FOR IMMEDIATE RELEASE - May 19, 2020

GovGuam Deficit Nearly Eliminated

Leon Guerrero-Tenorio Administration Reduces Deficit from $83M to $1.5M

Hagåtña, Guam - Unaudited financial statements for the year ended September 30, 2020, show that the government reports a surplus of $46,287,261 in its General Fund, reducing the accumulated deficit to $1,573,682 or 0.2% of reported revenues. The General Fund is the primary operating fund of GovGuam. It is used to account for all governmental transactions, except those required to be accounted for in another fund.

"As I stated in my first year in office, our island was in a period of transition. Whatever conditions our administration inherited, we promised to move forward. To almost completely eliminate the deficit of over $83 million is a direct result of our commitment to fiscal discipline," said Governor Lou Leon Guerrero. "Even through a pandemic and a devastating economic landscape that shut down our tourism industry, we continue to stabilize our finances and sustain our island with the support of federal and local dollars. Now, we continue to push forward in our pledge—to protect our people, to restore our economy, and to improve the quality of life for all those who call Guam home."

Lt. Governor Josh Tenorio added, "When Governor Lou and I came into office, one of the very first things we did was assess our finances, and alleviating our debt burden became one of our top priorities. We made it clear that paying our bills timely was critical to not only our financial credibility but our overall stability. Fiscal discipline will continue to be a hallmark of our administration."

Bureau of Budget and Management Research Director Lester Carlson added, "The deficit of over $83 million didn't accumulate overnight, and the Leon Guerrero-Tenorio Administration has now done the unprecedented by nearly erasing that deficit in just two years *without* borrowing and in the middle of the worst public health and economic crisis of the century."

Director of Administration Edward Birn stated, "The elimination of a deficit indicates prudent financial management and it sets the tone for what to expect in the future now that we have established our credibility. Experts who have reviewed our financial statements have expressed growing confidence in the management quality and experience of the Leon Guerrero-Tenorio administration."

The recent successful BPT Bond refinancing, which will achieve debt service savings of $63.4 million and the upgrade of Moody's rating to "stable" from "negative," are both attributable to this reported improvement in financial performance and careful financial management.

These results for the General Fund will be reported in the Basic Financial Statements for the year ended September 30, 2020, together with the results of other funds, which incorporate the results of all Government operations. When the audit has been completed and has been released by the Public Auditor, these Basic Financial Statements, which include the results of component units, are considered the definitive financial statements of the Government.

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