



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

November 12, 2009

The Honorable Judith T. Won Pat
Speaker
I Mina'Trenta Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

Re: *Financial Statements – Quarter Ended September 30, 2009*

Dear Speaker Won Pat:

As a follow-up to our October 26, 2009 letter (copy attached) and in accordance with Public Law 29-113, Chapter VII, Section 2, is the Retirement Fund's (the "Fund") Financial Statements for the Quarter ended September 30, 2009. The statements are also provided in "pdf" format on the enclosed diskette, and will be posted on the Fund's website at www.ggrf.com.

Should you have any questions, please contact me at 475-8912.

Sincerely,

Diana T. Bernardo
Acting Director

Enclosure

cc: Doris Flores-Brooks, Public Auditor

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

Antolina S. Leon Guerrero
Secretary

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

Wilfred G. Aflague
Trustee

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Plan Net Assets - Unaudited

As of September 30, 2009

ASSETS

Investments, at fair value:

| | Defined Benefit | Defined Contribution | Total |
|----------------------------|----------------------|-------------------------|----------------------|
| Common stocks | \$ 553,875,516 | - | \$ 553,875,516 |
| U.S. Government securities | 196,330,526 | - | 196,330,526 |
| Corporate bonds and notes | 208,715,986 | - | 208,715,986 |
| Mutual funds | 176,434,098 | 182,131,944 | 358,566,042 |
| Money market funds | 22,236,818 | - | 22,236,818 |
| DC plan forfeitures | - | 5,048,457 | 5,048,457 |
| Total investments | 1,157,592,944 | 187,180,401 | 1,344,773,345 |

Receivables:

| | | | |
|---|--------------------|------------------|--------------------|
| Net Prior Year Receivables | 89,488,283 | - | 89,488,283 |
| Notes Receivable - employee service credits | 2,285,674 | - | 2,285,674 |
| Notes Receivable - ERIP employee share | 5,969,104 | - | 5,969,104 |
| Current Year Contributions | 3,383,723 | 970,932 | 4,354,655 |
| Other receivables | 3,012,950 | 265,021 | 3,277,971 |
| Due from brokers for unsettled trades | 6,045,882 | - | 6,045,882 |
| Accrued interest and dividends on investments | 2,989,605 | - | 2,989,605 |
| Total receivables | 113,175,221 | 1,235,953 | 114,411,174 |

| | | | |
|----------------------------------|------------------|------------------|------------------|
| Cash and cash equivalents | 2,874,238 | 3,108,835 | 5,983,073 |
| Prepaid expenses | 19,835 | - | 19,835 |
| Property and equipment | 964,374 | - | 964,374 |

Total assets 1,274,626,612 191,525,189 1,466,151,801

LIABILITIES

| | | | |
|---------------------------------------|-------------------|----------------|-------------------|
| Deferred revenue for service credits | 8,984,237 | - | 8,984,237 |
| Accounts payable and accrued expenses | 3,586,282 | 548,024 | 4,134,306 |
| Due to brokers for unsettled trades | 4,666,581 | - | 4,666,581 |
| Total liabilities | 17,237,100 | 548,024 | 17,785,124 |

Net assets held in trust for pension benefits \$ 1,257,389,512 \$ 190,977,165 \$ 1,448,366,677

GOVERNMENT OF GUAM RETIREMENT FUND

Prior Year Receivables

As of September 30, 2009

Prior Contributions:

| | | | |
|--------------------------------------|-------------------|----------|-------------------|
| GMH & GPSS - PY ER Contributions | \$ 8,135,979 | - | \$ 8,135,979 |
| GMH & GPSS - PY EE Contributions | 3,777,723 | - | 3,777,723 |
| GMH & GPSS - PY Interest & Penalties | - | - | - |
| Total GMH & GPSS | 11,913,702 | - | 11,913,702 |

Prior Year Note Receivable:

| | | | |
|----------------------|---|---|---|
| GMH | - | - | - |
| Less: 100% Allowance | - | - | - |

Other Prior Year Receivables:

| | | | |
|---------------------------------------|-------------------|----------|-------------------|
| Supplemental/COLA benefits receivable | 72,993,528 | - | 72,993,528 |
| ERIP - Employer share | 269,915 | - | 269,915 |
| Supplementals/MDL Advanced: | | | |
| General Fund | 1,972,560 | - | 1,972,560 |
| Guam Memorial Hospital | 1,507,004 | - | 1,507,004 |
| Guam Waterworks Authority | 799,281 | - | 799,281 |
| Guam Power Authority | 32,293 | - | 32,293 |
| | <u>77,574,581</u> | <u>-</u> | <u>77,574,581</u> |

Net Prior Year Receivables:

| | | | |
|-----------------------------------|----------------------|----------|----------------------|
| Total Receivables | 89,488,283 | - | 89,488,283 |
| Less: 100% Allowance for GMH Note | - | - | - |
| Net Receivables | \$ 89,488,283 | - | \$ 89,488,283 |

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Changes in Plan Net Assets - Un-Audited

For the Twelve Months Ended September 30, 2009

| | Defined Benefit | Defined Contribution | Total |
|--|--------------------|----------------------|--------------------|
| Investment income: | | | |
| Net appreciation (depreciation) in fair value of investments | \$ 26,346,232 | \$ 8,564,958 | \$ 34,911,190 |
| Interest | 42,191,108 | 969,262 | 43,160,370 |
| Dividends | 10,163,082 | - | 10,163,082 |
| Other investment income | 2,863,192 | 571,747 | 3,434,939 |
| Less investment expenses | 81,563,614 | 10,105,967 | 91,669,581 |
| | 2,762,114 | - | 2,762,114 |
| Net investment income | 78,801,500 | 10,105,967 | 88,907,467 |
| Contributions: | | | |
| Employer | 89,482,900 | 12,174,701 | 101,657,601 |
| Member | 18,583,330 | 12,110,358 | 30,693,688 |
| Total contributions | 108,066,230 | 24,285,059 | 132,351,289 |
| TOTAL ADDITIONS | 186,867,730 | 34,391,026 | 221,258,756 |
| Benefit payments: | | | |
| Age and service annuities | 145,113,609 | - | 145,113,609 |
| Survivor annuities | 18,346,271 | - | 18,346,271 |
| Disability annuities | 8,048,239 | - | 8,048,239 |
| Total benefit payments | 171,508,119 | - | 171,508,119 |
| Refunds to separated employees and withdrawals | 5,898,253 | 6,860,435 | 12,758,688 |
| Interest on refunded contributions | 1,621,049 | - | 1,621,049 |
| Balances transferred to DC plan | 90,393 | (90,393) | - |
| Recovery of bad debt - GMHA | (4,095,893) | - | (4,095,893) |
| Administrative and general expenses | 3,087,766 | 1,626,025 | 4,713,791 |
| TOTAL DEDUCTIONS | 178,109,687 | 8,396,067 | 186,505,754 |
| Net increase (decrease) in plan net assets | 8,758,043 | 25,994,959 | 34,753,002 |
| Net assets held in trust for pension benefits, beginning | 1,248,631,469 | 164,982,206 | 1,413,613,675 |
| Net assets held in trust for pension benefits, ending | \$1,257,389,512 | \$ 190,977,165 | \$ 1,448,366,677 |



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RETIREMENT FUND
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Felix P. Camacho
 Governor

Michael W. Cruz, M.D.
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Paula M. Blas
 Director

October 26, 2009

The Honorable Judith T. Won Pat
 Speaker
 I Mina' Trenta na Liheslaturan Guahan
 155 Hesler Place
 Hagåtña, Guam 96910

Re: *Financial Statements - Quarter Ended September 30, 2009*

Dear Speaker Won Pat:

Please be informed that the Retirement Fund fully intends to submit its Financial Statements for the quarter ended September 30, 2009, but will not be able to do so within the stipulated deadline of Public Law 29-113, Chapter VII, Section 2. We are performing fiscal year-end reconciliations, and anticipate completion of the process by November 10, 2009. The Fund will promptly submit its Financial Statements thereafter, by no later than November 13, 2009. This notice is also provided in "pdf" format on the enclosed diskette, and will be posted on the Fund's website at www.ggrf.com.

Should you have any questions, please contact Ms. Diana T. Bernardo, Controller, at 475-8912.

Sincerely,



Paula M. Blas
 Director

cc: Doris Flores Brooks, Public Auditor

Office of the Speaker
 Judith T. Won Pat, Ed. D.

Date 10/28/09
 Time 10:14
 Received by 28

RECEIVED BY:

**PRINT NAME/DATE
 (GGRF COPY)**

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
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Katherine T.E. Taitano
 Trustee

Wilfred G. Aflague
 Trustee

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