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GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

July 29, 2008

Paula M. Blas
Director

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

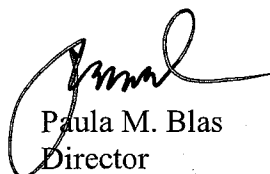
Re: Financial Statements – Quarter Ended June 30, 2008

Dear Speaker Won Pat:

Submitted in accordance with Public Law 28-150:V:4, is the Retirement Fund's (the "Fund") financial statements for the quarter ended June 30, 2008. 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 our Controller, Ms. Diana T. Bernardo at 475-8912.

Sincerely,


Paula M. Blas
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

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 June 30, 2008

	Defined Benefit	Defined Contribution	Total
ASSETS			
Investments, at fair value:			
Common stocks	\$ 655,873,186	\$ -	\$ 655,873,186
U.S. Government securities	264,959,993	-	264,959,993
Corporate bonds and notes	231,451,527	-	231,451,527
Mutual funds	137,017,121	166,310,740	303,327,861
Money market funds	36,565,237	-	36,565,237
DC plan forfeitures	-	5,521,297	5,521,297
Total investments	1,325,867,064	171,832,037	1,497,699,101
Receivables:			
Net Prior Year Receivables	117,503,049	-	117,503,049
Notes Receivable - employee service credits	3,062,289	-	3,062,289
Notes Receivable - ERIP employee share	7,586,921	-	7,586,921
Current Year Contributions	102,114	1,640	103,754
Other receivables	817,374	207,418	1,024,792
Due from brokers for unsettled trades	14,307,385	-	14,307,385
Accrued interest and dividends on investments	441,979	-	441,979
Total receivables	143,821,111	209,058	144,030,169
Cash and cash equivalents	1,485,171	3,406,502	4,891,673
Property and equipment	1,045,648	-	1,045,648
Total assets	1,472,218,994	175,447,597	1,647,666,591
LIABILITIES			
Deferred revenue for service credits	15,121,535	-	15,121,535
Accounts payable and accrued expenses	1,099,918	194,463	1,294,381
Due to brokers for unsettled trades	19,565,443	-	19,565,443
Total liabilities	35,786,896	194,463	35,981,359
Net assets held in trust for pension benefits	\$ 1,436,432,098	\$ 175,253,134	\$ 1,611,685,232

GOVERNMENT OF GUAM RETIREMENT FUND

Prior Year Receivables

As of June 30, 2008

	Defined Benefit	Defined Contribution	Total
Prior Contributions:			
GMH & GPSS - PY ER Contributions	\$ 11,269,260	-	\$ 11,269,260
GMH & GPSS - PY EE Contributions	5,114,281	-	5,114,281
GMH & GPSS - PY Interest & Penalties	9,272,608	-	9,272,608
Total GMH & GPSS	25,656,149	-	25,656,149
Prior Year Note Receivable:			
GMH	4,118,870	-	4,118,870
Less: 100% Allowance	(4,118,870)	-	(4,118,870)
	-	-	-
Other Prior Year Receivables:			
Supplemental/COLA benefits receivable	83,028,774	-	83,028,774
ERIP - Employer share	4,472,325	-	4,472,325
Supplementals/MDL Advanced:			
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
Net Prior Year Receivables:			
Total Receivables	121,621,919	-	121,621,919
Less: 100% Allowance for GMH Note	(4,118,870)	-	(4,118,870)
Net Receivables	\$ 117,503,049	-	\$ 117,503,049

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Changes in Plan Net Assets - UnAudited

For the nine months ended June 30, 2008

	Defined Benefit	Defined Contribution	Total
Investment income:			
Net appreciation in fair value of investments	\$ (54,818,105)	\$ (18,363,199)	\$ (73,181,304)
Interest	26,693,913	5,881,478	32,575,391
Dividends	8,355,615	-	8,355,615
Other investment income	2,028,303	263,217	2,291,520
	<u>(17,740,274)</u>	<u>(12,218,504)</u>	<u>(29,958,778)</u>
Less investment expenses	1,921,811	-	1,921,811
Net investment income	<u>(19,662,085)</u>	<u>(12,218,504)</u>	<u>(31,880,589)</u>
Contributions:			
Employer	61,944,927	7,895,395	69,840,322
Member	12,895,171	7,825,295	20,720,466
Total contributions	<u>74,840,098</u>	<u>15,720,689</u>	<u>90,560,787</u>
TOTAL ADDITIONS	<u>55,178,013</u>	<u>3,502,185</u>	<u>58,680,198</u>
Benefit payments:			
Age and service annuities	107,491,381	-	107,491,381
Survivor annuities	12,667,833	-	12,667,833
Disability annuities	6,184,983	-	6,184,983
Total benefit payments	<u>126,344,197</u>	<u>-</u>	<u>126,344,197</u>
Refunds to separated employees and withdrawals	3,854,883	7,104,362	10,959,245
Interest on refunded contributions	1,428,607	-	1,428,607
Balances transferred to DC plan	11,946	(11,946)	-
Recovery of bad debt - GMHA	86,749	-	86,749
Administrative and general expenses	<u>2,492,155</u>	<u>207,590</u>	<u>2,699,745</u>
TOTAL DEDUCTIONS	<u>134,218,537</u>	<u>7,300,006</u>	<u>141,518,543</u>
Net increase (decrease) in plan net assets	(79,040,524)	(3,797,821)	(82,838,345)
Net assets held in trust for pension benefits, beginning	<u>1,515,472,622</u>	<u>179,050,955</u>	<u>1,694,523,577</u>
Net assets held in trust for pension benefits, ending	<u>\$ 1,436,432,098</u>	<u>\$ 175,253,134</u>	<u>\$ 1,611,685,232</u>