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GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
STABILITY · SECURITY · REWARDS

**Felix P. Camacho**  
Governor

**Michael W. Cruz, M.D.**  
Lieutenant Governor

**Paula M. Blas**  
Director

January 31, 2008

The Honorable Edward J.B. Calvo  
Acting Speaker  
I Mina' Bente Nuebi na Liheslaturan Guåhan  
155 Hesler Place  
Hagåtña, Guam 96910

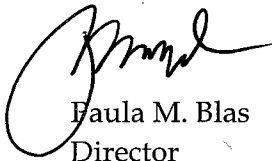
Re: *Financial Statements – Quarter Ended December 31, 2007*

Dear Speaker Calvo:

Submitted in accordance with Public Law 29-19 Chapter VII Section 2, are the Retirement Fund's (the "Fund") financial statements for the quarter ended December 31, 2007. 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](http://www.ggrf.com).

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

Sincerely,

  
Paula M. Blas  
Director

Enclosures

cc: Doris Flores-Brooks, Public Auditor

*Trustees:*

**Joe T. San Agustin**  
Chairman

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

**James J. Taylor, Ph.D.**  
Secretary  
Investment Committee, Vice-Chairman

**Gerard A. Cruz**  
Treasurer  
Audit & Operations Committee,  
Chairman

**George A. Santos**  
Members' & Benefits Committee,  
Chairman

**Katherine T.E. Taitano**  
Trustee

**Antolina S. Leon Guerrero**  
Trustee

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Plan Net Assets - UnAudited

As of December 31, 2007

	Defined Benefit	Defined Contribution	Total
<b>ASSETS</b>			
<b>Investments, at fair value:</b>			
Common stocks	\$ 694,409,714	\$ -	\$ 694,409,714
U.S. Government securities	290,162,300	-	290,162,300
Corporate bonds and notes	221,173,887	-	221,173,887
Mutual funds	137,440,471	170,212,148	307,652,619
Money market funds	38,644,725	-	38,644,725
DC plan forfeitures	-	6,125,852	6,125,852
<b>Total investments</b>	<b>1,381,831,097</b>	<b>176,338,000</b>	<b>1,558,169,097</b>
<b>Receivables:</b>			
Net Prior Year Receivables	116,826,752	-	116,826,752
Notes Receivable - employee service credits	3,200,847	-	3,200,847
Notes Receivable - ERIP employee share	8,045,274	-	8,045,274
Current Year Contributions	89,113	1,683	90,796
Other receivables	827,868	17,923	845,791
Due from brokers for unsettled trades	-	-	-
Accrued interest and dividends on investments	697,255	-	697,255
<b>Total receivables</b>	<b>129,687,109</b>	<b>19,606</b>	<b>129,706,715</b>
<b>Cash and cash equivalents</b>	<b>1,314,764</b>	<b>2,816,947</b>	<b>4,131,711</b>
<b>Property and equipment</b>	<b>1,063,177</b>	<b>-</b>	<b>1,063,177</b>
<b>Total assets</b>	<b>1,513,896,147</b>	<b>179,174,553</b>	<b>1,693,070,700</b>
<b>LIABILITIES</b>			
Deferred revenue for service credits	15,718,447	-	15,718,447
Accounts payable and accrued expenses	1,930,171	223,101	2,153,272
Due to brokers for unsettled trades	6,974,634	-	6,974,634
<b>Total liabilities</b>	<b>24,623,252</b>	<b>223,101</b>	<b>24,846,353</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 1,489,272,895</b>	<b>\$ 178,951,452</b>	<b>\$ 1,668,224,347</b>

GOVERNMENT OF GUAM RETIREMENT FUND

Prior Year Receivables

As of December 31, 2007

	Defined Benefit	Defined Contribution	Total
<b>Prior Contributions:</b>			
GMH & GPSS - PY ER Contributions	\$ 11,653,481	-	\$ 11,653,481
GMH & GPSS - PY EE Contributions	\$ 5,285,623	-	5,285,623
GMH & GPSS - PY Interest & Penalties	\$ 8,040,748	-	8,040,748
<b>Total GMH &amp; GPSS</b>	<b>24,979,852</b>	<b>-</b>	<b>24,979,852</b>
<b>Prior Year Note Receivable:</b>			
GMH	4,157,338	-	4,157,338
Less: 100% Allowance	(4,157,338)	-	(4,157,338)
	-	-	-
<b>Other Prior Year Receivables:</b>			
Supplemental/COLA benefits receivable	83,028,774	-	83,028,774
ERIP - Employer share	4,472,325	-	4,472,325
<b>Supplementals/MDL Advanced:</b>			
General Fund	1,980,068	-	1,980,068
Guam Memorial Hospital	1,507,004	-	1,507,004
Guam Waterworks Authority	814,434	-	814,434
Guam Power Authority	44,294	-	44,294
	91,846,900	-	91,846,900
<b>Net Prior Year Receivables:</b>			
<b>Total Receivables</b>	<b>120,984,090</b>	<b>-</b>	<b>120,984,090</b>
Less: 100% Allowance for GMH Note	(4,157,338)	-	(4,157,338)
<b>Net Receivables</b>	<b>116,826,752</b>	<b>-</b>	<b>116,826,752</b>

**GOVERNMENT OF GUAM RETIREMENT FUND**

**Statement of Changes in Plan Net Assets - UnAudited**

**For the three months Ended December 31, 2007**

	Defined Benefit	Defined Contribution	Total
<b>Investment income:</b>			
Net appreciation in fair value of investments	\$ (14,096,114)	\$ (6,446,050)	\$ (20,542,164)
Interest	7,883,526	4,654,358	12,537,884
Dividends	1,919,666	-	1,919,666
Other investment income	791,745	105,270	897,015
	(3,501,177)	(1,686,422)	(5,187,599)
Less investment expenses	909,253	-	909,253
<b>Net investment income</b>	<b>(4,410,430)</b>	<b>(1,686,422)</b>	<b>(6,096,852)</b>
<b>Contributions:</b>			
Employer	18,391,909	2,013,991	20,405,900
Member	3,739,507	2,008,558	5,748,065
<b>Total contributions</b>	<b>22,131,416</b>	<b>4,022,549</b>	<b>26,153,965</b>
<b>TOTAL ADDITIONS</b>	<b>17,720,986</b>	<b>2,336,127</b>	<b>20,057,113</b>
<b>Benefit payments:</b>			
Age and service annuities	35,758,986	-	35,758,986
Survivor annuities	4,193,639	-	4,193,639
Disability annuities	2,075,907	-	2,075,907
<b>Total benefit payments</b>	<b>42,028,532</b>	<b>-</b>	<b>42,028,532</b>
<b>Refunds to separated employees and withdrawals</b>	<b>822,292</b>	<b>2,357,867</b>	<b>3,180,159</b>
<b>Interest on refunded contributions</b>	<b>223,910</b>	<b>-</b>	<b>223,910</b>
<b>Balances transferred to DC plan</b>	<b>3,088</b>	<b>(3,088)</b>	<b>-</b>
<b>Recovery of bad debt - GMHA</b>	<b>48,281</b>	<b>-</b>	<b>48,281</b>
<b>Administrative and general expenses</b>	<b>794,610</b>	<b>80,851</b>	<b>875,461</b>
<b>TOTAL DEDUCTIONS</b>	<b>43,920,713</b>	<b>2,435,630</b>	<b>46,356,343</b>
Net increase in plan net assets	(26,199,727)	(99,503)	(26,299,230)
Net assets held in trust for pension benefits, beginning	1,515,472,622	179,050,955	1,694,523,577
Net assets held in trust for pension benefits, ending	<b>\$ 1,489,272,895</b>	<b>\$ 178,951,452</b>	<b>\$ 1,668,224,347</b>