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January 21, 2016

Ms. Paula M. Blas
Director
Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

GASB 68 Schedules by Component Unit - REVISED

Dear Ms. Blas:

As requested, I have prepared revised schedules of net pension liability, pension expense, and deferred inflows/outflows by component unit. These revise the schedules provided on January 14, 2016, by updating the calculation to reflect a revised allocation of DC payroll between the General Fund and the Department of Education for the fiscal year ending September 30, 2013.

These schedules supplement the GASB 67/68 information that we have provided in the GASB 67 and 68 Disclosures as of September 30, 2014 and the Actuarial Valuation reports as of September 30, 2013 and September 30, 2014.

Exhibit 1 – Net Pension Liability/Pension Expense by Component Unit – 9/30/14
Exhibit 2 – Deferred Inflows by Component Unit – 9/30/14
Exhibit 3 – Deferred Outflows by Component Unit – 9/30/14

For Comparative Purposes

Exhibit 4 – Net Pension Liability/Pension Expense by Component Unit – 9/30/13
Exhibit 5 – Deferred Inflows by Component Unit – 9/30/13
Exhibit 6 – Deferred Outflows by Component Unit – 9/30/13

Caveats

The attached schedules are based upon the actuarial valuations as of September 30, 2013 and September 30, 2014 and the GASB 67 and 68 Disclosures as of September 30, 2014, and rely on the data, assumptions, and methods reflected in those reports. All of the caveats and limitations applicable to those reports also apply to this report.

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On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

A handwritten signature in black ink that reads "Richard A. Wright". The signature is written in a cursive style with a large, prominent "R" and "W".

Richard A. Wright, FSA, MAAA
Consulting Actuary

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**EXHIBIT 1. NET PENSION LIABILITY/PENSION EXPENSE BY COMPONENT UNIT
AS OF SEPTEMBER 30, 2014**

GGRF is a single employer plan under GASB 68. For the purpose of allocating the Net Pension Liability among the component units listed below, we have used the ratio of each component unit's expected contribution to the total expected employer contributions. The expected contributions are based upon a contribution rate of 30.03% of defined benefit (DB) payroll and 25.03% of defined contribution (DC) payroll.

GASB 68 permits an employer to report its net pension liability as of a measurement date one year earlier than the net pension liability reported by the plan. The allocation below is as of the current measurement date, which may be reported by the employer in the subsequent fiscal year.

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014 TO BE REPORTED AS OF SEPTEMBER 30, 2015				
Component Unit	Net Pension Liability	Proportionate Share of Pension Expense	Net Amortization from Changes in Proportion/Differences Between Employer Contribs and Proportionate Share	Total Pension Expense
Gov't of Guam General Fund ¹	\$ 429,740,559	\$ 29,247,308	\$ 29,636,525	\$ 58,883,833
Gov't of Guam Retirement Fund	3,749,094	255,156	(264,681)	(9,525)
Guam Community College	29,423,616	2,002,514	(1,497,485)	505,029
Guam Department of Education	362,292,904	24,656,953	(14,329,445)	10,327,508
Guam Econ. Dev. Authority	4,248,957	289,176	(59,715)	229,461
Guam Housing and UR Authority	9,785,625	665,991	(1,146,477)	(480,486)
Guam Housing Corporation	2,948,761	200,687	(164,597)	36,090
Guam Int'l Airport Authority	30,570,481	2,080,568	1,141,482	3,222,050
Guam Legislature	4,762,319	324,114	(433,383)	(109,269)
Guam Memorial Hosp. Authority	107,746,620	7,333,026	(2,520,320)	4,812,706
Guam Power Authority	67,025,973	4,561,658	(5,186,004)	(624,346)
Guam Visitors Bureau	3,826,415	260,418	145,223	405,641
Guam Waterworks Authority	34,047,740	2,317,223	(1,954,340)	362,883
Judiciary of Guam	50,191,914	3,415,964	4,405,232	7,821,196
Port Authority of Guam	37,618,961	2,560,274	(3,403,709)	(843,435)
University of Guam	<u>68,326,815</u>	<u>4,650,191</u>	<u>(4,368,306)</u>	<u>281,885</u>
Total	\$ 1,246,306,754	\$ 84,821,221	\$ 0	\$ 84,821,221

¹ Gov't of Guam General Fund amounts include the following: Attorney General, Mayors' Council of Guam, Department of Chamorro Affairs, KGTF, and Public Auditor.

EXHIBIT 2. DEFERRED INFLOWS BY COMPONENT UNIT AS OF SEPTEMBER 30, 2014

GGRF is a single employer plan under GASB 68. For the purpose of allocating the Net Pension Liability among the component units listed below, we have used the ratio of each component unit's expected contribution to the total expected employer contributions. The expected contributions are based upon a contribution rate of 30.03% of defined benefit (DB) payroll and 25.03% of defined contribution (DC) payroll.

GASB 68 permits an employer to report its net pension liability as of a measurement date one year earlier than the net pension liability reported by the plan. The allocation below is as of the current measurement date, which may be reported by the employer in the subsequent fiscal year.

Component Unit	AS OF SEPTEMBER 30, 2014 TO BE REPORTED AS OF SEPTEMBER 30, 2015			
	Net Difference Between Projected and Actual Earnings	Changes of Assumptions	Changes in Proportion/ Differences Between Employer Contribs and Proportionate Share	Total Deferred Inflows of Resources
Gov't of Guam General Fund	\$ (32,708,128)	\$ 0	\$ 0	\$ (32,708,128)
Gov't of Guam Retirement Fund	(285,349)	0	(132,341)	(417,690)
Guam Community College	(2,239,471)	0	(748,742)	(2,988,213)
Guam Department of Education	(27,574,595)	0	(7,164,722)	(34,739,317)
Guam Econ. Dev. Authority	(323,394)	0	(29,857)	(353,251)
Guam Housing and UR Authority	(744,797)	0	(573,238)	(1,318,035)
Guam Housing Corporation	(224,434)	0	(82,298)	(306,732)
Guam Int'l Airport Authority	(2,326,760)	0	0	(2,326,760)
Guam Legislature	(362,466)	0	(216,692)	(579,158)
Guam Memorial Hosp. Authority	(8,200,739)	0	(1,260,160)	(9,460,899)
Guam Power Authority	(5,101,436)	0	(2,593,002)	(7,694,438)
Guam Visitors Bureau	(291,234)	0	0	(291,234)
Guam Waterworks Authority	(2,591,419)	0	(977,171)	(3,568,590)
Judiciary of Guam	(3,820,173)	0	0	(3,820,173)
Port Authority of Guam	(2,863,229)	0	(1,701,854)	(4,565,083)
University of Guam	<u>(5,200,445)</u>	<u>0</u>	<u>(2,184,154)</u>	<u>(7,384,599)</u>
Total	\$ (94,858,069)	\$ 0	\$ (17,664,231)	\$ (112,522,300)

This work product was prepared solely for the Government of Guam Retirement Fund for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties hire their own actuary or other qualified professional when reviewing this Milliman work product.

EXHIBIT 3. DEFERRED OUTFLOWS BY COMPONENT UNIT AS OF SEPTEMBER 30, 2014

GGRF is a single employer plan under GASB 68. For the purpose of allocating the Net Pension Liability among the component units listed below, we have used the ratio of each component unit's expected contribution to the total expected employer contributions. The expected contributions are based upon a contribution rate of 30.03% of defined benefit (DB) payroll and 25.03% of defined contribution (DC) payroll.

GASB 68 permits an employer to report its net pension liability as of a measurement date one year earlier than the net pension liability reported by the plan. The allocation below is as of the current measurement date, which may be reported by the employer in the subsequent fiscal year.

Component Unit	AS OF SEPTEMBER 30, 2014 TO BE REPORTED AS OF SEPTEMBER 30, 2015			
	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion/ Differences Between Employer Contribs and Proportionate Share	Total Deferred Outflows of Resources
Gov't of Guam General Fund	\$ 3,188,243	\$ 0	\$14,818,264	\$ 18,006,507
Gov't of Guam Retirement Fund	27,815	0	0	27,815
Guam Community College	218,294	0	0	218,294
Guam Department of Education	2,687,849	0	0	2,687,849
Guam Econ. Dev. Authority	31,523	0	0	31,523
Guam Housing and UR Authority	72,600	0	0	72,600
Guam Housing Corporation	21,877	0	0	21,877
Guam Int'l Airport Authority	226,802	0	570,740	797,542
Guam Legislature	35,332	0	0	35,332
Guam Memorial Hosp. Authority	799,372	0	0	799,372
Guam Power Authority	497,265	0	0	497,265
Guam Visitors Bureau	28,388	0	72,611	100,999
Guam Waterworks Authority	252,600	0	0	252,600
Judiciary of Guam	372,374	0	2,202,616	2,574,990
Port Authority of Guam	279,095	0	0	279,095
University of Guam	506,916	0	0	506,916
Total	\$ 9,246,345	0	\$ 17,664,231	\$ 26,910,576

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**EXHIBIT 4. NET PENSION LIABILITY/PENSION EXPENSE BY COMPONENT UNIT
AS OF SEPTEMBER 30, 2013**

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GASB 68 permits an employer to report its net pension liability as of a measurement date one year earlier than the net pension liability reported by the plan. The allocation below is as of the current measurement date, which may be reported by the employer in the subsequent fiscal year.

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 TO BE REPORTED AS OF SEPTEMBER 30, 2014				
Component Unit	Net Pension Liability	Proportionate Share of Pension Expense	Net Amortization from Changes in Proportion/Differences Between Employer Contribs and Proportionate Share	Total Pension Expense
Gov't of Guam General Fund ¹	\$ 404,938,819	\$ 25,840,248	\$ 0	\$ 25,840,248
Gov't of Guam Retirement Fund	4,317,576	275,516	0	275,516
Guam Community College	33,015,503	2,106,809	0	2,106,809
Guam Department of Education	400,356,244	25,547,823	0	25,547,823
Guam Econ. Dev. Authority	4,532,851	289,254	0	289,254
Guam Housing and UR Authority	11,952,878	762,746	0	762,746
Guam Housing Corporation	3,330,515	212,529	0	212,529
Guam Int'l Airport Authority	30,256,332	1,930,739	0	1,930,739
Guam Legislature	5,630,198	359,278	0	359,278
Guam Memorial Hosp. Authority	116,454,796	7,431,297	0	7,431,297
Guam Power Authority	77,870,353	4,969,119	0	4,969,119
Guam Visitors Bureau	3,783,577	241,440	0	241,440
Guam Waterworks Authority	38,536,384	2,459,112	0	2,459,112
Judiciary of Guam	45,879,477	2,927,694	0	2,927,694
Port Authority of Guam	44,444,980	2,836,155	0	2,836,155
University of Guam	<u>78,004,153</u>	<u>4,977,657</u>	<u>0</u>	<u>4,977,657</u>
Total	\$1,303,304,636	\$ 83,167,416	\$ 0	\$ 83,167,416

¹ Gov't of Guam General Fund amounts include the following: Attorney General, Mayors' Council of Guam, Department of Chamorro Affairs, KGTF, and Public Auditor.

EXHIBIT 5. DEFERRED INFLOWS BY COMPONENT UNIT AS OF SEPTEMBER 30, 2013

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Component Unit	AS OF SEPTEMBER 30, 2013 TO BE REPORTED AS OF SEPTEMBER 30, 2014			
	Net Difference Between Projected and Actual Earnings	Changes of Assumptions	Changes in Proportion/ Differences Between Employer Contribs and Proportionate Share	Total Deferred Inflows of Resources
Gov't of Guam General Fund	\$ (24,203,495)	\$ 0	\$ 0	\$ (24,203,495)
Gov't of Guam Retirement Fund	(258,065)	0	0	(258,065)
Guam Community College	(1,973,361)	0	0	(1,973,361)
Guam Department of Education	(23,929,592)	0	0	(23,929,592)
Guam Econ. Dev. Authority	(270,932)	0	0	(270,932)
Guam Housing and UR Authority	(714,432)	0	0	(714,432)
Guam Housing Corporation	(199,067)	0	0	(199,067)
Guam Int'l Airport Authority	(1,808,443)	0	0	(1,808,443)
Guam Legislature	(336,521)	0	0	(336,521)
Guam Memorial Hosp. Authority	(6,960,590)	0	0	(6,960,590)
Guam Power Authority	(4,654,369)	0	0	(4,654,369)
Guam Visitors Bureau	(226,147)	0	0	(226,147)
Guam Waterworks Authority	(2,303,348)	0	0	(2,303,348)
Judiciary of Guam	(2,742,250)	0	0	(2,742,250)
Port Authority of Guam	(2,656,510)	0	0	(2,656,510)
University of Guam	(4,662,366)	0	0	(4,662,366)
Total	\$ (77,899,488)	\$ 0	\$ 0	\$ (77,899,488)

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EXHIBIT 6. DEFERRED OUTFLOWS BY COMPONENT UNIT AS OF SEPTEMBER 30, 2013

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GASB 68 permits an employer to report its net pension liability as of a measurement date one year earlier than the net pension liability reported by the plan. The allocation below is as of the current measurement date, which may be reported by the employer in the subsequent fiscal year.

Component Unit	AS OF SEPTEMBER 30, 2013 TO BE REPORTED AS OF SEPTEMBER 30, 2014			
	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion/ Differences Between Employer Contribs and Proportionate Share	Total Deferred Outflows of Resources
Gov't of Guam General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Gov't of Guam Retirement Fund	0	0	0	0
Guam Community College	0	0	0	0
Guam Department of Education	0	0	0	0
Guam Econ. Dev. Authority	0	0	0	0
Guam Housing and UR Authority	0	0	0	0
Guam Housing Corporation	0	0	0	0
Guam Int'l Airport Authority	0	0	0	0
Guam Legislature	0	0	0	0
Guam Memorial Hosp. Authority	0	0	0	0
Guam Power Authority	0	0	0	0
Guam Visitors Bureau	0	0	0	0
Guam Waterworks Authority	0	0	0	0
Judiciary of Guam	0	0	0	0
Port Authority of Guam	0	0	0	0
University of Guam	0	0	0	0
Total	\$ 0	\$ 0	\$ 0	\$ 0

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