



Revenue Update Government of Guam

June 13, 2005

Economic Outlook

- Expected Visitor arrivals to increase to 1.3 million in FY2005 and 1.5 million in FY2006
- Projected increase of 180,000 Visitor Arrivals from 2004 to 2005 or 16% increase.
- Projected increase of Visitor Arrivals of 15.4% and 13.3% from 2005 to 2006 and 2006 to 2007, respectively.
- Employment stable during FY04, increases in the Hotel and Retail Trade employment.
- A 9.7% increase in withholding indicating increase employment from FY 2004 to for FY 2005 (for the same period Oct to May).
- GRT shows a positive trend reflecting levels similar to FY2000 and FY2001 before 9/11 attacks and 2002 typhoons.
- Renovation projects: Hilton Guam Resort & Spa-\$10M; DFS Tumon Galleria - \$20M

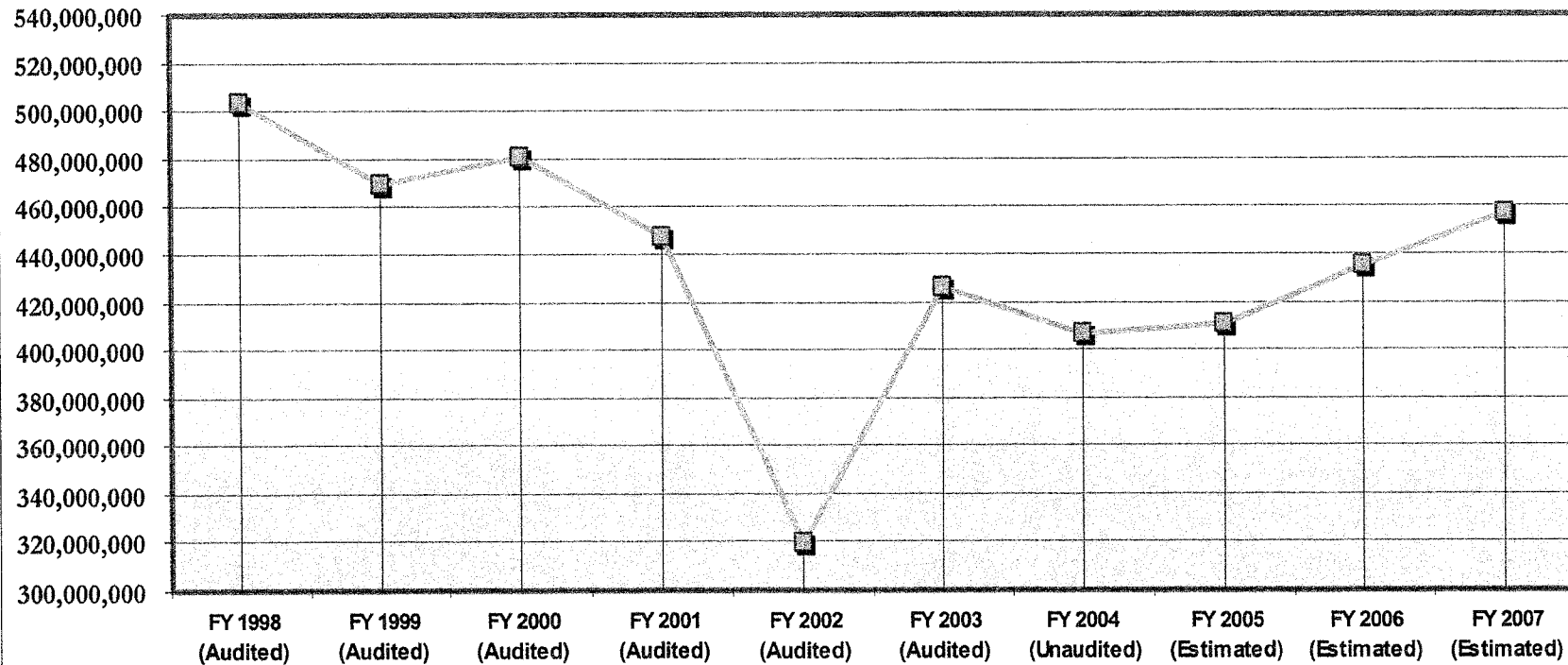
Economic Outlook

- Re-opening of the Dai Ichi Hotel, \$12 - \$15M in renovations
- Tumon Sands Renovation - \$11M
- Guam Power Authority underground power-line projects- \$20M
- \$60M Federally Funded DPW road improvement projects
- Construction of DOE Schools through \$60M Municipal Lease
- Expansion of airport taxiway and airport improvement projects estimating \$102M with projected additional military and civilian personnel of 2400.
- Construction of DOD High School and Elementary School slated for FY05 and FY06 - \$27M

Economic Outlook

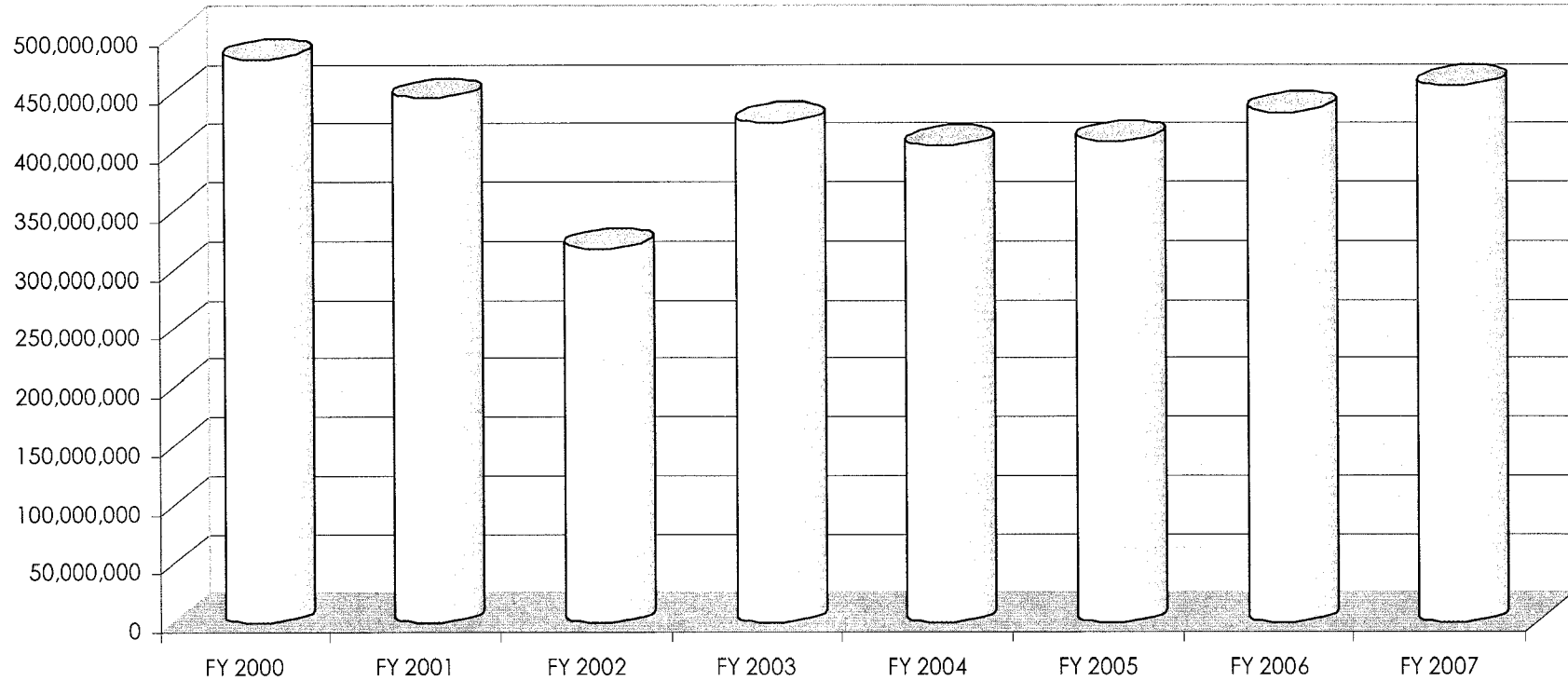
- \$40M Navy contract for environmental impact study
- Construction of AAFB aircraft hangar – \$32M
- \$21M for the Fena Reservoir chlorination system
- New medical/dental clinic at AAFB- \$26M
- Continued recovery of the real estate market

Government of Guam General Fund Revenues and Estimated Revenues Fiscal Years 1998 - 2007



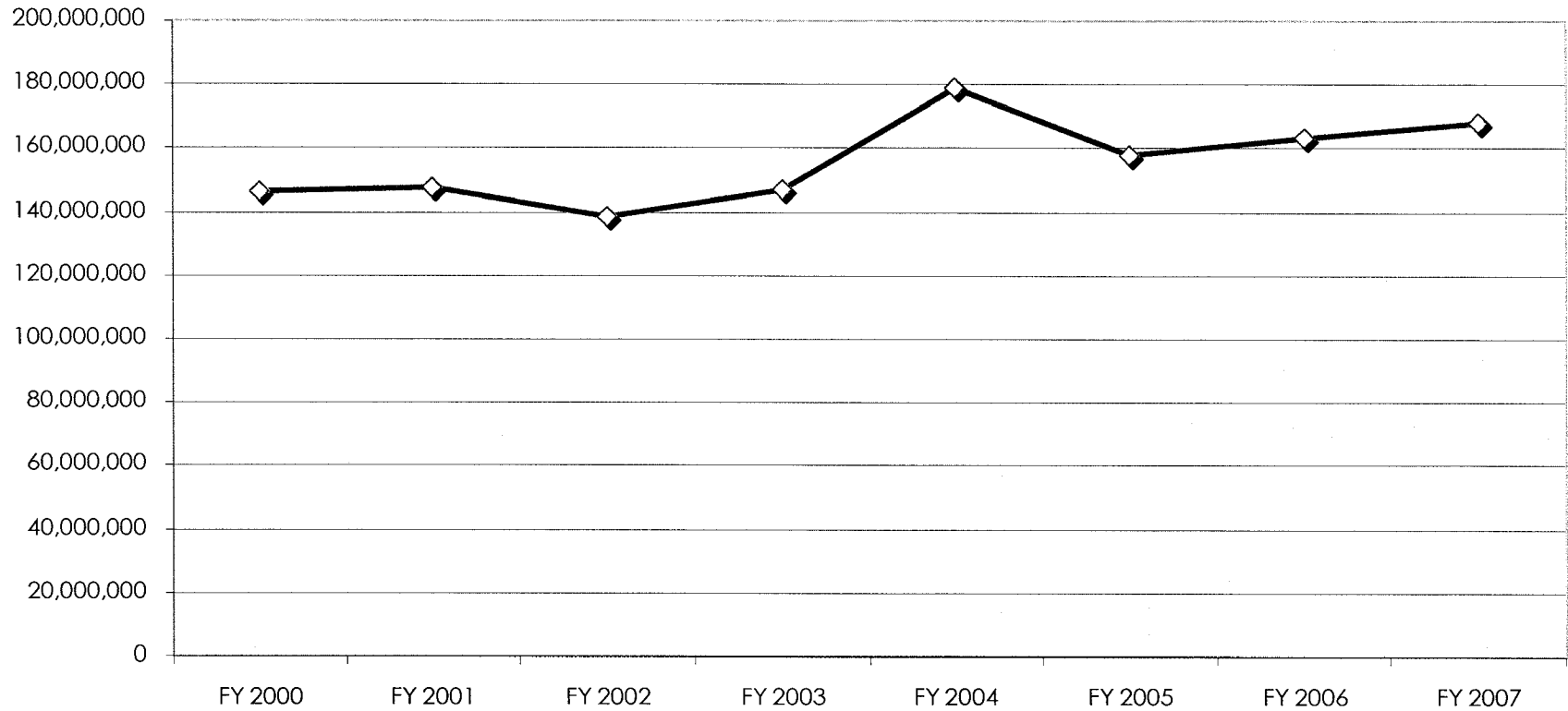
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Audited	Audited	Audited	Audited	Audited	Audited	Unaudited	Estimated	Estimated	Estimated
503,656,899	469,387,825	480,550,428	446,848,219	319,629,279	426,276,454	406,582,309	410,562,377	435,092,898	456,754,708

**Comparative General Fund Revenue and Estimated Revenues
Fiscal Years 2000-2007**



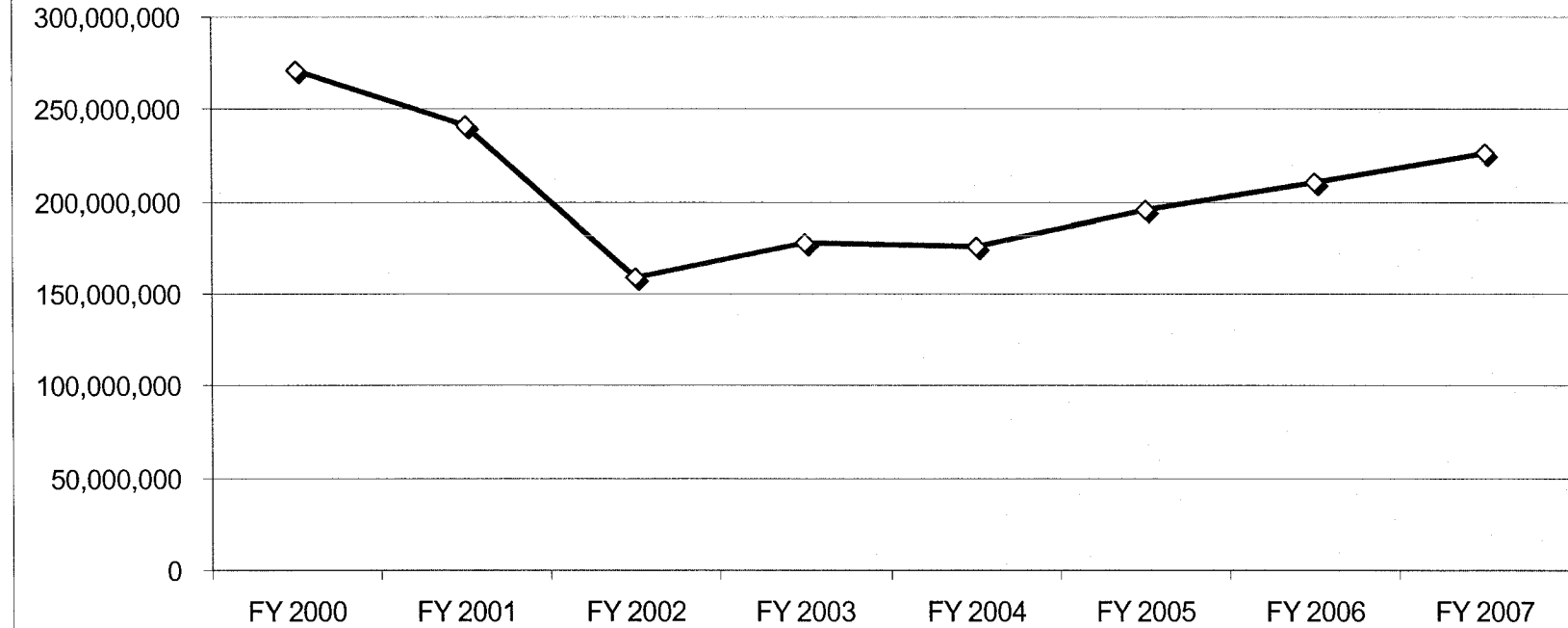
FY 2000 Audited	FY 2001 Audited	FY 2002 Audited	FY 2003 Audited	FY 2004 Unaudited	FY 2005 Estimated	FY 2006 Estimated	FY 2007 Estimated
480,550,428	446,848,219	319,629,279	426,276,454	406,582,309	410,562,377	435,092,898	456,754,708
11,162,603	(33,702,209)	(127,218,940)	106,647,175	(19,694,145)	3,980,068	24,530,521	21,661,810
2%	-7%	-28%	33%	-5%	1%	6%	5%

Comparative Gross Receipts Tax Revenues



FY 2000 Audited	FY 2001 Audited	FY 2002 Audited	FY 2003 Audited	FY 2004 Unaudited	FY 2005 Estimated	FY 2006 Estimated	FY 2007 Estimated
146,488,598	147,514,689	138,684,759	146,767,364	179,167,403	157,978,528	163,114,290	168,308,852
(9,475,078)	1,026,091	(8,875,930)	8,082,605	32,400,039	(21,108,875)	5,135,762	5,194,562
-2%	1%	-6%	6%	22%	-12%	3%	3%

General Fund Income Tax FY 2000-2007 Actual and Estimated Revenues



FY 2000 Audited	FY 2001 Audited	FY 2002 Audited	FY 2003 Audited	FY 2004 Unaudited	FY 2005 Estimated	FY 2006 Estimated	FY 2007 Estimated
271,041,118	241,325,793	159,317,880	177,958,389	176,211,422	195,879,282	210,184,739	226,669,138
20,663,224	(29,715,325)	(83,037,915)	18,640,509	(1,746,967)	19,667,860	14,305,457	16,484,399
8%	-11%	-34%	12%	-1%	11%	7%	8%

FY 2005 Estimated Revenues

Income Tax	\$ 195,879,282
Gross Receipts Tax	157,978,528
Federal Sources	51,291,550
Department Charges/Fees/Use of Money & Property & Other Taxes	5,413,017
Total	\$ 410,562,377

FY 2006 Estimated Revenues

Income Tax	\$ 210,184,739
Gross Receipts Tax	163,114,291
Federal Sources	51,055,201
Department Charges/Fees/Use of Money & Property & Other Taxes	10,738,667
Total	\$ 435,092,898

FY 2007 Estimated Revenues

Income Tax	\$ 226,669,138
Gross Receipts Tax	168,308,852
Federal Sources	51,173,376
Department Charges/Fees/Use of Money & Property & Other Taxes	10,603,342
Total	\$ 456,754,708