Response:** The administrative findings have been remedied and demonstrated during the following year audits. Update from the Federal Grantor will be requested. Status Quo until formal response from our Grantor. **Email dated June 4, 2013 (Attachment E)**
Audit Finding Number **09-08** CFDA# 93.778 Pages 36-38 **Questioned Cost:** $0 **Grantee: DPHSS** **Grant Number: 05-0905GQ5028, 05-0905GQARRA** **Grantor Agency: U.S. Department of Health and Human Services**	Description of Recommendation The Program Administrator should strengthen record keeping controls to ensure that complete case files are maintained to substantiate eligibility and that the IEVS is implemented in accordance with applicable eligibility requirements. Furthermore, if the grantee is unable to use the IEVS, then the Program Administrator should consider discussing the issue with the grantor agency and obtaining a written waiver or approved alternative. **Program: Medical Assistance Program** **Area: Eligibility**	Status **Department of Public Health and Social Services Response** Per letter dated January 10, 2011 from the U.S. Department of Health and Human Services, Administration for Children and Families, the corrective action submitted was accepted. **(DPHSS email dated May 21, 2013 - Attachment B-3)**
Audit Finding Number **09-09** CFDA# 20.205 Pages 39-40 **Questioned Cost:** $0 **Grantee: DPW and/or DOA Division of Accounts** **Grant Number:** **Grantor Agency: U.S. Department of Transportation**	Description of Recommendation The Controller should more closely monitor the timing of drawdowns to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: DOT Highway Planning and Construction Grant Number** **Area: Cash Management**	Status **BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**

Audit Finding Number	Description of Recommendation	Status
09-09 CFDA# 93.778 Pages 39-40 **Questioned Cost:** $0 **Grantee: DPHSS and/or DOA Division of Accounts** **Grant Number:** **Grantor Agency: Department of Health and Human Services**	The Controller should more closely monitor the timing of drawdowns to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: HHS Medicaid** **Area: Cash Management**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**

Audit Finding Number	Description of Recommendation	Status
09-09 CFDA# 97.039 Pages 39-40 **Questioned Cost:** $0 **Grantee: Homeland and/or DOA Div. of Accounts** **Grant Number:** **Grantor Agency: Department of Homeland Security**	The Controller should more closely monitor the timing of drawdowns to ensure that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: DHS Hazard Mitigation Grants** **Area: Cash Management**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**

Audit Finding Number	Description of Recommendation	Status
10-01 CFDA #s: 11.004,16.803 Pages:21-22 **Questioned Costs:** $0 **Grantee: Bureau of Statistics and Plans and Department of Administration** **Grantor Agency: U.S. Department of Commerce; U.S. Dept of Justice; U.S. Dept of the Treasury**	Government of Guam management should monitor cash management activity to ensure compliance with applicable contract provisions. **Program: Census Intergovernmental Agencies/Recovery Act- Edward Byrne JAG Program** **Area: Cash Management**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**
10-02 CFDA# 15.875/17.258/20.509 CFDA# 93.558/97.067 24-26 **Questioned Cost** $0 **Grantee:** **Grantee: Dept of Administration/ Dept of Labor Department of PHSS,** **Guam Homeland Security** **Grantor Agency: DOI/DOL/DOT/HHS/Homeland**	Government of Guam management should maintain underlying accounting records to substantiate reported amounts and should prepare, submit and maintain required reports. **DOL - WIA Cluster** **DOT- Formula Grants for other than Urbanized Areas** **HHS- TANF** **Homeland - Homeland Security Grant Program** **Area: Reporting**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)** **DPHSS response:** OMB Circular can be applied as it has been about two years and no futher action has been requested of us from our grantor **(DPHSS email dated May 6, 2013 - Attachment B-2)** **Department of Labor's Response:** The administrative findings have been remedied and demonstrated during the following year audits. Update from the Federal Grantor will be requested. Status Quo until formal response from our Grantor. **Email dated June 4, 2013 (Attachment E)** **BBMR's Comment:** Guam Homeland Security did not provide a response to this finding. **(Status as June 7, 2013)**
10-03 CFDA# 93.044/93.045/93.053 93.705/93.707 Pages 27-28 **Questioned Costs:** $0 **Grantee: Department of Administration - GSA** **Grant Number: 10AAGUT3SP** **Grantor Agency: USHHS**	Government of Guam management should enforce established procurement regulations and should maintain records sufficient to detail the significant history of a procurement to substantiate compliance with applicable procurement requirements. **Program: Aging Cluster** **Area: Procurement and Suspension and Debarment**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**
10-05 CFDA# 93.778/93.558 Pages 31 **Questioned Cost:** $0 **Grantee: DPHSS** **Grant number: G-1001GUTANF** **Grantor Agency: U.S. Department of Health and Human Services**	The Program Administrator should implement and IEVS in accordance with applicable eligibility requirements. Furthermore, if the grantee is unable to use the IEVS, then the Program Administrator should consider discussing the issue with the grantor agency and obtaining a written waiver or approved alternative. **Program: Medical Assistance Program/TANF** **Area: Eligibility**	**DPHSS response:** OMB Circular can be applied as it has been about two years and no futher action has been requested of us from our grantor **(DPHSS email dated May 6, 2013 - Attachment B-2)**

Audit Finding Number	Description of Recommendation	Status
10-07 CFDA# Pages 34-35 **Questioned Cost:** $0 **Grantee: Department of Administration** **Grant Number:** **Grantor Agency:**	Account balances be timely reviewed and capitalization transactions be recorded as fixed fixed assets. Additionally, the Division of Accounts should investigate whether additional trained accountants may be required to allow for the timely investigation and recordation of capital assets, especially given the substantial capital asset construction that is currently being undertaken by the Government of Guam **Program:** **Area: Fixed Assets**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**

Audit Finding Number	Description of Recommendation	Status
10-09 CFDA# Pages 37 **Questioned Cost:** $0 **Grantee: DOA- Division of Accounts** **Grant Number:** **Grantor Agency:**	The Government of Guam strengthen internal controls to ensure that all invoices are accounted for and processed. **Program:** **Area: Revenues**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**

Audit Finding Number	Description of Recommendation	Status
2011-01 CFDA# 15.875 Pages:22-23 **Questioned Costs:** $0 **Responding Dept(s): Department of Administration** **Grantor Agency: U.S. Department of Interior**	The Controller should more closely monitor the timing of drawdowns and earning of interest so that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: DOI- Economic, Social, and Political Development of the Territories** **Area: Cash Management**	**DOA's Response:** Resolved per USDOI letter dated September 2, 2013. ***DOA email dated June 3, 2013 (Attachment A)***

Audit Finding Number	Description of Recommendation	Status
2011-01 CFDA# 20.205 Pages:22-23 **Questioned Costs:** $0 **Responding Dept(s): Department of Administration, Department of Public Works** **Grantor Agency: U.S. Department of Transportation**	The Controller should more closely monitor the timing of drawdowns and earning of interest so that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Programs: Highway Planning and Construction** **Area: Cash Management**	**DOA's Response:** Resolved per USDOI letter dated September 2, 2013. ***DOA email dated June 3, 2013*** **DPW's Response:** FHWA's Reports to closed their OIG Single Audit Recommendation for Audit Finding Number 2011-01 attached. DPW considers this issue as one belonging to DOA as we do not process payments to vendor. It should be noted that DOA needs to issue a check to FHWA in the amount of $23 to cover accured interest over the allowable amount. **DPW letter dated January 24, 2013 (Attachment C)**

Audit Finding Number	Description of Recommendation	Status
2011-01 CFDA# 93.778 Pages:22-23 **Questioned Costs:** $0 **Responding Dept(s): Department of Administration, Dept. of Public Health and Social Services** **Grantor Agency: U.S. Dept. of Health and Human Services**	The Controller should more closely monitor the timing of drawdowns and earning of interest so that the time elapsed between the receipt of Federal funds and the clearance of disbursed checks is in accordance with the approved Treasury-State Agreement. Furthermore, interest earned on advances in excess of $100 should be remitted to the Federal Government. **Program: Medical Assistance Program** **Area: Cash Management**	**DOA's Response:** Resolved per USDOI letter dated September 2, 2013. ***DOA email dated June 3, 2013 (Attachment A)***

Audit Finding Number	Description of Recommendation	Status
2011-02 CFDA# 93.558 Page 24-30 **Questioned Costs:** **$13,786** Grant Number: G-1101GUTANF **Responding Dept(s): Dept of PHSS** **Grantor Agency: U.S. Dept of HHS**	The Program Administrator should implement an IEVS in accordance with applicable eligibility requirements. If GovGuam is unable to use the IEVS, then the Program Administrator should consider discussing the issue with the grantor agency and obtaining a written waiver or approved alternative. Furthermore, the Program Administrator should implement monitoring and recordkeeping controls over maintaining compliance with applicable eligibility requirements For conditions with which the Government of Guam disagrees, we were not provided with with accompanying documentation to effect resolution. Therefore, the finding remains. **Program: Temporary Assistance for Needy Families** **Area: Eligibility**	**DOA's Response:** Resolved per USDOI letter dated May 6, 2013 ***DOA email dated June 3, 2013*** **DPHSS's Response:** Letter received from USDHHS, ACF which notes that the $13,786 should be returned. **DPHSS letter attached (Attachment B-4)**

Audit Finding Number	Description of Recommendation	Status
2011-02 CFDA# 93.778 Page 24-30 **Questioned Costs:** **$28,004** Grant Number: 75X0512,75X0518 **Responding Dept(s): Dept of PHSS** **Grantor Agency: U.S. Dept of HHS**	The Program Administrator should implement an IEVS in accordance with applicable eligibility requirements. If GovGuam is unable to use the IEVS, then the Program Administrator should consider discussing the issue with the grantor agency and obtaining a written waiver or approved alternative. Furthermore, the Program Administrator should implement monitoring and recordkeeping controls over maintaining compliance with applicable eligibility requirements For conditions with which the Government of Guam disagrees, we were not provided with with accompanying documentation to effect resolution. Therefore, the finding remains. **Program: Medical Assistance Program** **Area: Eligibility**	**DOA's Response:** Resolved per USDOI letter dated May 6, 2013 ***DOA email dated June 3, 2013*** **DPHSS's Response:** The Department of Public Health and Social Services transmitted a response to the U.S. Department of Health and Human Services on a letter dated April 24, 2013 **USDHSS letter attached (Attachment B-1)**

Audit Finding Number	Description of Recommendation	Status
2011-03 CFDA# 93.558 Pages 31-32 **Questioned Cost:** $0 **Responding Dept(s): Dept of PHSS** **Grantor Agency: U.S. Dept. of HHS**	Government of Guam management should strengthen monitoring controls over compliance with reporting requirements. Required reports should be accurately prepared, submitted, and maintained. **Program: Temporary Assistance for Needy Families Grant (TANF)** **Area: Reporting**	**DPHSS's Response:** Letter received from USDHHS, ACF which notes instances of material non-compliance, a material weakness and a repeat finding. The recommended procedures be strengthened to ensure required Federal reports are accurately prepared and submitted on a timely manner. **USDHHS letter attached (Attachment B-4)**
Audit Finding Number	Description of Recommendation	Status
2011-03 CFDA# 97.012 Pages 31-32 **Questioned Cost:** $0 **Responding Dept(s): Guam Police Department** **Grantor Agency: U.S. Dept of Homeland Security**	Government of Guam management should strengthen monitoring controls over compliance with reporting requirements. Required reports should be accurately prepared, submitted, and maintained. **Program: Boating Safety Financial Assistance** **Area: Reporting**	**GPD's Response:** The Grantor's consider the matter of this audit finding closed. ***GPD Memo dated February 26, 2013 (Attachment D)***
Audit Finding Number	Description of Recommendation	Status
2011-04 CFDA# 15.875 Pages 33-34 **Questioned Cost:** $0 **Responding Dept(s): Dept. of Administration** **Grantor Agency: U.S. Dept of the Interior**	*The above condition is reiterative of conditions identified in our prior year audit of the Government of Guam.* The Government of Guam should complete tagging of all equipment and conduct a physical inventory immediately thereafter **Program: Economic, Social and Polictical Development of the Territories** **Area: Equipment and Real Property Management**	**DOA's Response:** Resolved per USDOI letter dated September 2, 2013. ***DOA email dated June 3, 2013***
Audit Finding Number	Description of Recommendation	Status
2011-04 CFDA# 20.205 Pages 33-34 **Questioned Cost:** $0 **Responding Dept(s): Dept. of Administration** **Grantor Agency: U.S. Dept. of Transportation**	*The above condition is reiterative of conditions identified in our prior year audit of the Government of Guam.* The Government of Guam should complete tagging of all equipment and conduct a physical inventory immediately thereafter **Program: Highway Planning and Construction** **Area: Equipment and Real Property Management**	**DOA's Response:** Resolved per USDOI letter dated September 2, 2013. ***DOA email dated June 3, 2013***
Audit Finding Number	Description of Recommendation	Status
2011-04 CFDA# 97.012 Pages 33-34 **Questioned Cost:** $0 **Responding Dept(s): Dept. of Administration** **Grantor Agency: U.S. Dept of Homeland Security**	*The above condition is reiterative of conditions identified in our prior year audit of the Government of Guam.* The Government of Guam should complete tagging of all equipment and conduct a physical inventory immediately thereafter **Program: Boating Safety and Financial Assistance** **Area: Equipment and Real Property Management**	**DOA's Response:** Resolved per USDOI letter dated September 2, 2013. ***DOA email dated June 3, 2013***
Audit Finding Number	Description of Recommendation	Status
2011-05 CFDA# Pages 35-36 **Questioned Cost:** $0 **Responding Dept(s): Department of Administration** **Grantor Agency:**	*The lack of properly recording capital assets was reported as a finding in the audit of GovGuam for fiscal year 2010.* We recommend that account balances be timely reviewed and capitalizable transactions be recorded as fixed assets. Additionally, the Division of Accounts should investigate whether additional trained accountants may be required to allow for the timely investigation and recordation of capital assets, especially given the substantial capital asset construction that is currently being undertaken by the Government of Guam. Furthermore, coordination with DPW and other engineering firms must occur at project commencement so that accounts are established to track capital costs and that periodic reports be prepared documenting a project's percentage of completion **Program:** **Area: Fixed Assets**	**BBMR's Response:** Please see Attachment A-1 for the Department of Administration's response to this finding. **DOA email dated June 7, 2013 (Attachment A-1)**

Audit Finding Number	Description of Recommendation	Status
2011-06 CFDA# Page 37 **Questioned Cost:** $0 **Responding Dept(s): Department of Administration** **Grantor Agency:**	*The lack of timely recognition of accounting transactions resulting in post-closing adjustments was reported as a finding in the audit of GovGuam for fiscal year 2010.* It appears that additional manager level personnel may be required to allow for timely reconciliation of all required accounts. **Program:** **Area: Post Closing Adjustments**	**BBMR's Response:** Please see Attachment A-1 for the Department of Administration's response to this finding. **DOA email dated June 7, 2013 (Attachment A-1)**
2011-07 CFDA# Pages 38-39 **Questioned Cost:** $0 **Responding Dept(s): Department of Administration** **Grantor Agency:**	We recommend that adjustments to fund balance be limited to those allowed under GAAP. **Program:** **Area: Adjustment to Fund Balance**	**BBMR's Response:** The Department of Administration did not provide a response to this audit finding. **(Status as June 7, 2013)**
2011-08 CFDA# Page 40 **Questioned Cost:** $0 **Responding Dept(s): Department of Administration** **Grantor Agency:**	We recommend that budgetary controls be adhered to through established appropriation accounts prior to the incurrence of expenditures. **Program:** **Area: Unbudgeted Expenditures**	**BBMR's Response:** Please see Attachment A-1 for the Department of Administration's response to this finding. **DOA email dated June 7, 2013 (Attachment A-1)**
2011-09 CFDA# Page 41 **Questioned Cost:** $0 **Responding Dept(s): Department of Administration** **Grantor Agency:**	We recommend that the Guam Customs and Quarantine Agency work with the Guam Department of Revenue and Taxation to collect unpaid import and use taxes. **Program:** **Area: Revenues**	**BBMR's Response:** Please see Attachment A-1 for the Department of Administration's response to this finding. **DOA email dated June 7, 2013 (Attachment A-1)**
2011-10 CFDA# Page 42 **Questioned Cost:** $0 **Responding Dept(s): Department of Revenue and Taxation** **Grantor Agency:**	DRT should request sufficient funds to automate the tax return process. **Program:** **Area: Income Tax Fund Liability Account**	**BBMR's Comment** The Department of Reveneue and Taxation did not provide a response. **BBMR's Response:** Please see Attachment A-1 for the Department of Administration's response to this finding. **DOA email dated June 7, 2013 (Attachment A-1)**