GOVERNMENT OF GUAM RETIREMENT FUND

FINANCIAL STATEMENTS

September 30, 2007 and 2006

(Together with Independent Auditors' Report Thereon)

GOVERNMENT OF GUAM RETIREMENT FUND

September 30, 2007 and 2006

Table of Contents

BURGER & COMER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Government of Guam Retirement Fund:

We have audited the accompanying financial statements of the Government of Guam Retirement Fund (the "Fund"), a component unit of the Government of Guam, administered by the Government of Guam Retirement Fund Board of Trustees (the Board) as of September 30, 2007 and 2006 and for the years then ended. These financial statements are the responsibility of the management of the Fund. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Fund administered by the Board as of September 30, 2007 and 2006, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2008 on our consideration of the Fund'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 and not to provide an opinion on the 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 read in conjunction with this report in considering the results of our audit.

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The management's discussion and analysis on pages 3 through 15 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information listed as supplemental schedules on pages 41 to 48 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Fund's management. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Burger & Comer, P.C.

Tamuning, Guam
February 1, 2008

The management of the Government of Guam Retirement Fund ("GGRF") offers readers of the financial statements this narrative overview of the financial activities of GGRF for the fiscal years ended September 30, 2007 and 2006.

(1) Critical Issue - Defined Benefit Plan Unfunded Liability

As discussed in the prior year Management Discussion and Analysis and as summarized in the actuarial valuation section of this report, the Government of Guam's (Gov Guam) inability to maintain an adequate funding ratio has been an ongoing problem. Between September 30, 1995 and September 30, 2006, Gov Guam's unfunded liability has grown from $552 million in 1995 to $1.33 billion in 2006. This represents an increase in the unfunded liability ratio from 39% in 1995 to 50.3% in 2006.

Although the Guam Legislature has continued to underfund employer contributions, the unfunded liability cannot be legislated away. Pursuant to 4 GCA Chapter 8, Section 8137, the unfunded liability is to be completely funded within 80 years from May 1, 1951. As of the 2006 valuation, there are 24.58 years remaining in the funding period.

Year after year, the Guam Legislature has consistently been confronted with the difficult choice of (1) reducing budget requests of other Gov Guam Agencies (which might have significantly reduced the level of public services in order to pay the actuarially determined contribution rate), or (2) finding other means of generating revenues. However, the Guam Legislature has continually opted to defer fully funding the actuarially determined employer contribution rate, in order to maintain current services. Essentially, Gov Guam has been borrowing from the GGRF to cover the cost of providing other services.

Management recommends that the Guam Legislature fully fund the actuarially determined contribution rate each year.

How policymakers deal with the unfunded liability going forward continues to be everyone's concern because the ultimate resolution will directly impact Gov Guam's solvency and the ability to continue to provide essential services. The unfunded liability is now so large that it simply cannot be ignored or put off for future generations to contend with. The longer Gov Guam defers its obligation to provide full funding, the worse the problem becomes.

(2) Description of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to the GGRF financial statements. The basic financial statements include:

1. The Statement of Net Assets,
2. The Statement of Changes in Plan Net Assets, and
3. The Notes to the Financial Statements.

In accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 25 *"Financial Reporting for Defined Benefit Pension Plans"* this report also includes the following schedules:

1. Schedule of Funding Progress, and
2. Schedule of Employer Contributions

This report also contains schedules of administrative and general expenses, personnel costs, personnel count, other receivables, and schedules of receivables by Gov Guam Agency.

As discussed below, the financial statements disclose financial data for both the DB Plan and the DC Plan.

- **The Statement of Plan Net Assets** reports the assets available to pay future benefits to retirees, and any liabilities that are owed as of the statement date. The resulting net assets represent the value of assets held in trust for benefit payments.

- **The Statement of Changes in Plan Net Assets** shows the results of financial transactions that occurred during the fiscal year, where additions, less deductions equals the net increase or net decrease in net assets.

- **The Notes to the Financial Statements** provide additional information that is essential for a comprehensive understanding of the data provided in the financial statements. The notes describe the accounting and administrative policies under which GGRF operates, and also provides additional information for selected financial statement items. The notes also include a discussion of the actuarial assumptions relevant to the Schedule of Funding Progress and the Schedule of Employer Contributions.

(2) Description of the Financial Statements, continued

Additional information is included in the following required supplementary schedules:

- **The Schedule of Funding Progress** includes actuarial information about the status of the DB Plan from an ongoing, long-term perspective, and the progress made in accumulating sufficient assets to pay pension benefits when due. Valuation Assets in excess of Actuarial Accrued Liabilities indicate that sufficient assets exist to fund future benefit payments of current DB Plan Members and Retirees. Actuarial Accrued Liabilities in excess of Valuation Assets reflect an Unfunded Actuarial Accrued Liability (UAAL). The UAAL represents the value in current dollars that would need to be accumulated to fund the benefit payments of all active members and retirees as of the date indicated on the schedule. The amortization of the UAAL is calculated as a percentage of total payroll (both DB and DC Plan payroll), which is assumed to grow at 3.5% per year.

- **The Schedule of Employer Contributions** presents historical information showing the required annual employer contributions to be paid by employers for the employees participating in the DB Plan, and the actual performance of Gov Guam in meeting this requirement.

(3) Defined Benefit Plan

The DB Plan provides for retirement, disability, and survivor benefits to members of the Plan prior to October 1, 1995. All new employees whose employment commences on or after October 1, 1995 are required to participate in the DC Plan.

DB Plan Net Assets as of September 30, 2007, 2006 and 2005 are as follows (in millions):

	2007	2006	2005	$ Increase (Decrease) from 2006 to 2007	% Increase (Decrease) from 2006 to 2007
Cash and Equivalents	$ 2.3	$ 1.5	$ 2.6	$ 0.8	53.3 %
Receivables	147.8	158.4	163.8	(10.6)	(6.7)%
Investments	1,385.8	1,260.3	1,226.4	125.5	9.9 %
Property and Equipment	1.0	1.2	1.3	(.2)	(16.7)%
Total Assets	**1,536.9**	**1,421.4**	**1,394.1**	**115.5**	**8.1 %**
Total Liabilities	20.8	30.5	37.1	(9.7)	(31.8)%
Net Assts, End of Year	**1,516.1**	**1,390.9**	**1,357.0**	**125.2**	**9.0 %**
Net Assets, Beginning of Year	1,390.9	1,357.0	1,326.3	33.9	2.5 %
Net Increases in Net Assets	**$ 125.2**	**$ 33.9**	**$ 30.7**	**$ 91.3**	**269.3 %**

During 2007, DB Plan net assets increased by approximately $125.2 million or 269.3% from the prior year due primarily to a $125.5 million increase in investments.

(3) Defined Benefit Plan, continued

Receivables decreased by $10.6 million due primarily to collections from Gov Guam for supplemental/cola benefits advanced and for the employer share of the early retirement incentive program ("ERIP"). Over $130 million in supplemental/cola benefits were advanced to Gov Guam by GGRF in the late 1990s. In addition, in 1999 the Guam Legislature offered employees in the DB Plan the ERIP, which was a way to free up revenues that would otherwise have gone to employee's salaries and benefits.

As of September 30, 2007, the supplemental/cola benefits advanced and the employer share of ERIP totaled approximately $83 million and $4.4 million, respectively. Had these funds remained with GGRF's investment managers, they would have grown substantially. These receivables are being collected by GGRF over a twenty year period, without interest.

During 2007 and 2006, the outstanding balance of the supplemental/cola benefits advanced and the employer share of the ERIP receivable was reduced by a portion of the employer contributions received. The percentage used for the supplemental/cola benefits advanced is 1.2016% of covered payroll. The percentage used for the employer share of the ERIP receivable is 1.31% of covered payroll.

During 2007, DB Plan liabilities decreased $9.7 million due primarily to the recognition of revenues resulting from collections of both the employer and employee share of the ERIP receivables.

DB Plan Investments as of September 30, 2007, 2006 and 2005 are as follows (in millions):

	2007	2006	2005	$ Increase (Decrease) from 2006 to 2007	% Increase (Decrease) from 2006 to 2007
Common Stocks	$ 708.5	$ 610.1	$ 641.5	$ 98.4	16.1 %
U.S. Government Securities	273.2	252.1	307.9	21.1	8.4 %
Corporate Bonds and Notes	215.2	240.7	231.6	(25.5)	(10.6)%
Money Market Funds	40.2	44.1	45.4	(3.90)	(8.8)%
Mutual Funds	148.7	113.3	-	35.4	31.2 %
Total	**$1,385.8**	**$1,260.3**	**$ 1,226.4**	**$ 125.5**	**9.9 %**

The purpose of the DB Plan investments is to provide for long-term growth, while also ensuring a reliable cash flow that meets current pension benefit payments. Investments are allocated to a variety of asset types so that they meet the current funding needs and future growth requirements of the DB Plan. Equity investments are included for their long-term return and growth characteristics, while fixed income assets are included for their ability to control investment risk and provide for a reliable cash flow that meets the funding requirements of the pension benefit payments.

(3) Defined Benefit Plan, continued

During 2005, the Board of Trustees (the "Board") with the assistance of its Investment Consultant, Mercer Investment Consulting, adopted a new asset allocation strategy, to include international small cap and international emerging market mandates in the portfolio.

During 2006, the Board sought amendments to the governing statutes, 4GCA Sections 8157 and 8158, in order to expand the portion of assets that can be invested without earnings/dividends requirements and via commingled funds. In July 2006, Public Law 28-136 and Public Law 28-135 were enacted, amending 4GCA Sections 8157 and 8158, respectively.

In August 2006, the Board further reviewed its investment options and adopted a new asset allocation strategy to include domestic small cap equity and real estate investment trusts (REITs) mandates. There was no change to the asset allocation strategy in 2007.

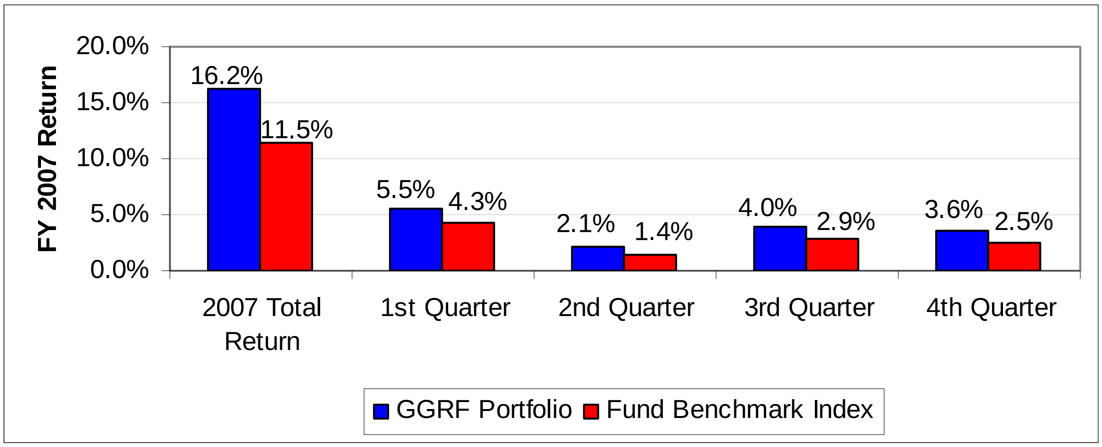
Asset allocation strategies adopted in 2006 and 2005 are as follows:

	Asset Allocation Adopted in 2006	Asset Allocation Adopted in 2005
Domestic Large Cap Equity	30%	38%
Domestic Small Cap Equity	10%	-
International Developed Markets	12%	13%
International Small Cap	5%	3%
International Emerging Markets	3%	3%
Fixed Income Aggregate	30%	39%
Real Estate (REITs)	10%	-
Non-U.S. Fixed Income	-	4%
Total	**100%**	**100%**

The investment portfolio performance for 2007 does not reflect changes in the asset allocation adopted in 2006. The asset allocation is currently in transition pending the results of investment manager searches for domestic small cap equity and REITs.

(3) Defined Benefit Plan, continued

For 2007 the return on investments was 16.2%, exceeding both the 2006 return of 8.0% and the actuarial interest rate of 7.0%.



A summary of the 2007 quarterly investment performance is as follows:

- During the first quarter of 2007, the total fund returned 5.5%, 1.2% above the total fund benchmark index. The investment environment during this quarter was generally favorable with respect to equities and fixed income securities. All of the Fund's investment managers posted gains for the period.

- During the second quarter, the total fund returned 2.1%, outperforming its benchmark index, which is due to its 39% allocation to fixed income, in comparison to the universe average allocation of 21%, as fixed income outperformed domestic equity during the quarter.

- During the third quarter, the total fund returned 4.0%, outperforming its benchmark index. The non-U.S. equity component of the portfolio provided the greatest contribution for the quarter through both allocation and manager selection.

- During the fourth quarter, the total fund returned 3.6%, outperforming its benchmark index by 1.1%. The U.S. equity component of the portfolio provided the greatest contribution during the quarter, mostly through manager selection. The fixed income component underperformed its benchmark during the quarter.

(3) Defined Benefit Plan, continued

GGRF's funding objective is to meet long-term benefit obligations with investment income and contributions. Accordingly, the collection of employee and employer contributions and the income generated from investment activities provide the reserves needed to fund future retirement benefits.

Additions and Deductions to DB Plan Net Assets for the years ended September 30, 2007, 2006 and 2005 are as follows (in millions):

	2007	2006	2005	$ Increase (Decrease) from 2006 to 2007	% Increase (Decrease) from 2006 to 2007
Net Appreciation in Fair Value Of Investments	$ 153.6	$ 60.0	$ 90.0	$ 93.6	156.0 %
Interest, Dividends & Other Investment Income	52.5	46.9	36.3	5.6	11.9 %
Less Investment Expenses	(3.1)	(3.1)	(3.3)	0.0	0.0 %
Net Investment Income	**203.0**	**103.8**	**123.0**	**99.2**	**95.6 %**
Employer Contributions	78.1	82.8	63.2	4.7	(5.7)%
Member Contributions	18.9	21.7	19.4	2.8	(12.0)%
Total Contributions	**97.0**	**104.5**	**82.6**	**(7.5)**	**(7.2)%**
Total Additions	**300.0**	**208.3**	**205.6**	**91.7**	**44.0 %**
Benefit Payments	165.2	164.3	$ 161.7	0.9	0.5 %
Refunds	6.7	6.5	9.9	0.2	3.0 %
Administrative Expenses	2.8	3.7	3.2	(0.9)	(2.4)%
Transfer to DC Plan	0.7	0.6	0.4	0.1	16.7 %
Bad Debt Recovery	(0 .6)	(0 .7)	(0.3)	0.1	14.3 %
Total Deductions	**174.8**	**174.4**	**174.9**	**0.4**	**0.2 %**
Net Increase in Net Assets	**$ 125.2**	**$ 33.9**	**$ 30.7**	**$ 91.3**	**269.3 %**

Additions to DB Plan Net Assets

Revenues for 2007 totaled $300 million, of which $203 million or 67.7% represented net investment income. The $99.2 million increase in net investment income is due primarily to the appreciation in fair market value of investments.

Interest, dividends and other investment income includes interest-only payments received from the Gov Guam General Fund for prior year's outstanding contributions receivable from the Guam Memorial Hospital Authority (GMHA) and the Guam Public School System (GPSS).

(3) Defined Benefit Plan, continued

In accordance with Public Law 28-38, as amended by Public Law 29-19 on September 2007, and as further discussed in Note 6 of the audited financial statements, monthly interest-only payments totaling $190,501 and $192,955 for GMHA and GPSS, respectively, will continue until the outstanding balances for these agencies are fully paid from a general obligation bond or other means. If the obligations are not paid within ten years, payments for GMHA and GPSS will resume in accordance with 4GCA Section 8137. In addition, agencies must stay current with contribution payments in order for employees to be allowed to retire.

During 2007, the employer contribution rate increased to 22.94% from the 21.81% employer contribution rate in 2006. The $7.5 million decrease in contributions resulted as contributions for 2006 included $11.9 million received from the Guam Telephone Authority (GTA) and $1.46 million received from the General Fund. Amounts received from GTA represented the unfunded liability associated with GTA employees in the DB Plan. Amounts received from the General Fund represented contributions for GMHA's FY2005 past due contributions and past due contributions for GMHA employees who were waiting to retire.

Deductions to DB Plan Net Assets

GGRF was created to provide retirement, survivor and disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, elective refunds of contributions to employees who terminate employment, and the cost of administering the Plan.

Deductions for 2007 totaled $174.8 million, an increase of .4% over 2006. Approximately 93% of the deductions over the last three years represent benefit payments to current retirees and their beneficiaries. Benefit payments increased by $.9 million or .5% over 2006.

Refunds of member accounts are at the discretion of the member, and vary from year to year. During 2007, member refunds totaled $6.7 million or 3.0% more than 2006.

Administrative expenses totaled $2.8 million, a decrease of 2.4% over 2006. The $0.9 million decrease is primarily due to the allocation of administrative expenses from the DB Plan to the DC Plan in 2007. Public Law 28-141 passed in July 2006, allowed for the use of DC Plan forfeitures to pay for the DC Plan's administrative expenses. As such, expenses were allocated accordingly for 2007.

(3) Defined Benefit Plan, continued

DB Plan membership as of September 30, 2007, 2006 and 2005 is as follows:

	2007	2006	2005	Increase (Decrease) from 2006 to 2007	% Inc. (Dec.) from 2006 to 2007
Retirees and Beneficiaries Receiving Benefits	7,055	6,852	6,822	203	3.0 %
Terminated Members entitled to, but not yet Receiving Benefits	6,978	7,063	6,489	(85)	(1.2)%
Active Plan Members	4,298	4,705	5,113	(407)	(8.7)%
Total Membership	**18,331**	**18,620**	**18,424**	**(289)**	**(1.6 %**

Actuarial Valuation

An actuarial valuation is performed annually in order to determine the amount of employer contributions required. The 2007 actuarial valuation is currently in progress. Actuarial valuation results for fiscal years ended September 30, 2006, 2005 and 2004 are summarized below.

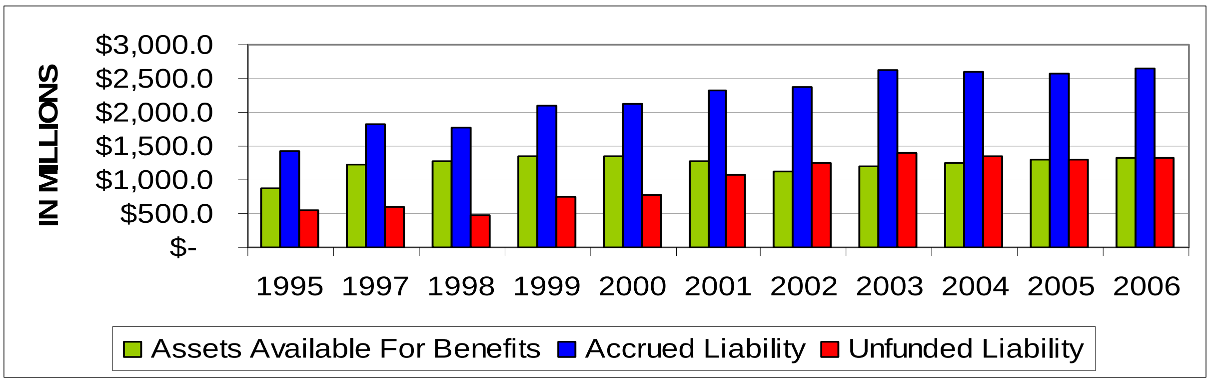
	2006 Valuation	2005 Valuation	2004 Valuation
Assets Available for Benefits	$ 1,320.9	$ 1,293.6	$1,245.3
Accrued Liability	2,656.0	2,583.4	2,599.7
Unfunded Liability	1,335.1	1,289.8	1,354.4
% Unfunded	**50.3%**	**49.9%**	**52.1%**
Security Ratio (% Funded)	49.7%	50.1%	47.9%

Based on the 2006 valuation, GGRF's funded ratio was 49.7%. This means that for each dollar's worth of future DB Plan liability, GGRF has accumulated only forty-nine cents to meet that obligation. This represents a reduction in the funding status of the pension liability compared to the funded ratio of 50.1% in 2005.

(3) Defined Benefit Plan, continued

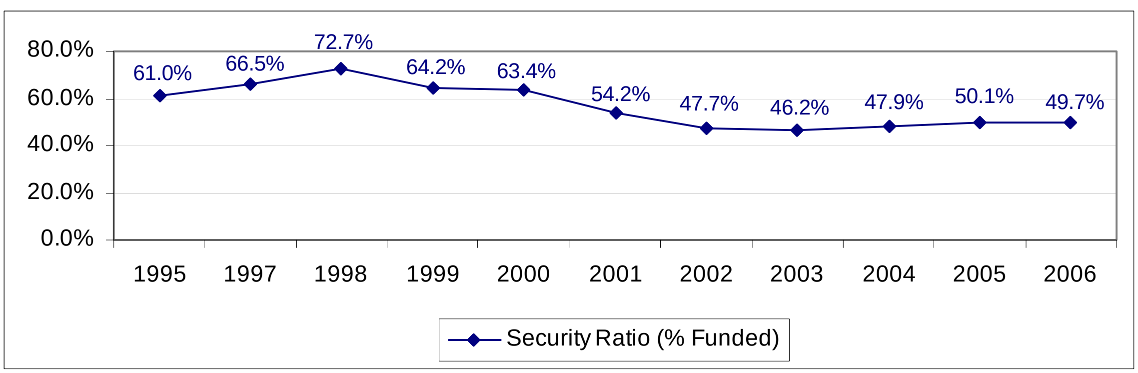
Unfunded Liability

Between September 30, 1995 and September 30, 2006 Gov Guam's unfunded liability has grown by $778 million (from $552 million in 1995 to $1.33 billion in 2006). This represents an increase in the unfunded actuarial accrued liability from 39% in 1995 to 50.3% in 2006.



Security Ratio (Percent Funded)

The security ratio (fund assets as a percentage of accrued liability) for the past eleven years is as follows:

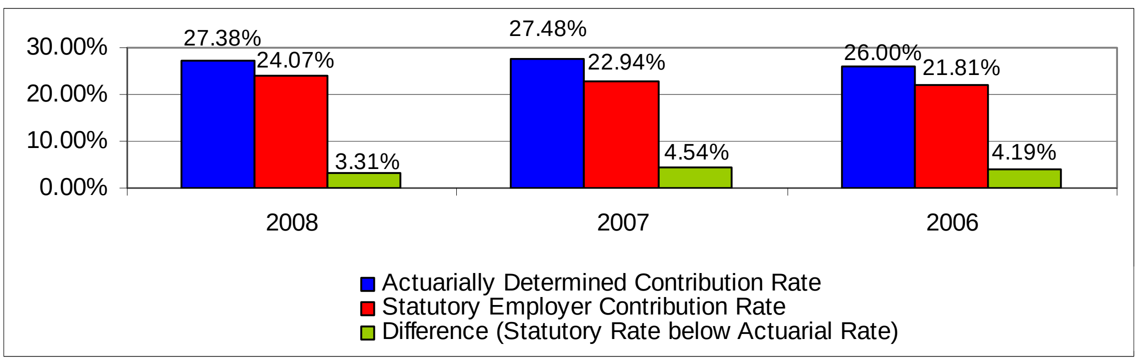


(3) Defined Benefit Plan, continued

Employer Contribution Rate

Based on the 2006 valuation, if GGRF is fully funded at the 27.38% actuarially determined contribution rate during FY2008, GGRF will accumulate sufficient assets to pay all pension liabilities for active members and retirees within 24.58 years. However, similar to prior years, for FY2008 the Legislature has once again mandated a statutory contribution rate of 24.07%, which is far less than the actuarially determined contribution rate of 27.38%. This further increases the already unmanageable unfunded liability of $1.33 billion as of September 30, 2006.

A comparison of the actuarially determined contribution rates versus the actual statutory employer contribution rates for FY2007, FY2006 and FY2005 are reflected below.



Liquidations

During 2007, $64.3 million in investments were liquidated in order to meet benefit payment obligations. During 2006, liquidations totaled $59.1 million. The $5.2 million increase is due primarily to the receipt of $11.9 million in contributions from the sale of GTA in 2006. The liquidations were necessary to meet benefit payments.

(4) Defined Contribution Plan

The DC Plan was created by Public Law 23-42:3. All new employees whose employment commences on or after October 1, 1995 are required to participate in the DC Plan.

DC Plan Net Assets as of September 30, 2007, 2006 and 2005 are as follows (in millions):

	2007	2006	2005	$ Increase (Decrease) from 2006 to 2007	% Increase (Decrease) from 2006 to 2007
Cash and Equivalents	$ 2.8	$ 3.0	$ 2.8	$ (0.2)	(6.67)%
Receivables	1.1	0.9	0.5	0.2	22.2 %
Investments	175.6	147.6	127.3	28.0	18.9 %
Total Assets	**179.5**	**151.5**	**130.6**	**28.0**	**18.5 %**
Total Liabilities	1.2	2.1	2.1	(.9)	(1.2)%
Net Assts, End of Year	**178.3**	**149.4**	**128.5**	**28.9**	**19.3 %**
Net Assets, Beginning of Year	149.4	128.5	106.5	20.9	16.3 %
Net Increase in Net Assets	**$ 28.9**	**$ 20.9**	**$ 22.0**	**$ 8.0**	**38.3 %**

During 2007, DC Plan net assets increased by approximately $28.9 million or 19.3%. The increase was due to the appreciation of investment holdings and current year employer and member contributions.

DC Plan investments include eleven core mutual funds and five lifecycle funds. The lifecycle funds allow DC Plan members to choose the investment portfolio that best fits their time horizon, risk tolerance and investment goals. The core mutual funds allow members to create their own portfolios based on the type of investments that best fit their time horizon, risk tolerance and investment goals.

Employee contributions to the DC Plan are based on an automatic deduction of 5% of the member's regular base pay. Statutory contributions are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 5% of the member's regular base pay is deposited into the member's individual account. The remaining amount is contributed towards the unfunded liability of the DB Plan. Members who have completed five years of service are fully vested in employer contributions plus any earnings thereon.

(4) Defined Contribution Plan, continued

Additions and Deductions to DC Plan Net Assets for the years ended September 30, 2007, 2006 and 2005 are as follows (in millions):

	2007	2006	2005	$ Increase (Decrease) from 2006 to 2007	% Increase (Decrease) from 2006 to 2007
Net Appreciation in Fair Value Of Investments	$ 15.2	$ 5.4	$ 10.2	$ 9.8	181.5 %
Interest, Dividends & Other Invest. Inc.	4.9	3.7	2.8	1.2	32.4 %
Net Investment Income	**20.1**	**9.1**	**13.0**	**11.0**	**120.9%**
Employer and Employee Contributions	**21.1**	**18.7**	**15.4**	**2.4**	**12.8 %**
Total Additions	**$ 41.2**	**$ 27.8**	**$ 28.4**	**$ 13.4**	**48.2 %**
Refunds	$ 11.3	$ 6.7	$ 6.0	$ 4.6	68.7 %
Administrative Expenses	1.7	.8	.8	0 .9	112.5 %
Transfers From DB Plan	(0 .7)	(0 .6)	(0.4)	(0.1)	16.7 %
Total Deductions	**$ 12.3**	**$ 6.9**	**$ 6.4**	**$ 5.4**	**78.3%**
Net Increase in Net Assets	**$ 28.9**	**$ 20.9**	**$ 22.0**	**$ 8.0**	**38.3 %**

Additions to DC Plan Net Assets

During 2007, revenues totaled $41.2 million, of which $20.1 million or 48.8% represented net investment income. During 2007, employer and employee contributions increased by $2.4 million or 12.8% over 2006. The increase in contributions is due largely to the increase in the number of DC Plan participants during 2007.

Deductions to DC Plan Net Assets

During 2007, refunds totaled $11.3 million, an increase of 68.7% over 2006. Refunds of member accounts are at the discretion of the member, and vary from year to year and represented approximately 90% of total deductions in each of these years.

Administrative expenses primarily represent payments to the third party administrator for administration of the DC Plan. The $0.9 million increase is primarily due to the allocation of administrative expenses from the DB Plan to the DC Plan in 2007. Public Law 28-141 passed in July 2006, allowed for the use of DC Plan forfeitures to pay for the DC Plan's administrative expenses. As such, expenses were allocated accordingly for 2007.

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Plan Net Assets

September 30, 2007 and 2006

ASSETS	Defined Benefit	Defined Contribution	Total 2007	Total 2006
Investments, at fair value:				
Common and preferred stocks	$ 708,474,204	-	708,474,204	610,116,012
U.S. Government securities	273,223,515	-	273,223,515	252,119,598
Corporate bonds and notes	215,167,213	-	215,167,213	240,714,473
Money market funds	40,184,479	-	40,184,479	44,088,400
Mutual funds	148,728,892	169,641,881	318,370,773	254,622,677
DC plan forfeitures	-	5,965,102	5,965,102	6,251,889
Total investments	1,385,778,303	175,606,983	1,561,385,286	1,407,913,049
Receivables:				
Contributions, Interest & Penalties:				
Supplemental/COLA benefits receivable	83,028,774	-	83,028,774	87,559,394
Employer contributions, net	14,207,137	428,931	14,636,068	16,676,205
Member contributions	6,378,562	427,994	6,806,556	7,715,756
Interest and penalties on contributions	7,702,344	-	7,702,344	7,304,707
Receivable - ERIP employer's share	4,472,325	-	4,472,325	6,670,283
Supplemental/Insurance benefits advanced	4,349,391	-	4,349,391	4,579,317
Note receivable from GMHA	4,205,619	-	4,205,619	4,838,430
Reserve for note receivable from GMHA	(4,205,619)	-	(4,205,619)	(4,838,430)
	120,138,533	856,925	120,995,458	130,505,662
Member Notes:				
Early Retirement Incentive Program (ERIP)	8,267,846	-	8,267,846	9,126,349
Service Credits	3,200,847	-	3,200,847	8,210,286
	11,468,693	-	11,468,693	17,336,635
Other:				
Accrued interest and dividends on investments	5,141,940	-	5,141,940	4,730,899
Other receivables	2,399,744	231,172	2,630,916	3,453,321
Due from brokers for unsettled trades	7,874,768	-	7,874,768	2,855,455
Due from DC plan	763,421	-	763,421	419,722
	16,179,873	231,172	16,411,045	11,459,397
Total receivables	147,787,099	1,088,097	148,875,196	159,301,694
Cash and cash equivalents	2,369,152	2,819,116	5,188,268	4,540,560
Prepaid expenses	300	-	300	33,151
Property and equipment	1,076,538	-	1,076,538	1,171,870
Total assets	1,537,011,392	179,514,196	1,716,525,588	1,572,960,324
LIABILITIES				
Deferred revenue for service credits	16,126,469	-	16,126,469	24,006,918
Accounts payable and accrued expenses	1,590,397	411,788	2,002,185	3,783,551
Due to brokers for unsettled trades	3,109,934	-	3,109,934	4,357,566
Due to DB plan	-	763,421	763,421	419,722
Total liabilities	20,826,800	1,175,209	22,002,009	32,567,757
Net assets held in trust for pension benefits (See required supplemental schedule of funding progress)	$ 1,516,184,592	178,338,987	1,694,523,579	1,540,392,567

Thee accompanying notes are an integral part of these financial statements.

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Changes in Plan Net Assets

Years ended September 30, 2007 and 2006

	Defined Benefit	Defined Contribution	Total 2007	Total 2006
Investment income				
Net appreciation in fair value of investments	$ 153,611,200	15,168,752	168,779,952	65,450,591
Interest	38,353,338	4,607,639	42,960,977	37,339,388
Dividends	11,016,556	-	11,016,556	12,090,214
Other investment income	3,176,347	279,720	3,456,067	1,182,520
	206,157,441	20,056,111	226,213,552	116,062,713
Less investment expenses	3,108,904	-	3,108,904	3,172,766
Net investment income	203,048,537	20,056,111	223,104,648	112,889,947
Contributions				
Employer	78,125,268	10,534,730	88,659,998	92,221,055
Member	18,827,804	10,617,749	29,445,553	31,032,237
Total contributions	96,953,072	21,152,479	118,105,551	123,253,292
TOTAL ADDITIONS	300,001,609	41,208,590	341,210,199	236,143,239
Benefit payments				
Age and service annuities	140,597,358	-	140,597,358	140,049,957
Survivor annuities	16,097,528	-	16,097,528	15,519,941
Disability annuities	8,552,592	-	8,552,592	8,762,580
Total benefit payments	165,247,478	-	165,247,478	164,332,478
Refunds to separated employees and withdrawals	4,723,687	11,286,492	16,010,179	11,355,121
Administrative and general expenses	2,805,167	1,690,602	4,495,769	4,481,847
Interest on refunded contributions	1,958,572	-	1,958,572	1,787,467
Balances transferred to DC plan	658,758	(658,758)	-	-
Recovery of bad debt - GMHA	(632,811)	-	(632,811)	(664,688)
TOTAL DEDUCTIONS	174,760,851	12,318,336	187,079,187	181,292,225
Net increase in plan net assets	125,240,758	28,890,254	154,131,012	54,851,014
Net assets held in trust for pension benefits, beginning of year	1,390,943,834	149,448,733	1,540,392,567	1,485,541,553
Net assets held in trust for pension benefits, end of year	$ 1,516,184,592	178,338,987	1,694,523,579	1,540,392,567

Thee accompanying notes are an integral part of these financial statements.

(1) Description of the Fund

The following brief description of the Government of Guam Retirement Fund (GGRF) is provided for general information purposes only. Members should refer to Title 4, Chapter 8, Articles 1 and 2 of the Guam Code Annotated (GCA) for more complete information.

Purpose

The Government of Guam Retirement Fund was established and became operative on May 1, 1951 to provide retirement annuities and other benefits to employees of the Government of Guam. The Board of Trustees (the "Board") is responsible for the general administration and proper operation of the Fund. With the passage of Public Law 27-43, effective November 14, 2003 the Board of Trustees comprises seven members, four of whom are elected and three of whom are appointed by the Governor with the advice and consent of the Legislature. Two of the elected members must be GGRF retirees domiciled in Guam. These two members are elected by GGRF retirees. The other two elected members must be GGRF members with at least five years of employment by the Government of Guam. These two members are elected by GGRF members. The GGRF is accounted for as a blended component unit, fiduciary fund type, pension trust fund of the Government of Guam.

(2) Description of the Defined Benefit Plan

Membership

The Defined Benefit Plan (DB) is a single-employer defined benefit pension plan and membership is mandatory for all employees in the service of the Government of Guam on the operative date. The DB plan provides for retirement, disability, and survivor benefits to members of the Plan prior to October 1, 1995. All new employees whose employment commences on or after October 1, 1995 are required to participate in the Defined Contribution Plan.

The following employees have the option of accepting or rejecting membership and become members only upon submission of a written request to the Board for membership:

(2) Description of the Defined Benefit Plan, continued

1. Employees hired for a definite agreed term or who at the time of employment are not domiciled on Guam.
2. Employees of a public corporation of the Government of Guam or of the University of Guam.
3. Any employee whose employment is purely temporary, seasonal, intermittent or part time.

Ineligible Persons

The following employees are not eligible for membership:

1. Persons whose services are compensated on a fee basis.
2. Independent contractors.
3. Persons whose employment is for a specific project.
4. Persons who are employed in the Senior Citizens Community Employment Program.

At September 30, 2006, the latest actuarial valuation date, membership is as follows:

Retirees and beneficiaries receiving benefits	7,055
Terminated members entitled to, but not yet receiving benefits	6,978
Active plan members	4,298
	18,331

Contributions

Contributions are set by law. Member contributions are required at 9.5% of base pay.

Based on the actuarial valuation as of September 30, 2006, which was issued in May 2007, the actuarially determined contribution rate for the fiscal year ended September 30, 2007 was 27.38% of covered payroll.

Based on the actuarial valuation as of September 30, 2005, which was issued in June 2006, the actuarially determined contribution rate for the fiscal year ended September 30, 2006 was 27.48% of covered payroll.

The established statutory rate at September 30, 2007 and 2006 was 22.94% and 21.81%, respectively, of covered payroll.

(2) Description of the Defined Benefit Plan, continued

Retirement, Disability and Survivor Benefits

Under the defined benefit plan, retirement benefits are based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or $6,000, whichever is greater.

Members who joined the DB plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or completion of 25 years of service at any age.

Members who joined the DB plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or completion of 30 years of service at any age.

Members who joined the DB plan after August 22, 1984 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or completion of 30 years of service at any age.

Service Benefit Formula

The basic retirement benefit is computed as the sum of the following:

1. An amount equal to two percent (2%) of the average annual salary for each of the first ten years of credited service and two and one-half percent (2.5%) of average annual salary for each year or part thereof of credited service over ten years.
2. An amount equal to twenty dollars ($20) multiplied by each year of credited service, the total of which is reduced by an amount equal to a hundredth of one percent (.01%) of said total for each one dollar ($1) that a member's average annual salary exceeds six thousand dollars ($6,000).

The basic annuity is limited to a maximum of eighty-five percent (85%) of the average annual salary, and cannot be less than one thousand two hundred dollars ($1,200) per year.

(2) Description of the Defined Benefit Plan, continued

Disability

Members under the age of 65 with six or more years of credited service who are not entitled to receive disability payments from the United States Government are eligible to receive sixty six and two-thirds percent (66-2/3%) of the average of their three highest annual salaries received during years of credited service.

Survivor

In the event of death of a member who completed at least 3 years of total service, the following benefits are payable:

1. Spouse – annual benefit is equal to fifty percent (50%) of the disability or service retirement benefit earned by the member.

2. Minor children – Basic benefit is $2,160 per year for a minor child up to 18 years of age (age 24 if a full-time student).

Separation from the DB Plan

Upon complete separation from service before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. Public Law 27-68 raised the time frame under which a refund was available from 20 years to 25 years, effective February 6, 2004.

A member who withdraws after completing at least 5 years of service has the option of leaving contributions in the GGRF and receives a service retirement benefit upon attainment of the age of 60 years.

(3) Description of the Defined Contribution Retirement System

Purpose

The Defined Contribution Retirement System (DCRS) was created by Public Law 23-42:3 to provide an individual account retirement system for any person who is employed in the Government of Guam. The GGRF Board of Trustees is responsible for the general administration and operation of the fund. The DCRS, by its nature, is fully funded on a current basis from employer and member contributions.

(3) Description of the Defined Contribution Retirement System, continued

Membership

The DCRS is a single-employer pension plan and shall be the single retirement program for all new employees whose employment commences on or after October 1, 1995.

Existing members of the DB plan with less than 20 years of service credit may, upon written election, voluntarily elect membership in the DCRS. This option was available for sixty five (65) months after enactment of the legislation, and is available between March 1 and May 31 of every year, beginning in the year 2002. After making the election to transfer, the employee may not change the election or again become a member of the DB plan.

Contributions

Member and employer contributions are set by law at five percent (5%) of base pay.

Separation from the DCRS

Any member who leaves government service after attaining 5 years of total service is entitled to receive their total contribution plus 100% of the employer contribution and any earnings thereon.

Any member who leaves government service with less than 5 years of total service is entitled to receive their total contribution plus any earnings thereon.

(4) Summary of Significant Accounting Policies

Method of Accounting

The financial statements presented herein have been prepared on the accrual basis of accounting under which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned.

(4) Summary of Significant Accounting Policies, continued

Employee contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Contributions from employees and employers for service through September 30, 2007 and 2006 are accrued.

With the exception of amounts due from the Guam Memorial Hospital Authority under a promissory note and the interest thereon, these contributions are considered fully collectible; accordingly, no allowance for uncollectible receivables is reflected in the financial statements. Benefits and refunds are recognized when due and payable in accordance with provisions set forth in the Guam Code Annotated.

Estimates

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

Encumbrances

Encumbrances represent commitments related to contracts not yet performed and are used to control expenditures for the year and to enhance cash management. Encumbrances do not represent an expenditure for the period; they represent a commitment to expend resources.

GGRF is a public employees' retirement system and presents its financial statements in accordance with GASB Statement No. 25. Accordingly, GGRF does not record encumbrances.

Cash

At September 30, 2007 and 2006, the GGRF has cash balances in banks of approximately $7.2 million and $6.4 million, respectively, of which $200,000 is insured by the Federal Deposit Insurance Corporation. The remaining balances are collateralized by securities held by a trustee in the name of the financial institution.

(4) Summary of Significant Accounting Policies, continued

Investments

Investments include U.S. Federal Government and agency obligations, foreign government obligations, real estate, commercial mortgages, corporate debt, mutual funds, and equity instruments. Investments are reported at fair value. Securities transactions and any resulting gains or losses are accounted for on a trade date basis.

Investments other than real estate, commercial mortgages and other loans, and municipal revenue bonds are reported at market values determined by the custodial agents. The agent's determination of market values includes, among other things, using pricing services or prices quoted by independent brokers at current exchange rates.

Commercial mortgages and other loans and municipal revenue bonds have been valued on an amortized cost basis, which approximates market or fair value. No allowance for loan loss has been provided as all loans and bonds are considered by management to be fully collectible. Short-term investments are reported at cost, which approximates market value.

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

First Hawaiian Bank holds the investments as custodian in the Fund's name. In addition, the Fund has selected investment managers who are given authority to purchase and sell securities in accordance with the following guidelines:

A. 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.

   1. U.S. equities:

      a. Equity holdings are restricted to readily marketable securities of corporations that are actively traded on the major U.S. exchanges and over the counter.

(4) Summary of Significant Accounting Policies, continued

b. 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.
   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. U.S. Fixed Income:

   a. 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.

(4) Summary of Significant Accounting Policies, continued

b. 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".
c. Total portfolio quality (capitalization weighted) must maintain an "A" minimum rating.
d. In case such bonds or other evidence of indebtedness are not so rated by two nationally recognized and published rating services, the net earnings available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year and during either of the last two years have been, after depreciation and taxes, not less than:
    i. Two times its average annual fixed charges over the same period, in the case of any public utility company;
    ii. One and one-half times its average annual fixed charges over the same period, in the case of any financial company; or,
    iii. Three times its average annual fixed charges over the same period, in the case of any other company.
e. 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.

3. Non-U.S. Equities

    a. 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.

(4) Summary of Significant Accounting Policies, continued

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 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.

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

4. Cash and Cash Equivalents

a. 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.
b. No single issue shall have a maturity of greater than two years.
c. The cash portfolio shall have a maturity of less than one year.
d. Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the custodian.

B. No investment management organization shall have more than twenty-five percent (25%) of the GGRF's assets under its direction.
C. No individual security of any issuer, other than that of the United States government or Government of Guam, shall constitute more than five percent (5%), at cost, of the total GGRF or of any investment manager's portfolio.
D. Holdings of any issuer must constitute no more than five percent (5%) of the outstanding securities of such issuer.
E. Investments in a registered mutual fund managed by the investment manager are subject to prior approval of the Board of Trustees.

(4) Summary of Significant Accounting Policies, continued

F. 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.

Income Taxes

The Fund is a public employees' retirement system and an autonomous agency of the Government of Guam. Accordingly, the Fund is not subject to income taxes.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Fund's provisions to the service members have rendered through the most recent actuarial valuation date (September 30, 2006).

Accumulated plan benefits include benefits expected to be paid to (i) retired, disabled, and terminated employees and their beneficiaries, (ii) beneficiaries of employees who have died, and to (iii) present employees and their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered through September 30, 2006.

The actuarial present value of accumulated plan benefits is determined by an independent actuarial firm and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawals, or retirement) between the most recent actuarial valuation date (September 30, 2006), and the expected date of payment.

The significant actuarial assumptions used to calculate the actuarial present value of accumulated plan benefits are presented below, and are based on the assumption that the Fund will continue in operation. If the Fund were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Actuarial Cost Method:	Entry age normal
Valuation of Assets:	Market value, with fixed income investments at amortized cost

(4) Summary of Significant Accounting Policies, continued

Investment Income:	7% per year.
Salary Increase:	Graded based on service with the Government ranging from 4.0% for service in excess of 20 years to 8.5% for service from zero to five years
Total Payroll Growth:	3.5%
Expenses:	$2,995,106 per year, net of bad debts and recoveries
Mortality:	1994 U.S. Uninsured Pensioners for Males set forward two years for males and no set forward for females
Disability:	1974-78 SOA LTD Non-Jumbo with rates increased for males by 30%
Retirement Age:	50% probability of retirement at earliest age of eligibility for unreduced retirement benefits; 20% per year thereafter until age 70, 100% at age 70
Return of Contributions:	100% withdrawing before retirement with less than 20 years of service assumed to elect a return of contributions. All those who have previously withdrawn assumed to elect a return of contributions. Contributions earn 4.5% interest.

New Accounting Standards

In April 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans.* GASB Statement No. 43 establishes uniform financial reporting for other postemployment benefit plans by state and local governments. The provisions of this Statement are effective for periods beginning after December 15, 2007. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of GGRF.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions.* GASB Statement No. 45 establishes standards for the measurement, recognition, and display of other postemployment benefit expense/expenditures and related liabilities, note disclosures, and if applicable, required supplementary information in the financial reports of state and local governmental employers. The provisions of this Statement are effective for periods beginning after December 15, 2006.

(4) Summary of Significant Accounting Policies, continued

Management does not believe that the implementation of this Statement will have a material effect on the financial statements of GGRF.

Depreciation

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Furniture and fixtures	3 years
Automobiles	5 years
Buildings	30 years
Improvements	5-10 years
Equipment	1-5 years

Administrative expenses include depreciation and amortization expense of $95,332 and $94,881 in 2007 and 2006, respectively.

Reclassifications

Certain 2006 figures in the accompanying financials statements have been reclassified to conform to the 2007 presentation.

(5) Deposit and Investment Risk Disclosure

The Governmental Accounting Standards Board issued Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3* in March 2003, with an effective date for fiscal years beginning after June 15, 2004.

Cash and investments as of September 30, 2007 are classified in the accompanying statement of plan net assets as follows:

	DB Plan	DC Plan
Cash and cash equivalents	$ 2,369,152	2,819,116
Common stocks	708,474,204	-
U.S. government securities	273,223,515	-
Corporate bonds and notes	215,167,213	-
Money market funds	40,184,479	-
Mutual funds	148,728,892	175,606,983
Total cash and investments	$ 1,388,147,455	178,426,099

(5) Deposit and Investment Risk Disclosure, continued

Cash and investments as of September 30, 2006 are classified in the accompanying statement of plan net assets as follows:

	DB Plan	DC Plan
Cash and cash equivalents	$ 1,452,030	3,088,530
Common stocks	610,116,012	-
U.S. government securities	252,119,598	-
Corporate bonds and notes	240,714,473	-
Money market funds	44,088,400	-
Mutual funds	113,276,376	147,598,190
Total cash and investments	$ 1,261,766,889	150,686,720

Investments Authorized by the Guam Code Annotated and the Fund's Investment Policy

Investments that are authorized by the Guam Code Annotated and by the Fund's investment policy are described in Note 4 above. There are no maximum maturities set for investments, with the exception of cash and cash equivalents as specified in Note 4 above. The only limitation on the maximum percentage of the portfolio that may be invested in any one type is with international government or corporate bonds as specified in Note 4 above. The maximum percentage of each issue that may be made is five percent, as specified in Note 4 above.

Disclosures Relating to Interest Rate Risk

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 the sensitivity of its fair value to changes in market interest rates. One of the ways that the Fund 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.

Information about the sensitivity of the fair values of the Fund's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Fund's DB plan investments by maturity:

(5) Deposit and Investment Risk Disclosure, continued

Investment Type	Remaining Maturity in Months 12 Months or Less	13 to 24 Months	25-60 Months	More than 60 Months	Total
U.S. Treasury securities	$ 21,860,398	-	43,716,411	47,722,944	113,299,753
Federal agency securities	-	-	-	159,923,762	159,923,762
U.S. Municipal obligations	1,855,722	-	-	7,463,870	9,319,592
Corporate medium term notes	10,931,478	7,890,645	24,681,269	162,344,229	205,847,621
Totals	$ 34,647,598	7,890,645	68,397,680	377,454,805	488,390,728

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Fund'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.

The Fund 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, 2007, the Fund held mortgage-backed securities valued at approximately $235 million.

Disclosures Relating to Credit Risk

Generally, 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.

Presented below is the minimum rating required by (where applicable) the Guam Code Annotated and the Fund's investment policy, and the actual rating as of September 30, 2007 for each investment type.

(5) Deposit and Investment Risk Disclosure, continued

Investment Type	Minimum Legal Rating	Amount	Rating as of Year End
U.S. Treasury securities	N/A	$ 113,299,753	Exempt from disclosure
Federal agency securities	N/A	159,923,762	Exempt from disclosure
Money market funds	A-2	40,184,479	AAAm
Corporate medium term notes and	BBB	61,495,924	Aaa
U.S. Municipal Obligations		5,177,358	Aa1-Aa3
		44,608,291	A1-A3
		43,015,922	Baa1-Baa3
		4,947,628	Ba1-Ba3
		55,922,090	Not rated/cash
		$ 528,575,207	

Concentration of Credit Risk

The Fund's investment policy contains limits on the amount that can be invested in any one issuer. At September 30, 2007, the Fund did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total Fund investments.

Foreign Currency Risk

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, 2007, the Fund held approximately $5.6 million in corporate bonds issued by companies organized in various foreign countries. The countries of incorporation and the dollar amount of the bonds issued (in millions) were as follows at September 30, 2007:

Canada	$ 1.2 million
Chile	0.7
Venezuela	0.6
Switzerland	1.2
United Kingdom	1.9
Total	$ 5.6 million

(5) Deposit and Investment Risk Disclosure, continued

At September 30, 2007, the Fund 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, 2007 was approximately $160 million. The functional currencies of the companies that issued the stocks (and the market value in millions of U.S. dollars) were as follows at September 30, 2007:

Euros	$ 84 million
Japanese yen	46
Australian dollar	14
Others – 11 countries	16
Total	$ 160 million

Custodial Credit Risk

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

The Guam Code Annotated and the Fund's investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits and investments, as follows:

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

(5) Deposit and Investment Risk Disclosure, continued

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 the Fund.

(6) Related Party Transactions

At September 30, 2007 and 2006, the Fund was owed employer and member contributions, interest and penalties receivable by various Government of Guam agencies. At September 30, 2007 and 2006, employer contributions receivable totaled $14,636,068 and $16,676,205, respectively; member contributions receivable totaled $6,806,556 and $7,715,756, respectively; and interest and penalties receivable totaled $7,702,344 and $7,304,707, respectively.

A significant portion of the employer and member contributions receivable represent amounts due from the Guam Public School System (GPSS) and Guam Memorial Hospital Authority (GMHA) for various pay periods during the fiscal years ended September 30, 1988 through 2004. The remaining balance represents contributions for the pay period ended September 30, 2007.

Interest and penalties continue to accrue on these receivables based on the provisions set forth in 4GCA 8137(c), which states that the Fund will impose interest at a rate equivalent to the average rate of return on its investments from the previous fiscal year and a 1% penalty for delinquent payments.

At September 30, 2007 and 2006, receivables from GPSS including interest and penalties totaled approximately $17.3M and $18.7M, respectively. At September 30, 2007 and 2006, receivables from GMHA including interest and penalties totaled approximately $8.6M and $9.7M, respectively.

Public Law 28-38, passed in June 2005, as amended by Public Law 29-19 in September 2007, requires that the General Fund remit interest only payments monthly to the GGRF for the aforementioned receivables from GPSS and GMHA. The law indicates that monthly payments totaling $192,955 and $190,501 for GPSS and GMHA, respectively, will continue until the outstanding balances for these agencies are fully paid from a general obligation bond or other means. However, if the obligations are not paid within ten years, payments for GPSS and GMHA will resume per 4GCA Section 8137.

(6) Related Party Transactions, continued

During the fiscal year ended September 30, 2007, the Fund received payments pursuant to P.L. 28-38 totaling $2,315,460 and $2,286,012 for GPSS and GMHA, respectively.

In March 1998, the GGRF accepted a promissory note for $9,835,720 from GMHA, a component unit of the Government of Guam. The note bears interest at the bank's prime rate plus 1%. The note was executed for the outstanding balance of a previously executed promissory note for contributions owed to GGRF as of February 28, 1998, along with related penalties and interest.

At September 30, 2000, management established a 100% reserve for the $8,000,000 outstanding balance on the note due to uncertainty of collection.

During 2007 and 2006, GGRF collected $632,811 and $664,688, respectively, from GMHA on the note receivable. As of September 30, 2007 and 2006 the balance on the note was $4,205,619 and $4,838,430, respectively, for which a 100% reserve continues to be provided.

As of September 30, 2007 and 2006, related interest and penalties on the note totaled $1,659,591 and $1,368,707, respectively. However, since a 100% reserve was provided for the note receivable these interest and penalties have not been recorded.

(7) Property, Equipment and Land

Property, equipment and land at September 30, 2007 and 2006 were as follows:

	2007	2006
Building	$ 1,130,187	1,130,187
Improvements	653,886	653,886
Land	439,428	439,428
Equipment	125,379	125,379
Automobiles	39,851	39,851
Furniture and fixtures	15,887	15,887
Other	7,000	7,000
	2,411,618	2,411,618
Less: Accumulated depreciation	(1,335,080)	(1,239,748)
	$ 1,076,538	1,171,870

(8) Supplemental Annuities and COLA Payments

Public Law 25-72, passed in September 1999, required the payment of supplemental annuities and cost of living allowances (COLA) to retirees. P.L. 25-72 also specified that these payments were an obligation of the employer and not of the GGRF. The cost of these benefits is to be paid through increased contributions over a period of twenty years.

The GGRF paid certain of these benefits on behalf of the General Fund and autonomous agencies, and collected certain amounts from the General Fund and from autonomous agencies. The excess of the amount paid out over the amount collected was recorded as "Supplemental/COLA benefits receivable" by the GGRF.

During fiscal year 1999, the Government of Guam appropriated $12 million to pay for a portion of the $31.4 million that the GGRF paid for supplemental annuities and COLA payments.

However, Public Law 25-122, passed in May 2000, reallocated the $12 million appropriation collected by GGRF to regular employer contributions. Since the $12 million reduced the receivable balance in fiscal year 1999, this reallocation resulted in a $12 million increase in the receivable balance in fiscal year 2000. The offset was recorded as a reduction of employer contributions receivable from the Government of Guam for fiscal year 2000.

Beginning in fiscal year 2000, the receivable for supplemental annuities and COLA payments is being reduced by a portion of the employer contributions received. The percentage used for fiscal years 2007 and 2006 was 1.2016% of covered payroll.

At September 30, 2007 and 2006 the GGRF had Supplemental/COLA benefits receivable of $83,028,774 and $87,559,394, respectively. Since the GGRF is simply acting as a paying agent for these benefits, the payment of the benefits and their subsequent collection should not increase or decrease plan net assets.

(8) Supplemental Annuities and COLA Payments, continued

A history of the transactions follows (amounts rounded to the nearest hundred thousand):

	Additions	Reductions	Ending Balance
Fiscal year 1999			
Payment of benefits by GGRF	$ 31,400,000	-	
Collections	-	(4,500,000)	
Gov Guam Appropriation		(12,000,000)	14,900,000
Fiscal year 2000			
Payment of benefits by GGRF	32,300,000	-	
Reallocation P.L. 25-172	12,000,000	-	
Collections	-	(4,300,000)	54,900,000
Fiscal year 2001			
Payment of benefits by GGRF	34,000,000	-	
Collections	-	(4,700,000)	84,200,000
Fiscal year 2002			
Payment of benefits by GGRF	27,500,000	-	
Collections	-	(3,600,000)	108,100,000
Fiscal year 2003			
Collections	-	(4,400,000)	103,700,000
Fiscal year 2004			
Collections	-	(7,200,000)	96,500,000
Fiscal year 2005			
Collections	-	(4,300,000)	92,200,000
Fiscal year 2006			
Collections	-	(4,600,000)	87,600,000
Fiscal year 2007			
Collections	-	(4,600,000)	83,000,000
Total Additions & Deductions	$ 137,200,000	(54,200,000)	

(9) Early Retirement Incentive Program (ERIP)

Public Law 24-327, as amended by Public Laws 25-2, 25-3, 25-72, 25-74, 25-90, 25-98 and 25-99 became effective December 30, 1998. This law allowed GGRF members with at least 20 years of creditable service to retire and to purchase up to 5 years of creditable service.

(9) Early Retirement Incentive Program (ERIP), continued

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. Payments can be made in full or can be financed through deductions from annuities over a period not to exceed 15 years.

The time allowed for making the election and retiring was from December 30, 1998 to January 7, 2000. During this period, approximately eight hundred (800) members elected to participate in this program and signed promissory notes totaling nearly $15 million. At September 30, 2007 and 2006, the amount owed under these notes was $8,267,846 and $9,126,349, respectively. 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 the retirees.

The government's share of these required contributions has been recognized in the accompanying statement of plan net assets as "Receivable – ERIP employer's share" and amounted to $4,472,325 and $6,670,283 at September 30, 2007 and 2006, respectively. This receivable is offset by deferred revenue in an equal amount. Contribution income is recognized on a cash basis as amounts are collected from the employer agencies.

The receivable for the government's share of required contributions is being reduced by a portion of the employer contributions received. The statutory percentage for fiscal years 2007 and 2006 was 1.31% of covered payroll.

(10) Supplemental/COLA Benefit Owed by Government of Guam Agencies

All Government of Guam agencies are obligated to pay retirees for supplemental and COLA benefits. GGRF paid certain supplemental and COLA benefits for other Government of Guam agencies. GGRF will be reimbursed for these benefit payments; accordingly, these benefit payments are reflected as "Supplemental/insurance benefits advanced" in the accompanying statement of net assets.

At September 30, 2007 and 2006, the GGRF had $4,349,391 and $4,579,317, respectively in Supplemental/insurance benefits receivable from four Government of Guam agencies.

<u>In addition to the amounts advanced by GGRF</u>, the various other Government of Guam agencies are obligated to pay retirees for supplemental and COLA benefits. These benefits <u>were not paid by GGRF</u> and <u>are not included in the accompanying financial statements</u>.

(10) Supplemental/COLA benefit Owed to Retirees by Government of Guam Agencies, continued

These benefits are as follows:

	1/31-9/30/03
General fund line agencies	$ 3,147,964
Other agencies funded by the general fund:	
Department of Education (now GPSS)	2,186,010
Guam Memorial Hospital Authority	492,787
University of Guam	344,631
Guam Waterworks Authority	255,758
Other agencies	522,226
Autonomous agencies:	
Port Authority of Guam	415,236
Guam Power Authority	301,546
Guam Telephone Authority	218,398
Other agencies	166,979
Total	$ 8,051,535

GOVERNMENT OF GUAM RETIREMENT FUND

Schedule of Funding Progress

September 30, 2007

Actuarial Valuation as of September 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of covered payroll
1991	$ 532,031,000	$ 1,151,610,000	$ 619,579,000	46.2%	$ 321,580,393	192.7%
1992	617,737,000	1,290,724,000	672,987,000	47.9%	345,240,093	194.9%
1993	703,443,000	1,429,839,000	726,396,000	49.2%	368,899,793	196.9%
1994	784,229,000	1,423,514,000	639,285,000	55.1%	362,944,815	176.1%
1995	865,014,000	1,417,190,000	552,176,000	61.0%	356,989,837	154.7%
1996	1,039,360,000	1,621,029,000	581,669,000	64.1%	373,494,919	155.7%
1997	1,213,706,000	1,824,868,000	611,162,000	66.5%	390,000,000	156.7%
1998	1,287,157,000	1,770,852,000	483,695,000	72.7%	407,550,000	118.7%
1999	1,346,205,000	2,096,617,000	750,412,000	64.2%	363,710,950	206.3%
2000	1,348,761,000	2,126,150,000	777,389,000	63.4%	374,551,304	207.6%
2001	1,265,001,000	2,333,862,000	1,068,861,000	54.2%	403,061,000	265.2%
2002	1,135,666,000	2,378,399,000	1,242,733,000	47.7%	395,967,000	313.8%
2003	1,206,911,000	2,614,840,000	1,407,929,000	46.2%	398,112,000	353.7%
2004	1,245,305,000	2,599,747,000	1,354,442,000	47.9%	365,592,000	370.5%
2005	1,293,564,000	2,583,366,000	1,289,802,000	50.1%	368,712,000	349.8%
2006	1,320,914,000	2,656,047,000	1,335,133,000	49.7%	389,786,000	342.5%

See accompanying independent auditors' report.

GOVERNMENT OF GUAM RETIREMENT FUND

Schedule of Employer Contributions

September 30, 2007

Year ended September 30	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
1991	$ 83,988,000	$ 51,612,000	61.5%
1992	88,187,000	54,111,000	61.4%
1993	94,552,000	59,117,000	62.5%
1994	99,280,000	80,965,000	81.6%
1995	67,650,000	66,904,000	98.9%
1996	71,187,000	68,969,000	96.9%
1997	67,521,000	81,546,000	120.8%
1998	61,929,000	81,877,000	132.2%
1999	63,985,000	96,134,000	150.2%
2000	52,463,000	85,831,000	163.6%
2001	75,494,000	73,386,000	97.2%
2002	75,906,000	78,087,000	102.9%
2003	98,630,000	63,486,000	64.4%
2004	115,978,000	63,388,000	54.7%
2005	123,958,000	70,658,000	57.0%
2006	117,041,000	85,771,000	73.3%

See accompanying independent auditors' report.

GOVERNMENT OF GUAM RETIREMENT FUND

Supplementary Schedule of Administrative and General Expenses

Years ended September 30, 2007 and 2006

	Defined Benefit Plan	Defined Contribution Plan	Total 2007	Total 2006
DEFINED BENEFIT PLAN				
Salaries and wages	$1,155,476	432,122	1,587,598	1,527,648
Third party administrator fees	-	877,668	877,668	807,779
Employer's retirement contribution	256,752	96,019	352,771	326,972
Insurance	163,131	98,912	262,043	236,137
Computer program services/maintenance	218,700	24,300	243,000	243,000
Legal fees	199,046	25,760	224,806	474,478
Provision for ERIP Notes	139,200	-	139,200	-
Depreciation	95,332	-	95,332	94,881
Utilities	42,708	42,278	84,986	73,135
Postage	68,046	7,561	75,607	75,607
Retiree supplemental/COLA	69,740	4,015	73,755	67,987
Repairs and maintenance	41,855	10,552	52,407	54,000
Actuary fees	47,260	-	47,260	136,737
Medical exams	46,547	-	46,547	43,213
Travel and transportation	27,169	18,113	45,282	30,800
Printing and publications	37,206	4,134	41,340	38,355
Computers and software	34,769	3,658	38,427	5,876
Miscellaneous	23,936	13,774	37,710	36,492
Communications	29,480	3,275	32,755	33,309
Office supplies	23,856	2,533	26,389	40,230
Audit fees	15,600	10,400	26,000	25,000
Equipment rental	22,998	2,555	25,553	15,192
Medicare contribution	15,771	5,898	21,669	20,633
Training	12,144	5,204	17,348	11,009
Medical consultant	11,625	-	11,625	9,876
Board of trustees expenses	6,820	1,871	8,691	12,458
Improvements	-	-	-	41,043
	$2,805,167	1,690,602	4,495,769	4,481,847

See accompanying independent auditors' report.

GOVERNMENT OF GUAM RETIREMENT FUND

Supplementary Schedule of Personnel Costs

Years ended September 30, 2007 and 2006

	2007	2006
Salaries and wages	$ 1,587,598	1,527,648
Employer's retirement contribution	352,771	326,972
Medicare contribution	21,669	20,633
	$ 1,962,038	1,875,253
Average number of employees	47	46
Average cost per employee	$ 41,745	$ 40,766

See accompanying independent auditors' report.

GOVERNMENT OF GUAM RETIREMENT FUND

Supplementary Schedule of Personnel Count - Public Law 28-150: Section 45

Years ended September 30, 2007 and 2006

	Full Time Employees		
	During FY 2007	As of September 30, 2007	Total Salaries & Wages Expended
Director's Office	3	3	$ 157,184
Administrative Services	7	6	207,875
Accounting / Investments	19	17	708,098
Members and Benefits Services	20	18	514,441
	49	44	$ 1,587,598

	Full Time Employees		
	During FY 2006	As of September 30, 2006	Total Salaries & Wages Expended
Director's Office	4	4	$ 191,602
Administrative Services	7	6	196,839
Accounting / Investments	20	18	647,821
Members and Benefits Services	18	18	491,386
	49	46	$ 1,527,648

GOVERNMENT OF GUAM RETIREMENT FUND

Supplementary Schedule of Other Receivables - Defined Benefit Plan

September 30, 2007 and 2006

	2007	2006
Unfunded liability portion from defined contribution plan	$ 1,477,559	1,387,391
Benefit overpayments	699,868	704,474
Member rate differential	185,451	-
Other overpayments	24,841	18,072
Government contributions for DC plan	12,025	-
Defined contribution plan costs	-	1,298,582
Employer contributions for non-base pay	-	36,644
Securities lending	-	8,158
	$ 2,399,744	3,453,321

See accompanying independent auditors' report.

GOVERNMENT OF GUAM RETIREMENT FUND

Supplementary Schedule of Receivables by Agency - Defined Benefit Plan

September 30, 2007

Agency	Supplemental/ COLA	Employer Contributions	Member Contributions	Interest & Penalties	ERIP Employer's Share	Retiree Supplemental Benefits & Insurance	Note Receivable GMHA	Reserve for Note Receivable GMHA	TOTAL
Department of Administration (General Fund)	$ 83,028,774	1,103,635	470,613	76,014	3,181,600	1,983,659	-	-	89,844,295
Guam Public School System	-	8,403,790	3,658,559	5,285,161	-	-	-	-	17,347,510
Guam Memorial Hospital Authority	-	4,195,620	2,030,084	2,341,169	-	1,507,004	4,205,619	(4,205,619)	10,073,877
Guam Waterworks Authority	-	49,343	20,918	-	400,312	814,434	-	-	1,285,007
Guam Power Authority	-	97,102	42,997	-	288,958	44,294	-	-	473,351
Guam Community College	-	51,432	21,704	-	409,829	-	-	-	482,965
Port Authority of Guam	-	52,414	22,894	-	182,369	-	-	-	257,677
Guam Legislature	-	7,620	3,508	-	9,257	-	-	-	20,385
Public Defender Service Corporation	-	11,652	4,825	-	-	-	-	-	16,477
University of Guam	-	126,234	55,259	-	-	-	-	-	181,493
Guam Airport Authority	-	34,577	15,487	-	-	-	-	-	50,064
Guam Housing Corporation	-	1,743	650	-	-	-	-	-	2,393
Guam Visitors Bureau	-	3,357	1,390	-	-	-	-	-	4,747
Supreme Court of Guam	-	50,768	21,620	-	-	-	-	-	72,388
Guam Economic Development and Commerce Authority	-	2,571	1,065	-	-	-	-	-	3,636
Guam Housing and Urban Renewal Authority	-	15,279	6,989	-	-	-	-	-	22,268
TOTALS	$ 83,028,774	14,207,137	6,378,562	7,702,344	4,472,325	4,349,391	4,205,619	(4,205,619)	120,138,533

See accompanying independent auditors' report.

GOVERNMENT OF GUAM RETIREMENT FUND

Supplementary Schedule of Receivables by Agency - Defined Benefit Plan

September 30, 2006

Agency	Supplemental/ COLA	Employer Contributions	Member Contributions	Interest & Penalties	ERIP Employer's Share	Retiree Supplemental Benefits & Insurance	Note Receivable GMHA	Reserve for Note Receivable GMHA	TOTAL
Department of Administration (General Fund)	$ 87,559,394	1,146,778	514,264	-	4,731,500	1,988,296	-	-	95,940,232
Guam Public School System	-	9,837,628	4,302,200	4,601,584	-	-	-	-	18,741,412
Guam Memorial Hospital Authority	-	4,711,591	2,288,987	2,703,123	-	1,507,004	4,838,430	(4,838,430)	11,210,705
Guam Waterworks Authority	-	49,432	23,883	-	515,750	881,196	-	-	1,470,261
Guam Power Authority	-	93,631	41,369	-	533,387	202,821	-	-	871,208
Guam Community College	-	55,724	25,884	-	528,166	-	-	-	609,774
Port Authority of Guam	-	43,502	19,861	-	317,674	-	-	-	381,037
University of Guam	-	118,558	53,954	-	-	-	-	-	172,512
Supreme Court of Guam	-	54,895	25,730	-	-	-	-	-	80,625
Guam Legislature	-	7,981	3,528	-	43,806	-	-	-	55,315
Guam Airport Authority	-	35,212	16,172	-	-	-	-	-	51,384
Guam Housing and Urban Renewal Authority	-	17,611	8,107	-	-	-	-	-	25,718
Public Defender Service Corporation	-	11,186	5,373	-	-	-	-	-	16,559
Guam Visitors Bureau	-	3,184	1,532	-	-	-	-	-	4,716
Guam Housing Corporation	-	2,464	998	-	-	-	-	-	3,462
Guam Economic Development and Commerce Authority	-	2,400	1,045	-		-	-	-	3,445
TOTALS	$ 87,559,394	16,191,777	7,332,887	7,304,707	6,670,283	4,579,317	4,838,430	(4,838,430)	129,638,365

See accompanying independent auditors' report.