

February 26, 2021

To the Board of Trustees
Government of Guam Retirement Fund

We have audited the financial statements of Government of Guam Retirement Fund (the Fund) for the year ended September 30, 2020, and have issued our report thereon dated February ___, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our proposal and engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Fund are described in Note 4 to the financial statements. We determined that the Board and management are informed about new accounting pronouncements that must be adopted, as well as any changes in accounting principles that would have a material effect on the financial statements. We noted no transactions entered into by the Fund during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

During the year ended September 30, 2020 the Fund adopted GASB Statement 84 relating to fiduciary activities; GASB Statement 88 relating to certain disclosures related to debt, including direct borrowings and direct placements, and GASB Statement 90 related to majority equity interests. The adoption of these statements did not have a material impact on the Fund's financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

The net pension liability, net OPEB liability and the deferred outflows and inflows related to pensions and other postemployment benefits are based on actuarial valuations. The actuarial valuations include estimates related to return on investment, mortality rates, average remaining service lives, increases in salaries, and administrative expenses. We evaluated the key factors and assumptions used to develop the net pension liability and the deferred outflows and inflows related to pensions and other postemployment benefits in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure on pension liabilities, deferred outflows and deferred inflows related to pensions, all of which include both annuities and other postemployment benefits in Notes 5 and 13 to the financial statements. These disclosures are based on actuarial valuations and include historical information to the extent available subsequent to the adoption of GASB statements 67, 68, 73, 74 and 75.

The financial statement disclosures are neutral consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no significant uncorrected misstatements of the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 26, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Fund's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Fund's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of Government of Guam Retirement Fund and is not intended to be and should not be used by anyone other than these specified parties.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis on pages 4 to 22, the Schedule of Changes in Net Pension Liability on pages 61 and 62, the Schedule of Employer Allocations by Component Unit on pages 63 and 64, the Schedule of Contributions on page 65, the Schedule of Investment Returns on page 66, the Schedule of Changes in Total Other Post Employment Benefits (OPEB) Liability on page 67, the Schedule of Other Post Employment Benefits (OPEB) Liability on page 68, and the Schedule of Employer Contributions (OPEB) on page 69, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental schedules on pages 70 to 75, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Government of Guam Retirement Fund and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bryce A. Comm, P.C.