



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

October 31, 2008

Paula M. Blas
Director

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

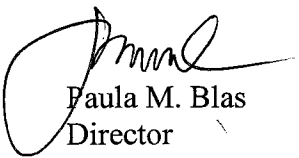
Re: *Financial Statements – Quarter Ended September 30, 2008*

Dear Speaker Won Pat:

Submitted in accordance with Public Law 29-19, Chapter VII, Section 2, is the Retirement Fund's (the "Fund") financial statements for the quarter ended September 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 September 30, 2008

	Defined Benefit	Defined Contribution	Total
ASSETS			
Investments, at fair value:			
Common stocks	\$ 531,049,327	\$ -	\$ 531,049,327
U.S. Government securities	257,225,870	-	257,225,870
Corporate bonds and notes	206,308,433	-	206,308,433
Mutual funds	95,152,521	156,079,691	251,232,212
Money market funds	36,492,501	-	36,492,501
DC plan forfeitures	-	5,722,746	5,722,746
Total investments	<u>1,126,228,652</u>	<u>161,802,437</u>	<u>1,288,031,089</u>
Receivables:			
Net Prior Year Receivables	117,690,153	-	117,690,153
Notes Receivable - employee service credits	2,909,255	-	2,909,255
Notes Receivable - ERIP employee share	7,191,036	-	7,191,036
Current Year Contributions	3,784,297	905,025	4,689,322
Other receivables	2,586,310	556,903	3,143,213
Due from brokers for unsettled trades	850,640	-	850,640
Accrued interest and dividends on investments	5,249,384	-	5,249,384
Total receivables	<u>140,261,074</u>	<u>1,461,928</u>	<u>141,723,002</u>
Cash and cash equivalents	<u>3,811,058</u>	<u>3,556,310</u>	<u>7,367,368</u>
Property and equipment	<u>1,040,036</u>	<u>-</u>	<u>1,040,036</u>
Total assets	<u>1,271,340,820</u>	<u>166,820,675</u>	<u>1,438,161,495</u>
LIABILITIES			
Deferred revenue for service credits	14,572,616	-	14,572,616
Accounts payable and accrued expenses	1,235,873	225,935	1,461,808
Due to brokers for unsettled trades	2,135,989	-	2,135,989
Total liabilities	<u>17,944,478</u>	<u>225,935</u>	<u>18,170,413</u>
Net assets held in trust for pension benefits	<u>\$ 1,253,396,342</u>	<u>\$ 166,594,740</u>	<u>\$ 1,419,991,082</u>

GOVERNMENT OF GUAM RETIREMENT FUND

Prior Year Receivables

As of September 30, 2008

	Defined Benefit	Defined Contribution	Total
Prior Contributions:			
GMH & GPSS - PY ER Contributions	\$ 11,106,506	-	\$ 11,106,506
GMH & GPSS - PY EE Contributions	5,041,721	-	5,041,721
GMH & GPSS - PY Interest & Penalties	9,695,026	-	9,695,026
Total GMH & GPSS	<u>25,843,253</u>	<u>-</u>	<u>25,843,253</u>
Prior Year Note Receivable:			
GMH	4,095,893	-	4,095,893
Less: 100% Allowance	(4,095,893)	-	(4,095,893)
	<u>-</u>	<u>-</u>	<u>-</u>
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
	<u>91,846,900</u>	<u>-</u>	<u>91,846,900</u>
Net Prior Year Receivables:			
Total Receivables	121,786,045	-	121,786,045
Less: 100% Allowance for GMH Note	(4,095,893)	-	(4,095,893)
Net Receivables	<u>\$ 117,690,153</u>	<u>-</u>	<u>\$ 117,690,153</u>

GOVERNMENT OF GUAM RETIREMENT FUND

Statement of Changes in Plan Net Assets - UnAudited

For the twelve months ended September 30, 2008

	<u>Defined Benefit</u>	<u>Defined Contribution</u>	<u>Total</u>
Investment income:			
Net appreciation in fair value of investments	\$ (239,920,855)	\$ (31,915,003)	\$ (271,835,858)
Interest	40,064,460	6,114,556	46,179,016
Dividends	11,313,550	-	11,313,550
Other investment income	<u>2,446,046</u>	<u>315,325</u>	<u>2,761,371</u>
	(186,096,799)	(25,485,122)	(211,581,921)
Less investment expenses	<u>3,541,598</u>	<u>-</u>	<u>3,541,598</u>
Net investment income	<u>(189,638,397)</u>	<u>(25,485,122)</u>	<u>(215,123,519)</u>
Contributions:			
Employer	88,159,158	11,433,945	99,593,103
Member	<u>18,404,779</u>	<u>11,395,301</u>	<u>29,800,080</u>
Total contributions	<u>106,563,937</u>	<u>22,829,246</u>	<u>129,393,183</u>
TOTAL ADDITIONS	<u>(83,074,460)</u>	<u>(2,655,876)</u>	<u>(85,730,336)</u>
Benefit payments:			
Age and service annuities	143,290,800	-	143,290,800
Survivor annuities	17,004,992	-	17,004,992
Disability annuities	<u>8,245,070</u>	<u>-</u>	<u>8,245,070</u>
Total benefit payments	168,540,862	-	168,540,862
Refunds to separated employees and withdrawals	4,511,024	9,386,799	13,897,823
Interest on refunded contributions	2,294,600	-	2,294,600
Balances transferred to DC plan	16,088	(11,946)	4,142
Recovery of bad debt - GMHA	97,361	-	97,361
Administrative and general expenses	<u>3,541,885</u>	<u>425,486</u>	<u>3,967,371</u>
TOTAL DEDUCTIONS	<u>179,001,820</u>	<u>9,800,339</u>	<u>188,802,159</u>
Net increase (decrease) in plan net assets	(262,076,280)	(12,456,215)	(274,532,495)
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>\$1,253,396,342</u>	<u>\$ 166,594,740</u>	<u>\$ 1,419,991,082</u>