

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

FELIX P. CAMACHO  
GOVERNOR

BERTHA M. DUENAS  
DIRECTOR

MICHAEL W. CRUZ, M.D.  
LIEUTENANT GOVERNOR

SEP 29 2009

2009 OCT -2 AM 11:33 PM

The Honorable Judith Won Pat  
Speaker  
I Mina' Trenta Na Liheslaturan Guåhan  
Thirtieth Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Attached is the monthly Revenue Tracking Report pursuant to Public Law 29-113, Chapter VII, Section 40. The report includes revenue totals for the months of October 2008 through August 2009.

Pursuant to Title 5 GCS, Chapter 4, Section 4109(f) which states, in part, "...If said Directors determine that projected fiscal year revenues, based on actual revenues collected, are three percent (3%) or more less than revenue projections adopted by the annual Budget Act, I Maga'lahaen Guahan shall submit to the Speaker of I Liheslaturan Guahan a Fiscal Realignment Plan that shall address the revenue disparity. Said Plan may include, but is not limited to, cost containment and austerity measures,....", please find attached copy of BBMR Circular 09-04 dated July 10, 2009, approved by the Governor on the implementation of austerity measures for the balance of the entire fourth (4<sup>th</sup>) quarter to address both potential revenue and spending authority deficiencies. Rest assured that planned expenditures for the balance of the fourth quarter will remain within budget.

Should you have any questions, please do not hesitate to call me.

Sincerely,

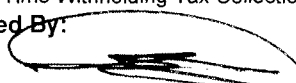
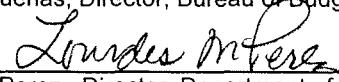
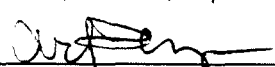
BERTHA M. DUENAS

Enclosures

30-09-1146

Office of the Speaker  
Judith T. Won Pat, Ed. D.

Date 10/1/09  
Time 10:10  
Received by JS

	A	E	F	G	H	I	J	K	L	M
1	<b>Government of Guam</b>									
2	<b>Fiscal Year 2009 Revenue Tracking Report</b>									
3	<b>P.L. 29-113, Chapter VII, Section 40</b>									
4										
5		(1)	(2)	(3)		(4)	(5)	(6)		(7)
6										
7										
8		<b>FY 2009 Adopted Revenue</b>	<b>Oct-August 2008</b>	<b>Oct-August 2009</b>		<b>Year To Date Variance</b>	<b>Baseline Tracking</b>	<b>Revenue Adjustments</b>		<b>Adjusted Tracking</b>
9	<b>Tax Categories</b>	<b>(P.L. 29-113)</b>	<b>Revenue Stmt</b>	<b>Revenue Stmt</b>		<b>(3-2)</b>	<b>Net of Adjustments</b>			<b>(5+6)</b>
10	<b>Income Taxes</b>									
11	Individual	77,505,105	66,536,663	64,151,160	-3.59%	(2,385,503)	59,224,998	10,224,379	1/	69,449,377
12	Corporation	104,039,979	85,329,487	79,263,211	-7.11%	(6,066,276)	96,824,366			96,824,366
13	Wholding, Interest & Penalties	174,329,231	157,764,300	174,916,991	10.87%	17,152,691	181,001,732	8,986,023	2/	189,987,755
14	Provision for refunds	(88,600,000)	(70,086,196)	(81,093,299)	15.71%	(11,007,103)	(88,600,000)	0		(88,600,000)
15	<b>Total Income Taxes</b>	<b>267,274,315</b>	<b>239,544,254</b>	<b>237,238,063</b>	<b>-0.96%</b>	<b>(2,306,191)</b>	<b>248,451,096</b>	<b>19,210,402</b>		<b>267,661,497</b>
16										
17	<b>Business Privilege Taxes</b>									
18	Gross Receipt Taxes	196,131,262	167,954,421	169,331,901	0.82%	1,377,480	184,886,990	0		184,886,990
19	Other Taxes	1,468,543	2,993,312	3,475,800	16.12%	482,488	3,577,651	0		3,577,651
20	<b>Total Bus Priv Taxes</b>	<b>197,599,805</b>	<b>170,947,733</b>	<b>172,807,701</b>	<b>1.09%</b>	<b>1,859,968</b>	<b>188,464,641</b>	<b>0</b>		<b>188,464,641</b>
21										
22	<b>Total Licenses, Fees, &amp; Permits</b>	<b>3,248,507</b>	<b>4,436,927</b>	<b>4,335,214</b>	<b>-2.29%</b>	<b>(101,713)</b>	<b>4,493,158</b>	<b>0</b>		<b>4,493,158</b>
23										
24	<b>Total Use of Money &amp; Property</b>	<b>3,293,486</b>	<b>703,659</b>	<b>560,511</b>	<b>-20.34%</b>	<b>(143,148)</b>	<b>1,190,607</b>	<b>0</b>		<b>1,190,607</b>
25										
26	<b>Total Federal Sources</b>	<b>48,351,222</b>	<b>39,720,518</b>	<b>37,231,352</b>	<b>-6.27%</b>	<b>(2,489,166)</b>	<b>40,541,938</b>	<b>0</b>		<b>40,541,938</b>
27										
28	<b>Total Department Charges</b>	<b>954,462</b>	<b>1,182,525</b>	<b>1,425,820</b>	<b>20.57%</b>	<b>243,295</b>	<b>1,587,864</b>	<b>0</b>		<b>1,587,864</b>
29										
30	<b>TOTAL GENERAL FUND</b>	<b>520,721,797</b>	<b>456,535,616</b>	<b>453,598,661</b>	<b>-0.64%</b>	<b>(2,936,955)</b>	<b>484,729,303</b>	<b>19,210,402</b>		<b>503,939,705</b>
31										
32	<b>FOOTNOTES:</b>									
33										
34	1/ Adjusted for Additional Child Tax Credit.									
35	2/ One-Time Withholding Tax Collections for COLA Bond Proceed									
36	<b>Certified By:</b>									
37										
38										
39	Bertha Duenas, Director, Bureau of Budget and Management Research									
40										
41										
42	Lourdes Perez, Director, Department of Administration									
43										
44										
45	Artemio B. Illagan, Director, Department of Revenue & Taxation									

Tracking vs Adopted Revenues

-3.22%

SEP 29 2009

10-1-2009

10-1-09

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July 10, 2009

## BBMR CIRCULAR 09-04

To: All Executive (Line) Department and Agency Heads  
From: Director, Bureau of Budget and Management Research  
Subject: Austerity Measures

*Hafa Adai.* As you know, the 4<sup>th</sup> quarter of the fiscal year is upon us and government resources continue to be challenged, primarily due to the \$8 million budget reduction imposed by the Budget Act (P.L. 29-113). In light of these lingering constraints, the Bureau recently completed a government-wide assessment to ensure critical needs are met for the balance of the fiscal year **within budget**.

The findings of the review indicate there is insufficient budgetary authority for full support of baseline needs; therefore, strict austerity measures in the remaining months of the fiscal year must be imposed. Effective immediately and for the duration of the 4<sup>th</sup> quarter, allotments will be provided only for payroll (regular and critical overtime), utilities, and fixed obligations. All other needs will be considered on a case by case basis and must be justified as a threat to health and safety.

In addition, all Special Fund sources will be maximized to cover for potential department shortfalls to the extent allowed by respective enabling legislation.

Please have your designated agency POC contact your assigned Budget Analyst for details on revised allotments affecting your agency for the 4<sup>th</sup> quarter as a result of these austerity measures.

Your cooperation and understanding is appreciated.

Bertha M. Duenas

APPROVED BY:

Felix P. Camacho, Governor of Guam

Date: 10 July 2009

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Government of ...  
Combined Comparative Statement Of Revenues  
General Fund  
August 31, 2009 & 2008

	For the Months			Year-To-Date		
	August, 2009	August, 2008	Increase (Decrease)	Fiscal Year 2009	Fiscal Year 2008	Increase (Decrease)
Income taxes:						
Individual	\$1,678,470	\$1,856,381	(\$177,911)	\$64,151,160	\$66,536,663	(\$2,385,503)
Corporation	2,130,236	656,426	1,473,811	79,263,211	85,329,487	(6,066,276)
Withholding	13,592,733	12,680,075	912,658	160,715,587	153,962,492	6,753,095
Withholding - COLA	1,867	2,270	(403)	8,996,939	215,570	8,781,368
Interest & penalties	593,884	190,183	403,701	5,204,465	3,586,238	1,618,226
Provision for refunds	(4,417,730)	(3,802,053)	(615,677)	(81,093,299)	(70,086,196)	(11,007,103)
Total Income Taxes	13,579,460	11,583,282	1,996,178	237,238,063	239,544,255	(2,306,192)
Business privilege taxes:						
Gross Receipts Taxes	14,930,601	15,394,423	(463,822)	169,331,901	167,954,421	1,377,480
Other Taxes:						
Admissions tax	238	650	(413)	87,450	39,188	48,263
Use tax	271,619	255,407	16,211	3,388,350	2,954,124	434,226
Total Business Privilege Taxes	15,202,457	15,650,480	(448,023)	172,807,701	170,947,733	1,859,968
Total Licenses, Fees & Permits	196,136	308,075	(111,938)	4,335,214	4,436,927	(101,713)
Total Use of Money & Property	29,725	67,120	(37,396)	560,511	703,659	(143,148)
Federal Sources:						
Section 30	3,239,114	3,352,102	(112,988)	35,630,258	36,873,126	(1,242,869)
Immigration fees	168,485	110,745	57,740	1,393,245	1,618,346	(225,101)
Indirect cost recovery	9,054	204,529	(195,474)	207,849	1,229,045	(1,021,196)
Total Federal Sources	3,416,654	3,667,376	(250,722)	37,231,352	39,720,518	(2,489,166)
Department Charges:						
Agriculture	130	182	(52)	2,798	2,928	(130)
Police & corrections	0	10	(10)	30	1,207	(1,177)
Public works	56,704	2,030	54,674	131,356	22,613	108,743
Public health	13,430	13,240	190	174,491	149,092	25,398
Commerce	15,116	25,671	(10,555)	244,020	234,613	9,407
Other charges	153,598	133,565	20,033	873,125	772,072	101,053
Total Department Charges	238,977	174,698	64,279	1,425,820	1,182,525	243,295
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$32,663,409</b>	<b>\$31,451,031</b>	<b>\$1,212,377</b>	<b>\$453,598,661</b>	<b>\$456,535,617</b>	<b>(\$2,936,956)</b>

Note:

<sup>1</sup>Revenues are based on a modified accrual basis. During the year, revenues are recognized on a cash basis, but at year end an accrual is made for actual collections relating to prior years taxes 60 days after 09/30. ( In accordance with GASB 33 - Accounting Financial Reporting for non-exchange transactions ). Estimates are recorded for the provision for 2008 Refunds & Section 30 is prorated for 12 months.

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Government of Guam  
Actual Revenues Compared to Original Estimates  
General Fund  
Eleven Months Ended August 31, 2009

	For the Months			Year-To-Date		
	Estimated	Actual	Favorable (Unfavorable)	Estimated	Actual	Favorable (Unfavorable)
Income taxes:						
Individual	\$4,117,454	\$1,678,470	(\$2,438,984)	\$71,693,910	\$64,151,160	(\$7,542,750)
Corporation	1,649,791	2,130,236	480,445	85,170,119	79,263,211	(5,906,908)
Withholding	13,919,859	13,592,733	(327,126)	156,226,721	160,715,587	4,488,866
Withholding - COLA	2,270	1,867	(403)	174,460	8,996,939	8,822,479
Interest & penalties	192,400	593,884	401,484	3,800,955	5,204,465	1,403,510
Provision for refunds	(4,417,730)	(4,417,730)	0	(81,093,299)	(81,093,299)	0
Total Income Taxes	15,464,044	13,579,460	(1,884,584)	235,972,866	237,238,063	1,265,197
Business privilege taxes:						
Gross Receipts Taxes	16,400,757	14,930,601	(1,470,156)	179,267,599	169,331,901	(9,935,698)
Other Taxes:						
Admissions tax	650	238	(413)	39,190	87,450	48,260
Use tax	138,382	271,619	133,237	1,408,224	3,388,350	1,980,126
Total Business Privilege Taxes	16,539,789	15,202,457	(1,337,332)	180,715,013	172,807,701	(7,907,312)
Total Licenses, Fees & Permits	130,094	196,136	66,042	3,134,314	4,335,214	1,200,900
Total Use of Money & Property	27,257	29,725	2,468	1,006,193	560,511	(445,682)
Federal Sources:						
Section 30	3,499,493	3,239,114	(260,379)	38,500,509	35,630,258	(2,870,251)
Immigration fees	209,054	168,485	(40,569)	1,724,343	1,393,245	(331,098)
Indirect cost recovery	684,487	9,054	(675,433)	2,965,374	207,849	(2,757,525)
Total Federal Sources	4,393,034	3,416,654	(976,380)	43,190,226	37,231,352	(5,958,875)
Department Charges:						
Agriculture	119	130	11	2,783	2,798	15
Police & corrections	6	0	(6)	842	30	(812)
Public works	1,332	56,704	55,372	19,413	131,356	111,943
Public health	8,685	13,430	4,745	127,247	174,491	47,244
Commerce	16,839	15,116	(1,723)	206,020	244,020	38,000
Other charges	87,612	153,598	65,986	526,927	873,125	346,198
Total Department Charges	114,593	238,977	124,384	883,232	1,425,820	542,588
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$36,668,811</b>	<b>\$32,663,409</b>	<b>(\$4,005,402)</b>	<b>\$464,901,844</b>	<b>\$453,598,661</b>	<b>(\$11,303,183)</b>

Note:

<sup>1</sup>Revenues are based on a modified accrual basis. During the year, revenues are recognized on a cash basis, but at year end an accrual is made for actual collections relating to prior years taxes 60 days after 09/30. ( In accordance with GASB 33 - Accounting Financial Reporting for non-exchange transactions ). Estimates are recorded for the provision for 2008 Refunds & Section 30 is prorated for 12 months.

Combined Comparative Statement Of Revenues  
General Fund  
July 31, 2009 & 2008

	<u>For the Months</u>			<u>Year-To-Date</u>		
	<u>July, 2009</u>	<u>July, 2008</u>	<u>Increase (Decrease)</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2008</u>	<u>Increase (Decrease)</u>
Income taxes:						
Individual	\$5,076,007	\$3,352,993	\$1,723,014	\$62,472,691	\$64,680,282	(\$2,207,591)
Corporation	3,649,589	10,451,724	(6,802,135)	77,132,975	84,673,062	(7,540,087)
Withholding	11,659,625	11,516,104	143,521	147,122,854	141,282,418	5,840,437
Withholding - COLA	82,292	6,155	76,137	8,995,071	213,300	8,781,771
Interest & penalties	399,208	455,218	(56,009)	4,610,581	3,396,055	1,214,526
Provision for refunds	(8,034,177)	(6,935,060)	(1,099,117)	(76,675,569)	(66,284,143)	(10,391,426)
Total Income Taxes	12,832,545	18,847,133	(6,014,588)	223,658,603	227,960,974	(4,302,370)
Business privilege taxes:						
Gross Receipts Taxes	14,233,228	15,385,980	(1,152,752)	154,401,300	152,559,998	1,841,302
Other Taxes:						
Admissions tax	17,025	16,250	775	87,213	38,538	48,675
Use tax	317,261	294,729	22,532	3,116,731	2,698,717	418,014
Total Business Privilege Taxes	14,567,514	15,696,959	(1,129,445)	157,605,244	155,297,252	2,307,991
Total Licenses, Fees & Permits	642,808	914,274	(271,465)	4,139,077	4,128,852	10,225
Total Use of Money & Property	179,808	173,789	6,019	530,786	636,538	(105,752)
Federal Sources:						
Section 30	3,239,114	3,352,102	(112,988)	32,391,143	33,521,024	(1,129,881)
Immigration fees	5,280	264,555	(259,275)	1,224,760	1,507,601	(282,841)
Indirect cost recovery	174	56,050	(55,876)	198,795	1,024,517	(825,722)
Total Federal Sources	3,244,568	3,672,707	(428,139)	33,814,698	36,053,142	(2,238,444)
Department Charges:						
Agriculture	104	339	(235)	2,668	2,746	(78)
Police & corrections	0	0	0	30	1,197	(1,167)
Public works	41,829	3,785	38,044	74,653	20,583	54,070
Public health	15,685	14,667	1,018	161,061	135,852	25,209
Commerce	31,653	25,507	6,146	228,904	208,942	19,962
Other charges	103,565	117,443	(13,878)	719,527	638,507	81,021
Total Department Charges	192,836	161,741	31,095	1,186,843	1,007,827	179,016
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$31,660,080</b>	<b>\$39,466,604</b>	<b>(\$7,806,524)</b>	<b>\$420,935,252</b>	<b>\$425,084,585</b>	<b>(\$4,149,333)</b>

Note:

<sup>1</sup>Revenues are based on a modified accrual basis. During the year, revenues are recognized on a cash basis, but at year end an accrual is made for actual collections relating to prior years taxes 60 days after 09/30. ( In accordance with GASB 33 - Accounting Financial Reporting for non-exchange transactions ). Estimates are recorded for the provision for 2008 Refunds & Section 30 is prorated for 12 months.

Actual Revenues Compared to Original Estimates  
General Fund  
Ten Months Ended July 31, 2009

	For the Months			Year-To-Date		
	Estimated	Actual	Favorable (Unfavorable)	Estimated	Actual	Favorable (Unfavorable)
Income taxes:						
Individual	\$1,599,595	\$5,076,007	\$3,476,412	\$67,576,456	\$62,472,691	(\$5,103,765)
Corporation	8,035,700	3,649,589	(4,386,111)	83,520,328	77,132,975	(6,387,353)
Withholding	13,431,720	11,659,625	(1,772,095)	142,306,862	147,122,854	4,815,992
Withholding - COLA	6,140	82,292	76,152	172,190	8,995,071	8,822,881
Interest & penalties	461,200	399,208	(61,992)	3,608,555	4,610,581	1,002,026
Provision for refunds	(8,034,177)	(8,034,177)	0	(76,675,569)	(76,675,569)	0
<b>Total Income Taxes</b>	<b>15,500,178</b>	<b>12,832,545</b>	<b>(2,667,633)</b>	<b>220,508,822</b>	<b>223,658,603</b>	<b>3,149,781</b>
Business privilege taxes:						
Gross Receipts Taxes	16,356,478	14,233,228	(2,123,250)	162,866,842	154,401,300	(8,465,542)
Other Taxes:						
Admissions tax	16,250	17,025	775	38,540	87,213	48,673
Use tax	106,503	317,261	210,758	1,269,842	3,116,731	1,846,889
<b>Total Business Privilege Taxes</b>	<b>16,479,231</b>	<b>14,567,514</b>	<b>(1,911,717)</b>	<b>164,175,224</b>	<b>157,605,244</b>	<b>(6,569,980)</b>
<b>Total Licenses, Fees &amp; Permits</b>	<b>611,765</b>	<b>642,808</b>	<b>31,043</b>	<b>3,004,220</b>	<b>4,139,077</b>	<b>1,134,857</b>
<b>Total Use of Money &amp; Property</b>	<b>101,779</b>	<b>179,808</b>	<b>78,029</b>	<b>978,936</b>	<b>530,786</b>	<b>(448,150)</b>
Federal Sources:						
Section 30	3,499,493	3,239,114	(260,379)	35,001,016	32,391,143	(2,609,873)
Immigration fees	169,462	5,280	(164,182)	1,515,289	1,224,760	(290,529)
Indirect cost recovery	56,609	174	(56,435)	2,280,887	198,795	(2,082,092)
<b>Total Federal Sources</b>	<b>3,725,564</b>	<b>3,244,568</b>	<b>(480,996)</b>	<b>38,797,192</b>	<b>33,814,698</b>	<b>(4,982,494)</b>
Department Charges:						
Agriculture	224	104	(120)	2,664	2,668	4
Police & corrections	0	0	0	836	30	(806)
Public works	2,505	41,829	39,324	18,081	74,653	56,572
Public health	9,706	15,685	5,979	118,562	161,061	42,499
Commerce	16,880	31,653	14,773	189,181	228,904	39,723
Other charges	77,533	103,565	26,032	439,315	719,527	280,212
<b>Total Department Charges</b>	<b>106,848</b>	<b>192,836</b>	<b>85,988</b>	<b>768,639</b>	<b>1,186,843</b>	<b>418,204</b>
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$36,525,365</b>	<b>\$31,660,080</b>	<b>(\$4,865,285)</b>	<b>\$428,233,033</b>	<b>\$420,935,252</b>	<b>(\$7,297,781)</b>

Note:

<sup>1</sup>Revenues are based on a modified accrual basis. During the year, revenues are recognized on a cash basis, but at year end an accrual is made for actual collections relating to prior years taxes 60 days after 09/30. ( In accordance with GASB 33 - Accounting Financial Reporting for non-exchange transactions ). Estimates are recorded for the provision for 2008 Refunds & Section 30 is prorated for 12 months.