Outlook

Messages & Communications Doc. No. 38GL-26-2253 through 2264.

From 38th Committee On Rules <committeeonrules@guamlegislature.gov>
Date Wed 4/29/2026 10:04 AM
To Guam Legislature Clerks <clerks@guamlegislature.gov>
Cc Frank Blas Jr. <speakerblas@guamlegislature.gov>

8 attachments (20 MB)
42926COMM Doc. No. 38GL-26-2253.pdf; 42926COMM Doc. No. 38GL-26-2255.pdf; 42926COMM Doc. No. 38GL-26-2256.pdf; 42926COMM Doc. No. 38GL-26-2260.pdf; 42926COMM Doc. No. 38GL-26-2261.pdf; 42926COMM Doc. No. 38GL-26-2262.pdf; 42926COMM Doc. No. 38GL-26-2263.pdf; 42926COMM Doc. No. 38GL-26-2264.pdf;

Håfa Adai Clerks Office,

Please see attached, **Messages & Communications Doc. No. 38GL-26-2253 through 2264** for processing:

√	**38GL-26-2253**	Office of the Mayor - Municipality of Asan-Maina	FY2026 Appropriated Funds (VOMBS-GF- GEFF) Account for 2nd Quarter*
√	**38GL-26-2254**	Office of Public Accountability - Guam	Government of Guam FY2024 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*
√	**38GL-26-2255**	Guam Housing Corporation	Board Meeting Packet for April 24, 2026*
√	**38GL-26-2256**	Office of the Attorney General	Prior Year Obligations to pay Pacific Drug Testing in the total amount of $7,301.00; to pay ComPacific in the total amount of $2,413.60; to pay GETS Business System in the total amount of $467.50.
√	**38GL-26-2257**	University of Guam	FY2026 2nd Quarter Staffing Pattern.
√	**38GL-26-2258**	Mayors Council of Guam	FY2026 2nd Quarter Staffing Pattern.
√	**38GL-26-2259**	Office of the Mayor - Municipality of Barrigada	FY2026 Appropriated Funds (VOMBS-GF- GEFF) Account for 2nd Quarter*
√	**38GL-26-2260**	Office of the Mayor - Municipality of Barrigada	FY2026 Non-Appropriated Funds Report- 2nd Quarter*
√	**38GL-26-2261**	Guam Solid Waste Authority	Unaudited Revenues and Expenditures Report for the month of March 2026*
√	**38GL-26-2262**	Guam Solid Waste Authority	FY2026 2nd Quarter Travel Report*
√	**38GL-26-2263**	Guam Academy Charter Schools Council	Quarterly Reports of Expenditures for FY2026 2nd Quarter*
√	**38GL-26-2264**	Department of Public Health and Social Services	Prior Year Obligations to pay Paul Mendiola in the total amount of $100.00*

Please retrieve Doc. No. 38GL-26-2254, 2257 thorugh 2259 from link below:

Messages & Communications Physical Scanned Copy - Google Drive

Kindly reply to this email

Si Yu'os ma'åse',

Marie Crisostomo

Committee on Rules Assistant

COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guåhan

38th Guam Legislature

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Messages and Communications 38GL-26-2254*

2 messages

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov> Mon, Apr 27, 2026 at 3:02 PM
To: 38th Committee On Rules <committeeonrules@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>

Håfa Adai,

Please see attached M&C Doc. No. 38GL-26-2254

38GL-26-2254	Office of Public Accountability	Government of Guam FY2024 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*

Si Yu'os Ma'åse'

Bernice Rivera

Administrative Assistant

Office of Speaker Frank F. Blas, Jr.

I Mina'trentai Ocho na Liheslaturan Guåhan 38th Guam Legislature

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---------- Forwarded message ---------
From: **Office of Public Accountability - Guam** <admin@guamopa.com>
Date: Sun, Apr 26, 2026 at 1:16 PM
Subject: Transmittal: Government-Wide FY 2024 Financial Audit
To: Governor of Guam <governor@guam.gov>, Lt. Governor of Guam <joshua.tenorio@guam.gov>, Chris Barnett <malafunkshun@guamlegislature.gov>, Senator Telo T. Taitague <senatortelot@gmail.com>, Shelly Vargas Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, William Parkinson <senator.parkinson@guamlegislature.gov>, Eulogio Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, Senator Sabina F. Perez <office.senatorperez@guamlegislature.gov>, Vincent Borja <vince.borja@guamlegislature.gov>, Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Jesse Lujan <senator.lujan@guamlegislature.gov>, Therese Terlaje <senatorterlajeguam@gmail.com>, Christopher Dueñas <senator.duenas@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>, Joe S. San Agustin <senatorjoessanagustin@gmail.com>, V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>, Office of Senator Frank Blas, Jr. <speakerblas@guamlegislature.gov>
Cc: Benjamin Cruz <bjcruz@guamopa.com>, Joy Esperanza <jesperanza@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Mariella Cruz <mcruz@guamopa.com>

Hafa adai,

The Office of Public Accountability has released the Government of Guam's FY 2024 Financial Highlights, Financial Statements, Report on Compliance, Management Letter, and Letter to Those Charged with Governance. You may visit our website at www.opaguam.org. to download the reports.

Si Yu'os ma'åse'

7 attachments

- **6 - GovGuam FY24 MANAGEMENT LETTER.pdf** 326K
- **4 - GovGuam FY24 COMPLIANCE HIGHLIGHTS.pdf** 93K
- **1 - GovGuam FY24 FINANCIAL STATEMENTS HIGHLIGHTS.pdf** 147K
- **3 - GovGuam FY24 LETTER TO THOSE CHARGED WITH GOVERNANCE.pdf** 5529K
- **2- GovGuam FY24 FINANCIAL STATEMENTS.pdf** 3189K

5 - GovGuam FY24 REPORT ON COMPLIANCE.pdf
5210K

38GL-26-2254.pdf
1096K

38th Committee On Rules <committeeonrules@guamlegislature.gov> Tue, Apr 28, 2026 at 8:35 AM
To: "Speaker Frank Blas Jr." <speakerblas@guamlegislature.gov>

Håfa Adai,

Received, and thank you.

Si Yu'os ma'åse',

Marie Crisostomo

Committee on Rules Assistant

COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guåhan

38th Guam Legislature

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[Quoted text hidden]

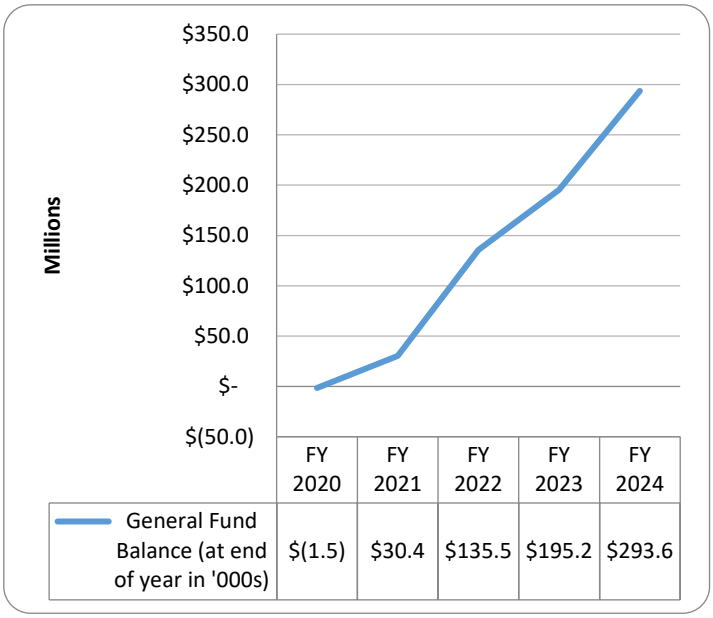
38GL-26-2254
Messages and Communications
RECEIVED
COMMITTEE ON RULES
April 27, 2026
3:02 p.m.
Marie Crisostomo

Financial Highlights
Government of Guam Financial Audit
Fiscal Year 2024

April 26, 2026

The Government of Guam (GovGuam)'s financial statements showed an upward trend in the Primary Government's net position and the General Fund's balance. For Fiscal Year (FY) 2024, the Primary Government's net position ended with a positive change of $121 million (M) and a year-end net position of negative $2.14 billion (B), while the General Fund – GovGuam's primary operating fund – had a surplus of $98.41M that resulted in a fund balance of $293.63M[1]. The Administration cited "maximizing revenues, limiting expenditures, and replacing unfunded current obligations with bonded long-term debt" in contributing towards the improving trend in the fund balance since FY 2021. While financial results improved in FY 2024, GovGuam's net position remains negative, reflecting a reduced cumulative deficit. See Figure 1.

Figure 1: General Fund (Fund Balance) - 5 Year Trend



A commentary on GovGuam's compliance report and management letter is issued separately.

Continued Delay of Audit Issuance Contributes to Practice of Unbalanced Budgeting

As the Guam Financial Management Information System (GFMIS) was deployed in February 2024, the financial statements for FY 2024 were prepared, in part, with information derived from both the legacy AS400 system and the GFMIS. Independent financial auditors Ernst & Young LLP (EY) issued an unmodified or "clean" opinion on GovGuam's financial statements; however, it has been one year and six months since FY 2024 ended on September 30, 2024, and over nine months since the statutory deadline of June 30, 2025. The delay was attributable in part to the late issuance of the FY 2024 financial audit reports for the Guam Department of Education in January 2026; and the shortage of qualified accounting professionals both in GovGuam and at the external auditors. GovGuam has engaged in discussions with EY and the United States (U.S.) Department of Interior to improve audit timeliness – an issue common with most U.S. territories and some states.

[1] Figure 1 reflects the trend in the General Fund balance, while the FY 2024 ending balance of $759M reflects the combined ending fund balance reported for the year.

Due to the delay in audit issuance, the Guam Legislature – tasked with determining annual appropriations for GovGuam each fiscal year – has not had a clear reference for funds available for appropriation. For FY 2024, the Legislature adopted a General Fund revenue level of $909.3M and made its initial appropriations based on that revenue adoption; however, the Guam Legislature passed 12 additional appropriations amounting to $82M without adjusting the FY 2024 adopted revenues, leading to an unbalanced budget for that year. Such appropriations include funding provided for Guam Power Authority power credits under the Prugråman Ayuda Para I Taotao-Ta Energy Credit Program; payment for merit bonuses owed to current and former GovGuam employees of the executive branch line agencies; administrative and operational costs for charter schools and the Guam Academy Charter School Council, and Guam Memorial Hospital Authority (GMHA); and coverage of credit card fees for individuals payors and Cost of Living Allowance payments for retirees through the Department of Administration.

The practice continued for the FY 2025 budget, with an adopted revenue level of $994.8M and subsequent appropriations of $15.3M without a corresponding increase to adopted revenues. From April to December 2025, the Guam Legislature passed four public laws (P.L.), which appropriated $78.60M from the FY 2025 General Fund. Such appropriations comprised largely for funding provided to the University of Guam and GMHA for capital improvement projects and other related purposes.

The Guam Legislature passed P.L. 38-75 in October 2025, which appropriated $13.1M from FY 2025 net unobligated excess revenue to the Department of Public Health and Social Services to fund the Supplemental Nutrition Assistance Program and Women, Infants, and Children program for the month of November in response to the U.S. federal government shutdown. P.L. 38-75 states that the appropriation shall be available until fully expended or until the federal government shutdown ceases and funding for the programs are released, whichever occurs first; however, the Guam Legislature later passed P.L. 38-124 in April 2026 to appropriate $25M to support anticipated emergency response to Typhoon Sinlaku prior to its landfall in Guam, of which $7.1M was earmarked from the remaining unused funds authorized from P.L. 38-75. As of the date of the issuance of the financial statements, GovGuam is unable to reasonably estimate the full financial impact of Typhoon Sinlaku on its future financial statements.

The treatment of subsequent appropriations without a corresponding adjustment to the fund balance, along with the authorization of prior year budgetary lapses without stating the specified amount, will result in an instability in government finances due to the risk of arbitrarily appropriating already appropriated fund balances. This approach is not considered prudent financial practice and is not adopted by the federal or other state governments. The Administration is continuously monitoring budgetary fund allocations to ensure that the net unassigned fund balance of the General Fund does not fall into a deficit.

Increase in Overall Primary Government Revenues

Total revenues for the Primary Government – comprising of program and general revenues derived from taxes and federal assistance – increased by $283.92M from $1.96B in FY 2023 to $2.25B in FY 2024. The increase is primarily due to the reclassification of Medical and Dental Self-Insurance as business-type activities for FY 2024, which resulted in an additional $162.58M in program revenues for the Primary Government which were previously accounted for as separate Funds in FY 2023. Net increases to total revenues of $283.92M were greater than the $78.97M increase in total Primary Government expenses for FY 2024, which contributed to the reduction in the Primary Government activities' negative net position from $2.26B in FY 2023 to $2.14B in FY 2024.

Primary Government program revenues – comprising of Charges for Services and Operating Grants and Contributions for governmental activities – decreased by $34.59M from $932.53M in FY 2023 to $897.94M in FY 2024; however, Primary Government general revenues – comprising of taxes, investment earnings, and other – increased by $155.93M from $1.03B in FY 2023 to $1.19B in FY 2024. Significant changes in the Primary Government's program and general revenues are as follows:

Table 1: Significant Changes in Primary Government Revenues (Program and General)

↓ Decreases	↑ Increases
↓ $45.76M in general government program revenues	↑ $65.77M in Income Tax general revenues
↓ $32.66M in public health program revenues	↑ $65.68M in public education program revenues
↓ $13.58M in economic development program revenues	↑ $43.08M in Gross Receipts Tax (GRT) general revenues
↓ $10.63M in community services program revenues	↑ $39.80M in other general revenues
	↑ $16.69M in individual and collective rights program revenues

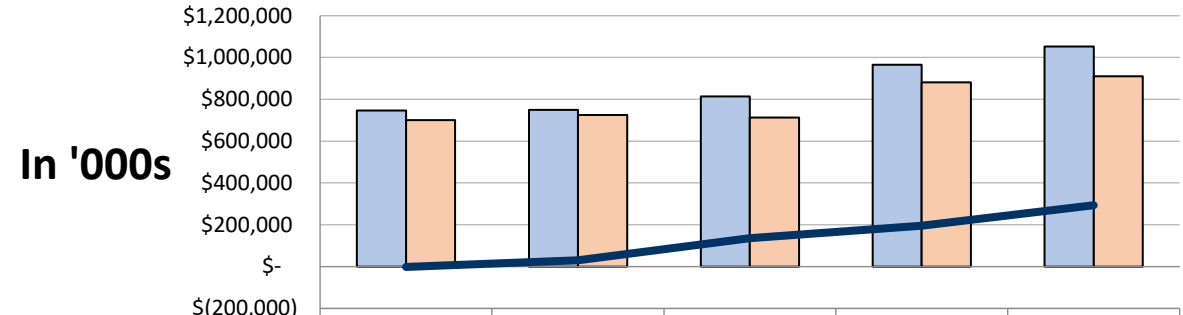
Increase in General Fund Expenditures

Expenditures for the General Fund increased by $29.12M from $881.75M in FY 2023 to $910.87M in FY 2024. Most of the expenditure categories increased, with significant increases in:

- Payments to the GMHA by $38.28M from $26.26M in FY 2023 to $64.54M in FY 2024.
- Principal retirement of debt service by $21.52M from $22.78M in FY 2023 to $44.30M in FY 2024.
- Public Health expenditures by $11.70M from $9.32M in FY 2023 to $21.02M in FY 2024.

Conversely, Public Education expenditures decreased by $50.53M from $225.95M in FY 2023 to $175.42M in FY 2024. The increase in total General Fund expenditures of $29.12M was less than the increase in its total revenues of $87.86M. This contributed to the increase in the General Fund's Change in Fund Balance to $98.41M in FY 2024, compared to $59.76M in FY 2023, and the General Fund's increased ending fund balance for FY 2024 to $293.63M compared to $195.23M in FY 2023. See Figure 2.

Figure 2: General Fund (Revenues and Expenditures) - 5 Year Trend



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Revenues	$747,187	$749,407	$813,967	$964,763	$1,052,519
Total Expenditures	$700,476	$725,047	$713,165	$881,748	$910,873
Fund Balance/(Deficit)	$(1,514)	$30,351	$135,468	$195,226	$293,632

General Fund Actuals More Than Budget

The General Fund Actual Net Change in Fund Balance for FY 2024 was $42.53M or $83.19M more than the final budgeted amount at negative $40.67M. Significant differences between budget and actual amounts were from:

- $80.59M increase in Income Tax, with a $412.47M final budget vs. $493.06M actual.
- $72.81M increase in Gross Receipts, with a $357.50M final budget vs. $430.31M actual.
- $37.48M decrease in Other revenues, with a $68.58M final budget vs. $31.10M actual.
- $34.50M increase in Payments to Component Units for Retiree Healthcare Premiums, with a $39.93M final budget vs. $74.43M actual.
- $21.71M increase in Transfers Out to the GMHA Pharmaceutical Fund, representing the actual amount vs. no budgeted total.

These variances reflect differences between the amounts projected and actual collections and expenditures.

Medical and Dental Self-Insurance Funds

FY 2024 represents the first full year in which GovGuam's Medical and Dental Self-Insurance activities were recorded as a business-type activity (proprietary fund), which affects comparability with prior years and reflects a change in financial reporting presentation. The funds account for the costs of providing services to the employees, retirees and dependents of GovGuam and are intended to be self-sustaining through charges to contributing participants based on the determined rates that cover anticipated claims, administrative costs, and reserves for future claims. Premiums are recognized as revenue in the period for which coverage is provided. Claims and related expenses are recorded when the loss is incurred; including an estimate for claims that have been incurred but not reported.

The Medical and Dental Self-Insurance Funds ended with a combined positive net position of $6.02M for FY 2024. Revenues of $173M came from Charges for Services from beneficiaries and their employer contributions to the plan. The Government spent $10M on dental and $146.6M on medical costs. In July 2025, the OPA initiated a request for proposal for an independent financial audit of the self-insurance plan for FYs 2024, 2025 and 2026.

Decrease in Federal Grants Assistance Fund Revenues

The Federal Grants Assistance Fund – a Special Revenue Fund that accounts for U.S. federal assistance grants and contracts used by GovGuam to finance general governmental operations and provide services – reported an ending fund balance for FY 2024 of $553 thousand (K), which is an increase of $163K from $390K in FY 2023. Intergovernmental revenues decreased by $36.13M from $579.24M in FY 2023 to $543.11M in FY 2024. The decrease in revenues was primarily due to an overall decrease in federal grants as pandemic-era grants started closing out. As federal expenses are the primary driver for revenues, there was a corresponding decrease of $11.32M in expenditures from $592.65M in FY 2023 to $581.33M in FY 2024. Expenditures for Community Services and GMHA payments decreased by $10M each while being offset by a $14M increase in Individual and Collective Rights.

As of September 30, 2024, the Federal Grants Assistance Fund owes the General Fund $87.1M, which is a $28.59M increase from $58.51M in FY 2023. Correspondingly, the General Fund owes the Federal Grants Assistance Fund $6.6M.

Decrease in ARPA Assistance Fund Revenues

The ARPA Assistance Fund – a Special Revenue Fund that accounts for federal assistance grants under the American Rescue Plan Act (ARPA) of 2021 – reported a combined ending fund balance for FY 2024 of $23.97M, an increase of $11.96M from $12.01M in FY 2023. Intergovernmental revenues decreased by $36.90M from $79.19M in FY 2023 to $42.29M in FY 2024. The decrease was due primarily to an overall exhaustion of ARPA grants as the period of performance has started close out. Like the Federal Grants Assistance Fund, federal expenses are the primary driver for revenues. There was a corresponding decrease in ARPA expenditures of $35.87M.

The ARPA funding was to be obligated by December 2024 and must be expended by December 2026. As of September 30, 2024, the ARPA Assistance Fund owes the General Fund $32.30M. This is a $4.7M increase from $27.61M in FY 2023.

A pending legal dispute between the Elected Attorney General (AG) and the Governor of Guam may affect the use of certain federal funds. The AG is suing the Governor to stop the Governor from using over $100M in Federal ARPA funds for a Medical Campus in Mangilao, claiming that it violates the Organic Act of Guam. The Governor argues that the lawsuit jeopardizes federal funds and interferes with her Organic Duty over public welfare. The outcome remains uncertain as of the report date, but could result in over $100M loss of federal funds since the funds cannot be reallocated after December 2024.

Debt Under Ceiling

The Organic Act set the debt ceiling limitation (public indebtedness) of GovGuam not to exceed 10% of the aggregate tax value or assessed value of property in Guam. GovGuam's total debt outstanding that is subject to the debt ceiling was at $881.18M as of September 30, 2024. The ceiling was at $1.40B as of October 30, 2024, when the property assessment was certified.

Increase in Special Revenue Funds Fund Balance

Special Revenue Funds are used to account for specific revenues sources for restricted purposes. The total net change in fund balances for GovGuam's Special Revenue Funds for FY 2024 was $61.42M; however, as of February 2024, there is a projected shortfall in Special Revenue Funds amounts of $23M for FY 2026. There were 13 Special Revenue Funds which had significant changes in their individual fund balances:

Table 2: Excerpt of Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit) - Special Revenue Funds

Statement Line Item	Totals
Total revenues	$246,226,580
Total expenditures	$190,587,008
Excess (deficiency) of revenues over (under) expenditures	$55,639,572
Total other financing sources (uses), net	$5,778,723
Excerpt of select Special Revenue Funds with changes in fund balances (deficit) over $1M	
Ordot Dump Reserve	*$30,715,554*
Territorial Highway	*$9,663,700*
Territorial Educational Facilities	*$8,726,048*
Solid Waste Operations	*$3,169,051*
Guam Ancestral Land Bank	*$2,420,562*
Customs, Agriculture and Quarantine Inspection Services	*$2,231,895*
Workman's Compensation	*$1,825,335*
Guam Invasive Species Inspection Fee	*$1,363,560*
Recycling Revolving	*$1,192,305*
Land Survey Revolving	*($1,136,857)*
Manpower Development	*($1,370,572)*
Enhanced 911 Emergency Reporting System	*($1,696,392)*
Community Health Centers	*($4,037,123)*
Total net change in fund balances (deficit) [all Special Revenue Funds]	$61,418,295
Fund balances (deficit) at beginning of year	$102,279,258
Fund balances (deficit) at end of year	$163,697,553

For more details, please refer to GovGuam's FY 2024 Financial Statements, Reports on Compliance, Management Letter, and The Auditor's Communication With Those Charged With Governance at www.opaguam.org.

Financial Statements, Required Supplementary Information, and Supplementary and Other Information

Government of Guam

Year ended September 30, 2024
with Report of Independent Auditors

Government of Guam

Financial Statements, Required Supplementary Information, and Supplementary and Other Information

Year ended September 30, 2024

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Report of Independent Auditors

Honorable Lourdes A. Leon Guerrero
Governor
Government of Guam

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements as set forth in Section III of the foregoing table of contents (collectively referred to as the "basic financial statements").

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the GovGuam Retirement Fund and the GovGuam Deferred 457 Compensation Plan, which represent 91% and 94%, respectively, of the assets and net position/fund balances of the aggregate remaining fund information as of September 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the GovGuam Retirement Fund and the GovGuam Deferred 457 Compensation Plan, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GovGuam and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GovGuam's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GovGuam's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as set forth in Section II of the foregoing table of contents, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget v Actual - General Fund and notes thereto, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, and the Schedule of Proportionate Share of the Total OPEB Liability as set forth in Section IV of the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with GAAS, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GovGuam's basic financial statements. The information as set forth in Section V of the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information as set forth in Section VI of the foregoing table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026, on our consideration of GovGuam's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GovGuam's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GovGuam's internal control over financial reporting and compliance.

Ernst + Young LLP

April 23, 2026

Introduction

Our discussion and analysis of the Government of Guam (GovGuam) financial performance provides an overview on the background and history of GovGuam's financial activities and details for the fiscal year ended September 30, 2024. Please read it in conjunction with GovGuam's financial statements, which follow this section. Fiscal year 2023 comparative information has been included, where appropriate.

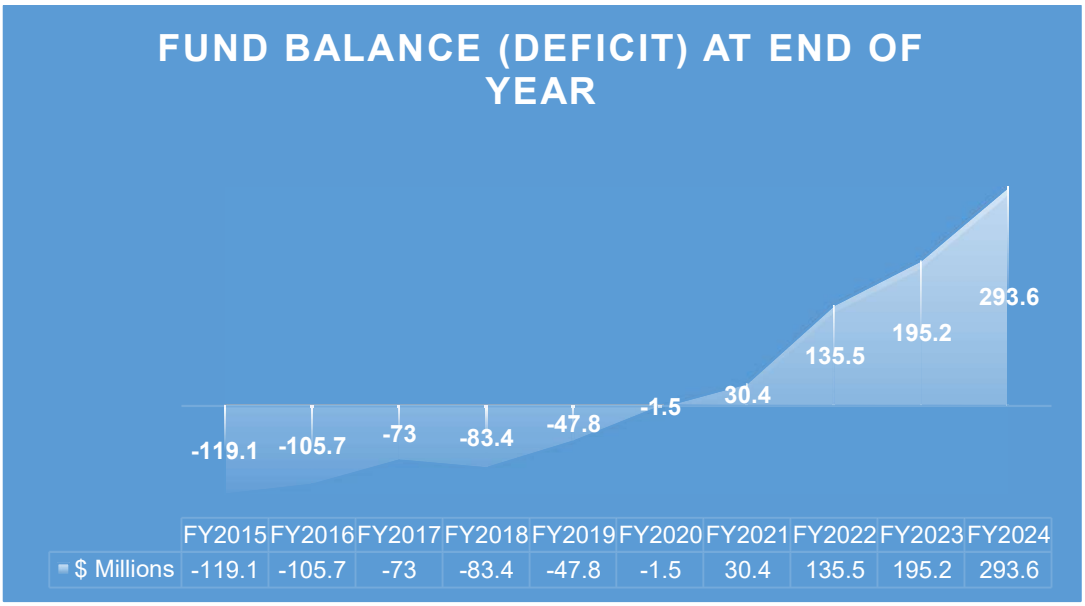
The three branches of GovGuam - the executive, legislative, and judicial - were established by the Organic Act (as amended) of 1950. The management of the financial affairs of GovGuam is the responsibility of the Executive Branch. Title 5 GCA Chapter 22 § 22203 designates the Department of Administration as the Executive agency responsible for the preparation of the annual basic financial statements. Title 1 GCA Chapter 19 §1908 requires the Public Auditor to audit these financial statements or cause them to be audited.

Financial Highlights

The General Fund is the chief operating fund of GovGuam.

The graph below shows the annual tracking of the Statement of Revenue, Expenditures, and Changes in Fund Balances of the General Fund over the last ten years (Graph 1). In 2006, the General Fund deficit reached its largest deficit of $524 million. Since that time, the Government has achieved a steadily improving trend. This has been managed by maximizing revenues, limiting expenditures, and replacing unfunded current obligations with bonded long-term debt which has structured repayment requirements. This debt represents a level of confidence by outside investors in the ability of GovGuam to manage its responsibilities. In 2024, GovGuam's General Fund reported a fund balance of $293.6 million, up from $195.2 million in 2023, and the fourth positive balance since 2015.

Graph 1
Fund Balance (Deficit) at the End of Year
For Fiscal Years 2015 to 2024



1. Overview of the Financial Statements

This discussion and analysis is an introduction to the GovGuam's basic financial statements, which include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The report also contains additional required supplementary information and other information.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the GovGuam's finances in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the GovGuam's financial position which helps readers determine whether the GovGuam's financial position has improved or deteriorated during the fiscal year. These statements include all non-fiduciary financial activity on the full accrual basis of accounting. This means that all revenue and expenditures are reflected in the financial statements even if the related cash has not been received or paid as of September 30.

The Statement of Net Position (pages 26) presents information on all of the GovGuam's assets and deferred outflows of resources, and liabilities and deferred inflows of resources; net position represents the difference between all other elements in a statement of financial position and is displayed in three components – net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may indicate whether the financial position of the GovGuam is improving or deteriorating.

The Statement of Activities (pages 27) presents information showing how GovGuam's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Position and Statement of Activities report three separate activities. These activities are described as follows:

Governmental Activities – account for functions of the GovGuam that are primarily supported by taxes and intergovernmental revenues. The majority of the GovGuam's basic services, such as education, individual and family services, transportation, resources and economic development, administration of justice, and general government, fall within this category.

Business-type Activities – account for functions that are intended to recover all or a significant portion of their costs through user fees and charges. The major business-type activities of the primary government include the Dental and Medical Self-Insurance funds.

Discretely Presented Component Units – account for functions of legally separate entities for which the GovGuam is financially accountable. The GovGuam has 8 major component units that are reported as discretely presented component units. Information regarding the individual financial statements of the component units is presented in the notes to the financial statements.

This report includes two schedules (pages 29 and 31) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (full accrual accounting). The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.

- Capital assets used in governmental activities are not reported on governmental fund statements.

- Long-term liabilities, unless due and payable, are not included in the fund financial statements. These liabilities are only included in the government-wide statements.

- Internal service funds are reported as governmental activities in the government-wide statements, but are reported as proprietary funds in the fund financial statements.

- Other long-term assets that are not available to pay for current period expenditures are deferred in the governmental fund statements, but not deferred in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures in the fund financial statements.

- Bond proceeds provide current financial resources on the fund financial statements, but are recorded as long-term liabilities in the government-wide financial statements.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. GovGuam, like other state, territory, or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the GovGuam's funds can be divided into three categories: governmental, proprietary, and fiduciary. Each of these categories uses different accounting approaches. Fund financial statements begin on page 28 through page 36 and provide detailed information about the major individual funds.

- **Governmental funds –** Most of the basic services provided by the GovGuam are reported in the governmental funds. These statements provide a detailed, short-term view of the functions reported as governmental activities in the government-wide financial statements. The government-wide financial statements are reported using the full accrual basis of accounting, but the governmental fund financial statements are reported using the modified accrual basis of accounting. This allows the reader to focus on assets that can be readily converted to cash and determine whether there are adequate resources to meet the GovGuam's current needs.

  Because the focus of governmental funds is more limited than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison can help readers better understand the long-term impact of the GovGuam's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The GovGuam reports 5 individual governmental funds. Information is presented separately in the governmental fund statements for the General, Federal Grants Assistance, ARPA Assistance, GDOE Federal Grants, and the Chamorro Lands (a Permanent Fund), which are all considered major funds. Data from the other 113 governmental funds (comprised of 106 Special Revenue Funds, 6 Other Capital Project Funds, and 1 Debt Service Fund) are aggregated into a single column on the fund statements. Individual fund data for these nonmajor governmental funds is provided in the combining financial statements immediately following the required supplementary information.

- **Proprietary funds –** The GovGuam maintains one type of proprietary fund: enterprise. This fund reports activities that operate more like those of private-sector business and use the full accrual basis of accounting.

  Enterprise funds report activities that charge fees for supplies or services to non-governmental beneficiaries such as the the Dental and Medical Self-Insurance Funds which provide health benefits to employees, retirees, survivors and dependents. Enterprise funds are reported as business-type activities on the government-wide financial statements. The enterprise funds use the full accrual basis of accounting and the only differences between amounts reported on the government-wide statements and the enterprise fund statements are due to internal service fund activity.

  The GovGuam reports 2 individual proprietary funds. Information is presented separately in the proprietary fund statements for the Dental and Medical Self-Insurance Fund, all of which are considered major funds.

- **Fiduciary funds –** These funds are used to account for resources held for the benefit of parties outside the government and use the full accrual basis of accounting in accordance with GASB Statement No. 84, *Fiduciary Activities*. Fiduciary funds are excluded from the government-wide financial statements because the resources of these funds are restricted and cannot be used to finance the GovGuam's operations. The GovGuam's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position beginning on page 217.

  The primary types of fiduciary funds are Private Purpose Trusts, Pensions and Other Employee Benefit Trusts, and Custodial Funds. The GovGuam's fiduciary funds relate to Pension Funds for the Defined Benefit Plan, the Defined Contribution Plan and the Deferred Section 457 Compensation Plan. In addition, there are 8 Private Trust Funds under the Judicial Branch of the Government, these funds begin on page 220.

- **Component Units –** The government-wide financial statements report information for all component units aggregated in a single column. Information is provided separately in the 8 component unit fund statements for the Antonio B. Won Pat International Airport Authority, Guam Community College, Guam Housing and Urban Renewal Authority, Guam Memorial Hospital Authority, Guam Power Authority, Guam Waterworks Authority, Port Authority of Guam, and the University of Guam, all of which are considered major component units. Data from the other component units is aggregated into a single column on the fund statements. Individual fund data for all nonmajor component units is provided in the combining financial statements immediately following the required supplementary information. There are 5 nonmajor component units: Guam Housing Corporation, Guam Economic Development Authority, Guam Education Telecommunications Corporation, Guam Preservation Trust, and Guam Visitors Bureau.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles fund balances at September 30. It also includes information concerning net pension liability, other postemployment benefit liability plans, and employer contributions for pension and other postemployment benefit plans, as well as trend information for GovGuam-managed risk pools.

Other Information

The combining statements referred to earlier in connection with nonmajor funds and component units can be found beginning on page 181 of this report. The individual fund information is aggregated into a single total on the combining financial statements, which carries forward to the fund financial statements. Additionally, GovGuam is required, by local statute, to report on Charter Schools, a Schedule of Personnel Count by Department and Funding Source, and Schedule of Continuing Appropriations.

2. Financial Summary

Government of Guam
Statements of Net Position
September 30
In $1,000's

	Governmental Activities		Business-type Activities	
	FY2024	FY2023	FY2024	FY2023
Current and Other Assets	$ 1,164,494	$ 1,039,025	$ 33,656	$ 7,375
Capital assets:	1,396,825	1,364,108	-	-
Total assets	2,561,319	2,403,133	33,656	7,375
Deferred Outflows of Resources	762,363	777,745	-	-
Total Assets and Deferred Outflows of Resources	3,323,682	3,180,878	33,656	7,375
Long-Term Liabilities	4,278,631	4,059,129	-	-
Other Liabilities	668,501	712,375	27,637	7,375
Total Liabilities	4,947,132	4,771,504	27,637	7,375
Deferred Inflows of Resources	518,998	672,715	-	-
Net Position:				
Net investment in Capital Assets	536,354	471,935	-	-
Resticted Net Position	867,921	659,314	6,019	-
Unresticted Net Position	(3,546,723)	(3,394,590)	-	-
Total Net Position	$ (2,142,448)	$ (2,263,341)	$ 6,019	$ -

Government of Guam
Statements of Activities
September 30
in $1,000's

	Governmental Activities		Business-type Activities	
	FY2024	FY2023	FY2024	FY2023
Revenues				
Program Revenues				
Charges for Services	$ 97,951	$ 121,452	$ 172,930	$ 32,560
Operating Grants and Contributions	799,991	811,078	-	1
Capital Grants and Contributions	-	-	-	-
Total Program Revenues	897,942	932,530	172,930	32,561
General Revenues				
Taxes:				
Income	502,436	436,665	-	-
Gross receipts	473,802	430,424	-	-
Section 30 Federal income tax collections	76,196	70,398	-	-
Property	36,249	35,757	-	-
Excise	4,890	9,118	-	-
Limited gaming	1,738	1,634	-	-
Investment earnings	22,675	17,857	-	-
Other	68,172	28,370	-	-
Total general revenues	1,186,158	1,030,223	-	-
Expenses				
General government	270,365	250,693	-	-
Protection of life and property	191,476	187,455	-	-
Public health	539,259	505,255	-	-
Community services	64,383	86,036	-	-
Culture and recreation	41,960	34,662	-	-
Individual and collective rights	115,717	94,923	-	-
Public welfare	73,776	83,558	-	-
Transportation	33,719	45,952	-	-
Public education	520,887	452,312	-	-
Environmental protection	39,203	34,081	-	-
Economic development	18,856	42,687	-	-
Interest (unallocated)	53,606	66,621	-	-
Dental Self Insurance	-	-	9,965	8,242
Medical Self Insurance	-	-	156,946	38,476
Total Expenses	1,963,207	1,884,235	166,911	46,718
Transfers	-	-	-	14,044
Increase (Decrease) in Net Position	120,893	78,518	6,019	(113)
Net Position at Beginning of Year	(2,263,341)	(2,341,859)	-	113
Net Position at End of Year	$ (2,142,448)	$ (2,263,341)	$ 6,019	$ -

3. Detailed Analysis

Analysis of the Primary Government's Financial Position and Results of Operations.

Government-wide Financial Analysis

The primary government's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources exceeded its by $2.1 billion during the fiscal year. The net position increased by $127 million, or 5.6 percent. An increase in Net Position is a very positive sign that the fiscal policies of the Government are sound and increase the fiscal stability of the Government.

Assets under governmental and business-type activities have increased by $158 million and $26M, respectively, from the previous year. This is attributed to an increase in cash (unrestricted and restricted) of $59M, receivables of $85M, and non-depreciable capital assets of $31M. These increases were partially offset by a decrease in $12M in due from other component and private purpose trusts. The Deferred Outflows of Resources have also decreased by $15M. The major component of this was the decrease in pensions of $88M and loss on refunding of $6M with an increase of $78M in Other Post-Employment Benefits (OPEB).

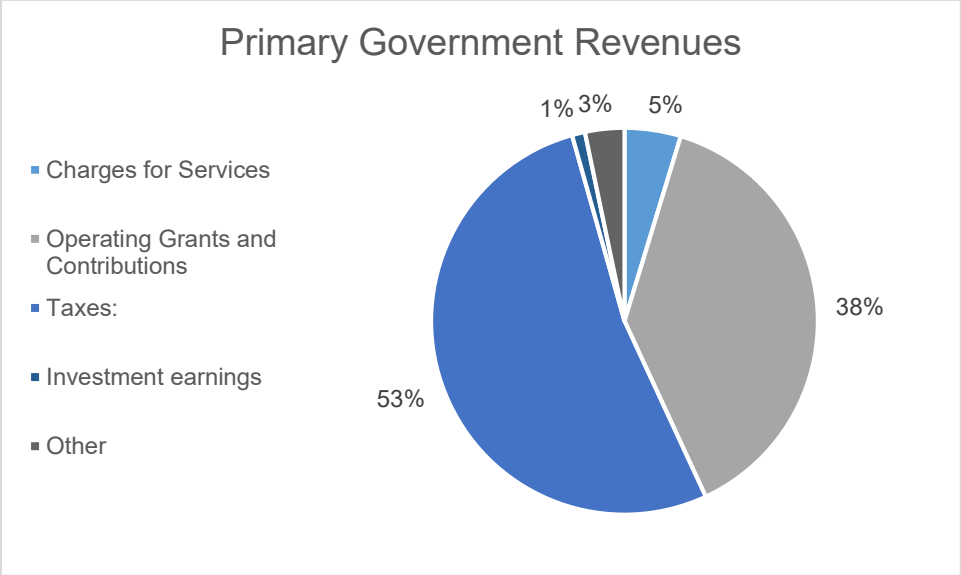
The largest portion of the primary government's net position reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, construction-in-progress, right-to-use intangible assets, and intangible assets including water rights, easements and software), less any related outstanding debt and deferred inflows of resources used to acquire those assets. These assets are recorded net of depreciation and amortization in the financial statements. The primary government uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the primary government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the primary government's net position represents restricted net position. These resources are subject to external restrictions or constitutional provisions specifying how they may be used. The major change from FY2023 in this category is the Reserve for Indebtedness of $67.5M and Other Purposes of $140M. The Government is required to set aside funds to pay down our bonds and other long-term debt. The Other Purposes are mainly externally imposed restrictions from our Federal Grantors.

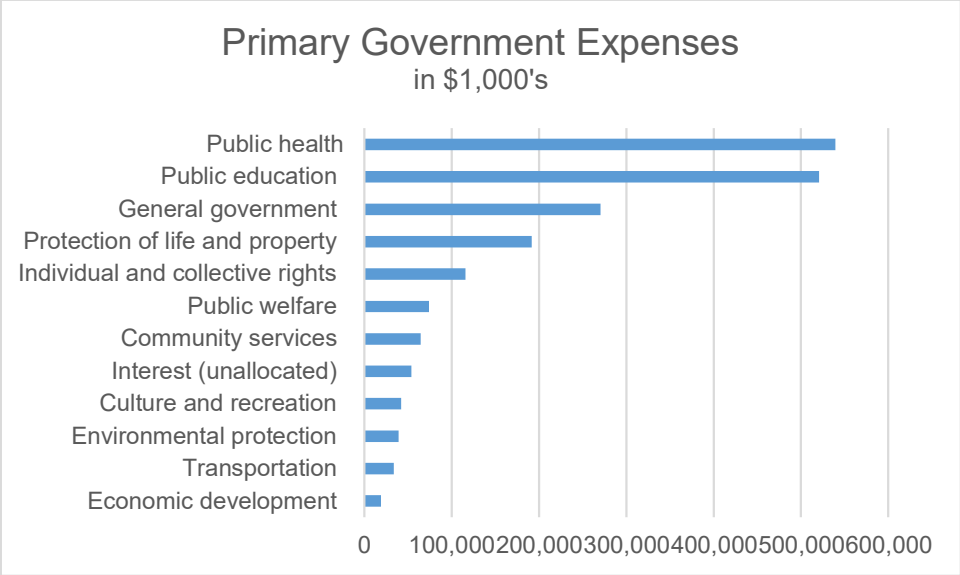
The remaining deficit balance of $3.5 billion (an increase of $152M from FY2023) is unrestricted net position. This account is the difference between assets, liabilities and other net position restrictions. This indicates of the shortfall if the Government were to be liquidated today—a highly unlikely scenario. As noted above, the Primary Government was able to reduce this accumulated deficit by $127M.

For the Primary Government, the total revenues were $2.1B with total expenses of $2B creating an increase of Net Position of $121M. This is a positive metric for the Government of Guam. Compared to Fiscal Year 2023, the Net Position for the year increased by $39M.

Approximately 54 percent of the primary government's total revenue came from taxes. Taxes collected for FY2024 were $1B. The top 5 tax sub-categories account for 53% and is comprised of income taxes ($502M), Gross Receipts Taxes on $474M, Section 30 Reimbursement $76M, and Other $68M. The next largest category is Operating Grants and Contributions of $800M, which many consists of Federal grants in aid. Together these two categories make up 91% of the total GovGuam revenue sources.



While the primary government's expenses cover many services, the largest expenses are for Public Health, Public Education, and General Government. This accounted for 68% of the total expenditures of the primary government. Overall, Government expenditures increased by 4% (or $79M) over the last fiscal year. All three categories increased year-on-year by $34M, $69M, and $520M, respectively. This increase was offset by reduction in Economic Development ($23M), Community Services ($22M), and Interest ($13M).



Business-Type Financial Analysis

For FY2024, GovGuam has made the decision to present the Medical and Dental Self Insurance activities as a Business-Type Activity. This change better reflects the economic reality of the Self Insurance activities and will improve the relevance and reliability of the activity. Self-Insurance went from a Fund using the modified-accrual basis measuring the flow of financial resources to a proprietary fund using full accrual basis measuring the economic resources.

The total assets for the Self Insurance were $33.7M for FY2024 which is an increase from the $7.4M reported in FY2023. Assets are composed of Cash ($7.3M), Net Receivables from Individuals ($15.5M), and Receivables from other governmental funds ($10.9M). Liabilities consist of accounts payable of $27M up from $7.4M in the prior year. This left a positive net position of $6M for FY2024. The Revenues of $173M came directly from plan participants and government agencies. The Government spent $10M on dental and $146.6M on medical costs.

Analysis of fund balance or net position and results of operations of each major fund.

As of the end of the fiscal year, the primary government's governmental funds reported combined ending fund balances of $955M. The fund balance includes nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending. As noted above, there are five major funds: The General Fund (composed of 46 separate funds consolidated into the one main account for the government, three are used to account for Federal funds (Federal Grants Funds, ARPA Assistance, and GDOE Federal Grants), and a Permanent Fund that accounts for the CHamoru lands. All other non-major funds are consolidated into the Other Government Funds which include 106 Special Revenue Funds, 6 Capital Projects Funds, and 1 Debt Service Fund.

The Governmental Funds financial statements can be found at pages 28 and 30. The Department of Administration has direct responsibility for 166 funds.

Primary Government

General Fund Highlights

At the end of the fiscal year, the General Fund reported a combined ending fund balance of $294 million, an increase of $98M or 50% in comparison with the prior year. Of this total fund balance, $4M represents non-spendable fund balance, $90 million represents restricted fund balance, $159 million represents committed fund balance, and $40 million represents unassigned fund balance.

Fiscal year 2024 General Fund revenues were 9 percent, or $87.8 million, higher than fiscal year 2023 revenues. This revenue change was due primarily to an overall increase in taxes of $110 million, which was primarily attributable to an increase in individual returns.

Fiscal year 2024 expenditures increased by 3 percent, or $29 million, when compared to fiscal year 2023. While most expenditures categories increased during fiscal year 2024, the largest increases were primarily attributable to Guam Memorial Hospital Authority of $38M, debt retirement of $22M which was offset by a $50M decrease in public education. While education has decreased in the General Fund, there was a corresponding increase in the Other Governmental Funds.

There was an excess of revenues over expenditures of $141M in FY2024. This represents a 71% increase from FY2023. Overall Net other financing sources and uses decreased by $20 million, which is primarily due to higher transfers out of the General fund by $9M offset by decreased transfers into other funds of $10M.

Federal Grants Assistance Fund

This major fund is used to account for Federal Grants received by the Primary Government. At the end of the fiscal year, the Federal Grants reported a combined ending fund balance of $554K, an increase of $164K or 42% in comparison with the prior year. The total fund balance is considered restricted due to the nature of the fund.

Fiscal year 2024 Federal Grants Fund revenues were 6 percent, or $36 million, lower than fiscal year 2023 revenues. This revenue change was due primarily to an overall decrease in federal grants as the pandemic era grants started closing out. Federal expenses are the primary driver for revenues. Correspondingly there was a decrease in federal expenditure during 2024 of 2%, or $11 million, when compared to fiscal year 2023. Expenditures for Community Services and Guam

Memorial Hospital payments decreased by $10M each while being offset by a $14M increase in Individual and Collective Rights. There was an overall net increase of revenues over expenditures of $38M in FY2024. This represents an 185% decrease from FY2023. Overall Net other financing sources and uses increased by $25 million.

ARPA Assistance

This major fund is used to account for Federal Grants received for American Rescue Plan Act grants from 2021. The ARPA grant's obligation end date was December of 2024, and all expenditure must be paid by December 2026. At the end of the fiscal year, the ARPA Grants reported a combined ending fund balance of $24 million, an increase of $12M or 99% in comparison with the prior year. The total fund balance is considered committed due to the nature of the fund.

Fiscal year 2024 ARPA Fund revenues were 40 percent, or $36.9 million, lower than fiscal year 2023 revenues. This revenue change was due primarily to an overall exhaustion of ARPA grants as the period of performance has started close out. Federal expenses are the primary driver for revenues. Correspondingly there was a decrease in ARPA expenditure during 2024 of 46 percent, or $35.9 million, when compared to fiscal year 2023. There was an overall net increase of revenues over expenditures of $12M in FY2024. This represents an 8% decrease from FY2023.

GDOE Federal Grants

This major fund is used to account for Federal Grants received by the Guam Department of Education (GDOE). The total fund balance was zero which is considered normal due to the nature of the fund.

Fiscal year 2024 GDOE Federal Grants Fund revenues were 69 percent, or $75.6 million, higher than fiscal year 2023 revenues. GDOE Federal expenditures are the primary driver for revenues. Correspondingly there was an increase in GDOE federal expenditure during 2024 of 56 percent, or $65.6 million, when compared to fiscal year 2023. Expenditures were for public education.

Chamorro Lands

This is a permanent fund to account for developed CHamoru land and other real estate owned by GovGuam and held in various land banks. These real properly are statutorily restricted to the extent that only earnings from lease rental payments, and not principal, may be used to support GovGuam operations. The fund balance remains non-spendable at $459M. These properties have not been revalued in several years. A revaluation, based on commercially equivalent data, will be included in the financial statements for FY2025. There were no revenues or expenditures during 2024.

Other Governmental Funds Highlights

As noted above, this fund is a consolidation of 106 Special Revenue Funds, 6 Capital Projects Funds, and 1 Debt Service Fund. At the end of the fiscal year, the Other Governmental Fund reported a combined ending fund balance of $177.6 million, an increase of $59M or 50% in comparison with the prior year. Of this total fund balance, $23 million represents restricted fund balance, $154 million represents committed fund balance, and a $120K deficit in the unassigned fund balance.

Fiscal year 2024 Other Governmental Funds revenues were 14 percent, or $31 million, higher than fiscal year 2023 revenues. This revenue change was due primarily to an overall increase in other revenues of $32 million which was partially offset by a $12M decrease in intergovernmental sources.

Fiscal year 2024 expenditures decreased by 7 percent, or $16 million, when compared to fiscal year 2023. The major decreases were in General Government ($14M), Public Welfare ($11M) while being offset by a $9.4M increase to Tourism and $3M to University of Guam.

There was an excess of revenues over expenditures of $50M in FY2024. This represents an 1,340% increase, or up $47M from FY2023 $3.5M. Overall Net other financing sources and uses increased by $1.1 million, which is primarily due to higher transfers in from the General fund by $34M offset by decreased transfers out to other funds of $25M.

Business-Type Activities

The Self Insurance Fund was converted from a Fund to a Business-Type activity in 2024. GASB Statement No. 100 "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*" requires that we present a comparative statement for the change.

This is the first full year of operation as a business-type activity. The Net Position has increased by $6M in FY2024. The net position is fully restricted for dental and medical benefits.

The assets have increased from $7.4K to $33.7M from 2023 to 2024. Cash has increased by $6M, Net Receivables have increased by $15.5M, and internal balances have increased by $4.8M from the prior year. The liabilities of $27.6M are for accounts payable to beneficiaries. This is a $20M increase from the prior year. Due to the nature of the activity, there are no deferred inflow or outflows.

Revenues of $173M came from Charges for Services from beneficiaries and their employer contributions to the plan. This is a $143M increase from 2023. The expenses of the plan were $10M for dental and $157M for medical.

4. Significant Capital Assets and Long-Term Financing Activities

Primary Government

Capital Assets and Long-term Debt

Governmental Activities
In $1,000's

	FY2024	FY2023	$ Change
Nondepreciable capital Assets:			
Land	$ 52,570	$ 52,570	$ -
Construction in Progress	87,646	56,324	31,322
Net Nondepreciable Capital Assets	140,216	108,894	31,322
Capital Assets:			
Landfill Cells	35,630	39,534	(3,904)
Right-To-Use Assets	14,608	16,511	(1,903)
Subscription Based IT Assets	20,121	-	20,121
Building	334,702	347,241	(12,539)
Machinery, equipment, and Furniture	19,804	15,329	4,475
Infrastructure	372,695	377,548	(4,853)
Net Depreciable Capital Assets	797,560	796,163	1,397
Total Capital Assets	$ 937,776	$ 905,057	$ 32,719

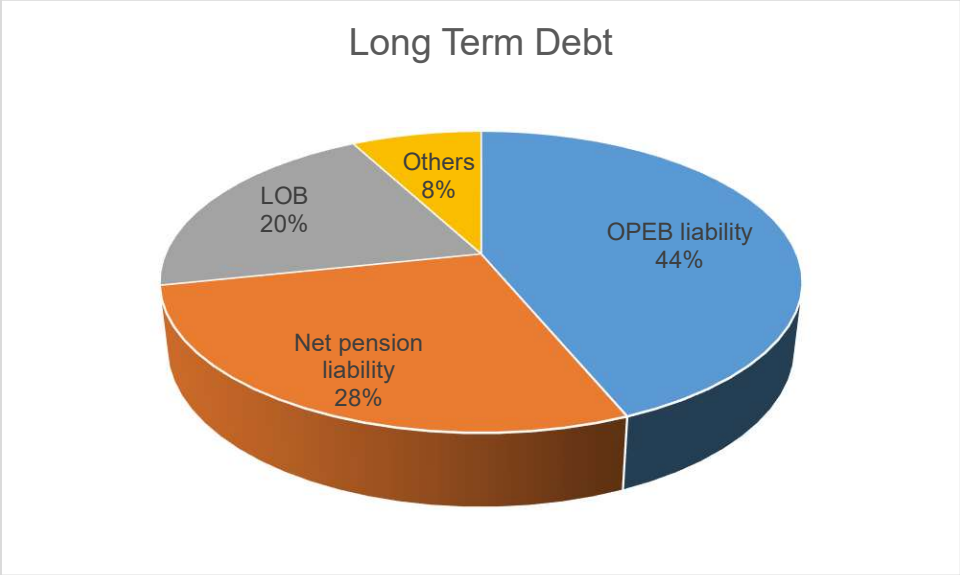
Capital Assets

The primary government's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to $2.1 billion in historical cost with a Net Book Value of (net of accumulated depreciation and amortization) of $938 million. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, construction-in-progress, and intangible assets including water rights, easements, and software, as well as intangible right-to-use assets. Infrastructure assets are items that are normally immovable such as roads, bridges, drainage systems, and other similar assets.

The primary government reports equipment with a value of $50,000 or greater (individually or in aggregate) and an expected useful life of two or more years. The primary government capitalizes all land, buildings, infrastructure, and non-right-to-use intangible assets that have a cost or value greater than $100,000, and an expected useful life of two or more years. In addition, the primary government reports right-to-use intangible assets of equipment, land, and buildings with a present value of $50,000 or greater, subscription-based information technology arrangements with a present value of $5,000 or greater and an expected useful life of greater than one year. Additional information on the primary government's capital assets can be found in Note 5, Capital Assets.

The increase in the primary government's net investment in capital assets was primarily attributable to the addition of construction-in-progress of $31 million and completed road projects of $16M predominately from the Federal Highway Grants, which includes the $8.5M for the Route 14 Resurfacing from Route 1 to Route 14B. Included in the additions for the year were $26.4M relating to the implementation of the Subscription Based IT Arrangements pursuant to GASB 96. The biggest line item was the new GFMIS at $20M.

Long-term Debt



The GovGuam is currently carrying $4.2B of long-term liabilities. This is a 12% reduction from the prior year or $585M less. The three largest debts of the Government relate to OPEB Liability of $1.8B, Net Pension Liability of $1.2B, and the Limited Obligation Bonds, backed by Business Privilege Taxes, of $858M. The three combined account for 92% of the total long-term debt.

The remaining 8% or $327.2M relates to amounts Due for School Lease Financings ($127M), Landfill Closure Costs ($46M), Due to Landowners for Land Condemnation ($29M), Subscription Based IT Arrangements ($20M), Due to the IRS ($20M), General Obligation Bonds ($20M). The remaining 20% relates to compensated absences, lease liabilities, and tax credits payable.

GovGuam has not issued any additional Bond Obligations in FY2024. The bond market upgraded our bond rating from a "Baa3" to a "BB-" in 2024. GovGuam's Debt Ceiling is capped at 10% of the Assessed Land Value (which is 90% of the Taxable Appraised Value) of $1,401,144,416 at the end of FY2024. There was a total of $807,536,216 in outstanding bonds leaving a total of $594M or 42% of the Debt Ceiling Cap available. Additional information on the primary government's long-term debt can be found in Note 6, Long-Term Obligations.

Business-Type Activities

Due to the nature of the Self Insurance Plan, there were no capital assets or long-term debt for either year presented.

5. Currently Known Facts, Decisions, or Conditions

The economic indicators have shown that Guam's economy remains relatively stable for 2025 and 2026.

- Consumer Price Index 2024 169.6 up 4.15 from 2023, 2025 174.3 up 2.8% from 2024.

- The Guam workforce has seen a drop from 68,670 at September 2024 to 67,690 at September 2025, a reduction of 980 across private, federal, and GovGuam sectors. However, the Bureau of Labor and Statistics has noted that there was an increase year-on-year September 2024 to 2025 in the total private sector average hourly wage from $18.38 to $18.69.

- The US Federal spending, based on usaspending.gov website, indicates that $3.5B for fiscal Year 20225 and $608M for Fiscal year 2026 has been obligated for projects on Guam.

- We have seen a slight increase in visitor arrivals from 739,145 in 2024 to 782,840 in 2025 with major increases from Japan, South Korea, and Taiwan during that period.

- Real Estate sales have increased from $456M in 2024 to $557M in 2025. Building permits have remained stable during that same period.

- S&P has upgrades the GovGuam bonds from "BB-" in 2024 to "BB" in 2026.

The Government of Guam expects income taxes to decrease slightly in 2025 and 2026. The One Big Beautiful Bill Act passed in 2025 retroactively affected the 2025 tax returns by exempting some income taxes on tip and overtime income. The full effect of the OBBBA will be seen in 2026.

The American Rescue Plan Act is winding down. All funds must have been obligated by December 31, 2024, and expended before December 31, 2026.

Budget Outlook

For FY2024, the Guam Legislature adopted a General Fund Revenue of $909.3M. and appropriated the funds based on that revenue adoption. However, the Legislature passed 12 additional appropriations amounting to $82M without adjusting the FY2024 adopted revenues. This created an unbalanced budget for FY2024.

This was repeated in FY2025. The General Fund Adopted Revenues were $994.8M. An additional $15.3M was appropriated without a corresponding increase in Adopted Revenues. This created a second year of unbalanced budget appropriations. The Government has pre-committed projected General Fund Revenues above adopted levels of $7.3M to fund budgetary shortfalls in the Healthy Future Fund, Tourist Attraction Fund, and CQA Inspection Services Fund. The Legislature overrode the Governor's veto and enacted a FY2026 Budget that appropriates $34.6M of FY2025 revenues for FY2026 appropriations after the year end. The statute did not recognize that net revenues less net expenditures after a year end form part of the accounting surplus and is considered an addition to the accumulated fund balance. Subsequent appropriations must be reflected as reductions of the fund balance. This statute also appropriates prior year budgetary lapses, generally without stating an actual amount. This practice will result in an instability in government finances since it can, if arbitrarily adopted, appropriate already appropriated fund balances. This practice, which is not adopted by the federal or other state governments, is not considered prudent financial practice. The Administration is continuously monitoring budgetary fund allocations to ensure that the net unassigned fund balance of the General Fund does not fall into a deficit.

For FY2026, as of February 2024, we are tracking a $48M excess of adopted revenues. However, our projected shortfall in the Special Revenues Funds amounts to $23M. Additionally, the Guam Legislature has passed PL 38-75 that appropriates $13.1M from FY2025 Net Unobligated Excess Revenues.

Contract For A New Financial Management Information System

In response to a Request for Proposal, Performa Software USA, Inc. was awarded the contract to develop and deploy a new FMIS system for the primary government. It is a five-year contract with a go-live date of February 03, 2024, for the core financial systems. The financial statements for FY23 have been prepared using data currently maintained by the AS400 system which has been in operation for over thirty years. The new system is being designed to record and report financial data more quickly and more fully and has considered the comments of the auditors and of the Public Auditor in past years. The FMIS continues to go through improvements as we roll out additional modules that meet the needs of the Government of Guam. The new system allows documents to be electronically uploaded and has reduced the need for paper documents. We expect that the new system will continue to increase the GovGuam's operational effectiveness and efficiency.

Court Cases

The Elected Attorney General and the Governor of Guam have been locked in legal battles that may have a profound effect on the Government's operations. In the Medical Campus/ARPA Lawsuit, the AG is suing the Governor to stop the Governor from using over $100M in Federal ARPA funds for a Medical Campus in Mangilao claiming that it violates the Organic Act of Guam. The Governor argues that the lawsuit jeopardizes federal funds and interferes with her Organic Duty over public welfare. The case is still pending but could result in over $100M loss of federal funds since the funds cannot be reallocated after December 2024.

The Governor has sued the AG in the Dignity Project case. The AG signed a contract with a hotel and threatened Department of Administration staff with criminal prosecution if they did not register the contract of $1.1M after objection was made that the contract was not perfected since it lacked the Governor's signature. The Superior Court has deemed that the AG violated the Governor's duty to approve contracts. The Superior Court case was appealed to the Supreme Court of Guam and is still pending. The AG's Office is not signing off on certain GovGuam contracts preventing the Government from obtaining goods and services from contractors.

The Governor has filed a petition to the Supreme Court of Guam seeking confirmation that the autonomous agencies, not subject to the Central Accounting Act, can execute contracts without the AG's direct veto power. This case was moved to the District Court of Guam and is still pending. This lawsuit, like the case above, has the potential of stopping autonomous agencies from obtaining goods and services.

There are additional ongoing lawsuits that deal with the powers and duties of the Chief Executive of Guam and the Chief Legal Officer.

Availability of Accounting Pool

The pool of accountants, like most professional trades, is limited and in high demand. Accountants are needed at the Department of Administration, the Guam Department of Education, the Autonomous Agencies, the Office of Public Accountability, and by our External Auditors.

Audit timeliness

In common with most US territories and some states, the Government of Guam has experienced considerable delays in completing audits in a timely manner. There are several conditions which have led to these delays for Guam. The availability of qualified and experienced accountants to both the Government and auditors is a major contributing factor, especially as Guam is thousands of miles from the US mainland, exacerbating the difficulty of recruitment and retention of these essential professionals. The increase in federal funds available to the Territory has increased, in turn, the work needed to prepare, audit and resolve the work needed to complete the federal compliance report required under the Single Audit Act (PL 98-502). A major audit delay for FY2024 was the late completion of the audit for Guam Department of Education (GDOE).

Although a component part of the General Fund, GDOE is not subject to the Central Accounting Act. This anomaly must be corrected and discussions have started to resolve this, since the Department is large enough and its dependence on General Fund revenues is high enough to warrant a correction.

GovGuam has received some assistance from the US Department of Interior (DOI) to improve audit timeliness since it is the cognizant federal agency for the US territories, except Puerto Rico. As the cognizant agency, DOI is responsible to other federal grantor agencies for audit quality and timeliness. GovGuam, Ernst & Young and DOI are in discussions to improve audit quality and timeliness. The Government has determined that quality should not be adversely impacted by efforts to improve timeliness. Both are important. Guam is mindful that it has an active debt issuance and refinancing program and that Investors view both factors when considering investing in Guam debt. Such debts are long-term investments, generally repayable over thirty years. Guam taxpayers who are responsible for these repayments benefit from favorable bond pricing flowing from accurate and reliable financial reporting.

Requests for Information

This financial report is designed to provide a general overview of the Government of Guam's finances for all of Guam's citizens, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the Island's accountability for the money it receives and spends. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Division of Accounts, Attention: Theresa Rivers, Chief Financial Officer, P.O. Box 7420, Tamuning, Guam 96931. Telephone No: (671) 475-1211, Website Address: www.da.doa.guam.gov.

Government of Guam

Statement of Net Position
September 30, 2024
(Amounts in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 677,997	$ 7,299	$ 685,296	$ 257,409
Investments	18,616	---	18,616	53,139
Receivables, net	312,720	15,468	328,188	291,849
Due from primary government	---	---	---	15,464
Due from component units	14,818	---	14,818	---
Due from private purpose trusts	255	---	255	---
Internal balances	(10,889)	10,889	---	
Inventories	1,997	---	1,997	85,089
Prepayments	3,155	---	3,155	5,151
Deposits and other assets	2,656	---	2,656	20,937
Restricted assets:				
Cash and cash equivalents	138,124	---	138,124	505,541
Investments	5,043	---	5,043	160,114
Unamortized bond issuance costs	-	---	---	4
Capital assets:				
Nondepreciable capital assets	140,216	---	140,216	297,680
Capital assets, net of accumulated depreciation	797,559	---	797,559	1,778,479
Land and other real estate	459,050	---	459,050	---
Land held for development	---	---	---	2,255
Total assets	2,561,319	33,656	2,594,974	3,473,110
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	71,086	---	71,086	44,406
Deferred outflows from pensions	287,710	---	287,710	148,923
Deferred outflows from OPEB	403,567	---	403,567	216,729
Deferred unrecovered fuel costs	---	---	---	14,559
Total deferred outflows of resources	762,363	---	762,363	424,616
LIABILITIES				
Accounts payable and other current liabilities	128,352	27,634	155,987	94,662
Contracts payable	---	---	---	17,700
Accrued interest payable	13,946	---	13,946	24,588
Accrued payroll and other	24,790	2	24,792	12,105
Payable to federal agencies	281,322	---	281,322	18,373
Provision for tax refunds	74,652	---	74,652	---
Economic stimulus payments payable	14	---	14	---
Claims payable	915	---	915	---
COLA liability	4,394	---	4,394	---
Due to primary government	---	---	---	19,395
Due to component units	9,664	---	9,664	---
Unearned revenues	77,017	---	77,017	26,150
Deposits and other liabilities	53,434	---	53,434	48,781
Long-term liabilities:				
Due within one year	92,533	---	92,533	52,314
Due in more than one year	4,186,098	---	4,186,098	2,870,666
Total liabilities	4,947,132	27,637	4,974,769	3,184,736
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	50,663	---	50,663	35,913
Deferred inflows from OPEB	451,306	---	451,306	238,413
Deferred inflows from leases	14,794	---	14,794	79,568
Deferred gain on refunding	2,235	---	2,235	7,923
Total deferred inflows of resources	518,998	---	518,998	361,817
Commitments and contingencies				
NET POSITION				
Net investment in capital assets	536,354	---	536,354	915,954
Restricted for:				
Dental and medical benefits	---	6,019	6,019	---
Capital projects	4,095	---	4,095	26,103
Retirement of indebtedness	85,434	---	85,434	117,886
Endowment - nonexpendable	459,050	---	459,050	58,939
Public health	18,522	---	18,522	---
Environmental protection	26,390	---	26,390	---
Other purposes	274,431	---	274,431	152,873
Unrestricted	(3,546,723)	---	(3,546,723)	(920,582)
Total net position	$ (2,142,448)	$ 6,019	$ (2,136,429)	$ 351,174

See accompanying notes.

Government of Guam

Statement of Activities
Year ended September 30, 2024
(Amounts in Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental Activities:								
General government	$ 270,365	$ 18,131	$ 44,964	$ ---	$ (207,269)	$ ---	$ (207,269)	$ ---
Protection of life and property	191,476	14,151	14,047	---	(163,278)	---	(163,278)	---
Public health	539,259	6,759	379,383	---	(153,117)	---	(153,117)	---
Community services	64,383	5	52,185	---	(12,192)	---	(12,192)	---
Culture and recreation	41,960	1,262	5,563	---	(35,135)	---	(35,135)	---
Individual and collective rights	115,717	2,617	38,261	---	(74,839)	---	(74,839)	---
Public welfare	73,776	---	9,501	---	(64,275)	---	(64,275)	---
Transportation	33,719	10,305	34,197	---	10,782	---	10,782	---
Public education	520,887	13,834	192,186	---	(314,867)	---	(314,867)	---
Environmental protection	39,203	28,709	10,411	---	(83)	---	(83)	---
Economic development	18,856	2,179	19,292	---	2,615	---	2,615	---
Interest (unallocated)	53,606	---	---	---	(53,606)	---	(53,606)	---
Total Governmental Activities	1,963,207	97,951	799,991	---	(1,065,265)	---	(1,065,265)	---
Business-type Activities:								
Dental Self-insured	9,965	10,179	---	---	---	215	215	---
Medical Self-insured	146,594	152,398	---	---	---	5,804	5,804	---
Total Business-type Activities	156,558	162,577	---	---	---	6,019	6,019	---
Total primary government	$ 2,119,765	$ 260,529	$ 799,991	$ ---	(1,065,265)	6,019	(1,059,246)	---
Component units:								
Antonio B. Won Pat International Airport Authority	$ 97,603	$ 64,731	$ 3,453	$ 5,246	---	---	---	(24,173)
Guam Community College	41,032	7,196	5,033	2,828	---	---	---	(25,975)
Guam Housing and Urban Renewal Authority	71,742	2,204	69,665	509	---	---	---	635
Guam Memorial Hospital Authority	223,651	139,789	1,811	193	---	---	---	(81,859)
Guam Power Authority	555,138	546,329	1,152	---	---	---	---	(7,657)
Guam Waterworks Authority	141,652	129,857	---	2,999	---	---	---	(8,796)
Port Authority of Guam	68,898	58,667	4,586	563	---	---	---	(5,082)
University of Guam	136,077	62,907	8,808	6,722	---	---	---	(57,641)
Nonmajor component units	44,070	8,582	1,539	---	---	---	---	(33,950)
	$ 1,379,865	$ 1,020,261	$ 96,047	$ 19,059	---	---	---	(244,498)
General revenues:								
Taxes:								
Income					502,436	---	502,436	---
Gross receipts					411,688	---	411,688	---
Section 30 Federal income tax collections					76,196	---	76,196	---
Property					36,249	---	36,249	---
Hotel occupancy					33,973	---	33,973	---
Tobacco					22,537	---	22,537	---
Excise					4,890	---	4,890	---
Alcoholic beverages					3,916	---	3,916	---
Limited gaming					1,738	---	1,738	---
Liquid fuel					1,687	---	1,687	---
Investment earnings					22,675	---	22,675	46,465
Contributions from primary government					---	---	---	175,007
Other					68,172	---	68,172	13,008
Total general revenues					1,186,158	-	1,186,158	234,480
Change in net position					120,894	6,019	126,912	(10,018)
Net position at beginning of year					(2,263,341)	---	(2,263,341)	361,191
Net position at end of year					$ (2,142,448)	$ 6,019	$ (2,136,429)	$ 351,174

See accompanying notes.

Government of Guam

Balance Sheet
Governmental Funds

September 30, 2024
(Amounts in Thousands)

	General	101 Special Revenue Federal Grants Assistance	682 Special Revenue ARPA Assistance	Special Revenue GDOE Federal Grants	Permanent Chamorro Lands	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 317,093	$ 10,980	$ 228,986	$ 2,123	$ ---	$ 118,815	$ 677,997
Investments	1,765	---	---	---	---	16,852	18,616
Land and other real estate	---	---	---	---	459,050	---	459,050
Receivables, net:							
Taxes	80,110	---	---	---	---	5,079	85,189
Federal agencies	2,506	93,967	---	100,404	---	4,821	201,697
Leases	---	---	---	---	---	15,080	15,080
Other	3,274	---	---	---	---	7,480	10,754
Due from component units	14,741	---	---	---	---	77	14,818
Due from other funds	244,011	6,563	---	---	---	69,517	320,091
Due from private purpose trust funds	255	---	---	---	---	---	255
Inventories	1,997	---	---	---	---	---	1,997
Prepayments	569	---	---	---	---	2,585	3,155
Deposits and other assets	2,405	---	---	---	---	1	2,406
Restricted assets:							
Cash and cash equivalents	89,977	---	---	---	---	48,147	138,124
Investments	---	---	---	---	---	5,043	5,043
Total assets	$ 758,702	$ 111,510	$ 228,986	$ 102,527	$ 459,050	$ 293,498	$ 1,954,273
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 97,107	$ 228	$ ---	$ 25,846	$ ---	$ 5,171	$ 128,352
Accrued payroll and other	14,817	1,635	91	6,382	---	1,865	24,790
Due to component units	---	---	---	---	---	9,664	9,664
Due to other funds	86,969	87,099	32,297	69,172	---	55,443	330,980
Payable to federal agencies	61,516	21,994	172,246	1,127	---	24,438	281,322
Unearned revenues	77,017	---	---	---	---	---	77,017
Provision for tax refunds	74,652	---	---	---	---	---	74,652
Provision for economic stimulus payments	---	---	14	---	---	---	14
COLA liability	4,394	---	---	---	---	---	4,394
Deposits and other liabilities	48,597	---	367	---	---	4,470	53,434
Total liabilities	465,070	110,956	205,015	102,527	---	101,051	984,619
Deferred inflows of resources:							
Leases	---	---	---	---	---	14,794	14,794
Deferred revenues	---	---	---	---	---	45	45
Total deferred inflows of resources	---	---	---	---	---	14,838	14,838
Total liabilities and deferred inflows of resources	465,070	110,956	205,015	102,527	---	115,889	999,458
Fund balances:							
Non-spendable	3,977	---	---	---	459,050	---	463,028
Restricted	90,259	553	---	---	---	23,488	114,301
Committed	158,910	---	23,971	---	---	154,240	337,121
Unassigned:							
General fund	40,486	---	---	---	---	---	40,486
Special revenue funds	---	---	---	---	---	(120)	(120)
Total fund balances	293,632	553	23,971	---	459,050	177,609	954,815
Total liabilities, deferred inflows of resources and fund balances	$ 758,702	$ 111,510	$ 228,986	$ 102,527	$ 459,050	$ 293,498	$ 1,954,273

See accompanying notes.

Government of Guam

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2024 (Amounts in Thousands)

Total fund balance - governmental funds			$ 954,815
Amounts reported for governmental activities in the statement of net position are different because:			
Maintenance costs associated with school financed purchase obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			250
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:			
Land	$ 52,570		
Construction in progress	87,646		
Depreciable capital assets and infrastructure	1,990,854		
Accumulated depreciation and amortization	(1,193,294)		
Capital assets, net of accumulated depreciation and amortization			937,776
Revenues are not available soon enough after year end to pay for the current period's expenditures and therefore are unavailable deferred inflows of resources in the governmental funds			45
Accrued interest payable is not recognized in governmental funds			(13,946)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities include:			
Bonds payable		(986,617)	
Notes payable		(14,508)	
School financed purchase obligations		(126,902)	
Due to IRS		(19,938)	
Tax credits payable		(2,126)	
Lease payable		(36,521)	
Claims payable		(915)	
Net pension liability		(1,169,190)	
OPEB liability		(1,844,477)	
Compensated absences payable		(13,970)	
DCRS sick leave liability		(18,029)	
Landfill closure and postclosure costs		(46,354)	
Long-term liabilities			(4,279,546)
Deferred outflows of resources are charged to future periods and are not reported in the funds. Those deferred outflows consist of:			
Deferred loss on refunding		71,086	
Deferred outflows from pensions		287,710	
Deferred outflows from OPEB		403,567	
			762,363
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of:			
Deferred gain on refunding		(2,235)	
Deferred inflows from pensions		(50,663)	
Deferred inflows from OPEB		(451,306)	
			(504,204)
Net position of governmental activities			$ (2,142,448)

See accompanying notes.

Government of Guam

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year ended September 30, 2024
(Amounts in Thousands)

		101	682				
		Special Revenue			Permanent		
	General	Federal Grants Assistance	ARPA Assistance	GDOE Federal Grants	Chamorro Lands	Other Governmental Funds	Total
Revenues:							
Taxes	$ 995,210	$ ---	$ ---	$ ---	$ ---	$ 100,101	$ 1,095,311
Intergovernmental	4,955	543,114	42,294	185,439	---	20,965	796,767
Licenses and permits	922	---	---	---	---	63,302	64,223
Charges for services	4,645	---	---	---	---	28,074	32,719
Fines and forfeits	692	---	---	---	---	456	1,148
Interest and investment earnings	7,262	0	12,020	---	---	3,393	22,675
Contributions from component units	3,137	---	---	---	---	86	3,224
Other	35,696	---	---	---	---	32,476	68,172
Total revenues	1,052,518	543,114	54,314	185,439	---	248,854	2,084,239
Expenditures:							
Current:							
General government	116,002	17,262	22,957	---	---	21,696	177,917
Protection of life and property	155,187	10,197	3,753	---	---	14,595	183,732
Public health	21,023	412,976	1,118	---	---	30,960	466,075
Community services	6,773	50,798	587	---	---	5,461	63,619
Recreation	3,839	4,811	753	---	---	592	9,995
Individual and collective rights	66,119	28,791	883	---	---	11,410	107,203
Public welfare	---	---	---	---	---	7,897	7,897
Transportation	2,717	33,063	1,133	---	---	5,990	42,904
Public education	175,420	---	429	181,879	---	21,823	379,550
Environmental protection	214	7,285	3,125	---	---	21,314	31,938
Economic development	7,882	13,183	331	---	---	695	22,090
Payments to:							
GovGuam Retirement Fund	6,037	---	---	---	---	---	6,037
Guam Community College	13,985	36	---	---	---	8,776	22,797
Guam Economic Development Authority	---	---	779	---	---	---	779
Guam Housing Corporation	221	---	500	---	---	---	721
Guam Housing and Urban Renewal Authority	---	---	300	---	---	---	300
Guam International Airport Authority	2,008	---	5,000	---	---	---	7,008
Guam Memorial Hospital Authority	64,537	2,776	318	---	---	---	67,631
Guam Power Authority	63,224	---	---	---	---	---	63,224
Guam Preservation Trust	---	---	---	---	---	1,370	1,370
Guam Visitors Bureau	---	---	---	---	---	30,383	30,383
University of Guam	37,019	150	108	---	---	7,836	45,113
Miscellaneous appropriations	71,800	---	---	---	---	---	71,800
Capital projects	---	---	---	---	---	3,716	3,716
Debt service:							
Principal retirement	44,303	---	---	---	---	437	44,740
Interest and fiscal charges	52,563	---	---	---	---	3,504	56,066
Total expenditures	910,872	581,329	42,072	181,879	---	198,452	1,914,604
Excess of revenues over expenditures	141,646	(38,215)	12,242	3,560	---	50,402	169,635
Other financing sources (uses):							
Transfers in from other funds	25,536	38,378	---	---	---	34,403	98,318
Transfers out to other funds	(68,776)	---	(300)	(3,560)	---	(25,681)	(98,318)
Total other financing sources (uses), net	(43,240)	38,378	(300)	(3,560)	---	8,722	-
Net change in fund balances	98,406	163	11,941	---	---	59,124	169,635
Fund balances at beginning of year	195,226	390	12,029	---	459,050	118,485	785,180
Fund balances at end of year	$ 293,632	$ 553	$ 23,971	$ ---	$ 459,050	$ 177,609	$ 954,815

See accompanying notes.

Government of Guam

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year ended September 30, 2024
(Amounts in Thousands)

Total net change in fund balances - governmental funds			$ 169,635
Amounts reported for governmental activities in the statement of activities are different because:			
Prepayment of school financed purchase obligations in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:			
Guam Department of Education school financed purchase obligations			(125)
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense. For the current year, these amounts consist of:			
Capital outlays, net of disposals	$ 116,700		
Depreciation and amortization expense	(83,981)		
			32,719
Amounts presented in the statement of activities, but not in the change in fund balances due to difference in revenue recognition under different bases of accounting			(139)
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. For the current year, these amounts consist of:			
Repayment of General Obligation bonds		1,960	
Repayment of Limited Obligation bonds		10,140	
Repayment of Business Privilege Tax bonds		22,610	
Repayment of loans		437	
Repayment of school financed purchase obligations		9,593	
Amortization of loss on defeasance		(5,643)	
Amortization of gain on defeasance		124	
Amortization of bond premiums		7,400	
			46,620
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. For the current year, these activities consist of:			
Change in accrued interest payable		580	
Change in compensated absences payable		12,567	
Change in landfill closure and postclosure care costs		(5,175)	
Change in lease liability		(18,276)	
Change in tax credits payable		258	
Change in DCRS sick leave liability		10,768	
Net pension activity		(73,996)	
Net OPEB activity		(54,543)	
			(127,817)
Change in net position of governmental activities			$ 120,894

See accompanying notes.

Government of Guam

Statement of Net Position
Proprietary Funds

September 30, 2024
(Amounts in Thousands)

	502 Dental Self Insured	503 Medical Self Insured	Total
ASSETS			
Cash and cash equivalents	$ 682	$ 6,617	$ 7,299
Receivables:			
Employees and retirees	31	3,414	3,444,907
Rebates	---	12,023	12,023,218
Due from other funds	301	10,587	10,889
Total assets	1,014	32,641	33,656
LIABILITIES			
Accounts payable	798	26,837	27,634
Accrued payroll and other	2	---	2
Total liabilities	800	26,837	27,637
NET POSITION			
Restricted for:			
Dental and medical benefits	215	5,804	6,019
Total net position	$ 215	$ 5,804	$ 6,019

See accompanying notes.

Government of Guam

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds

Year ended September 30, 2024
(Amounts in Thousands)

	502 Dental Self Insured	503 Medical Self Insured	Total
Revenues:			
Premiums:			
Medical premiums	$ ---	$ 146,859	$ 146,859
Dental premiums	10,145	---	10,145
Rebates	---	15,889	15,889
Other	35	2	36
Total revenues	10,179	162,750	172,930
Less bad debts expense	---	(10,352)	(10,352)
Total net revenues	10,179	152,398	162,577
Expenses:			
Benefit claims	9,965	146,594	156,558
Total expenses	9,965	146,594	156,558
Operating income	215	5,804	6,019
Net position at beginning of year	---	---	---
Net position at end of year	$ 215	$ 5,804	$ 6,019

See accompanying notes.

Government of Guam

Statement of Cash Flows
Proprietary Funds

Year ended September 30, 2024
(Amounts in Thousands)

	502 Dental Self Insured	503 Medical Self Insured	Total
Cash flows from operating activities:			
Cash received from GovGuam employees and retirees	$ 9,847	$ 123,770	$ 133,617
Cash received from rebates	---	2,603	2,603
Cash payments for benefit claims	(9,165)	(119,757)	(128,922)
Net cash provided by operating activities	682	6,617	7,299
Net increase in cash	682	6,617	7,299
Cash at the beginning of the year	---	---	---
Cash at the end of the year	$ 682	$ 6,617	$ 7,299
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 215	$ 5,804	$ 6,019
Adjustments to reconcile operating income to net cash provided by operating activities:			
Bad debts expense	---	10,352	10,352
Changes in assets and liabilities:			
Receivables:			
Employees and retirees	(31)	(13,766)	(13,797)
Rebates	---	(12,023)	(12,023)
Due from other funds	(301)	(10,587)	(10,889)
Accounts payable	798	26,837	27,634
Accrued payroll and other	2	---	2
Net cash provided by operating activities	$ 682	$ 6,617	$ 7,299

See accompanying notes.

Government of Guam

Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2024
(Amounts in Thousands)

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
ASSETS			
Cash and cash equivalents	$ 15,935	$ 17,614	$ ---
Investments at fair value:			
Common stocks	1,675,065	---	---
U.S. Government securities	403,835	---	---
Corporate bonds and notes	258,020	---	---
Money market funds	19,454	---	---
Mutual funds	670,499	---	---
Total investments	3,026,873	---	---
Accounts receivable:			
Employer contributions	4,854	---	---
Member contributions	2,454	---	---
Interest and penalties on contributions	95	---	---
Accrued investment income	6,885	---	---
Due from brokers for unsettled trades	605	---	---
Service credits	2,560	---	---
Other	7,248	---	---
Due from DC Plan	600	---	---
Total receivables	25,300	---	---
Deposits and other assets	-	---	8,417
Capital assets	1,180	---	---
Total assets	3,069,288	17,614	8,417
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources from pensions	1,496	---	---
Deferred outflows of resources from OPEB	2,199	---	---
Total deferred outflows from resources	3,695	---	---
LIABILITIES			
Accounts payable and accrued expenses	5,486	---	---
Due to DB Plan	600	---	---
Due to other funds	---	255	---
Deposits and other liabilities	---	15,911	---
Due to brokers for unsettled trades	3,520	---	---
Net pension liability	5,991	---	---
OPEB liability	10,174	---	---
Total liabilities	25,771	16,166	---
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources from pensions	390	---	---
Deferred inflows of resources from OPEB	3,705	---	---
Total deferred inflows from resources	4,096	---	---
NET POSITION			
Restricted for:			
Employees' pension benefits	3,043,117	---	---
Individuals, organizations and other governments	---	1,448	8,417
Total net position	$ 3,043,117	$ 1,448	$ 8,417

See accompanying notes.

Government of Guam

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended September 30, 2024
(Amounts in Thousands)

	Pension (and Other Employee Benefit) Trust	Private-Purpose Trust	Custodial
Additions:			
Contributions:			
Employer contributions	$ 186,799	$ ---	$ ---
Member contributions	74,530	---	---
Use of money and property	---	1,582	---
Total contributions and revenues	261,329	1,582	---
Net investment income:			
Net increase in fair value of investments	510,013	---	---
Interest	54,422	---	---
Dividends	17,400	---	---
Other	765	---	---
Total investment income	582,601	---	---
Less: investment expenses	6,900	---	---
Net investment income	575,701	---	---
Total additions	837,030	1,582	---
Deductions:			
Benefits	262,323	---	---
Refunds	28,477	---	---
Interest on refunded contributions	520	---	---
Administrative and general expense	8,932	---	---
Individual and collective rights	---	2,129	---
Total deductions	300,252	2,129	---
Change in net position held in trust for:			
Employees' pension benefits	536,778	---	---
Individuals, organizations, and other governments	---	(546)	---
	536,778	(546)	---
Net position at beginning of year	2,506,339	1,994	8,417
Net position at end of year	$ 3,043,117	$ 1,448	$ 8,417

See accompanying notes.

Government of Guam

Statement of Net Position
Component Units

September 30, 2024
(Amounts in Thousands)

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
ASSETS										
Cash and cash equivalents	$ 3,019	$ 27,610	$ 23,281	$ 612	$ 61,702	$ 51,776	$ 26,326	$ 4,569	$ 58,515	$ 257,409
Investments	---	---	---	---	---	---	---	16,186	36,953	53,139
Receivables, net	21,936	4,754	17,040	53,979	48,702	19,067	50,013	19,808	56,550	291,849
Due from primary government	9,651	710	---	---	---	---	---	---	5,103	15,464
Inventories	327	543	420	2,799	74,547	4,961	986	507	---	85,089
Prepayments	---	---	350	523	2,548	1,218	420	---	91	5,151
Deposits and other assets	2,375	8,718	---	418	---	3,175	---	5,943	308	20,937
Restricted assets:										
Cash and cash equivalents	---	---	1,025	---	119,029	256,660	99,592	3,987	25,248	505,541
Investments	56,184	22,447	---	---	33,761	---	---	47,554	168	160,114
Unamortized bond issuance costs	---	---	---	---	4	---	---	---	---	4
Capital assets:										
Nondepreciable capital assets	84,282	12,526	9,129	2,876	34,837	81,104	27,336	25,385	20,204	297,680
Capital assets, net of accumulated depreciation	371,779	33,415	15,202	28,662	433,987	730,297	99,866	58,466	6,805	1,778,479
Land held for development	---	---	2,255	---	---	---	---	---	---	2,255
Total assets	549,553	110,722	68,702	89,869	809,117	1,148,258	304,539	182,405	209,946	3,473,110
DEFERRED OUTFLOWS OF RESOURCES										
Deferred amount on refunding	10,558	---	---	---	9,780	24,067	---	---	---	44,406
Deferred outflows from pensions	11,082	10,181	5,097	40,724	20,135	13,057	16,845	25,277	6,524	148,923
Deferred outflows from OPEB	10,802	13,599	4,759	56,584	32,832	28,993	25,686	37,163	6,311	216,729
Unrecovered fuel costs	---	---	---	---	14,559	---	---	---	---	14,559
Total deferred outflows of resources	32,442	23,781	9,856	97,308	77,307	66,117	42,532	62,440	12,834	424,616
LIABILITIES										
Accounts payable	6,654	1,878	1,302	21,715	34,857	5,583	4,043	15,113	3,518	94,662
Contracts payable	4,614	507	---	---	---	12,579	---	---	---	17,700
Accrued interest payable	3,918	---	---	---	13,382	6,852	---	---	436	24,588
Accrued payroll and other	4,740	---	265	3,691	1,058	872	630	---	848	12,105
Payable to federal agencies	2,310	---	17	3,500	---	7,600	---	4,946	---	18,373
Due to primary government	1,247	---	---	18,071	---	---	---	---	77	19,395
Unearned revenue	---	1,230	1,810	---	---	---	229	5,977	16,905	26,150
Deposits and other liabilities	6,887	5,532	1,048	560	27,773	3,851	379	2,391	359	48,781
Long-term liabilities:										
Due within one year	4,601	321	655	3,445	22,970	11,284	4,733	1,526	2,781	52,314
Due in more than one year	282,615	105,079	47,100	386,838	700,936	780,167	237,427	254,687	75,818	2,870,666
Total liabilities	317,586	114,547	52,196	437,819	800,976	828,789	247,441	284,639	100,742	3,184,736
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows from pensions	2,498	2,489	1,021	6,645	7,826	4,909	4,076	5,474	974	35,913
Deferred inflows from OPEB	17,189	14,968	5,330	51,437	49,871	32,477	25,275	34,858	7,008	238,413
Deferred inflows from leases	14,528	---	---	---	---	---	35,967	1,109	27,964	79,568
Deferred amount on refunding	391	---	---	---	---	7,532	---	---	---	7,923
Total deferred inflows of resources	34,606	17,457	6,352	58,082	57,697	44,919	65,318	41,441	35,946	361,817
NET POSITION										
Net investment in capital assets	275,808	42,400	26,586	26,972	17,314	320,671	116,223	72,880	17,101	915,954
Restricted:										
Capital projects	19,308	---	---	---	---	---	815	5,980	---	26,103
Retirement of indebtedness	170	---	---	---	14,291	63,941	39,484	---	---	117,886
Endowment - nonexpendable	---	28,619	---	---	---	---	---	30,321	---	58,939
Other purposes	725	---	25,456	---	15,102	55,958	9,252	21,811	24,569	152,873
Unrestricted (deficit)	(66,209)	(68,520)	(32,032)	(335,696)	(18,956)	(99,902)	(131,462)	(212,227)	44,422	(920,582)
Total net position	$ 229,803	$ 2,498	$ 20,010	$ (308,724)	$ 27,751	$ 340,668	$ 34,312	$ (81,235)	$ 86,092	$ 351,174

See accompanying notes.

Government of Guam

Statement of Revenues, Expenses, and Changes in Net Position
Component Units

Year ended September 30, 2024
(Amounts in Thousands)

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Non-major Component Units	Total
Expenses	$ 97,603	$ 41,032	$ 71,742	$ 223,651	$ 555,138	$ 141,652	$ 68,898	$ 136,077	$ 44,070	$ 1,379,865
Program revenues:										
Charges for services	64,731	7,196	2,204	139,789	546,329	129,857	58,667	62,907	8,582	1,020,261
Operating grants and contributions	3,453	5,033	69,665	1,811	1,152	---	4,586	8,808	1,539	96,047
Capital grants and contributions	5,246	2,828	509	193	---	2,999	563	6,722	---	19,059
Total program revenues	73,430	15,057	72,377	141,793	547,481	132,856	63,816	78,437	10,120	1,135,367
Net program revenues (expenses)	(24,173)	(25,975)	635	(81,859)	(7,657)	(8,796)	(5,082)	(57,641)	(33,950)	(244,498)
General revenues:										
Payments from GovGuam	1,629	24,796	606	71,336	---	---	---	43,872	32,769	175,007
Investment earnings	2,665	4,145	6	---	5,114	13,950	3,393	9,308	7,884	46,465
Other	---	2,487	640	198	---	1,000	5,025	1,586	2,071	13,008
Total general revenues	4,294	31,428	1,252	71,533	5,114	14,950	8,418	54,766	42,725	234,480
Change in net position	(19,879)	5,453	1,887	(10,325)	(2,543)	6,153	3,336	(2,875)	8,775	(10,018)
Net position at beginning of year	249,682	(2,955)	18,123	(298,399)	30,293	334,514	30,976	(78,361)	77,317	361,191
Net position at the end of the year	$ 229,803	$ 2,498	$ 20,010	$ (308,724)	$ 27,751	$ 340,668	$ 34,312	$ (81,235)	$ 86,092	$ 351,174

See accompanying notes.

1. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Government of Guam (GovGuam) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. GovGuam's significant accounting policies are described below:

A. Reporting Entity

Guam is an unincorporated territory of the United States of America with policy relations between Guam and the United States under the jurisdiction of the Office of Insular Affairs, U.S. Department of the Interior. In 1950, the U.S. Congress provided Guam with an Organic Act that organized GovGuam as a constitutional government comprised of locally elected executive and legislative branches and an appointed judicial branch. In addition, Guam has an elected representative to the U.S. Congress who possesses the same powers and privileges as representatives from the various States, except for voting on the House of Representatives floor. The Executive Branch consists of a popularly elected Governor and Lieutenant Governor, each serving a four-year term, with executive department heads appointed by the Governor with the consent of the Guam legislature. The Legislative Branch is a unicameral parliament consisting of 15 members elected for a term of two years. The Judicial Branch is comprised of the Supreme Court of Guam and a Territorial Superior Court with judges appointed for eight-year terms by the Governor.

For financial reporting purposes, GovGuam has included all funds, organizations, agencies, boards, commissions, and institutions. GovGuam has also considered all potential component units for which it is financially accountable as well as other entities for which the nature and significance of their relationship with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. The criteria to be considered in determining financial accountability include whether GovGuam, as the primary government, has appointed a voting majority of an organization's governing body and either can impose its will on that organization or there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on GovGuam. Financial accountability also exists if an organization is determined to be fiscally dependent on the primary government, although the primary government does not appoint a voting majority of the organization's governing board. Except for the Deferred Section 457 Compensation Plan, each component unit of GovGuam has a September 30 year-end. The Deferred Section 457 Compensation Plan has a December 31 year-end.

Blended component units are entities that are legally separate from GovGuam but are so related to GovGuam that they are, in substance, the same as GovGuam or entities providing services entirely or almost entirely to GovGuam. The net position and results of operations of the Medical and Dental self-insured funds are presented as proprietary funds.

1. Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

Component units are entities that are legally separate organizations for which GovGuam's elected officials are financially accountable or other organizations for which the nature and significance of their relationship with GovGuam are such that exclusion would cause GovGuam's basic financial statements to be misleading or incomplete. GovGuam is financially accountable because it appoints the members of the governing authorities of each of the component units and because it can impose its will on these organizations or because the organizations provide specific financial benefits or impose specific financial burdens on GovGuam.

The financial statements of the component units have been included in the financial reporting entity as discretely presented component units in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The component units' column of the basic financial statements includes the financial data of the following discretely presented component units:

(a) Antonio B. Won Pat International Airport Authority (AWPIAA), formerly known as the Guam International Airport Authority, was created by Public Law 13-57 (as amended) as an autonomous instrumentality of GovGuam to own and operate the facilities of the Guam International Air Terminal. It is charged with the acquisition, construction, operation and maintenance of airports and related facilities for civil aviation on Guam. AWPIAA supports its operations through landing fees and charges for use of its facilities and through rentals under concessionaire agreements and is governed by a seven-member Board of Directors, all of whom are appointed by the Governor of Guam. AWPIAA is fiscally dependent upon GovGuam whereby AWPIAA cannot issue bonded debt without legislative approval.

(b) Guam Community College (GCC) was created by Public Law 14-77, "The Community College Act of 1977". GCC is governed by a nine-member Board of Trustees, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to GCC through legislative appropriations.

(c) Guam Housing and Urban Renewal Authority (GHURA) was created by Government Code, Vol. II, Title XIV, Chapter X, 13902. GHURA's purpose is to promote the health, safety and welfare of the people of Guam by eliminating slum and blight conditions, by the orderly redevelopment and renewal of communities, by proper planning of community development and by provision of safe, decent and sanitary dwellings for low-income families, through all available Federal and local governmental programs. The Board of Commissioners of GHURA is appointed by the Governor of Guam. GovGuam can impose its will on GHURA.

1. Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

(d) Guam Memorial Hospital Authority (GMHA) was created by Public Law 14-29 as an autonomous instrumentality of GovGuam to administer and operate the Guam Memorial Hospital. GMHA is governed by a seven-member Board of Trustees, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to GMHA through legislative appropriations.

(e) Guam Power Authority (GPA) was created by the GPA Act of 1968 and is responsible for the supervision of construction, maintenance of operations and regulations of all electrical utility services within GovGuam. It operates the power system for GovGuam and has created an Island-wide Power System Agreement with the United States Navy. GPA derives revenues from sales of electricity and is governed by the five-member Consolidated Commission on Utilities (CCU), all of whom are elected for terms of two or four years. GPA is fiscally dependent upon GovGuam whereby GPA cannot issue bonded debt without legislative approval.

(f) Guam Waterworks Authority (GWA), formerly the Public Utility Agency of Guam (PUAG), was created by Public Law 23-119 and is responsible for supervising the construction, maintenance operations and regulations of all water and sewerage services within GovGuam. GWA derives its operating revenues from water and wastewater fees charged to residential, commercial and government customers, based on consumption, and is governed by the CCU. GWA is fiscally dependent upon GovGuam whereby GWA cannot issue bonded debt without legislative approval.

(g) Port Authority of Guam (PAG) was created by Public Law 13-87 as an autonomous instrumentality of GovGuam to own and operate the facilities of the Commercial Port of Guam. PAG is governed by a five-member Board of Directors, all of whom are appointed by the Governor of Guam. PAG is fiscally dependent upon GovGuam whereby PAG cannot issue bonded debt without legislative approval.

(h) University of Guam (UOG) was created by Public Law 13-194 and is responsible for operating Guam's institution of higher education. UOG is governed by a nine-member Board of Regents, all of whom are appointed by the Governor of Guam. GovGuam provides financial support to UOG through legislative appropriations.

In addition, the financial data of the following nonmajor component units are included - Guam Housing Corporation, Guam Economic Development Authority, Guam Visitors Bureau, Guam Preservation Trust, and Guam Educational Telecommunications Corporation (PBS GUAM).

1. Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

Fiduciary component units are subject to legislative and executive controls. These component units, while meeting the definition of a component unit and while legally separate, are presented in the fund financial statements of GovGuam. They have been omitted from the government-wide financial statements as their resources are not available to fund operations of GovGuam. The fiduciary component units are as follows:

(a) GovGuam Retirement Fund (GGRF) - the governing body consists of a seven-member Board of Trustees. Two members are elected by active Fund members; two members are elected by GGRF members among the roster of retirees; and three members are appointed by the Governor of Guam. GGRF was enacted to provide retirement amenities and other benefits to GovGuam employees, who upon entry to service are eligible for membership. GGRF is reported as if it were part of the primary government because of the fiduciary responsibility that GovGuam retains relative to the operations of GGRF. The operations of GGRF are reported as a Fiduciary Fund Type - Pension (and Other Employee Benefit) Trust Fund.

(b) GovGuam Deferred 457 Compensation Plan - investment options are monitored by the GGRF Board of Trustees.

GovGuam's component units, departments, and funds that are separately audited issue their own basic financial statements, each of which has a September 30 year-end. These statements may be obtained by directly contacting the various entities' administrative offices or at the website of the Office of Public Accountability - www.opaguam.org.

A. B. Won Pat International Airport Authority
P.O. Box 8770
Tamuning, GU 96931

Guam Memorial Hospital Authority
850 Governor Carlos G. Camacho Rd.
Tamuning, GU 96913

Guam Power Authority
P.O. Box 2977
Hagatna, GU 96932

Guam Waterworks Authority
P.O. Box 3010
Hagatna, GU 96932

Port Authority of Guam
1026 Cabras Hwy, Ste. 201
Piti, GU 96925

University of Guam
University Drive
Mangilao, GU 96923

Guam Community College
P.O. Box 23069, GMF
Barrigada, GU 96921

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, GU 96926

1. Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

Guam Housing Corporation
P.O. Box 3457
Hagatna, GU 96932

Guam Preservation Trust
Suite 211, 194 Hernan Cortes Avenue
Hagatna, GU 96932

Guam Economic Development Authority
Suite 511, ITC Building
590 South Marine Corps Drive
Tamuning, GU 96913

Guam Visitors Bureau
401 Pale San Vitores Road
Tamuning, GU 96913

Guam Educational Telecommunications Corporation
P.O. Box 21449, GMF
Barrigada, GU 96921

In addition to the University of Guam (UOG) and Guam Community College (GCC) component units, the accompanying component units' column of the basic financial statements includes the University of Guam Endowment Foundation, Inc. and the Guam Community College Foundation, Inc., which are legally separate, tax-exempt, separately audited, component units of UOG and GCC, respectively. Inclusion of these component units is in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units- an amendment of GASB Statement No. 14*.

GASB Statement No. 39 provides additional guidance for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government and to clarify reporting requirements for those organizations. The foundations' resources can only be used by or are for the benefit of UOG and GCC to which they serve. They are presented within the respective financial statements of UOG and GCC because of their nature and significance to these entities. Complete financial statements of the foundations may be obtained at their respective offices. The foundations are not considered major component units of GovGuam under the definitions put forth under GASB Statement 34 but are blended within UOG and GCC.

The Public Utilities Commission (PUC) is a related organization under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. PUC consists of seven members, all of whom are appointed by the Governor of Guam. GovGuam's accountability does not extend beyond the appointments. Accordingly, PUC is classified as another stand-alone governmental unit, not a component unit of GovGuam, and therefore is not part of these financial statements.

1. Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

The Guam Academy Charter School Council consists of seven members appointed by the Governor of Guam subject to confirmation by the Guam Legislature. The Council is responsible for granting Academy School Charter status to qualifying applicants. GovGuam considers the financial statements of these charter schools to be presented as blended component units of the General Fund. The omission of these financial statements from GovGuam's General Fund are not considered material to the accompanying financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements except for other charges between the primary government and the discretely presented component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Primary government activities are defined as either governmental or business-type activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. As such, business-type activities account for operations similarly to a for-profit business. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Discretely presented component unit activities are presented with their business-type focus.

The Statement of Net Position presents all the reporting entity's non-fiduciary assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources that are attributable to related debt are also included in this component.

- Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law.

- Unrestricted net position consists of net position, which does not meet the definition of the two preceding categories. Unrestricted net position often is designated (for example, internally restricted), to indicate that management does not consider it to be available for general operations.

1. Summary of Significant Accounting Policies, continued

B. Government-Wide Financial Statements, continued

The government-wide Statement of Net Position reports $873,940,695 of restricted net position, of which $274,431,052 is restricted by enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not meeting the definition of program revenues are, instead, reported as general revenues and offset or supplant the net operating deficit or surplus from governmental operations.

C. Governmental Fund Financial Statements

The fund financial statements present a balance sheet and a statement of revenues, expenditures, and changes in fund balances for its major and aggregated non-major funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements pursuant to GASB reporting standards, with nonmajor governmental funds being combined into a single column.

GovGuam reports its financial position and results of operations in funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Transactions between funds within a fund type, if any, have not been eliminated.

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary fund, fiduciary fund and component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

1. Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

Government-Wide Financial Statements, continued:

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenue is derived from taxation, investment income and other fees that are not allocated to specific programs.

Governmental Funds Financial Statements:

Governmental funds financial statements account for the general governmental activities of GovGuam and are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual and are both measurable and available. Revenues are available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, GovGuam considers most revenues other than federal grants and assistance awards and property taxes to be available if they are collected within 90 days of the end of the current fiscal period. Federal grants and assistance awards made based on entitlement periods are recorded as revenue when available and entitlement occurs which is generally within 12 months of the end of the current fiscal period. GovGuam considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period.

Significant revenues susceptible to accrual include income and gross revenue taxes, federal grants, federal reimbursements, and other reimbursements for use of materials and services and are recognized in the year in which they are received or subject to accrual, grants expended, or services provided. Miscellaneous revenues from other financing sources are recognized when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available.

Expenditures are recorded in the period in which the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due. Compensated absences, termination benefits, claims and judgments, and similar activities are recognized to the extent that they are normally expected to be liquidated with expendable available financial resources.

Proprietary Funds Financial Statements:

Proprietary Funds financial statements account for the business-type activities of GovGuam and reported using the economic resources measurement focus and the accrual basis of accounting whereby all assets and liabilities associated with the operation of these funds are included on the statement of net position.

1. Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

Proprietary Funds Financial Statements, continued:

The accrual basis of accounting recognizes revenues when they are earned and expenses when they are incurred, regardless of the timing of related cash flows. The Medical and Dental Self-Insurance Funds account for the costs of providing services to the employees, retirees and dependents of GovGuam. Premiums are recognized as revenue in the period for which coverage is provided. Claims and related expenses are recorded when the loss is incurred, including an estimate for claims that have been incurred but not reported (IBNR).

The Medical and Dental self-insured funds are intended to be self-sustaining through charges to the employees based on the determined rates that cover anticipated claims, administrative costs, and reserves for future claims.

Fiduciary Funds and Component Units Financial Statements:

Discretely presented component units distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a component unit's principal ongoing operations. All other revenues are reported as nonoperating. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

Fund Accounting:

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus* sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses for either fund category or the governmental and enterprise combined) for the determination of major funds. GovGuam has elected to add an additional major fund that is of specific public interest, namely the GDOE Federal Grants Fund. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements.

GovGuam reports the following major funds:

- General Fund - this 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.

1. Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

Fund Accounting, continued:

- Federal Grants Assistance Fund - a Special Revenue Fund that accounts for certain activities of U.S. federal assistance grants and contracts utilized by GovGuam to finance general governmental operations and provide services.

- ARPA Assistance Fund - a Special Revenue Fund that accounts for certain activities of U.S. federal assistance grants created under the American Rescue Plan Act (ARPA) of 2021.

- GDOE Federal Grants Fund - a Special Revenue Fund that accounts for certain activities of U.S. special federal assistance grants and contracts utilized by GovGuam to finance public education, both primary and secondary.

- Chamorro Lands Fund - a Permanent Fund that accounts for developed Chamorro land and other real estate owned by GovGuam and held in various land banks. Such are legally restricted to the extent that only earnings from lease rental payments, and not principal, may be used to support GovGuam operations.

The nonmajor governmental funds are comprised of the following:

- Special Revenue Funds - these funds account for the financial resources obtained from specific revenue sources and used for restricted purposes.

- Capital Projects Funds - these funds account for the financial resources obtained from bond issuances for the acquisition or construction of capital assets and facilities.

- Debt Service Funds - these funds account for the financial resources obtained and used for the payment of principal and interest revenue bond obligations established in accordance with bond indentures.

In addition, GovGuam reports the following proprietary and fiduciary fund types:

Proprietary funds:

- Medical self-insured fund - This fund accounts for activities associated with the provision of medical benefits for employees, retirees, and dependents.

- Dental self-insured fund - This fund accounts for activities associated with the provision of dental benefits for employees, retirees, and dependents.

1. Summary of Significant Accounting Policies, continued

D. Measurement Focus and Basis of Accounting, continued

Fiduciary funds:

- Pension (and Other Employee Benefit) Trust Funds - these funds account for resources that are required to be held in trust for the members and beneficiaries of GovGuam's pension and other postemployment benefit (OPEB) plans.

- Private Purpose Funds - these funds account for resources held in trust under which principal and income benefit certain individuals.

- Custodial Funds - these funds account for assets held on behalf of other governmental entities, other organizations, or individuals, which are custodial in nature.

E. Cash and Cash Equivalents

Cash and cash equivalents of the primary government and the discretely presented component units include cash on hand, demand deposits, and short-term investments in time certificates of deposit and U.S. Treasury obligations with a maturity date within three months of the date acquired by GovGuam. Deposits maintained in time certificates of deposit with original maturity dates greater than three months are classified as investments.

F. Investments

Investments and related investment earnings of the primary government and the discretely presented component units are recorded at fair value using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the date as of which the fair value of an asset or liability is determined. GovGuam categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy is based on the lowest level of input that is significant to the fair measurement. Investments not categorized under the fair value hierarchy are shown at either Net Asset Value (NAV) or amortized cost.

1. Summary of Significant Accounting Policies, continued

G. Restricted Assets

As of September 30, 2024, certain assets of the primary government are reported as restricted assets due to constraints placed on the assets externally imposed by creditors (such as through bond indentures), court orders and grantors including: $872,383 externally restricted under a Chamorro Lands loan guarantee program; $5,344,623 externally restricted for Child Support; $1,089,744 externally restricted for GDOE extracurricular school activities; $94,342,655 externally restricted under various bond issues (including $90,146,008 for future debt service requirements and $4,196,647 in unspent bond proceeds); $843,791 externally restricted under the Congress building loan agreement for future debt service requirements; $902,104 externally restricted under the Judicial building loan agreement for future debt service requirements; $39,183,792 externally restricted for Court ordered post closure costs; and $588,062 externally restricted for unclaimed deposits.

H. Land and Other Real Estate

Land and other real estate held as investments in permanent funds of $459,050,489, which comprise $445,786,364 held by the Chamorro Land Trust Commission and $13,264,125 held by the Guam Ancestral Lands Commission, are reported at fair value. Fair value is based on estimated current value (primarily assessed real estate property tax valuations) and appraisals. Investments that do not have an established market are reported at estimated fair value. Accordingly, land and other real estate investments are valued using Level 3 inputs. Earnings from lease agreements associated with these investments are reported as revenues of the Chamorro Land Trust Commission and the Guam Ancestral Lands Commission. Only developed land, supported by valid lease agreements, is included in the valuation.

I. Receivables and Tax Abatements

In general, tax revenue is recognized on the government-wide financial statements when assessed or levied and on the governmental fund financial statements to the extent that it is both measurable and available. Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to GovGuam for its expenditures on federally funded reimbursement and grant programs are reported as “receivables from federal agencies” in the governmental funds balance sheet.

Receivables of the primary government and the discretely presented component units are primarily due from businesses and individuals residing on the island of Guam. The allowance for uncollectible accounts primarily represents estimated uncollectible amounts that are determined based upon past collection experience and aging of the accounts.

1. Summary of Significant Accounting Policies, continued

I. Receivables and Tax Abatements, continued

The primary government and the discretely presented component units act as a lessor of various buildings and ground leases. Leases with maximum terms of more than twelve months are recognized as lease receivables and deferred inflows of resources in the respective governmental activities and governmental fund financial statements. Lease receivables are recorded as the present value of the future lease payments expected to be received from the lessee during the lease term, net of any estimated uncollectible amounts.

Tax abatements represent reductions in tax revenues that result from an agreement between GovGuam and individuals or entities where: (i) GovGuam promises to forgo tax revenues to which it is otherwise entitled to; and (ii) the individuals or entities promise to take specific action that contributes to economic development.

J. Prepaid Items and Inventories

Certain payments made to vendors or persons for services reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Inventories of the primary government comprise supplies while inventories of the discretely presented component units comprise fuel oil, diesel fuel, parts and supplies, and are generally valued at the lower of cost (FIFO) or market.

K. Interfund Receivables/Payables

During its operations, GovGuam records transactions between individual funds for goods provided or services rendered. Receivables and payables resulting from transactions between funds are classified as "due from other funds" or "due to other funds" on the governmental fund balance sheet. These balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur; transactions are recorded in the accounting system; and payments between funds are made and are scheduled to be collected in the subsequent year.

Receivables and payables resulting from transactions between component units and the primary government are classified as “due to/from primary government” or “due to/from component units” on the governmental fund balance sheet and the statement of net position. Interfund receivables and payables for the primary government have been eliminated from the statement of net position.

1. Summary of Significant Accounting Policies, continued

L. Capital Assets

Capital assets, including property, plant, equipment and infrastructure (e.g., roads, bridges, ramps and other similar items), are reported in the governmental activity column of the government-wide financial statements. Such assets, whether purchased or constructed, are recorded at historical cost or estimated historical cost. Construction in progress includes all associated cumulative costs of a constructed capital asset. Construction in progress is relieved at the point at which an asset is placed in service for its intended use. Capital assets of the discretely presented component units are capitalized upon purchase and are depreciated on a straight-line basis over the estimated useful lives of the assets.

Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are capitalized when the cost of the individual items exceeds $50,000. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Except for the Layon Landfill, capital assets of the primary government are depreciated using the straight-line method with a full year's depreciation charged in the year of acquisition and disposal, regardless of date. Landfill cells are depreciated based on capacity used/available at year end.

Right-to-use (RTU) assets are recognized at the lease commencement date and represent GovGuam's right to use an underlying asset for the lease term. RTU assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs. Options to renew or terminate the lease are recognized as part of RTU assets and lease liabilities when it is reasonably certain the options will be exercised.

M. Provision for Tax Refunds

During the calendar year, GovGuam collects individual and corporate income taxes through withholdings and payments from taxpayers. As of September 30, GovGuam estimates the amount owed to taxpayers for overpayments during the first nine months of the calendar year. These estimated amounts and the actual tax refunds claimed for prior years but not paid at year-end are recorded as provision for tax refunds and as a reduction of tax revenue. The provision for tax refunds is evaluated on a regular basis by management and is based upon management's periodic review of tax returns considering historical experience and the nature and volume of tax returns submitted. This evaluation is subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Accordingly, changes to the provision for tax refunds are accounted for on a prospective basis.

N. Unearned Revenue/Payable to Federal Agencies

Unearned revenue is recorded when cash is received prior to being earned and primarily relates to Section 30 federal income tax collections remitted from the United States Government in the amount of $77,017,439, which is recognized as revenues of the following fiscal year.

1. Summary of Significant Accounting Policies, continued

N. Unearned Revenue/Payable to Federal Agencies, continued

Amounts received in advance from federal agencies relating to expenditure-driven grants are reported as "payables to federal agencies" in the statement of net position and the governmental funds balance sheet. Revenues are recognized when all applicable program eligibility requirements associated with the federal grant are met by GovGuam as the recipient.

O. Long-term Debt

The liabilities reported in the government-wide financial statements include GovGuam general obligation bonds, limited obligation bonds, long-term notes and capital leases, and long-term liabilities including vacation, sick leave, pension and other postemployment benefits, long-term liabilities to other governmental entities, and closure and post-closure costs associated with the Ordot Dump and Layon Landfill. Capital lease liabilities consist of lease contracts that transfer substantially all the benefits and risks of ownership of property to GovGuam. Long-term obligations financed by component units are recorded as liabilities in the discretely presented component unit's column.

In accordance with Section 1423a of the Organic Act, the debt ceiling limitation or public indebtedness of GovGuam must not exceed 10% of the aggregate tax value (assessed value) of property in Guam, which is $1,401,114,416 as of October 30, 2024, the date that such certification was performed.

Total debt outstanding as of September 30, 2024, subject to the debt ceiling limitation is as follows:

General Obligation Debt:	
GOB Series 2019 Bonds	$ 19,760,000
Congress Building Loan	2,930,969
Limited Obligation Debt:	
Business Privilege Tax Bonds, Series 2012B	6,390,000
Business Privilege Tax Bonds, Series 2015D	345,715,000
Section 30 Bonds, Series 2016	174,420,000
Hotel Occupancy Tax Bonds, Series 2021	58,865,000
Business Privilege Tax Bonds, Series 2021E	14,545,000
Business Privilege Tax Bonds, Series 2021F	258,550,000
	$881,175,969

1. Summary of Significant Accounting Policies, continued

P. Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest rate method. Bonds payable are reported net of bond premiums and discounts. Bond issuance costs, except any portion related to prepaid insurance costs, are expensed in the period incurred. Prepaid insurance costs are reported as assets and are amortized over the term of the debt using the straight-line method.

In the governmental fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the period the bond proceeds are received. The face amount of the debt issued is reported as other financing sources. Premiums received and discount deducted on debt issuance are reported as other financing sources and other financing uses, respectively. Issuance costs, whether withheld from the actual debt proceeds, are reported as expenditures.

Q. Deferred Outflows/Inflows of Resources

In the government-wide financial statements, the statement of net position will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. On the other hand, deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then.

In the governmental fund financial statements, deferred inflows of resources consist of unavailable revenue, which is revenue that does not meet the "available" criterion for revenue recognition under the modified accrual basis of accounting.

R. Fund Equity/Net Position

GovGuam reports net position as restricted when restrictions are externally imposed by citizens and/or public interest groups or legally segregated for a specific future use by enabling legislation in accordance with GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. Otherwise, these balances are considered unrestricted. Net Position has been restricted as follows:

"Restricted for capital projects" - identifies amounts of unspent proceeds of bond issuances that can only be used for capital projects.

"Restricted for retirement of indebtedness" - identifies amounts held by fiscal agents to fund future debt service obligations as required under bond indentures. Because removal of monies from these restrictions would constitute a technical default to bondholders, the amounts are restricted.

1. Summary of Significant Accounting Policies, continued

R. Fund Equity/Net Position, continued

"Restricted for endowments: nonexpendable" - identifies amounts held for endowment and similar type funds, including land and other real estate, in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

"Restricted for public health, environmental protection and other purposes" - identifies amounts held for various externally imposed restrictions either by creditors, grantors or laws and regulations of other governments. It also includes various restrictions put forth by the GovGuam enabling statutes. Included in this restriction are reserves for prior appropriations.

Fund balance classifications are based on the extent to which GovGuam is bound to honor constraints on the specific purposes for which amounts in those funds can be spent and are reported under the following fund balance classifications:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the Guam Legislature and does not lapse at year-end. Formal action of the Guam Legislature is required to establish, modify or remove the limitations on committed fund balances.

- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Intent is expressed by either the Guam Legislature or a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

- Unassigned - residual balances that are not contained in the other classifications and includes negative fund balances in other governmental funds. The General Fund may be the only fund that can report a positive unassigned fund balance.

1. Summary of Significant Accounting Policies, continued

R. Fund Equity/Net Position, continued

GovGuam has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of GovGuam is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

A formal minimum fund balance policy has not been adopted. However, most governmental funds cannot end a fiscal year in deficit.

S. Compensated Absences

Compensated absences are recorded as a long-term liability in the statement of net position. Amounts to be paid during the next fiscal year are reported as current liabilities. For the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and fund liabilities. Vacation pay is convertible to pay upon termination of employment.

In accordance with Public Law 27-5 and Public Law 28-68, employee vacation rates are credited at either 104, 156 or 208 hours per year, depending upon their length of service: (1) One-half day (4 hours) for each full bi-weekly pay period in the case of employees with less than five (5) years of service; (2) Three-fourths day (6) hours for each full bi-weekly pay period in the case of employees with more than five (5) years of service but less than fifteen (15) years of service; or (3) One (1) day (8 hours) for each full bi-weekly pay period in the case of employees with more than fifteen (15) years of service.

The statutes further amended the maximum accumulation of such vacation credits from 480 to 320 hours. Public Law 27-106 amended subsection (c) of 4 Guam Code Annotated § 4109. Employees who have accumulated annual leave more than 320 hours as of February 28, 2003, may carry over their excess and shall use the excess amount of leave prior to retirement or termination from service. Any unused leave over the excess shall be lost.

Public Law 26-86 allows members of the Defined Contribution Retirement System (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. GovGuam has accrued an estimated liability of $18,028,577 as of September 30, 2024, for potential future sick leave payments because of this law. This amount is an estimate, and actual payout may be materially different than estimated.

1. Summary of Significant Accounting Policies, continued

T. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the GovGuam Retirement Fund (GGRF) Defined Benefit (DB) Plan and additions to/reductions from the DB Plan's fiduciary net position have been determined on the same basis as they are reported by GGRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions are required to be recognized and disclosed using the accrual basis of accounting. GovGuam recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents GovGuam's proportional share of excess total pension liability over the pension plan assets - actuarially calculated - of a single-employer defined benefit plan, measured one year prior to fiscal year-end, and rolled forward. The total pension liability also includes GovGuam's proportionate share of the liability for ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments that are anticipated to be made to defined benefit plan members and for anticipated future COLA to DCRS members, and pension benefits afforded to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices following completion of their respective terms.

Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

U. Other Post-Employment Benefits (OPEB)

OPEB is required to be recognized and disclosed using the accrual basis of accounting. GovGuam recognizes a net OPEB liability for the defined benefit OPEB plan in which it participates, which represents GovGuam's proportional share of total OPEB liability - actuarially calculated – of a single-employer defined benefit plan, measured one year prior to fiscal year-end, and rolled forward. An OPEB trust has not been established thus the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis.

1. Summary of Significant Accounting Policies, continued

U. Other Post-Employment Benefits (OPEB), continued

Changes in the net OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

V. Property Taxes

On or before September 1 of each tax year, GovGuam's Real Property Tax Division is mandated to make available a tax roll listing identifying all taxable properties and corresponding tax assessments levied. By October 31 each year, the tax assessment rolls are certified, and real property taxes become due and payable on December 15. The tax levy is divided into two installments: the first installment is due February 20; the second installment is due April 20.

Real property taxes become a lien on the property as of noon the first Monday in March each year to secure the payment of all taxes, penalties and interest that is ultimately imposed on the property. The tax rate is established by 11 GCA 24, Real Property Tax, wherein a levy is assessed on all land property in Guam at the rate of seven-seventy seconds percent (7/72%) of the value thereof and seven-eighteenths (7/18%) of the value of the improvements thereon. In addition to this levy, there is hereby levied on improvements on all land property in Guam with a value of $1,000,000 or more a yearly tax at the rate of seven eighteenths percent (7/18%) of the value thereon.

W. Encumbrances

GovGuam utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods and services. As of September 30, 2024, GovGuam has encumbrances summarized as follows:

General	Federal Grants Assistance	ARPA Assistance	GDOE Federal Grants	Other Governmental	Total
$34,297,443	$56,167,843	$2,407,572	$162,923,021	$10,831,419	$266,627,298

1. Summary of Significant Accounting Policies, continued

X. New Accounting Standards

During the year ended September 30, 2024, GovGuam implemented the following pronouncements:

- GASB Statement No. 99, *Omnibus 2022*, which modifies guidance in GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, to bring all guarantees under the same financial reporting requirements and disclosures. It also provides guidance on classification and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

- GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, which enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which results in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information is provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements results in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The implementation of these Statements did not have a material effect on the accompanying financial statements.

Y. Upcoming Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of the Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid, provided the services have occurred, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or noncash means. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 101 will be effective for the fiscal year ended September 30, 2025.

1. Summary of Significant Accounting Policies, continued

Y. Upcoming Accounting Pronouncements, continued

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to ascertain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 102 will be effective for the fiscal year ended September 30, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and addressing certain application issues identified through pre-agenda research conducted by the GASB. This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, budgetary comparison information and financial trends information in the statistical section. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 103 will be effective for the fiscal year ending September 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

1. Summary of Significant Accounting Policies, continued

Y. Upcoming Accounting Pronouncements, continued

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 104 will be effective for the fiscal year ending September 30, 2026.

In December 2025, GASB issued Statement No. 105, *Subsequent Events.* The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 105 will be effective for the fiscal year ending September 30, 2027.

Z. Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the provision for tax refunds.

1. Summary of Significant Accounting Policies, continued

Z. Estimates, continued

Management has used rounding conventions in preparing these financial statements to make them easier to read. In doing so, management has encountered rounding differences due to the use of rounding conventions. These rounding differences arise from the rounding of amounts to the nearest thousand dollars. The cumulative effect of rounding differences may result in variances between the totals of the basic financial statements and the sum of the individual amounts.

Management has assessed the materiality of these rounding differences in relation to the basic financial statements as a whole and has determined that they do not have a material impact on the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of GovGuam as of September 30, 2024, and the respective changes in financial position for the year then ended. Consequently, management has elected not to adjust the basic financial statements to eliminate resultant rounding differences.

2. Deposits and Investments

The deposit and investment policies of GovGuam are governed by 5 GCA 21, *Investments and Deposits*, in conjunction with applicable bond indentures. The Director of Administration is responsible for the safekeeping of all monies paid into the Treasury of Guam. The Director of Administration invests any monies of GovGuam that are deemed not necessary for immediate use. Legally authorized investments include securities issued or guaranteed by the U.S. Treasury or agencies of the United States government; demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any eligible institution; corporate debt obligations, including commercial paper; certain money market funds; state and local government securities, including municipal bonds; and repurchase and investment agreements. Except for investments in U.S. government securities, which are explicitly or implicitly guaranteed by the United States government, all other investments must be rated Aa1/P-1 by Moody's.

Custodial credit risk is the risk that in the event of a bank failure, GovGuam's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, collateralized with securities held by the pledging financial institution, or held by the pledging financial institution but not in the depositor-government's name.

A. Deposits

As of September 30, 2024, the carrying amount of the primary government's total cash and cash equivalents was $823,419,912 and the corresponding bank balances were $839,524,552. Of the bank balances, $626,722,679 is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance or credit unions subject to National Credit Union Administration (NCUA) insurance. As of September 30, 2024, bank deposits in the amount of $1,001,367 were FDIC insured and bank deposits in the amount of $336,749 were NCUA insured.

2. Deposits and Investments, continued

A. Deposits, continued

The remaining bank deposits of $212,801,873 represents short-term investments held and administered by GovGuam's trustees in accordance with various trust agreements and bond indentures. Based on negotiated trust and custody contracts, all these investments were held in GovGuam's name by GovGuam's custodial financial institutions as of September 30, 2024.

As of September 30, 2024, the carrying amount of the fiduciary fund's total cash and cash equivalents was $33,548,530 and the corresponding bank balances were $31,065,078, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of $5,503,032 were FDIC insured.

In accordance with 5 GCA 21, *Investments and Deposits*, GovGuam requires collateralization of deposits more than depository insurance limits in an amount in value at least ten percent more than the amounts of monies deposited with the financial institution. Such collateralization shall be in securities in U.S. treasury notes or bonds or in U.S. government agencies for which the faith and credit of the United States are pledged for the payment of principal and interest; evidence of indebtedness of GovGuam; investment certificates of the Federal Home Loan Bank; or such other securities as may be approved by the Director of Administration and the Governor of Guam. As of September 30, 2024, substantially all the respective GovGuam and component unit bank deposits more than depository insurance limits are collateralized with securities held by the pledging financial institution.

B. Investments

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amounts of investments in any one issuer that represents five percent (5%) or more of total investments for GovGuam.

2. Deposits and Investments, continued

B. Investments, continued

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, GovGuam will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. GovGuam's investments are held and administered by trustees in accordance with various bond indentures for the purpose of funding various health-related projects under a tobacco settlement agreement and future debt service requirements. Based on negotiated trust and custody contracts, all these investments were held in GovGuam's name by GovGuam's custodial financial institutions as of September 30, 2024.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt instruments. GovGuam does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of September 30, 2024, the primary government has the following recurring fair value measurements:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equities	$ 692,988	$ 692,988	$ ---	$ ---
Fixed corporate bonds	500,223	500,223	---	---
Mutual funds	4,659,369	4,659,369	---	---
Exchange traded products	5,817,629	5,817,629	---	---
Total investments by fair value level	11,670,209	$ 11,670,209	$ ---	$ ---
Investments measured at amortized cost:				
Time certificates of deposit	11,989,198			
	$ 23,659,407			

Government of Guam Retirement Fund (GGRF):

Investments of GGRF include U.S. Federal Government and agency obligations, foreign government obligations, real estate, commercial mortgages, corporate debt, mutual funds and equity instruments. Investments are reported at fair value. Securities transactions and any resulting gains or losses are accounted for on a trade date basis. Investments other than real estate, commercial mortgages and other loans, and municipal revenue bonds are reported at market values determined by the custodial agents. The agent's determination of market values includes, among other things, using pricing services or prices quoted by independent brokers at current exchange rates. Commercial mortgages and other loans and municipal revenue bonds have been valued on an amortized cost basis, which approximates market or fair value. No allowance for loan loss has been provided as all loans and bonds are considered by management to be fully collectible. Short-term investments are reported at cost, which approximates market value.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

For investments where no readily ascertainable market value exists, management, in consultation with their investment advisor, has determined the fair values for the individual investments based on anticipated maturity dates and current interest rates commensurate with the investment degree of risk.

Northern Trust Company holds the investments as custodian in GGRF's name. In addition, GGRF has selected investment managers who are given authority to purchase and sell securities in accordance with the following guidelines as established by GGRF:

a. Cash and Cash Equivalents - Cash equivalent reserves must consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposit, time deposits, and repurchase agreements are also acceptable investment vehicles. All other securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above. No single issue shall have a maturity of greater than two years, and the cash portfolio shall have a maturity of less than one year. Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the custodian.

b. Investment managers may invest in U.S. and non-U.S. common stocks, American Depository Receipts (ADRs), convertible bonds, preferred stocks, fixed-income securities, mutual funds and short-term securities. All fixed-income securities held in the portfolio must have a Moody's, Standard & Poor's and/or a Fitch's credit quality rating of no less than "BBB". U.S. Treasury and U.S. government agencies are qualified for inclusion in the portfolio. No more than twenty percent (20%) of the market value of the portfolio may be rated less than single "A" quality unless the manager has specific written authorization. Eighty percent (80%) of the fixed-income portfolio must be in bonds of credit quality of no less than "A". Total portfolio quality (capitalization weighted) must maintain an "A" minimum rating. In case such bonds or other evidence of indebtedness are not so rated by two nationally recognized and published rating services, the net earnings available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year and during either of the last two years have been, after depreciation and taxes, not less than:

    i. Two times its average annual fixed charges over the same period, in the case of any public utility company;

    ii. One and one-half times its average annual fixed charges over the same period, in the case of any financial company; or,

    iii. Three times its average annual fixed charges over the same period, in the case of any other company.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

With the written petition and subsequent written approval of the Trustees, opportunistic investment bonds issued by national governments other than the United States or foreign corporations may comprise up to six percent (6%) of each fixed-income manager's portfolio. In no case shall these investments exceed three and one-half percent (3.5%) of the total GGRF investments. All non-U.S. securities will be, in the judgment of the investment managers, of credit quality equal to or superior to the standards described above.

For U.S. equities, equity holdings are restricted to readily marketable securities of corporations that are actively traded on the major U.S. exchanges and over the counter. For investments in common and preferred stock:

i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment;

iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidence of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends, and dividends on prior common or capital stock have been paid in full; and

v. Preferred stock must also adhere to the following - the net earnings of the institution available for fixed charges over a period of five fiscal years preceding the date of investment have averaged per year, and during either of the last two years have been, after depreciation and income taxes, no less than:

    1. Two times its average annual fixed charges, maximum contingent interest and preferred dividend requirements over the same period, in the case of any public utility company; or

    2. Three times its average annual fixed charges, maximum contingent interest, and preferred dividend requirements over the same period, in the case of any other company.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

For non-U.S. equities, common or capital stock of any institution or entity created or existing under the laws of any foreign country are permissible investments, provided that:

i. The issuing institution has reported a profit in at least four of the five fiscal years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

ii. The issuing institution has paid a cash dividend on its common or capital stock in at least four of the five years preceding the date of investment, or alternatively, in at least seven of the ten fiscal years preceding the date of investment;

iii. Total cash dividends have not exceeded total earnings in five years preceding the date of investment; and

iv. On the date of investment, the issuer is not in default in payment of principal or interest on any of its publicly held bonds or other evidence of indebtedness, and any contingent interest, cumulative and non-cumulative preferred dividends and dividends on prior common or capital stock have been paid in full.

Consistent with the desire to maintain broad diversification, allocations to any country, industry or other economic sector should not be excessive.

c. No investment management organization shall have more than twenty-five percent (25%) of the GGRF's assets under its direction.

d. No individual security of any issuer, other than that of the United States government or GovGuam, shall constitute more than five percent (5%), at cost, of the total GGRF or of any investment manager's portfolio.

e. Holdings of any issuer must constitute no more than five percent (5%) of the outstanding securities of such issuer.

f. Investments in a registered mutual fund managed by the investment manager are subject to prior approval of the Board of Trustees.

g. The following securities and transactions are not authorized: letter stock and other unregistered securities; non-negotiable securities; commodities or other commodity contracts; and short sales origin transactions. Options and futures are restricted, except by petition to the Trustees for approval.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

Investments of GGRF as of September 30, 2024, are classified as follows:

	Defined Benefit	Defined Contribution	457 Deferred Compensation	Total
Common Stocks	$1,675,065,102	$ ---	$ ---	$1,675,065,102
Fixed income securities	661,855,441	---	---	661,855,441
Money market funds	19,453,767	---	---	19,453,767
Mutual funds	42,421,944	451,093,083	176,983,852	670,498,879
	$2,398,796,254	$ 451,093,083	$ 176,983,852	$3,026,873,189

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. One of the ways that GGRF manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations and benefit payments. Mutual funds held by the 457 Deferred Compensation Plan of $176,983,852 have exposure to interest rate risk.

As of September 30, 2024, GGRF's investments in fixed income debt securities were as follows:

	Investment Maturities (In Years)				
	Less Than 1	1 to 5	6 to 10	Greater Than 10	Fair Value
U.S. Treasury notes	$ ---	$ 9,264,966	$ 82,531,989	$133,998,575	$225,795,530
U.S. government agencies	---	10,337,925	7,703,762	159,997,868	178,039,555
Corporate notes and bonds	3,975,221	148,100,125	73,627,194	32,317,816	258,020,356
	$3,975,221	$167,703,016	$163,862,945	$326,314,259	$661,855,441

GGRF's investments are typically made in corporate equities, U.S. Treasury obligations, and commercial paper. These types of investments are not more sensitive to interest rate fluctuations than as already indicated above. Investments that are highly sensitive to interest rate fluctuations include Federal agency securities with coupon multipliers that are reset frequently, mortgage-backed securities, and Federal agency securities with interest rates that vary inversely to a benchmark set quarterly.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

GGRF has invested in mortgage-backed securities, which are more sensitive to fluctuations in interest rates than already indicated in the information provided above. Such securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates. As of September 30, 2024, GGRF held mortgage-backed securities valued at approximately $170,700,000.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

GGRF's credit quality distribution for debt securities as of September 30, 2024, is as follows:

Investment Type	Credit Rating	Amount
Government Bonds	AAA/AA/A	$ 58,112,788
Corporate Bonds	BBB/BB/B	175,916,303
Corporate Bonds	CCC/CC/C	15,603,731
Corporate Bonds	D	148,408
U.S. Government Guaranteed	Not Applicable	387,421,445
Not Rated	Not Rated	24,652,766
		$661,855,441

GGRF's investment policy contains limits on the amount that can be invested in any one issuer. As of September 30, 2024, GGRF did not hold any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total GGRF investments.

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. As of September 30, 2024, GGRF held approximately $30,000,000 in corporate bonds issued by companies organized in various foreign countries. Of this amount, approximately $9,000,000 was issued by Canadian companies, $4,000,000 by British companies, $3,000,000 by Dutch companies, $2,000,000 by Australian companies, $2,000,000 by German companies, and $10,000,000 by 19 other country companies.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

As of September 30, 2024, GGRF held investments (generally U.S. dollar denominated ADRs) in corporate stocks issued by companies organized in various foreign countries. These ADRs are indirectly affected by fluctuations in currency exchange rates. The market value of these investments as of September 30, 2024, was approximately $286,000,000. Of this total, approximately $82,000,000 relates to companies whose functional currency is the Euro, $71,000,000 relates to companies whose functional currency is Japanese Yen, $45,000,000 relates to companies whose functional currency is the British Pound, $27,000,000 relates to companies whose functional currency is the Swiss Franc, $15,000,000 relates to companies whose functional currency is the Canadian Dollar, and the remaining $46,000,000 relates to companies representing 10 separate functional currencies.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Guam Code Annotated and GGRF's investment policy contain legal requirements that limit the exposure to custodial credit risk for deposits and investments. The Guam Code Annotated requires that a financial institution secure deposits made by GovGuam agencies by pledging securities in: "(a) Treasury notes or bonds of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, (b) any evidence of indebtedness of the Government of Guam, (c) Investment certificates of the Federal Home Loan Bank, or (d) such other securities as may be … approved by the Director of Administration and the Governor of Guam.". The fair market value of the pledged securities must be at least ten percent (10%) more than the amounts of money deposited with the bank.

Further, to address custodial risk, the Guam Code Annotated requires the custodian to have been in the business of rendering trust custody services for ten or more years, to be organized under the laws of the United States or a state or territory thereof, to have capital and surplus in excess of Ten Million Dollars ($10,000,000), and to be a member of the Federal Reserve System whose deposits are insured by the Federal Deposit Insurance Corporation. Regardless of the above, any locally chartered bank may act as custodian for GGRF.

2. Deposits and Investments, continued

B. Investments, continued

Government of Guam Retirement Fund (GGRF), continued:

GGRF has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Equity securities	$1,675,065,102	$1,675,065,102	$ ---	$ ---
U.S. Treasury notes	225,795,530	---	225,795,530	---
Corporate notes and bonds	258,020,356	---	258,020,356	---
Mortgage-backed securities	178,039,555	---	178,039,555	---
Mutual funds	670,498,879	670,498,879	---	---
	3,007,419,422	$2,345,563,981	$661,855,441	$ ---
Investments measured at NAV:				
Money market funds	19,453,767			
	$3,026,873,189			

3. Receivables and Tax Abatements

A. Receivables

Receivables as of September 30, 2024, for the primary government's individual major governmental funds and nonmajor governmental funds in the aggregate, including allowances for uncollectible accounts, are as follows:

	General	Federal Grants Assistance	ARPA Assistance	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Proprietary Funds	Total
Receivables:								
Taxes	$ 319,104,344	$ ---	$ ---	$ ---	$ ---	$ 5,265,700	$ ---	$ 324,370,044
Federal	2,506,119	93,966,646	---	100,404,045	---	4,820,582	---	201,697,392
Leases	---	---	---	---	---	15,080,030	---	15,080,030
Other	7,330,565	---	---	---	---	11,097,584	25,820,306	44,248,455
	328,941,028	93,966,646	---	100,404,045	---	36,263,896	25,820,306	585,395,921
Allowance	(243,050,961)	---	---	---	---	(3,804,413)	(10,352,181)	(257,207,555)
	$ 85,890,067	$ 93,966,646	$ ---	$100,404,045	$ ---	$ 32,459,483	$15,468,125	$ 328,188,366

Receivables recorded by the fiduciary funds includes contributions receivable owed to the GovGuam Retirement Fund (GGRF) for employer and member contributions from various GovGuam agencies. As of September 30, 2024, employer contributions receivable totaled $4,853,515; member contributions receivable totaled $2,454,441; and interest and penalties receivable totaled $95,356.

3. Receivables and Tax Abatements, continued

B. Tax Abatements

As of September 30, 2024, GovGuam provided tax abatements through the following programs:

Guam Registered Apprenticeship Program (GRAP) provides tax abatement incentives to eligible businesses that employ apprentices who are duly enrolled and registered in the program. Eligible businesses are entitled to tax abatement against their gross receipts tax liability equal to fifty percent (50%) of the eligible training costs paid or incurred by the business. Eligible training costs include direct wages of apprentices, direct fringe benefits (medical and dental insurance), journeyman's wages (on-the-job training), instructor costs (academic and trade theory), training costs (books and tuition), and personal protective equipment.

The GRAP Program was created under Public Law 28-142 for the purposes of reducing the shortage of highly skilled workers; encouraging employers to hire and train apprentices in highly skilled trades and occupations; authorizing up to 50% abatement of gross receipts taxes for certain long term apprenticeship training expenses; and ensuring that apprentices continue to pay income taxes and participate in the economy.

The eligible business should be duly enrolled and registered under GRAP with the Department of Labor. The apprentice's occupation should be on the GRAP Demand Occupations Listing which is compiled by the Director of the Department of Labor and approved by the Governor and the Legislature of Guam. The eligible business must not be a beneficiary of a Qualifying Certificate issued by the Guam Economic Development Authority.

Qualifying Certificate (QC) Program was created under Public Law 8-80 and amended under Public Law 20-178 and Public Law 22-159 as an economic incentive tool to encourage investment in activities that would strengthen the island economy, enrich its growth, and enhance the quality of life in Guam.

Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business;

- Up to 100% abatement of gross receipts tax on income from the sale of alcoholic beverages and petroleum products manufactured in Guam for up to ten (10) years;

- Up to 100% abatement of gross receipts tax on income derived from underwriting insurance risks either in or out of Guam for up to twenty (20) years;

- Up to 100% rebate of corporate income tax for up to twenty (20) years.

3. Receivables and Tax Abatements, continued

B. Tax Abatements, continued

Harmon Industrial Park Roadway Tax Incentive Program was created under Public Law 33-191 and 34-10, which provides business entities that comprise the Harmon Industrial Park Association with tax benefits to encourage the rehabilitation and improvement of the Harmon Industrial Park roadway. Qualified individuals and companies may be granted the following tax abatements:

- Up to 100% abatement of gross receipts tax not to exceed $1,000,000 over a four-year period or $250,000 for each year of the program;

- Up to 100% abatement of excise tax not to exceed $3,000,000 over a four-year period or $750,000 for each year of the program.

Special Hotel Qualifying Certificate (QC) Program was created under Public Law 32-233 specifically for the development of one thousand six hundred (1,600) new hotel rooms by the year 2020, a goal set forth by the Guam Visitors Bureau Vision 2020 plan. This program provides additional incentives to hotel developers to meet this goal and shall remain in effect until the earlier of five years; 1,600 hotel rooms have been committed to be built; or a China Visa Waiver or China Visa Parole declaration has been approved for Guam. Developers and owners are allowed a tax rebate, exemption or abatement in an amount equal to ten percent (10%) of their total construction costs, which can be applied by the developer, at their discretion, to the following taxes:

- Up to 100% abatement of real property tax for up to ten (10) years on property utilized by the QC beneficiary to operate its business;

- Up to 50% abatement of gross receipts tax payable to GovGuam for up to twenty (20) years;

- Up to 100% abatement of excise tax with respect to the property used to construct, furnish and equip the new facility construction or substantial expansion of an existing building;

- Up to 100% rebate of corporate income tax for up to twenty (20) years.

3. Receivables and Tax Abatements, continued

B. Tax Abatements, continued

During the year ended September 30, 2024, information relevant to the disclosure of these programs is as follows:

Gross Receipts Tax:	
Guam Registered Apprenticeship Program	$10,848,959
Qualifying Certificate Program	850,503
Real Property Tax:	
Special Hotel Qualifying Certificate Program	750,617
	$12,450,079

4. Interfund Receivables/Payables

Receivables and payables between funds reflected as due to/from other funds as of September 30, 2024, are summarized as follows:

Receivable Fund	Payable Fund	Amount
General	Federal Grants Assistance	$ 87,098,991
General	ARPA Assistance	32,297,333
General	GDOE Federal Grants	69,171,856
General	Nonmajor governmental funds	55,442,576
Federal Grants Assistance	General	6,563,174
Proprietary	General	10,888,582
Nonmajor governmental funds	General	69,517,308
		$330,979,820

Receivables and payables between funds reflected as due to/due from component units as of September 30, 2024, are summarized as follows:

	Due From	Due To
General Fund:		
Guam Memorial Hospital Authority	$14,740,693	$ ---
Other governmental funds:		
Antonio B. Won Pat International Airport Authority	---	9,663,700
Guam Economic Development Authority	77,410	---
	$14,818,103	$ 9,663,700

5. Capital Assets

Capital asset activities of the primary government for the year ended September 30, 2024, are as follows:

	Estimated Useful Lives	Balance October 1, 2023	Additions	Transfers	Retirements	Balance September 30, 2024
Governmental activities:						
Nondepreciable capital assets:						
Land		$ 52,570,435	$ ---	$ ---	$ ---	$ 52,570,435
Construction in progress		56,323,122	49,177,150	(17,854,210)	---	87,646,062
		108,893,557	49,177,150	(17,854,210)	---	140,216,497
Capital assets being depreciated and amortized:						
Landfill cells	Capacity	101,273,627	---	---	---	101,273,627
Right-to-use assets		32,892,852	8,342,887	---	---	41,235,739
Subscription-based IT assets		---	27,020,001	---	---	27,020,001
Buildings	40-60 yrs.	639,314,272	188,824	1,032,963	---	640,536,059
Machinery, equipment and Furniture	5-20 yrs.	142,647,291	8,599,098	687,413	(3,107,334)	148,826,468
Infrastructure	25 yrs.	989,348,942	26,479,083	16,133,834	---	1,031,961,859
		1,905,476,984	70,629,893	17,854,210	(3,107,334)	1,990,853,753
Less accumulated depreciation and amortization:						
Landfill cells		(61,739,542)	(3,904,315)	---	---	(65,643,857)
Right-to-use assets		(16,381,767)	(10,245,754)	---	---	(26,627,521)
Subscription-based IT assets		---	(6,899,275)	---	---	(6,899,275)
Buildings		(292,072,776)	(13,761,498)	---	---	(305,834,274)
Machinery, equipment and furniture		(127,317,932)	(4,811,983)	---	3,107,334	(129,022,581)
Infrastructure		(611,801,467)	(47,465,488)	---	---	(659,266,955)
		(1,109,313,484)	(87,088,313)	---	3,107,334	(1,193,294,463)
		796,163,500	(16,458,420)	17,854,210	---	797,559,290
Capital assets, net		$ 905,057,057	$ 32,718,730	$ ---	$ ---	$ 937,775,787

Depreciation and amortization expense was charged to functions/programs of the primary government's governmental activities as follows:

General government	$13,520,765
Protection of life and property	7,444,470
Public health	1,339,339
Community services	145,137
Recreation	197,405
Individual and collective rights	3,123,053
Transportation	44,518,269
Public education	11,575,232
Environmental protection	4,575,623
Economic development	649,020
	$87,088,313

6. Long-Term Obligations

General Obligation Bonds (GOB):

As of September 30, 2024, the primary government had the following general obligation bonds outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
General Obligation Bonds:					
Series A, 2019	July 25, 2019	$ 27,610,000	5%	November 15, 2031	$19,760,000
Add: unamortized bond premium					2,349,547
					$22,109,547

A summary of the general obligation bond premium activity for the year ended September 30, 2024, is as follows:

Balance - October 1, 2023	$2,685,187
Current year amortization	(335,640)
Balance - September 30, 2024	$2,349,547

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$2,060,000	$ 936,500	$ 2,996,500
2026	2,165,000	830,875	2,995,875
2027	2,275,000	719,875	2,994,875
2028	2,395,000	603,125	2,998,125
2029	2,515,000	480,375	2,995,375
2030 – 2032	8,350,000	640,250	8,990,250
	$19,760,000	$4,211,000	$23,971,000

GOB Series A, 2019 Bonds

The GOB Series A, 2019 bonds were issued for the purpose of providing proceeds to fund the construction of a new cell for the Layon landfill (the Series 2019 Project) and are backed solely by the full faith and credit of GovGuam. The Issuance Certificate, dated July 1, 2019, sets forth the establishment of accounts, the periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following funds and accounts are established under the Certificate dated July 1, 2019:

6. Long-Term Obligations, continued

General Obligation Bonds (GOB), continued:

GOB Series A, 2019 Bonds, continued

Proceeds Fund - Moneys on deposit in the Proceeds Fund are disbursed by the Depositary for the payment of the expenses of GovGuam to be funded from Bond proceeds and the costs associated with the issuance of the Bonds, and, to the extent necessary, to fund any deficiency in the Bond Fund to pay principal of mandatory sinking account payments for and interest on the Bonds.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depositary for the payment of the costs associated with the issuance of the Bonds.

Construction Account - Moneys on deposit in the Construction Account were disbursed by the Depositary for the payment of the project costs associated with the Series 2019 Project.

Bond Fund - the Trustee shall apply moneys on deposit in this Fund solely for the purposes of (1) paying interest on the Bonds as it shall become due and payable, (2) paying the principal of the Serial Bonds when due and payable and (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the Certificate.

Limited Obligation Bonds (LOB):

As of September 30, 2024, the primary government had the following limited obligation bonds outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Limited Obligation Bonds:					
Series B (BPT), 2012 Taxable	June 6, 2012	$ 27,375,000	4.4% - 4.9%	January 1, 2026	$ 6,390,000
Series D, (BPT) 2015	September 9, 2015	$ 410,485,000	4.0% - 5.0%	November 15, 2039	345,715,000
Series A (Section 30), 2016	August 17, 2016	$ 236,605,000	5%	December 1, 2046	174,420,000
Series A (HOT), 2021	March 31, 2021	$ 58,865,000	5%	November 1, 2040	58,865,000
Series E (BPT), 2021	May 27, 2021	$ 19,070,000	3.25%	November 15, 2026	14,545,000
Series F (BPT), 2021	October 7, 2021	$ 258,550,000	4.0% - 5.0%	January 1, 2042	258,550,000
					858,485,000
Add: unamortized bond premium					106,022,637
					$964,507,637

A summary of the limited obligation bond premium activity for the year ended September 30, 2024, is as follows:

Balance - October 1, 2023	$113,086,713
Current year amortization	(7,064,076)
Balance - September 30, 2024	$106,022,637

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

Annual debt service requirements to maturity for limited obligation bonds are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 32,925,000	$ 39,522,819	$ 72,447,819
2026	34,380,000	37,927,188	72,307,188
2027	32,695,000	36,338,513	69,033,513
2028	36,525,000	34,652,025	71,177,025
2029	47,175,000	32,559,525	79,734,525
2030 - 2034	273,895,000	124,598,575	398,493,575
2035 - 2039	273,620,000	57,916,025	331,536,025
2040 - 2044	114,610,000	10,514,375	125,124,375
2045 - 2047	12,660,000	970,750	13,630,750
	$858,485,000	$374,999,795	$1,233,484,795

BPT Series B, 2012, Series D, 2015, Series E, 2021 Bonds, Series F, 2021 Bonds

On May 27, 2021, GovGuam issued $19,070,000 in Business Privilege Tax Revenue Bonds, 2021 Series E to partially refund $26,490,000 of outstanding Business Privilege Tax Revenue Bonds, 2015 Series D bonds. Of the net proceeds of $18,790,307 together with available funds of $8,986,540 held by GovGuam, $27,776,847 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Business Privilege Tax Revenue Bonds, 2015 Series D refunded bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of $1,286,847, which was deferred and amortized to expense using the effective interest rate method over the average remaining life of the 2015 Series D refunded bonds. The deferred loss on refunding balance was fully amortized as of September 30, 2024.

On September 9, 2015, GovGuam issued $410,485,000 in Business Privilege Tax Revenue Bonds, 2015 Series D to refund $151,935,000 of outstanding General Obligation Bonds, 2007 Series A bonds and partially refund $229,020,000 of outstanding General Obligation Bonds, 2009 Series A bonds. Of the net proceeds of $455,135,254 (including an issue premium of $44,650,254), $454,758,932 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding General Obligation Bonds, 2007 Series A and General Obligation Bonds, 2009 Series A.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

BPT Series B, 2012, Series D, 2015, Series E, 2021 Bonds, Series F, 2021 Bonds, continued

As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of $82,801,641, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2007 and 2009 Series A refunded bonds. The unamortized balance of the deferred loss on refunding is $50,630,088 as of September 30, 2024.

The BPT Series B, 2012, Series D, 2015, Series E 2021, and Series F 2021 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of business privilege tax revenues. These bonds were issued for the purpose of providing proceeds to fund other GovGuam obligations, including past due tax refunds, COLA settlement payments, health insurance premium payments and delinquent retirement fund contributions, advance refunding 2007 and 2009 GOB bonds, and funding capitalized interest (collectively, the Eligible Expenses). For the year ended September 30, 2024, principal and interest paid, and total gross receipts tax revenues were $51,772,773 and $411,687,628, respectively.

The General Indenture, dated December 1, 2011, as updated by supplemental indentures, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following rate covenant together with funds and accounts are established under the General Indenture dated December 1, 2011:

Rate Covenant - GovGuam has covenanted that it will impose, levy, and enforce taxes of the type now imposed by 11 GCA §26201 and collect Business Privilege Tax revenues. Furthermore, GovGuam has covenanted that it will not reduce the rate of levy and collection of pledged business privilege tax revenues below 3% nor will GovGuam reduce the services or the products activities to which the pledged business privilege tax applies, nor will GovGuam upwardly adjust any exception or exclusion to, or otherwise impair, the pledged business privilege tax.

Escrow Fund - Moneys on deposit in the Escrow Fund were disbursed to pay the principal of and interest on the refunded 2007 and 2009 GOB bonds.

Proceeds Fund - Moneys on deposit in the Proceeds Fund were disbursed by the Depositary for the payment of Eligible Expenses of GovGuam to be funded from Bond proceeds and the costs associated with the issuance of the Bonds.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depositary for the payment of the costs associated with the issuance of the Bonds.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

BPT Series B, 2012, Series D, 2015, Series E, 2021 Bonds, Series F, 2021 Bonds, continued

Capitalized Interest Account - Moneys on deposit in the Capitalized Interest Account were disbursed by the Depositary for the payment of capitalized interest on the Bonds.

Bond Fund - the Trustee shall apply moneys on deposit in this Fund solely for the purposes of: (1) paying interest on the Bonds as it shall become due and payable; (2) paying the principal of the Serial Bonds when due and payable; (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the General Indenture; (4) paying Parity Payment Agreement Payments due and payable; and (5) paying Credit Agreement Reimbursement Payments due and payable. As of September 30, 2024, GovGuam is not a party to any Parity Payment or Credit Agreement Reimbursement Payment Agreements.

Revenue Fund - the General Indenture created a Revenue Fund into which GovGuam shall deposit all business privilege tax revenues, upon receipt, and which the Trustee, as Depositary, will maintain funds sufficient to satisfy the General Indenture and return the balance to the General Fund.

Section 30 Series A, 2016 Bonds

On August 17, 2016, GovGuam issued $236,605,000 in Limited Obligation (Section 30) Bonds, 2016 Series A to refund $182,610,000 of outstanding Limited Obligation (Section 30) Bonds, 2009 Series A bonds, refinancing all the outstanding 2013 Series B Certificates of Participation (Okkodo High School Expansion Project), and to provide additional proceeds to fund certain working capital costs of the Guam Memorial Hospital Authority. Of the net proceeds of $280,547,958 (including an issue premium of $43,942,958), $211,658,081 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Limited Obligation (Section 30) Bonds, 2009 Series A. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of $31,939,331, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2009 refunded bonds. The unamortized balance of the deferred loss on refunding is $17,744,075 as of September 30, 2024.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

Section 30 Series A, 2016 Bonds, continued

The Section 30 Series A, 2016 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of Section 30 revenues. For the year ended September 30, 2024, principal and interest paid, and total Section 30 revenues were $19,114,500 and $76,195,730, respectively.

The General Indenture, dated June 1, 2009, as amended and restated by an Amended and Restated Indenture, dated August 1, 2016, as updated by supplemental indentures, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following revenue covenant together with funds and accounts are established under the Amended and Restated Indenture dated August 1, 2016:

Revenue Covenant - GovGuam has covenanted that it will not issue or incur any obligations having a claim on the Section 30 Revenues prior to the claim of the Section 30 Series A, 2016 bonds and any bonds on a parity therewith. GovGuam has also covenanted that it shall deposit or cause to be deposited all Section 30 Revenues upon receipt into the Section 30 Revenue Fund which the Trustee shall maintain in trust to pay debt service and pledged expenditures and return the balance to the General Fund.

Escrow Fund - Moneys on deposit in the Escrow Fund were disbursed to pay the principal of and interest on the refunded 2009 Section 30 LOB bonds and 2013 Series B certificates of participation.

Project Account - Moneys on deposit in the Project Account were disbursed by the Depositary for the payment of 2016 Hospital Working Capital Project Costs.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depositary for the payment of the costs associated with the issuance of the Bonds.

Section 30 Revenue Fund - the Amended and Restated Indenture created the Section 30 Revenue Fund into which GovGuam shall deposit all Section 30 revenues, upon receipt, and which the Trustee, as Depositary, will maintain pursuant to the Amended and Restated Indenture.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

Section 30 Series A, 2016 Bonds, continued

In accordance with the Amended and Restated Indenture, the Trustee created the following funds within the Section 30 Revenue Fund:

- Bond Reserve Fund - the Trustee is required to maintain within the Bond Reserve Fund an amount equal to the Bond Reserve Fund Requirement. The Bond Reserve Fund Requirement represents, as of any date of calculation and with respect to any Bonds, monies in the aggregate amount within each Bond Year at least sufficient to pay and provide for the sum of: (1) an aggregate amount equal to at least 125% of aggregate annual debt service for such Bond Year; (2) an aggregate amount equal to the amounts required to be deposited in the Rebate Fund during such Bond Year required by the Amended and Restated Indenture, plus the amount of Bond Expenses estimated by the Trustee to be payable during such Bond Year; and (3) such amounts as may be required pursuant to the Amended and Restated Indenture (and any supplemental indenture for the issuance of additional Bonds) to increase or restore the Bond Reserve Fund to the Bond Reserve Fund Requirement. As of September 30, 2024, GovGuam maintains $16,317,823 in the General Fund as restricted cash and cash equivalents in accordance with the Bond Reserve Fund Requirement.

- Debt Service Fund - the Trustee is required to maintain within the Debt Service Fund an amount equal to the sum of: (1) the interest then due or to become due on all outstanding bonds during the period ending on November 30 of the next succeeding fiscal year; and (2) the principal (including any Mandatory Sinking Account Payments) then due or to become due on all outstanding bonds during the period ending on November 30 of the next succeeding fiscal year. As of September 30, 2024, GovGuam maintains $18,661,549 in the General Fund as restricted cash and cash equivalents in accordance with the Debt Service Fund Requirement.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

HOT Series A, 2021 Bonds

On March 31, 2021, GovGuam issued $58,865,000 in Hotel Occupancy Tax Revenue Bonds, 2021 Series A to refund $70,540,000 of outstanding Hotel Occupancy Tax Revenue Bonds, 2011 Series A bonds. Of the net proceeds of $70,317,349 (including an issue premium of $12,790,466) together with available funds of $2,445,101 held by GovGuam, $72,762,450 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding Hotel Occupancy Tax Revenue Bonds, 2011 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from the government-wide financial statements. The advanced refunding resulted in a loss on defeasance of $3,688,650, which is deferred and being amortized to expense using the effective interest rate method over average remaining life of the 2011 refunded bonds. The unamortized balance of the deferred loss on refunding is $2,712,169 as of September 30, 2024.

The HOT Series A, 2021 bonds are backed by the full faith and credit of GovGuam, payable solely from and collateralized by a pledge of hotel occupancy tax revenues. These bonds were issued for the purpose of advance refunding 2011 HOT Bonds. For the year ended September 30, 2024, principal and interest paid, and total hotel occupancy tax revenues were $2,943,250 and $33,973,452, respectively.

The General Indenture, dated April 1, 2011, as supplemented by a supplemental indenture, dated April 1, 2021, sets forth the establishment of accounts, the application of revenues and of periodic deposits into these accounts, and certain other covenants to ensure payment of debt service. The following rate covenant together with funds and accounts are established under the General Indenture dated April 1, 2021:

Rate Covenant - GovGuam has covenanted that it will impose, levy, and enforce taxes of the type now imposed by 11 GCA §30101 and collect Hotel Occupancy Tax revenues (or may, in its sole and absolute discretion, but shall not be obligated to, pay into the Revenue Fund moneys from any other legally available source) in the aggregate amount within each Bond Year at least sufficient to pay and provide for the sum of: (1) an aggregate amount equal to at least 125% of aggregate annual debt service for such Bond Year; (2) an aggregate amount equal to the amounts required to be deposited in the Rebate Fund during such Bond Year required by the General Indenture, plus the amount of Bond Expenses estimated by the Trustee to be payable during such Bond Year; and (3) such amounts as may be required pursuant to the General Indenture (and any supplemental indenture for the issuance of additional Bonds) to increase or restore the Bond Reserve Fund to the Bond Reserve Fund Requirement.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

HOT Series A, 2021 Bonds, continued

Construction Fund - Moneys on deposit in the Construction Account are being disbursed by the Depositary for the payment of Infrastructure Improvement Project Costs.

Costs of Issuance Account - Moneys on deposit in the Costs of Issuance Account were disbursed by the Depositary for the payment of the costs associated with the issuance of the Bonds.

Capitalized Interest Account - Moneys on deposit in the Capitalized Interest Account were disbursed by the Depositary for the payment of capitalized interest on the Bonds.

Bond Fund - the Trustee shall apply moneys on deposit in this Fund solely for the purposes of: (1) paying interest on the Bonds as it shall become due and payable; (2) paying the principal of the Serial Bonds when due and payable; (3) purchasing, redeeming or paying at maturity the Term Bonds as provided in the General Indenture; and (4) paying Parity Payment Agreement Payments due and payable. As of September 30, 2024, GovGuam is not a party to any Parity Payment Agreements.

Bond Reserve Fund - the General Indenture created a Bond Reserve Fund available for the purpose of paying debt service on Bonds (including Payment Agreement Payments) in the event of a deficiency in the Bond Fund. GovGuam is required to maintain an amount within the Bond Reserve Fund equal to the maximum annual debt service for the then current or future fiscal year on all outstanding HOT Series A, 2021 bonds. The Bond Reserve Fund Requirement represents, as of any date of calculation and with respect to any Bonds, an amount equal to: (i) the least of (A) the maximum annual debt service, calculated on all such Bonds Outstanding as of such date, (B) 125% of average annual debt service on all such Bonds Outstanding as of such date, or (C) such amount as may be calculated in connection with the issuance of an Additional Series of Bonds by adding not more than 10% of the original principal amount of such Additional Series of Bonds to the Bond Reserve Fund Requirement immediately before such issuance; or (ii) such larger amount as may be established as the Bond Reserve Fund Requirement by any supplemental indenture. As of September 30, 2024, GovGuam maintains $7,191,580 in the other governmental funds as restricted cash and cash equivalents in accordance with the Bond Reserve Fund Requirement.

Revenue Fund - the General Indenture created a Revenue Fund into which GovGuam shall deposit all hotel occupancy tax revenues, upon receipt, and which the Trustee, as Depositary, will maintain funds sufficient to satisfy the General Indenture and return the balance to the Tourist Attraction Fund.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

Events of Default

The respective Certificates and Indentures specify that any one or more of the following events will be considered an Event of Default:

(A) Default by GovGuam in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise; default by GovGuam in the redemption from any Mandatory Sinking Account Payment of any Term Bonds in the amounts and at the times provided therefor; or default by GovGuam in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(B) Default by GovGuam in the observance of any of the covenants, agreements or conditions on its part contained in the Issuance Certificates or in the Bonds, if such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to GovGuam by the Trustee or to GovGuam and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; or

(C) The assumption, under the provisions of any law relating to bankruptcy or insolvency or any similar law relating to creditor's rights, by any court of competent jurisdiction, of custody or control of GovGuam or of the whole or any substantial part of its property, if such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control.

If the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee shall transfer such amount as is necessary to satisfy such deficiency. If after making all such transfers, the amount in such Fund or Account is insufficient, the Trustee shall promptly issue a notice of default to Bondholders.

Acceleration of Maturities

If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to GovGuam, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Issuance Certificates or in the Bonds contained to the contrary notwithstanding.

6. Long-Term Obligations, continued

Limited Obligation Bonds (LOB), continued:

Acceleration of Maturities, continued

If an Event of Default occurs and is continuing, all moneys then held or thereafter received by the Trustee or the Depositary under any of the provisions of the respective Certificates and Indentures is required to be under the control of and applied by the Trustee as outlined in the respective Certificates and Indentures.

Management of GovGuam believes that it complies with all significant covenants, limitations and restrictions of the respective Certificates and Indentures as of September 30, 2024.

Direct Borrowings:

As of September 30, 2024, the primary government had the following direct borrowings outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Direct Borrowings:					
Judicial Building loan	January 16, 2020	$ 15,000,000	3.6%	December 1, 2051	$11,577,077
Congress Building loan	April 28, 2014	$ 4,000,000	4.5%	September 1, 2030	2,930,969
					$14,508,046

Annual debt service requirements to maturity for the direct borrowings are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 439,840	$ 544,307	$ 984,147
2026	486,937	522,608	1,009,545
2027	506,891	502,641	1,009,532
2028	526,595	482,923	1,009,518
2029	549,281	460,223	1,009,504
2030 - 2034	3,332,123	1,779,919	5,112,042
2035 - 2039	1,896,696	1,403,504	3,300,200
2040 - 2044	2,268,587	1,031,613	3,300,200
2045 - 2049	2,714,777	585,423	3,300,200
2050 - 2052	1,786,319	101,661	1,887,980
	$14,508,046	$7,414,822	$21,922,868

6. Long-Term Obligations, continued

Direct Borrowings, continued:

Judicial Building Loan

In 2020, GovGuam refinanced a loan facility by entering into a $15,000,000 credit agreement for the purpose of funding the acquisition of real property, additional renovations to existing facilities, and repayment of the existing 2006 loan. The note is collateralized by the pledge and assignment of Judicial Building Fund revenues. The credit agreement, dated January 16, 2020, requires that all funds, monies, securities, and deposits, which comprise the Judicial Building Fund, shall be maintained in accounts with the lender. Furthermore, the credit agreement contains a provision that in the event of default, the lender can satisfy the indebtedness, in whole or in part, by enforcing and collecting any obligation subject to this pledge and assignment, or by applying any amounts in the Judicial Building Fund to obligations secured hereby. For the year ended September 30, 2024, principal and interest paid, and total judicial fees, fines and building rental revenues were $660,040 and $1,128,333, respectively.

Congress Building Loan

In 2014, GovGuam executed a bank loan to fund the modernization, refurbishment and renovation of the Guam Congress Building. The note is collateralized by the pledge and assignment of Capitol District Fund revenues. The credit agreement, dated April 28, 2014, requires that all funds, monies, securities, and deposits, which comprise the Capitol District Fund, shall be maintained in accounts with the lender. Furthermore, the credit agreement contains a provision that in the event of default, the lender can satisfy the indebtedness, in whole or in part, by enforcing and collecting any obligation subject to this pledge and assignment, or by applying any amounts in the Capitol District Fund to obligations secured hereby. For the year ended September 30, 2024, principal and interest paid, and total building rental revenues were $337,200 and $261,000, respectively.

Management of GovGuam believes that it complies with all significant covenants, limitations and restrictions of the respective credit agreements as of September 30, 2024.

School Financed Purchase Obligations:

GovGuam, on behalf of the Guam Department of Education (GDOE), has executed finance leases that are, in substance, a purchase. At the date of acquisition, the assets are valued at the present value of the future minimum lease payments. Finance lease assets and obligations are recorded and reported in the governmental activity column of the government-wide financial statements. Interest expense for finance leases is not capitalized. Amortization of assets acquired under finance leases are included with depreciation expense.

6. Long-Term Obligations, continued

School Financed Purchase Obligations, continued:

Guam Public School Facilities Project:

Guam Education Financing Foundation, Inc. (GEFF) was incorporated in Guam as a not-for-profit corporation for the purpose of financing the construction of four new schools (the "Leased Schools") on Guam, Okkodo High School, Astumbo Middle School, Adacao Elementary School and Liguan Elementary School. GovGuam, on behalf of GDOE, entered into a twenty-year purchase agreement with GEFF for the use of the four new schools, which commenced in October 2006.

Annual payments for the use of the Leased Schools and related facilities commenced on December 1, 2006, and are funded by a pledge of U.S. Compact Impact grant revenues through December 1, 2022, with the remaining payments subject to future appropriations by the Guam Legislature. After twenty years and all payments have been made, title to the Leased Schools and related facilities will transfer to GDOE.

John F. Kennedy High School Project:

CaPFA Capital Corp. 2010A (CaPFA) was incorporated in the State of Florida as a not-for-profit corporation for the purpose of financing the new John F. Kennedy (JFK) High School (the "new High School") to be leased to GDOE upon completion. GovGuam, on behalf of GDOE, entered into a thirty-year purchase agreement with CaPFA for the use of the new High School, which commenced in August 2011.

Annual payments for the use of the new High School commenced on December 1, 2010, and are funded by annual appropriations by the Guam Legislature. After thirty years and all payments have been made, title to the new High School will transfer to GDOE.

Okkodo High School Expansion Project:

Guam Education Financing Foundation II, Inc. (GEFF II) was incorporated in Guam as a not-for-profit corporation for the purpose of financing the expansion of Okkodo High School to be leased to GDOE upon completion. GovGuam, on behalf of GDOE, entered into an eighteen-year purchase agreement with GEFF II for the use of the expansion, which commenced in July 2014.

Annual payments for the use of the expansion commenced on June 1, 2013 and are funded by annual appropriations by the Guam Legislature. After eighteen years and all payments have been made, title for the expansion will transfer to GDOE.

6. Long-Term Obligations, continued

School Financed Purchase Obligations, continued:

Tiyan:

GovGuam, on behalf of GDOE, entered into an agreement with an option to purchase certain property located in Tiyan to temporarily house the JFK High School. The facility was vacated by JFK High School in 2011 and subsequently occupied by Untalan Middle School in 2013. The agreement, which is renewable annually, had a fixed annual payment of $4,493,256 for the first five years payable in cash or by transferable tax credits. Payments commenced in August 2009 with a term through June 30, 2024. In 2011, GovGuam executed an amendment extending the initial term to October 31, 2024, with a four-month payment abatement from October 1, 2011, through January 31, 2012, due to non-occupancy of the property. In 2013, GovGuam, on behalf of GDOE, exercised the option to purchase the Tiyan property. In addition to the purchase price of $43,500,000 that comprises the Tiyan High School premises, the Guam Legislature enacted Public Law 31-229, authorizing GovGuam, on behalf of GDOE, to purchase additional property and the construction of new buildings and facilities for the Tiyan High School and the GDOE administration in the amount of $43,648,970. Title to the Tiyan properties will transfer to GDOE after all payments have been made. In 2014, the Tiyan purchase agreement was amended to extend the term through December 31, 2041, plus $7,499,090 of collateral equipment for the buildings to be constructed. Repayment in the form of tax credits only apply for payment amounts due through January 2015 and included the collateral equipment. Effective February 2015, payments due are to be paid in the form of cash. Annual payments include principal and interest at 10% per annum of outstanding principal balance, insurance and maintenance costs.

Future minimum payment obligations to maturity for the municipal school finance purchase agreements are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 10,133,086	$10,294,128	$ 20,427,214
2026	10,694,876	9,622,891	20,317,767
2027	6,513,451	8,911,538	15,424,989
2028	6,932,677	8,389,137	15,321,814
2029	6,374,595	7,830,493	14,205,088
2030 - 2034	33,174,118	31,304,410	64,478,528
2035 - 2039	44,024,370	14,652,348	58,676,718
2040 - 2041	9,055,051	935,767	9,990,818
	$126,902,224	$91,940,712	$218,842,936

6. Long-Term Obligations, continued

School Financed Purchase Obligations, continued:

Assets acquired through the purchase agreements are as follows:

Assets:	
Buildings and leasehold improvements	$239,159,248
Less accumulated depreciation	(65,156,075)
	174,003,173
Land	435,280
	$174,438,453

Changes in Long-Term Obligations:

Changes in long-term obligations for the year ended September 30, 2024, are as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Bonds payable:					
General obligation bonds	$ 21,720,000	$ ---	$ (1,960,000)	$ 19,760,000	$ 2,060,000
Limited obligation bonds	891,235,000	---	(32,750,000)	858,485,000	32,925,000
Direct borrowings:					
Bank loans	14,944,874	---	(436,828)	14,508,046	439,840
School Financed Purchase Obligations	136,495,052	---	(9,592,828)	126,902,224	10,133,086
	$ 1,064,394,926	$ ---	$ (44,739,656)	$ 1,019,655,270	$ 45,557,926

7. Leases

Primary Government - as Lessor

The primary government, through the Chamorro Land Trust Commission and the Guam Ancestral Land Commission, is a lessor for non-cancelable leases of land and buildings. In accordance with GASB Statement No. 87, *Leases*, the primary government recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term.

Chamorro Land Trust Commission (CLTC)

CLTC was established by the Chamorro Land Trust Act of 1975 for the purpose of protecting and ensuring trust lands are awarded to eligible beneficiaries through residential, agricultural, and commercial leases. CLTC is responsible for the disposition of Chamorro Homelands pursuant to mandates to advance the social, cultural and economic development and well-being of the Chamorro people. As of September 30, 2024, lease receivables and deferred inflow of resources associated with CLTC leases totaled $5,602,537 and $5,749,814, respectively.

7. Leases, continued

Primary Government - as Lessor, continued

Guam Ancestral Lands Commission (GALC)

GALC was established by the Guam Ancestral Lands Act of 1999 for the purpose of investigating, recording, filing, and reporting claims for ancestral lands, and to respond to requests for remedy from claimants for lands taken by the United States or by GovGuam on or after January 1, 1930. As of September 30, 2024, lease receivables and deferred inflow of resources associated with GALC leases totaled $9,477,493 and $9,043,952, respectively.

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2024, are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 664,774	$ 403,399	$ 1,068,173
2026	695,218	383,697	1,078,915
2027	699,338	363,054	1,062,392
2028	579,643	343,879	923,522
2029	529,204	327,868	857,072
2030 - 2034	3,017,308	1,388,807	4,406,115
2035 - 2039	2,320,270	988,995	3,309,265
2040 - 2044	1,983,854	784,721	2,768,575
2045 - 2049	1,415,264	575,173	1,990,437
2050 - 2054	1,540,844	360,614	1,901,458
2055 - 2059	1,634,313	116,703	1,751,016
	$15,080,030	$6,036,910	$21,116,940

Primary Government - as Lessee

The primary government has executed leases for building space and equipment use. The terms of the agreements range from 1 to 25 years. The calculated interest rates used were between 2.96% and 3.6%.

7. Leases, continued

Primary Government - as Lessee, continued

Future minimum payments that are included in the measurement of the lease liability as of September 30, 2024, are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 6,326,027	$ 369,378	$ 6,695,405
2026	3,599,910	231,438	3,831,348
2027	1,313,434	154,118	1,467,552
2028	660,321	128,266	788,587
2029	574,423	110,258	684,681
2030 - 2034	2,012,299	315,302	2,327,601
2035 - 2039	551,619	168,381	720,000
2040 - 2044	639,493	80,507	720,000
2045 - 2047	211,021	4,979	216,000
	$15,888,547	$1,562,627	$17,451,174

8. Changes in Long-Term Liabilities

Other long-term liabilities will generally be liquidated in the future from the General Fund. During the year ended September 30, 2024, the following changes occurred in liabilities reported as part of the primary government's long-term liabilities in the statement of net position:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Other long-term liabilities:					
Compensated absences	$ 26,536,927	$ 313,280	$(12,880,032)	$ 13,970,175	$ 12,114,541
DCRS sick leave liability	28,796,195	43,149	(10,810,767)	18,028,577	---
Net pension liability	1,190,746,951	---	(21,557,210)	1,169,189,741	---
OPEB liability	1,551,137,956	293,339,523	---	1,844,477,479	---
Tax credits payable	2,383,629	---	(257,894)	2,125,735	2,125,735
Due to IRS	19,937,926	---	---	19,937,926	19,937,926
SBITA liability	---	27,020,001	(6,387,859)	20,632,142	6,471,050
Lease liability	18,245,021	8,342,887	(10,699,361)	15,888,547	6,326,027
Landfill closure	41,178,954	5,174,615	---	46,353,569	---
	$ 2,878,963,559	$ 334,233,455	$(62,593,123)	$ 3,150,603,891	$ 46,975,279

8. Changes in Long-Term Liabilities, continued

Other long-term liabilities include an amount due to the Internal Revenue Service (IRS) for excess Make Work Pay Credit (MWPC) payments received under the American Recovery and Reinvestment Act of 2009. In accordance with an agreement between GovGuam and the IRS, the amount due was renegotiated in the amount of $19,937,926. GovGuam has yet to finalize repayment terms and conditions with the IRS. In addition, other long-term liabilities include an amount due to landowners in the original amount of $29,112,970, inclusive of interest. In 2012, a Court Order was issued for the payment of approximately $25,115,683 for the condemnation of land which encompasses the Layon landfill. A payment of $3,410,000 was deposited to the Court and distributed to the landowners with the remaining balance of $21,705,683 plus interest at 6% per annum calculated from January 24, 2008, to be made. GovGuam negotiated long-term tax credit certificates with certain landowners. During the year ended September 30, 2024, tax credits of $257,894 were redeemed in lieu of payments with a remaining amount of $2,125,735 associated with this Court Order payable to landowners.

9. Fund Balances

Classifications of fund balances comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following table enumerates the governmental funds fund balance classifications:

	General	Federal Grants Assistance	ARPA	GDOE Federal Grants	Chamorro Lands	Nonmajor Governmental Funds	Total
Nonspendable:							
P.I. Development Bank	$ 2,000,000	$ ---	$ ---	$ ---	$ ---	$ ---	$ 2,000,000
Land trust	---	---	---	---	459,050,489	---	459,050,489
Inventories	1,977,065	---	---	---	---	---	1,977,065
	3,977,065	---	---	---	459,050,489	---	463,027,554
Restricted:							
Debt service reserve	88,887,113	---	---	---	---	10,492,380	99,379,493
Public education	1,359,744	---	---	---	---	---	1,359,744
Child Tax Credit Admin.	12,271	---	---	---	---	---	12,271
Landfill closure/post closure	---	---	---	---	---	7,851,556	7,851,556
Tourism-related projects	---	---	---	---	---	3,808,205	3,808,205
Chamorro Loan Guarantee	---	---	---	---	---	872,779	872,779
Landfill-related projects	---	---	---	---	---	286,973	286,973
Other	---	553,426	---	---	---	176,347	729,773
	90,259,128	553,426	---	---	---	23,488,240	114,300,794
Committed:							
General government	63,502,826	---	23,970,679	---	---	37,191,652	124,665,157
Ordot dump reserve	---	---	---	---	---	30,715,554	30,715,554
Protection of life and property	---	---	---	---	---	14,068,133	14,068,133
Public health	2,271,610	---	---	---	---	16,262,539	18,534,149
Community services	3,927,662	---	---	---	---	83,262	4,010,924
Recreation	---	---	---	---	---	225,052	225,052
Individual and collective rights	13,258,235	---	---	---	---	5,322,800	18,581,035
Transportation	---	---	---	---	---	10,245,723	10,245,723
Public education	75,949,411	---	---	---	---	16,094,068	92,043,479
Environmental protection	---	---	---	---	---	18,538,117	18,538,117
Economic development	---	---	---	---	---	3,786,974	3,786,974
Other purposes	---	---	---	---	---	1,706,463	1,706,463
	158,909,744	---	23,970,679	---	---	154,240,337	337,120,760
Unassigned	40,485,797	---	---	---	---	(119,889)	40,365,908
	$ 293,631,734	$ 553,426	$ 23,970,679	$ ---	$ 459,050,489	$ 177,608,688	$ 954,815,016

10. Deficit Net Position

The following individual component units reflect a deficit net position as of September 30, 2024:

Guam Memorial Hospital Authority	$(308,724,106)
University of Guam	$(81,235,324)

11. Interfund Transactions

Operating transfers in/out for each major governmental fund and nonmajor governmental funds in the aggregate, for the year ended September 30, 2024, are as follows:

	Transfers Out	Transfers In
General Fund:		
Federal Grants Assistance Fund	$38,378,415	---
ARPA Assistance Fund	---	300,237
GDOE Federal Grants Fund	---	3,560,233
Nonmajor governmental funds	30,397,666	21,675,693
	68,776,081	25,536,163
Federal Grants Assistance Fund:		
General Fund	---	38,378,415
ARPA Assistance Fund:		
General Fund	300,237	---
GDOE Federal Grants Fund:		
General Fund	3,560,233	---
Nonmajor governmental funds:		
General Fund	21,675,693	30,397,666
Nonmajor governmental funds	4,005,407	4,005,407
	25,681,100	34,403,073
	$98,317,651	$98,317,651

11. Interfund Transactions, continued

Transfers are used to 1) move revenues from the fund that enabling legislation or budget requires to collect them to the fund that enabling legislation or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) record reductions in interfund loans for amounts that are not expected to be repaid.

12. Pensions

GovGuam is statutorily responsible for providing pension benefits for GovGuam employees through the GovGuam Retirement Fund (GGRF).

A. General Information About the Pension Plans:

Plan Description: GGRF administers the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan, and the Defined Contribution Retirement System (DCRS). GovGuam also maintains a nonqualified deferred compensation plan that constitutes an "eligible governmental plan" in accordance with Section 457(b) of the Internal Revenue Code and comparable provisions under the Guam Territorial Income Tax Code. Participation in the 457 Deferred Compensation Plan is voluntary for all employees who are members of the DB Plan and the DCRS Plan.

The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Article 1 of 4 GCA 8, Section 8105, requires that all employees of GovGuam, regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of a public corporation of GovGuam have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commenced on or after October 1, 1995, and prior to January 1, 2018, were required to participate in the DCRS Plan. Hence, the DB Plan became a closed group.

Members of the DB Plan who retired prior to October 1, 1995, or their survivors, are eligible to receive annual supplemental annuity payments. In addition, retirees under the DB and DCRS Plans who retired prior to September 30, 2023, are eligible to receive an annual ad hoc cost of living allowance (COLA). GovGuam also provides other pension benefits to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices.

A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website – www.ggrf.com.

12. Pensions, continued

A. General Information About the Pension Plans, continued:

Benefits Provided: The DB Plan provides pension benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or $6,000, whichever is greater. Members who joined the DB Plan prior to October 1, 1981, may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age. Members who joined the DB Plan on or after October 1, 1981, and prior to August 22, 1984, may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984, and prior to October 1, 1995, may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age. Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon attainment of the age of 60 years.

In the event of disability during employment, members under the age of 65 with six or more years of credited service who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds percent of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Supplemental annuity benefit payments are provided to DB retirees in the amount of $4,238 per year, but not to exceed $40,000 per year when combined with their regular annual retirement annuity. Annual COLA payments are provided to DB and DCRS retirees in a lump sum amount of $2,000, which was subsequently increased to $2,300 by Public Law 37-42, effective October 1, 2023. Other pension benefits are provided to Governors and Lieutenant Governors under GCA 8172 and to Judges and Justices under GCA 6112. Governors and Lieutenant Governors are eligible to retire after completing their term and receive a basic annuity of 50% of annual salary at retirement. Judges and Justices are eligible to retire after age 65 with 15 years of service, or at any age with 20 years of service, and receive a basic annuity of 90% of annual salary at retirement. These other pension benefits, supplemental annuity benefit payments and COLA payments are made at the discretion of the Guam Legislature but are funded on a “pay-as-you-go” basis so there is no plan trust. It is anticipated that such other pension benefits, ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

12. Pensions, continued

A. General Information About the Pension Plans, continued:

On September 20, 2016, the Guam Legislature enacted Public Law 33-186, which created two new government retirement plans - the DB 1.75 Plan and the Guam Retirement Security Plan (GRSP). On February 4, 2020, the Guam Legislature terminated the GRSP. Commencing April 1, 2017, eligible employees elected, during the "election window", to participate in the DB 1.75 Plan with an effective date of January 1, 2018.

The DB 1.75 Plan was open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DCRS Plan and who made election on a voluntary basis to participate in the DB 1.75 Plan by December 31, 2017. Employee contributions are made by mandatory pre-tax payroll deduction at the rate of 9.5% of the employee's base salary while employer contributions are actuarially determined. Members of the DB 1.75 Plan automatically participate in the 457 Deferred Compensation Plan, pursuant to which employees are required to contribute 1% of base salary as a pre-tax mandatory contribution. Benefits are fully vested upon attaining 5 years of credited service.

Members of the DB 1.75 Plan may retire at age 62 with 5 years of credited service, or at age 60 with 5 years of credited service without survivor benefits, or at age 55 with 25 years of credited service but the retirement annuity shall be reduced ½ of 1% for each month that the age of the member is less than 62 years (6% per year). Credited service is earned for each year of actual employment by the member as an employee. Upon retirement, a retired member is entitled to a basic retirement annuity equal to an annual payment of 1.75% of average annual salary multiplied by years of credited service. Average annual salary represents the average of annual base salary for the three years of service that produce the highest average.

Contributions and Funding Policy: Plan members of the DB Plan are required to contribute a certain percentage of their annual covered salary. The contribution requirements of the plan members and GovGuam are established and may be amended by the GGRF. GovGuam's statutory contribution rate was 29.43% for the year ended September 30, 2024. Employees were required to contribute 9.5% of their annual pay for the year ended September 30, 2024.

GovGuam's contributions to the DB Plan for the year ended September 30, 2024, were $60,030,811, which were equal to the statutorily required contributions.

GovGuam's contributions to the supplemental annuity benefit payments and the COLA payments for the year ended September 30, 2024, were $18,592,237, which were equal to the statutorily required contributions.

12. Pensions, continued

A. General Information About the Pension Plans, continued:

Members of the DCRS Plan, who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon. Contributions into the DCRS Plan by members are based on an automatic deduction of 6.2% of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS Plan. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS Plan.

Statutory employer contributions for the DCRS Plan for the year ended September 30, 2024, are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 6.2% of the member's regular pay is deposited into the DCRS Plan. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

GovGuam's contributions to the DCRS Plan for the year ended September 30, 2024, were $55,834,909, which were equal to the statutorily required contributions. Of this amount, $44,055,847 was contributed towards the unfunded liability of the DB Plan.

GovGuam's contributions to the other pension benefit payments for Governors/Lieutenant Governors, Judges and Justices for the year ended September 30, 2024, were $550,615, which were equal to the statutorily required contributions.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Pension Liability: As of September 30, 2024, the GovGuam reporting entity reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2023, which is comprised of the following:

	Primary Government	Fiduciary Funds	Component Units	Total
Defined Benefit Plan	$ 922,714,223	$4,512,115	$469,536,239	$1,396,762,577
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	188,099,798	1,022,794	79,770,498	268,893,090
Ad Hoc COLA Plan for DCRS Retirees	52,060,417	455,671	25,859,331	78,375,419
Governors/Lt. Governors, Judges and Justices	6,315,303	---	---	6,315,303
	$1,169,189,741	$5,990,580	$575,166,068	$1,750,346,389

12. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued:

The following presents GovGuam and its component units change in proportion since the prior measurement date of September 30, 2022, to the current measurement date of September 30, 2023:

	Defined Benefit Plan		Ad Hoc COLA/ Supplemental Annuity Plan For DB Retirees		Ad Hoc COLA Plan For DCRS Retirees	
	Primary Government	Component Units	Primary Government	Component Units	Primary Government	Component Units
Proportion at prior measurement date, September 30, 2022	64.82%	35.18%	70.26%	29.74%	67.42%	32.58%
Proportion at current measurement date, September 30, 2023	66.06%	33.94%	69.98%	30.02%	66.41%	33.59%
Increase/(decrease)	1.24%	-1.24%	-0.28%	0.28%	-1.01%	1.01%

Pension Expense: For the year ended September 30, 2024, the GovGuam reporting entity recognized pension expense for its proportionate share of plan pension expense from the above pension plans as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Defined Benefit Plan	$168,205,629	$584,485	$77,050,509	$245,840,623
Ad Hoc COLA/supplemental annuity Plan for DB Retirees	17,764,529	114,425	8,299,383	26,178,337
Ad Hoc COLA Plan for DCRS Retirees	10,629,847	87,648	5,222,090	15,939,585
Governors/Lt. Governors, Judges and Justices	666,664	---	---	666,664
	$197,266,669	$786,558	$90,571,982	$288,625,209

Deferred Outflows and Inflows of Resources: As of September 30, 2024, the primary government reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Defined Benefit Plan		Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees		Ad Hoc COLA Plan for DCRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 9,474,406	$10,379,099	$ ---	$ 7,618,136	$ 5,100,561	$ 669,752
Net difference between projected and actual earnings on pension plan investments	120,089,922	---	---	---	---	---
Changes of assumptions	---	5,568,413	2,881,695	9,583,344	10,078,929	9,216,457
Contributions subsequent to the measurement date	104,086,657	---	16,317,537	---	2,274,700	---
Changes in proportion and difference between contributions and proportionate share of contributions	13,854,407	3,615,135	365,243	1,253,221	2,635,359	2,759,551
	$247,505,392	$19,562,647	$19,564,475	$18,454,701	$20,089,549	$12,645,760

12. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued:

In addition, the primary government reported deferred outflows of resources of $550,615 related to the other pension benefits provided to elected Governors and Lieutenant Governors as well as elected/appointed Judges and Justices.

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of September 30, 2024, will be recognized in pension expense as follows:

Year Ending September 30	Defined Benefit Plan	Ad Hoc COLA/SA Supplemental Annuity Plan for DB Retirees	Ad Hoc COLA Plan for DCRS Retirees
2025	$ 42,987,077	$(12,451,949)	$ 706,618
2026	26,106,451	(2,465,271)	706,620
2027	65,217,184	(290,543)	706,616
2028	(10,454,625)	---	800,573
2029	---	---	736,442
Thereafter	---	---	1,512,220
	$123,856,087	$(15,207,763)	$5,169,089

12. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued:

Actuarial Assumptions: Actuarially determined contribution rates for the DB Plan are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The methods and assumptions used to determine contribution rates are as follows:

Actuarial cost method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	May 1, 2033 (9.58 years remaining as of September 30, 2023
Asset Valuation Method:	3-year smoothed market value (effective September 30, 2009)
Inflation:	2.5% per year
Total payroll growth:	2.75% per year
Salary increases:	4% to 7.5%
Retirement Age:	50% of probability of retirement upon first eligibility for unreduced retirement benefits. Thereafter, the probability of retirement is 20% for each year until 75 and increases to 100% at age 70.
Mortality:	RP-2000 healthy mortality table (males +3, females +2). Mortality for disabled lives is the RP 2000 disability mortality (males +6, females +4). Both tables are projected generationally from 2016 using 30% of Scale BB.

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2015 to September 30, 2020. The rationale for each significant assumption is provided in the experience study. To the extent that actual experience differs from the assumptions, future pension costs will differ.

12. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued:

Expected Rate of Return and Asset Allocation: The Fund has a target asset allocation based on the investment policy adopted by the GGRF Board of Trustees. The target allocation and best estimates of the expected nominal return for each major asset class are summarized as follows:

Asset Class	Target Asset Allocation	Nominal Return	Component Return
U.S. Equities (large cap)	26.0%	7.88%	2.05%
U.S. Equities (small cap)	4.0%	9.44%	0.38%
Non-U.S. Equities	17.0%	10.16%	1.73%
Non-U.S. Equities (emerging markets)	3.0%	12.09%	0.36%
U.S. Fixed Income (aggregate)	22.0%	4.71%	1.04%
Risk Parity	8.0%	6.64%	0.53%
High Yield Bonds	8.0%	6.52%	0.52%
Global Real Estate (REITs)	2.5%	9.38%	0.23%
Global Equity	7.5%	8.73%	0.65%
Global Infrastructure	2.0%	8.20%	0.16%
Expected average return for one year			7.66%
Expected geometric mean (30 years)			6.94%

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2023 was 7%, which is equal to the expected investment rate of return. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except supplemental annuity payments to DB retirees and ad hoc COLA to both DB and DCRS retirees. The discount rate used to measure the total pension liability for the supplemental annuity and ad hoc COLA payments as of September 30, 2023 was 4.09%, which is equal to the rate of return of a high-quality bond index.

12. Pensions, continued

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued:

Discount Rate Sensitivity Analysis: The following presents the sensitivity of the total net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the total net pension liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Defined Benefit Plan:

1% Decrease in Discount Rate 6%	Current Discount Rate 7%	1% Increase in Discount Rate 8%
$1,715,387,965	$1,396,762,577	$1,124,015,857

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
$293,530,025	$268,893,090	$247,627,999

Ad Hoc COLA Plan for DCRS Retirees:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
$88,455,986	$78,375,419	$69,851,825

Governor/Lt. Governor, Judges and Justices:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
$6,840,495	$6,315,303	$5,861,430

C. Payables to the Pension Plans

As of September 30, 2024, GovGuam recorded a payable to GGRF of $5,144,561, representing statutorily required contributions unremitted as of the year-end.

13. Other Post-Employment Benefits (OPEB)

GovGuam participates in the retiree health care benefits program. GovGuam's Department of Administration is responsible for administering the GovGuam Group Health Insurance Program, which provides medical, dental, and life insurance benefits to employees, retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The program covers retirees and is considered an OPEB plan.

A. General Information About the OPEB Plan:

Plan Description: The OPEB plan is a single-employer defined benefit plan that provides healthcare benefits to eligible employees and retirees who are members of the GovGuam Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Governor's recommended budget and the annual General Appropriations Act enacted by the Guam Legislature provide for a premium level necessary for funding the program each year on a "pay-as-you-go" basis. Because the OPEB Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

Benefits Provided: GovGuam provides postemployment medical, dental and life insurance benefits to GovGuam retirees, spouses, children and survivors, which are the same benefits as provided to active employees. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. GovGuam contributes a portion of the medical and dental premiums, based on a schedule of semi-monthly rates, and reimburses certain Medicare premiums to eligible retirees. Retirees are also required to pay a portion of the medical and dental insurance premiums.

Contributions: No employer contributions are assumed to be made since an OPEB trust has not been established. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

13. Other Post-Employment Benefits (OPEB), continued

B. Total OPEB Liability:

As of September 30, 2024, the GovGuam reporting entity reported a total OPEB liability of $2,734,605,674 of which GovGuam (the primary government) and its component units (including the fiduciary funds) reported $1,844,477,479 and $890,128,195, respectively, for their proportionate share of the total OPEB liability measured as of September 30, 2023. The following presents GovGuam and its component units' change in proportion since the prior measurement date:

	Primary Government	Component Units
Proportion at prior measurement date, September 30, 2022	67.55%	32.45%
Proportion at current measurement date, September 30, 2023	67.45%	32.55%
Increase/(decrease) in proportion	-0.10%	0.10%

The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2023 (the measurement date) using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.5%
Healthcare cost trend rates:	Non-Medicare, Medicare claims and retiree contributions - 8% for FY2023, then 26%, 14% and 0% for FY2024, for non-Medicare, Medicare claims, and retiree contributions, respectively. 7% for FY2025, decreasing 0.5% per year to 4.5% in FY2030 and an ultimate rate of 4.1% for FY2031 and later years. The trend rates for Medicare Part B and Part D reimbursements are assumed to be 4.25% in year 1 and 3.64% in year 2 to reflect the actual changes in costs through October 1, 2024 and 4.25% per year in subsequent years.
Dental Trend Rates:	For claims and retiree contributions, 4.25% for year 1 and 8.21% and 0% for claims and retiree contributions, respectively for year 2. For subsequent years, rate will be 4.25%, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.

13. Other Post-Employment Benefits (OPEB), continued

B. Total OPEB Liability, continued:

Mortality rates:	PUB-2010 Head-count Weighted Mortality Table, set forward 4 years for males and 2 years for females, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020.
Participation rates:	Medical - 100% of active employees covered under a GovGuam medical plan will elect to participate at retirement. Dental - 100% of active employees under a GovGuam dental plan will elect to participate at retirement. Life - 100% of eligible retirees will elect to participate at retirement. Current retirees will continue in the GovGuam plan as provided in the data, and upon attainment of age 65, will remain in that plan or enroll in a Retiree Supplemental Plan per Medicare Enrollment assumption below.
Medicare enrollment:	Based on current over-65 retiree data, 55% of current and future retirees are assumed to enroll in Medicare and will enroll in a Retiree Supplemental Plan upon attainment of age 65. All employees retired prior to September 28, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan.
Disability rates:	Based on an actuarial experience study from 2016-2020, 0.03% for males aged 20-39 years (0.02% for females); 0.05% - 0.10% for males aged 40-49 years (0.03% - 0.05% for females); 0.15% - 0.27% for males aged 50-59 years (0.10% - 0.14% for females); and 0.38% for males aged 60- 64 years (0.19% for females).
Retirement rates:	40% of employees are assumed to retire at earliest eligibility for unreduced benefits under the GovGuam Retirement Fund, 20% per year thereafter until age 75, and 100% at age 75.

13. Other Post-Employment Benefits (OPEB), continued

B. Total OPEB Liability, continued:

Discount rate: The discount rate used to measure the total OPEB liability was 4.09%. The projection of cash flows used to determine the discount rate assumed that contributions from GovGuam will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB plan fiduciary net position: As of September 30, 2024, an OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the sensitivity of the total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to the total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

1% Decrease in Discount Rate 3.09%	Current Discount Rate 4.09%	1% Increase in Discount Rate 5.09%
$ 3,169,838,334	$ 2,734,605,674	$ 2,381,393,827

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The sensitivity analysis shows the impact to the total OPEB liability if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
$ 2,327,441,833	$ 2,734,605,674	$ 3,255,996,859

C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2024, the GovGuam reporting entity reported total OPEB expense of $154,128,824 of which GovGuam (the primary government) and its component units (including the fiduciary funds) reported $101,162,140 and $52,966,684, respectively, for its proportionate share of the total OPEB expense measured for the year ended September 30, 2023.

13. Other Post-Employment Benefits (OPEB), continued

C. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued:

As of September 30, 2024, GovGuam reported deferred outflows of resources and deferred inflows of resources related to OPEB for GovGuam (the primary government) and its component units (including the fiduciary funds) from the following sources:

	Primary Government		Fiduciary Funds		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$282,220,898	$ 77,896,879	$1,556,652	$ 429,658	$134,640,607	$ 37,162,677
Changes of assumptions	62,326,557	353,421,110	343,776	1,949,373	29,734,460	168,608,466
Contributions subsequent to the measurement date	39,388,218	---	298,699	---	18,028,851	---
Changes in proportion and difference between employer contributions and proportionate share of Contributions	19,631,338	19,987,992	---	1,326,345	34,324,591	32,641,591
	$403,567,011	$451,305,981	$2,199,127	$3,705,376	$216,728,509	$238,412,734

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the total OPEB liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of September 30, 2024, will be recognized in OPEB expense as follows:

Year Ending September 30	Primary Government	Fiduciary Funds	Component Units
2024	$(492,685)	$(316,377)	$ 3,203,353
2025	(31,484,748)	(452,659)	(12,920,871)
2026	(21,032,724)	(359,672)	(11,213,028)
2027	(32,371,628)	(417,202)	(16,891,204)
2028	(32,371,621)	(417,202)	(16,891,211)
Thereafter	30,626,218	158,164	14,999,884
	$(87,127,188)	$(1,804,948)	$(39,713,077)

14. Commitments and Contingencies

A. Federal Grants

GovGuam has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. If questioned costs are ultimately disallowed, the General Fund would be liable for the return of such funds. However, no liability, which may arise from the ultimate outcome of this matter, has been provided for in the accompanying financial statements as no return of funds has been required. Audits of federal program funds are also performed by various federal agencies. If audits result in cost disallowances, GovGuam may be liable. However, management does not believe this will result in a material liability. Therefore, no liability for any amount, which may ultimately arise from these matters, has been recorded in the accompanying basic financial statements. Fines and penalties may also be imposed by various federal agencies for violations of certain regulations. However, no provision for any amount has been recorded in the accompanying basic financial statements, as it is not possible to reasonably estimate these fines and penalties.

B. Landfill Closure and Postclosure Costs

In 2004, GovGuam and the U.S. Environmental Protection Agency (EPA) filed a Consent Decree in the U.S. District Court. The consent decree included deadlines for the opening of a new landfill and implementing a plan to permanently close the Ordot Dump. In 2008, the Court issued a Court Order that placed the Solid Waste Division of the Department of Public Works (DPW) in Guam in Receivership. In 2009, the Court issued a Court Order associated with the DPW Solid Waste Division Receivership requiring GovGuam to provide for costs of the new landfill and GovGuam issued $202,425,000 in Limited Obligation Revenue Bonds for the purpose of financing facilities of the Solid Waste Management System of Guam.

In 2011, the Ordot Dump was finally closed, and the Layon landfill opened on September 1, 2011. State and federal laws and regulations require GovGuam to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure and post closure care costs of $1,262,729 reported as expenditures in the accompanying financial statements represent actual closure and post closure care costs incurred during the year ended September 30, 2024. The estimated landfill closure and post closure care liability as of September 30, 2024, is not included in the accompanying governmental fund financial statements. Instead, GovGuam has reported $34,781,189 as a landfill closure and post closure care liability as of September 30, 2024, within GovGuam's government-wide financial statements based on 100% capacity for the Ordot Dump. This amount represents an EPA estimate of $36,043,918, inclusive of 35% industry standard cost contingency, less current year closure and post closure costs of $1,262,729.

14. Commitments and Contingencies, continued

B. Landfill Closure and Postclosure Costs, continued

In addition, GovGuam has reported an amount of $11,572,380 for Layon landfill based on the use of 10.95% of the estimated capacity. The Layon landfill consists of up to 11 cells with an estimated lifespan of 50 years. Currently, GovGuam is utilizing 3 cells that together have a projected life of 10 years. GovGuam will recognize the remaining estimated cost of closure and post closure care of $96,459,442 as the remaining estimated capacity is filled. These amounts are estimated based on what it would cost to perform all closure and post closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. On September 25, 2023, the U.S. District Court issued a Consent Decree whereby the United States Government will pay GovGuam $48,900,000 for its share of past costs spent in remediating and closing the Ordot Dump. During the year ended September 30, 2024, GovGuam received $30,578,439 under this Consent Decree.

C. Sick Leave

GovGuam policy is to record the cost of sick leave when leave is taken, and a liability is actually incurred. Generally, sick leave is paid only when an employee is absent due to illness, injury or related-family death. For this reason, no sick leave liability is recorded. The estimated accumulated amount of unused sick leave as of September 30, 2024, is $159,548,340, of which an estimated $18,028,577 has been accrued and may be convertible to pay DCRS members upon retirement.

D. Tax Refunds

In 2012, the U.S. District Court held a hearing regarding GovGuam's administration of the Guam Territorial Income Tax (GTIT) and the lack of timely payment of tax refunds. In 2013, the Court issued a Permanent Injunction requiring GovGuam to pay GTIT refunds no later than six months after the filing of the claim for refund or six months from the due date for filing the claim for refund, whichever is later in time. Fines and penalties may be imposed by the Court for noncompliance with this Permanent Injunction. During the year ended September 30, 2024, refunds were paid within six weeks after filing.

14. Commitments and Contingencies, continued

E. Cost of Living Adjustment (COLA) Liability

In 1988, Public Law 19-19, as codified in 4 G.C.A. § 8137.1, required GovGuam to pay an annual lump sum COLA to retirees and survivors on the first retirement payday after July 1 of each year. In 1993, a GovGuam retiree filed a class action suit on behalf of 4,877 retirees and survivors, alleging that they were being denied the COLA benefits prescribed by 4 G.C.A. § 8137.1. The "COLA class" consisted of all GovGuam retirees and survivors that were entitled to retirement benefits during COLA years 1990 through 1994 (payout years July 1991 through July 1995). The Petitioner alleged that GovGuam did not implement 4 G.C.A. § 8137.1. The Governor and the GovGuam Retirement Fund subsequently submitted to the Court their respective calculations of the COLA owed under seal. In 2006, the Superior Court of Guam, pursuant to 4 G.C.A. § 8137.1, ordered the GovGuam Retirement Fund to revise its initial August 2006 COLA calculation of $96 million, which resulted in the award of $123,580,231 to the COLA class. As of September 30, 2024, the outstanding COLA liability amounted to $4,393,680. In accordance with Public Law 31-76, the accrual of interest on outstanding awards ceased effective October 1, 2011.

F. Self-Insurance

GovGuam does not purchase insurance covering potential risks; it is substantially self-insured against claims for negligence and catastrophic losses. If losses arise from such claims or disasters, the General Fund would be required to pay most of these losses. An annual appropriation is made to the Government Claims Fund and then valid claims are paid out against the appropriated amount. GovGuam has not experienced material losses prior to the previous year because of this policy. Virtually all discretely presented component units have some form of commercial insurance to insure against risk of loss such as property, liability and typhoon.

G. Chamorro Land Trust Commission (CLTC) Loan Guarantee Fund

GovGuam through the CLTC is authorized to loan or guarantee the repayment of or otherwise underwrite any authorized loan to a Chamorro homeland lessee up to a maximum amount not to exceed the financial ability of the borrower. In the event of default, these loan guarantees may shift the lender's default risk entirely to the CLTC whereby the lender may call upon the CLTC to make partial or full payment of the guaranteed loan. CLTC management is of the opinion that defaulted loans may be reassigned to credit worthy borrowers and that the CLTC has substantial defenses available to it in the event of litigation. As a result, at this time, management does not believe that material exposure exists related to this event. Therefore, no provision for a liability that may arise from this matter has been recorded in the accompanying financial statements.

14. Commitments and Contingencies, continued

H. Medicare

Prior to October 1998, GovGuam did not withhold or remit funds to the U.S. Social Security System for the health insurance component. GovGuam has since reevaluated this position and has currently withheld such amount from its employees. If GovGuam is found to be liable for prior year nonpayment an indeterminate liability could result. Therefore, no liability for any amount which may ultimately arise from this matter has been recorded in the accompanying financial statements.

15. Discretely Presented Component Unit Disclosures

A. Restricted Assets

Antonio B. Won Pat International Airport Authority (AWPIAA):

The bond indentures for AWPIAA require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the monies. As of September 30, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	$ 6,954,685
Investments	49,229,313
	$56,183,998
Restricted assets:	
Bond Reserve Funds	$18,307,683
General Revenue Fund	8,737,782
Debt Service Funds	8,102,858
Self-Insurance Fund	7,721,003
Operations and Maintenance Reserve Fund	3,241,945
Operations and Maintenance Fund	2,820,617
Investment Fund	2,435,328
Capital Improvement Fund	1,966,011
Federal Grants Fund	1,850,336
Renewal and Replacement Fund	1,000,249
Construction Fund	186
	$56,183,998

15. Discretely Presented Component Unit Disclosures, continued

A. Restricted Assets, continued

Guam Community College (GCC):

As of September 30, 2024, GCC maintained restricted assets for various purposes as follows:

Investments	$22,446,697
Restricted assets:	
Endowment Funds	$20,593,783
Enhancement of Learning Resources and Technology	1,852,914
	$22,446,697

Guam Housing and Urban Renewal Authority (GHURA):

In 2005, GHURA ceased carrying commercial insurance for typhoon coverage due to such being cost prohibitive. A typhoon insurance coverage waiver was granted by the U.S. Department of Housing and Urban Development (HUD) provided that GHURA establish and maintain a typhoon coverage escrow account in which a deposit of $200,000 be made annually until the account balance reaches a minimum balance of $1,000,000. Upon the need to draw from this escrow account, GHURA must obtain approval from HUD prior to drawdown. As of September 30, 2024, restricted cash and cash equivalents held for this purpose amounted to $1,025,147.

Guam Power Authority (GPA):

The bond indenture agreements for GPA's 2014, 2017, 2022 and 2024 series revenue bonds require the establishment of special funds and accounts to be held and administered by GPA's trustees. As of September 30, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	$119,029,328
Investments	33,760,658
	$152,789,986

15. Discretely Presented Component Unit Disclosures, continued

A. Restricted Assets, continued

Guam Power Authority (GPA), continued:

Restricted assets:	
Bond Reserve Funds	$ 48,000,774
Surplus Funds	29,379,305
Interest and Principal Funds	27,673,101
Working Capital Funds	15,904,385
Self-insurance Fund	14,481,151
Revenue Funds	9,054,712
Energy Sense Fund	6,047,165
Construction Funds	2,249,393
	$152,789,986

Guam Waterworks Authority (GWA):

The bond indenture agreements for GWA's 2013, 2014, 2016, 2017, 2020 and 2024 series revenue bonds require the establishment of special funds and accounts to be held and administered by GWA's trustees. As of September 30, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	$256,660,287
Restricted assets:	
Construction Funds	$136,761,122
Bond Reserve Funds	42,180,075
Operations, Maintenance, Renewal and Replacement Fund	19,560,351
Debt Service Funds	10,253,706
Revenue Fund	11,507,306
Capital Improvement Fund	20,542,219
Island Water and Sewer Infrastructure Development Fund	7,160,562
Operations and Maintenance Fund	3,083,483
Customer Deposit Fund	2,351,163
Sewer Hook-up Reserve	2,172,114
Bid Escrow Fund	990,824
Legislative Surcharge Fund	74,446
Cost of Issuance Fund	22,916
	$256,660,287

15. Discretely Presented Component Unit Disclosures, continued

A. Restricted Assets, continued

Port Authority of Guam (PAG):

The bond indenture agreements for PAG's 2018 series revenue bonds require the establishment of special funds and accounts to be held and administered by PAG's trustees. As of September 30, 2024, restricted assets associated with these requirements are as follows:

Cash and cash equivalents	$99,591,640
Restricted assets:	
Construction Fund	$42,703,379
Operations and Maintenance Reserve Fund	11,752,976
Capital Improvement Fund	11,191,162
Crane Replacement Sinking Fund	9,251,542
Bond Reserve Fund	7,337,736
Working Capital Reserve Fund	6,389,071
Revenue Fund	4,812,297
Renewal and Replacement Reserve Fund	3,900,000
Debt Service Fund	1,438,402
Facility Maintenance Fund	814,679
Operations and Maintenance Fund	396
	$99,591,640

University of Guam (UOG):

As of September 30, 2024, UOG maintained restricted assets for various purposes as follows:

Cash and cash equivalents	$ 3,986,543
Investments	47,554,377
	$51,540,920

15. Discretely Presented Component Unit Disclosures, continued

A. Restricted Assets, continued

University of Guam (UOG), continued:

Restricted assets:	
Land Grant Endowment Funds	$19,784,964
Foundation Endowment Funds	19,092,651
Debt Service Fund	2,325,974
Operations and Maintenance Reserve Fund	2,694,208
Other Endowment Funds	1,673,715
International Accounting Institute Fund	954,448
Self-Insurance Fund	295,111
Guam Cancer Trust Fund	2,027,719
Enhancement of Learning Resources and Technology	2,396,663
Other	295,467
	$51,540,920

Nonmajor Component Units:

As of September 30, 2024, nonmajor component units maintained restricted assets for various purposes as follows:

Cash and cash equivalents	$25,248,399
Investments	168,168
	$25,416,567
Restricted assets:	
Guam Housing Corporation (GHC)	$ 4,553,519
Guam Economic Development Authority (GEDA)	6,046,694
Guam Visitors Bureau:	
Cultural and Sports Ambassadors Fund	14,816,354
	$25,416,567

The respective bond indentures for GHC and GEDA require the establishment of special funds and accounts to be held and administered by the respective trustees for the accounting of the monies.

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments

Antonio B. Won Pat International Airport Authority (AWPIAA):

As of September 30, 2024, the carrying amount of AWPIAA's total cash and cash equivalents was $12,348,185, of which $11,727,649 is maintained in banks and, at times, may exceed federal depository insurance limits and represents short-term investments held and administered by AWPIAA's trustees. Based on negotiated trust and custody agreements, all these investments were held by AWPIAA's trustees in AWPIAA's name in accordance with various trust agreements and bond indentures. As of September 30, 2024, $292,689 of bank deposits was covered by federal depository insurance.

As of September 30, 2024, AWPIAA's investments are held and administered by trustees in accordance with bond indentures for the purpose of funding various capital projects and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in AWPIAA's name by AWPIAA's custodial financial institutions as of September 30, 2024.

AWPIAA has the following recurring fair value measurements as of September 30, 2024:

		At September 30, 2024		
		Level 1	Level 2	Level 3
Investments by fair value level				
Debt Securities:				
U.S. Treasury Securities	$ 580,355	$ 580,355	$ ---	$ ---
Exchange traded products (ETP) - Fidelity Investments	7,632,201	7,632,201	---	---
Corporate Bonds	726,186	---	726,186	---
Federal Farm Credit Banks Funding Corporation (FFCBFC)	256,950	---	256,950	---
Federal Home Loan Mortgage Corporation (FHLMC)	44,962	---	44,962	---
Total investments by fair value level	9,240,654	$ 8,212,556	$ 1,028,098	$ ---
Investments measured at the net asset value (NAV)				
Money market - Fidelity Investments	13,578,119			
Money market - US Bank, NA	26,410,540			
	$ 49,229,313			

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Antonio B. Won Pat International Airport Authority (AWPIAA), continued:

As of September 30, 2024, AWPIAA's investments in fixed income debt securities were as follows:

	2024				
Investment type	Total	Less than 1	1 - 5	6 - 10	More than 10
Money market	$ 39,988,659	$ 39,988,659	$ ---	$ ---	$ ---
ETP	7,632,201	7,632,201	---	---	---
Corporate bonds	726,186	135,096	591,090	---	---
FFCB	256,950	112,622	144,328	---	---
U.S. Treasury securities	580,355	24,774	555,581	---	---
FHLMC	44,962	44,962	---	---	---
	$ 49,229,313	$ 47,938,314	$ 1,290,999	$ ---	$ ---

AWPIAA's exposure to credit risk as of September 30, 2024, was as follows:

Moody's or Standard & Poor's Credit Rating	
A	$ 625,219
Aaa/AAA	394,909
Baa/BBB	7,970
	$1,028,098

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Community College (GCC):

As of September 30, 2024, the carrying amount of GCC's cash and cash equivalents was $26,086,975 and the corresponding bank balance was $26,852,515, which is maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2024, bank deposits in the amount of $729,030 were FDIC insured.

GCC has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Mutual fund	$ 1,852,914	$ 1,852,914	$ ---	$ ---

Investments held by the Guam Community College Endowment Foundation, Inc., a legally separate tax-exempt foundation of GCC, consist of money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments is as follows:

Restricted for endowments:	
Money Market Funds	$ 1,522,741
Mutual funds	554,769
Fixed income	4,098,563
Exchange-traded funds	2,701,942
Common stocks	11,474,648
	$20,352,663

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Housing and Urban Renewal Authority (GHURA):

As of September 30, 2024, the carrying amount of GHURA's total cash and cash equivalents was $24,306,052 and the corresponding bank balance was $24,276,175, which is maintained in financial institutions subject to FDIC insurance or fully collateralized by securities held by a trustee in the name of the financial institution. As of September 30, 2024, bank deposits in the amount of $250,000 were FDIC insured or collateralized by U.S. securities.

Guam Memorial Hospital Authority (GMHA):

As of September 30, 2024, the carrying amount of GMHA's total cash and cash equivalents was $612,105 and the corresponding bank balance was $605,405, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of $250,000 were FDIC insured.

Guam Power Authority (GPA):

As of September 30, 2024, the carrying amount of GPA's total cash and cash equivalents and time certificates of deposit was $180,731,021 and the corresponding bank balance was $180,734,791. Of the bank balance amount, $82,155,868 is maintained in financial institutions subject to FDIC insurance. The remaining amount of $98,578,923 represents short-term investments held and administered by GPA's trustees and cash on hand. Based on negotiated trust and custody agreements, all of these investments were held by GPA's trustees in GPA's name in accordance with various trust agreements and bond indentures. As of September 30, 2024, bank deposits in the amount of $628,626 were FDIC insured.

As of September 30, 2024, GPA's investments are held and administered by trustees in accordance with bond indentures for the purpose of funding various capital projects and future debt service requirements. Based on negotiated trust and custody contracts, all of these investments were held in GPA's name by GPA's custodial financial institutions as of September 30, 2024.

GPA has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Fixed income:				
Mutual funds	$ 4,821,263	$ 4,821,263	$ ---	$ ---
Investments measured at amortized cost:				
Commercial paper	13,740,168			
Guaranteed investment certificate	15,199,227			
	$ 33,760,658			

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Power Authority (GPA), continued:

As of September 30, 2024, GPA's investments in debt securities were as follows:

		Investment Maturities (In Years)				
	Credit Rating	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
Guaranteed investment	Aa3	$ ---	$ ---	$ ---	$15,199,227	$15,199,227
Mutual funds	Not rated	4,821,263	---	---	---	4,821,263
Commercial paper	Not rated	13,740,168	---	---	---	13,740,168
		$18,561,431	$ ---	$ ---	$15,199,227	$33,760,658

Guam Waterworks Authority (GWA):

As of September 30, 2024, the carrying amount of GWA's total cash and cash equivalents was $308,436,657 and the corresponding bank balance was $308,291,829. Of the bank balance amount, $88,972,984 is maintained in financial institutions subject to FDIC insurance. The remaining amount of $219,318,845 represents short-term investments held and administered by GWA's trustees. Based on negotiated trust and custody agreements, all of these investments were held by GWA's trustees in GWA's name in accordance with various trust agreements and bond indentures. As of September 30, 2024, bank deposits in the amount of $794,784 were FDIC insured.

Port Authority of Guam (PAG):

As of September 30, 2024, the carrying amount of PAG's total cash and cash equivalents was $125,917,226 and the corresponding bank balance was $126,063,373. Of the bank balance amount, $6,565,805 is maintained in financial institutions subject to FDIC insurance. The remaining amount of $119,497,568 represents short-term investments held and administered by PAG's trustees. Based on negotiated trust and custody agreements, all of these investments were held by PAG's trustees in PAG's name in accordance with various trust agreements and bond indentures. As of September 30, 2024, bank deposits in the amount of $250,000 were FDIC insured.

University of Guam (UOG):

As of September 30, 2024, the carrying amount of UOG's total cash and cash equivalents was $8,555,509 and the corresponding bank balance was $17,390,724. Of the bank balance amount, $827,599 is maintained in financial institutions subject to FDIC insurance, National Credit Union Administration (NCUA) insurance, or collateralized by securities held by a trustee in the name of the financial institution.

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

University of Guam (UOG), continued:

UOG has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Fixed income securities	$ 5,431,883	$ 2,067,034	$ 3,364,849	$ ---
Equity securities	15,471,261	15,426,481	44,780	---
Real estate investment trusts	1,864,305	---	1,864,305	---
Alternative cash and investments	1,212,501	---	---	1,212,501
Exchange-traded funds	29,609,295	29,609,295	---	---
Total investments by fair value level	53,589,245	$ 47,102,810	$ 5,273,934	$ 1,212,501
Investments measured at amortized cost:				
Equity securities	896,414			
Cash and cash equivalents	645,280			
Certificates of time deposit	7,049,715			
Money market funds	1,559,654			
	$ 63,740,308			

As of September 30, 2024, UOG's investments in fixed income debt securities were as follows:

	Investment Maturities (In Years)				
	Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. treasury notes	$ 16,489	$ 46,215	$ 1,357,729	$ 728,851	$ 2,149,284
U.S. government agencies	---	---	---	2,566,679	2,566,679
Corporate notes and bonds	228,703	84,796	389,851	12,570	715,920
	$ 245,192	$ 131,011	$ 1,747,580	$ 3,308,100	$ 5,431,883

UOG's exposure to credit risk as of September 30, 2024, was as follows:

Moody's Rating	Domestic
AAA	$2,149,284
AA	114,621
A	498,474
BBB	102,825
Not rated	2,566,679
	$5,431,883

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

University of Guam (UOG), continued

The University of Guam Endowment Foundation, Inc.'s investments consist of money market funds, U.S. Treasury and agency obligations, and common stock. The carrying value of investments held by the Foundation is as follows:

Restricted for endowments:	
Mutual Funds	$ 2,766,898
U.S. Government notes and bonds	250,755
Domestic equities	3,672,017
Money market funds	1,559,654
Certificate of time deposit	2,411,027
Cash and cash equivalents	290,465
Exchange-traded funds	9,980,748
	$20,931,564

Guam Housing Corporation (GHC):

As of September 30, 2024, the carrying amount of GHC's cash and cash equivalents was $11,069,453, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of $4,295,413 were FDIC insured.

GHC has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
U.S. government agencies	$ 167,174	$ ---	$ 167,174	$ ---
Mutual funds	994	994	---	---
	$ 168,168	$ 994	$ 167,174	$ ---

As of September 30, 2024, GHC's investments in fixed income debt securities were as follows:

	Moody's Credit Rating	Investment Maturities (In Years)				
		Less Than 1	1 to 5	6 to 10	Greater Than 10	Total
U.S. government agencies:						
Federal Home Loan Mortgage Corp.	Aaa	$ ---	$ ---	$ 167,174	$ ---	$ 167,174

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Economic Development Authority (GEDA):

As of September 30, 2024, the carrying amount of GEDA's cash and cash equivalents was $30,362,213 and the corresponding bank balance was $19,826,683. Of the bank balance amount, $1,383,292 is maintained in financial institutions subject to FDIC insurance. The remaining amount of $18,443,391 represents short-term investments held and administered by GEDA's trustees. Based on negotiated trust and custody agreements, all of these investments were held by GEDA's trustees in GEDA's name in accordance with various trust agreements and bond indentures. As of September 30, 2024, bank deposits in the amount of $500,000 were FDIC insured.

GEDA has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Fixed income securities	$ 2,144,403	$ 1,319,920	$ 824,483	$ ---
Equity securities	6,263,879	6,263,879	---	---
Exchange-traded funds	23,962,529	23,962,529	---	---
Total investments by fair value level	$ 32,370,811	$ 31,546,328	$ 824,483	$ ---

Guam Preservation Trust (GPT):

As of September 30, 2024, the carrying amount of GPT's cash and cash equivalents and time certificates of deposit was $5,368,428, which are maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of $1,750,000 were FDIC insured.

GPT has the following recurring fair value measurements as of September 30, 2024:

		Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Exchange-traded funds	$ 2,239,336	$ 2,239,336	$ ---	$ ---
Mutual funds	513,930	513,930	---	---
Equities	238,328	238,328	---	---
Total investments by fair value level	$ 2,991,594	$ 2,991,594	$ ---	$ ---

15. Discretely Presented Component Unit Disclosures, continued

B. Deposits and Investments, continued

Guam Visitors Bureau (GVB):

As of September 30, 2024, the carrying amount of GVB's cash and cash equivalents and time certificates of deposit was $39,281,035 and the corresponding bank balance was $39,416,838, of which $38,995,182 is maintained in financial institutions subject to FDIC insurance. The remaining amount of $421,656 represents bank deposits in financial institutions not subject to depository insurance. As of September 30, 2024, bank deposits in the amount of $2,146,408 were FDIC insured.

As of September 30, 2024, investments include time certificates of deposit in the amount of $1,590,428 with original maturities of more than three months.

Guam Educational Telecommunications Corporation (GETC):

As of September 30, 2024, the carrying amount of GETC's cash and cash equivalents was $2,264,218, which is maintained in financial institutions subject to FDIC insurance. As of September 30, 2024, bank deposits in the amount of $644,500 were FDIC or NCUA insured.

C. Receivables

Receivables as of September 30, 2024, for the discretely presented component units, including allowances for uncollectible accounts, are as follows:

	Antonio B. Won Pat International Airport Authority	Guam Community College	Guam Housing and Urban Renewal Authority	Guam Memorial Hospital Authority	Guam Power Authority	Guam Waterworks Authority	Port Authority of Guam	University of Guam	Nonmajor Component Units	Total
Trade	$ 8,079,050	$ 2,534,608	$ 537,969	$364,711,772	$48,899,443	$25,463,068	$ 10,990,435	$10,455,077	$ 25,225	$ 471,696,647
Federal agencies	1,212,342	1,303,851	1,408,789	2,610,604	859,835	538,199	2,545,705	12,572,842	---	23,052,167
Loans	---	---	15,157,522	---	---	---	---	17,040,909	23,134,237	55,332,668
Leases	12,371,202	---	410,930	---	---	---	36,781,344	1,110,421	28,384,500	79,058,397
Interest	---	---	97,071	---	---	---	---	---	97,836	194,907
Other	1,462,884	2,378,637	488,421	463,532	6,834,577	1,725,880	---	3,081,477	7,144,815	23,580,223
	23,125,478	6,217,096	18,100,702	367,785,908	56,593,855	27,727,147	50,317,484	44,260,726	58,786,613	652,915,009
Allowance	(1,189,371)	(1,463,086)	(1,060,370)	(313,807,195)	(7,891,908)	(8,660,031)	(304,958)	(24,452,638)	(2,236,398)	(361,065,955)
	$ 21,936,107	$ 4,754,010	$ 17,040,332	$ 53,978,713	$48,701,947	$19,067,116	$ 50,012,526	$19,808,088	$56,550,215	$ 291,849,054

In accordance with GASB Statement No. 87, *Leases*, the discretely presented component units recognize a lease receivable and a deferred inflow of resources at commencement of the lease term. As of September 30, 2024, lease receivables and deferred inflow of resources associated with leases totaled $79,058,397 and $79,567,833, respectively.

15. Discretely Presented Component Unit Disclosures, continued

C. Receivables, continued

Antonio B. Won Pat International Airport Authority (AWPIAA):

AWPIAA is a lessor for non-cancelable leases of land, buildings, and other capital assets. In accordance with GASB Statement No. 87, *Leases*, AWPIAA recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for certain regulated leases, and short-term leases.

Regulated Leases

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses. These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing opportunities are made available to any potential lessee should a facility become vacant. In accordance with GASB Statement No. 87, AWPIAA recognizes lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

Non-regulated Leases

These contracts convey control of the right to use AWPIAA's assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater than 12 months at commencement of the leases are recognized in accordance with the provisions of GASB Statement No. 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases.

AWPIAA, as a lessor, leases certain assets to various third parties. The assets leased include building facilities, land, office space, terminal space for concessions, rental car facilities, advertising, and others. Majority of the lease agreements are a fixed monthly fee and may contain annual or periodic escalation clauses. For some leases, the monthly fee is a percentage of gross revenue, which may vary each month. Additionally, some leases may have a minimum annual guarantee (MAG), that set a certain lease amount regardless of the lessor's sales. Lease terms vary from month-to-month to over 20 years. Majority of the leases have a term of less than 5 years.

15. Discretely Presented Component Unit Disclosures, continued

C. Receivables, continued

Antonio B. Won Pat International Airport Authority (AWPIAA), continued:

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2024, are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 4,477,107	$ 246,222	$ 4,723,329
2026	1,680,113	124,278	1,804,391
2027	628,161	93,741	721,902
2028	333,120	83,860	416,980
2029	334,089	78,540	412,629
2030 - 2034	1,908,159	306,698	2,214,857
2035 - 2039	2,047,899	143,262	2,191,161
2040 - 2041	962,554	11,998	974,552
	$12,371,202	$1,088,599	$13,459,801

Guam Housing and Urban Renewal Authority (GHURA):

Loan receivables consist primarily for first time homebuyers to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. As of September 30, 2024, loans under GHURA's Down Payment and Closing Cost Assistance Program of $202,221 are interest free with a maximum loan amount of the lesser of $18,000 or 18% of the purchase price and are collateralized by second mortgages on real estate. As of September 30, 2024, loans under GHURA's Renewal Homes Program of $4,051,301 carry a 3% interest rate with a 30-year term.

On December 3, 2020, the U.S. Department of Housing and Urban Development (HUD) entered into a $12,000,000 loan facility with GHURA under the Community Development Block Grant Section 108 Loan Guarantee Program. GHURA simultaneously entered into a subrecipient loan agreement with "The Learning Institute" (the subrecipient), a Guam nonprofit corporation, for the purpose of funding construction, rehabilitation or installation of public facilities eligible under 24 CFR 570.703 (1), in connection with the iLearn Academy Charter School Project. During the year ended September 30, 2024, various drawdowns totaling $12 million were made against this facility. As of September 30, 2024, note receivable from the subrecipient amounted to $10,904,000.

15. Discretely Presented Component Unit Disclosures, continued

C. Receivables, continued

Port Authority of Guam (PAG):

PAG, as a lessor, has entered into lease agreements involving land and building space. PAG also leases equipment and space to tenants on a month-to-month basis.

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2024, are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 1,118,837	$ 648,042	$ 1,766,879
2026	1,173,716	629,426	1,803,142
2027	1,023,054	610,897	1,633,951
2028	960,730	593,774	1,554,504
2029	977,414	577,090	1,554,504
2030 - 2034	4,779,657	2,634,079	7,413,736
2035 - 2039	5,152,742	2,197,679	7,350,421
2040 - 2044	4,531,068	1,761,590	6,292,658
2045 - 2049	4,922,773	1,333,410	6,256,183
2050 - 2054	5,391,659	864,525	6,256,184
2055 - 2059	5,905,204	350,979	6,256,183
2060 – 2062	844,490	8,765	853,255
	$36,781,344	$12,210,256	$48,991,600

University of Guam (UOG):

The Guam Legislature appropriates funds for the student loan program available to residents of Guam who attend institutions of higher education. UOG is responsible for awarding loans and monitoring compliance with respect to repayment. Due to the uncertainty of collection and due to recipient ability to repay the loans through work credits, student loan receivables are fully reserved for in the year granted, and payments are reflected as recoveries in the year received. As of September 30, 2024, loan receivables are reserved in the amount of $17,040,909.

The Research Corporation of the University of Guam, lessor, entered into a lease agreement with Coreseed Aquaculture (Guam) Corporation, lessee, on the use of a certain parcel of land and improvements thereon. The lessee is in the business of developing aquaculture products to meet market demands and to develop farms and other agricultural activities. The initial term of the lease began on January 1, 2020, and ends on December 31, 2049, with an option to renew.

15. Discretely Presented Component Unit Disclosures, continued

C. Receivables, continued

University of Guam (UOG), continued:

Annual lease payments are due on or before January 6th of each year at the following rates:

- Years 1 – 5 at $32,000 per year
- Years 6 –10 at $44,000 per year
- Years 11–15 at $48,000 per year
- Years 16 –30 at $50,000 per year

At the 11th year of the initial lease term, 5% of the portion of the lessee's annual revenue above $800,000 will be assessed. As of September 30, 2024, UOG recorded total lease receivables of $1,110,421.

Guam Housing Corporation (GHC):

Loan receivables from first time homebuyers under GHC's Low-Cost Housing Assistance, Community Affordable Housing Action Trust (CAHAT), Hazard Mitigation, Down Payment and Closing Cost Assistance (DPCCA), and the Sagan Linayan Project programs. As of September 30, 2024, loans under these GHC programs of $23,134,237 are due in varying monthly installments, interest free, with varying maturities, collateralized by first mortgages on real estate.

Guam Economic Development Authority (GEDA):

GEDA leases industrial parks from GovGuam for an annual rent of $1 with terms expiring in 2065. GEDA subleases space to various commercial tenants under agreements that call for advance rental payments of one month to one year rent. Majority of the subleases have various terms of "initial term" and "optional terms". Initial terms vary from 10-20 years with several optional terms of 5-10 years each.

GEDA has adopted policies to assist in determining lease treatment in accordance with the requirements of GASB Statement No. 87, which include the following: (1) maximum possible lease term is non-cancelable by both lessee and lessor and is more than 12 months and (2) the terms of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal.

15. Discretely Presented Component Unit Disclosures, continued

C. Receivables, continued

Guam Economic Development Authority (GEDA), continued:

Future minimum payments that are included in the measurement of the lease receivable as of September 30, 2024, are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 652,642	$ 483,514	$ 1,136,156
2026	658,660	473,187	1,131,847
2027	640,754	462,700	1,103,454
2028	651,381	452,073	1,103,454
2029	663,279	441,257	1,104,536
2030 - 2034	3,218,551	2,041,946	5,260,497
2035 - 2039	3,481,681	1,755,848	5,237,529
2040 - 2044	3,833,035	1,440,634	5,273,669
2045 - 2049	4,273,066	1,093,137	5,366,203
2050 - 2054	4,672,536	708,976	5,381,512
2055 - 2059	4,045,721	333,096	4,378,817
2060 - 2064	1,545,536	53,146	1,598,682
2065	47,658	453	48,111
	$28,384,500	$9,739,967	$38,124,467

D. Due from/due to Primary Government

Receivables and payables reflected as due to/due from primary government as of September 30, 2024, are summarized as follows:

	Due From	Due To
Antonio B. Won Pat International Airport Authority:		
Other nonmajor governmental funds	$ 9,651,320	$ 1,247,236
Guam Community College		
General Fund	710,119	---
Guam Memorial Hospital Authority:		
General Fund	---	18,070,735
Nonmajor component units:		
Other nonmajor governmental funds	5,102,817	77,410
	$15,464,256	$19,395,381

15. Discretely Presented Component Unit Disclosures, continued

E. Capital Assets

Capital asset activities of the discretely presented component units for the year ended September 30, 2024, are as follows:

	Estimated Useful Lives	Balance October 1, 2023	Transfers and Additions	Transfers and Deletions	Balance September 30, 2024
Nondepreciable capital assets:					
Land		$ 111,969,527	$ 453,859	$(104,949)	$ 112,318,437
Construction in progress		171,220,778	80,829,222	(66,688,877)	185,361,123
		283,190,305	81,283,081	(66,793,826)	297,679,560
Depreciable capital assets:					
Financed lease assets	20 - 40 yrs.	32,466,516	---	---	32,466,516
Right-to-use assets		12,126,099	1,432,368	(258,620)	13,299,847
Buildings and improvements	5 - 60 yrs.	2,072,761,586	38,647,598	(1,607,930)	2,109,801,254
Lease assets		27,270,800	20,722	(295,471)	26,996,051
Machinery, equipment and Furniture	2 - 40 yrs.	293,380,526	22,884,537	(4,500,166)	311,764,897
Infrastructure	10 - 50 yrs.	1,636,105,291	34,447,509	(4,288,663)	1,666,264,137
		4,074,110,818	97,432,734	(10,950,850)	4,160,592,702
Less accumulated depreciation and amortization		(2,261,871,020)	(128,040,287)	7,797,265	(2,382,114,042)
Depreciable capital assets, net		1,812,239,798	(30,607,553)	(3,153,585)	1,778,478,660
		$ 2,095,430,103	$ 50,675,528	$(69,947,411)	$ 2,076,158,220

F. Bonds Payable

As of September 30, 2024, the discretely presented component units had the following bonds payable outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Antonio B. Won Pat International Airport Authority (AWPIAA):					
Revenue Bonds Series B, 2019	November 14, 2019	$ 18,400,000	3.13%	October 1, 2024	$ 3,900,000
Revenue Bonds Series A, 2021	August 17, 2021	$ 143,430,000	2.50% - 4.46%	October 1, 2043	143,430,000
Revenue Bonds Series A, 2023	July 11, 2023	$ 47,080,000	5.00% - 5.75%	October 1, 2043	47,080,000
					194,410,000
Add: unamortized bond premium					25,457
					$ 194,435,457
Guam Power Authority (GPA):					
Revenue Bonds Series A, 2014	September 17, 2014	$ 76,470,000	4.00% - 5.00%	October 1, 2045	6,845,000
Revenue Bonds Series A, 2017	December 21, 2017	$ 148,670,000	4.00% - 5.00%	October 1, 2040	143,990,000
Revenue Bonds Series A, 2022	July 7, 2022	$ 257,570,000	4.00% - 5.00%	October 1, 2044	232,955,000
Revenue Bonds Series A, 2024	July 31, 2024	$ 54,830,000	5.00%	October 1, 2045	54,830,000
					438,620,000
Add: unamortized bond premium					34,630,893
					$ 473,250,893

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Guam Waterworks Authority (GWA):					
Revenue Bonds Series A, 2013	December 12, 2013	$ 172,630,000	5.00% - 5.25%	July 1, 2043	$ ---
Revenue Bonds Series A, 2014	August 7, 2014	$ 70,000,000	5%	July 1, 2035	---
Revenue Bonds Series A, 2016	February 24, 2016	$ 143,310,000	5%	January 1, 2046	81,890,000
Revenue Bonds Series A, 2017	December 13, 2017	$ 107,660,000	5%	July 1, 2040	57,660,000
Revenue Bonds Series A, 2020	June 4, 2020	$ 134,000,000	5%	January 1, 2050	134,000,000
Revenue Bonds Series B, 2020	August 26, 2020	$ 166,075,000	2.75% - 3.70%	July 1, 2043	125,835,000
Revenue Bonds Series A, 2024	March 14, 2024	$133,580,000	5%	January 1, 2046	133,575,000
Revenue Bonds Series B, 2024	April 2, 2024	$52,280,000	5%	July 1, 2034	51,275,000
					584,235,000
Add: unamortized bond premium					47,116,050
					$ 631,351,050
Port Authority of Guam (PAG):					
Revenue Bonds Series A, 2018	July 11, 2018	$ 29,980,000	5%	July 1, 2048	29,980,000
Revenue Bonds Series B, 2018	July 11, 2018	$ 23,145,000	5%	July 1, 2037	14,600,000
Revenue Bonds Series C, 2018	July 11, 2018	$ 18,320,000	3.59% - 4.58%	July 1, 2028	12,635,000
					57,215,000
Add: unamortized bond premium					3,805,190
					$ 61,020,190
Guam Housing Corporation (GHC):					
Housing Bonds Series A, 1998	April 15, 1998	$ 50,000,000	4.70% - 5.75%	September 1, 2031	$ 2,290,000
Guam Economic Development Authority (GEDA):					
Tobacco Settlement Asset-Backed Bonds Series A, 2007	December 1, 2007	$ 33,575,000	5.25% - 5.62%	June 1, 2047	22,935,000
Tobacco Settlement Asset-Backed Bonds Series B, 2007	December 1, 2007	$ 3,407,077	Accreted	June 1, 2057	16,773,618
					39,708,618
Less: unamortized bond discount					(267,999)
Less: unaccreted capital appreciation bonds					(5,565,247)
					$ 33,875,372

A summary of bond premium and bond discount activity for the year ended September 30, 2024, is as follows:

	Bond Premium	Bond Discount	Unaccreted Interest	Net
Balance - October 1, 2023	$76,212,615	$(321,435)	$(6,336,487)	$69,554,693
Current-year amortization	9,364,975	53,436	771,240	10,189,651
Balance - September 30, 2024	$85,577,590	$(267,999)	$(5,565,247)	$79,744,344

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Antonio B. Won Pat International Airport Authority (AWPIAA):

In 2019, AWPIAA issued $37,045,000 in Revenue Bonds, Series A and B, to refund $37,045,000 of outstanding 2013 Series C bonds. Of the net proceeds of $43,112,434 (including an issue premium of $1,951,243 and funds of $4,116,191 released from bond reserve fund and debt service fund accounts), $41,925,068 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 Series C bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a loss on defeasance of $690,098, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2013 bonds. The unamortized balance of the deferred loss on refunding is $11,391 as of September 30, 2024. The bond premium has been deferred and amortized over the term of the 2019 bonds using the effective interest rate method.

In 2021, AWPIAA issued $143,430,000 in Revenue Bonds, Series A, to refund all of the outstanding 2013 Series A bonds, 2013 Series B bonds and 2019 Series A bonds, and a portion of the 2013 Series C bonds and 2019 Series B bonds. Of the net proceeds of $142,191,796 (including funds of $106,016 released from bond reserve fund and debt service fund accounts), $141,183,965 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 and 2019 bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a loss on defeasance of $14,156,010, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2019 and 2021 bonds. The unamortized balance of the deferred loss on refunding is $10,546,694 as of September 30, 2024.

In 2023, AWPIAA issued $47,080,000 in Revenue Bonds, Series A, to refund all of the remaining outstanding 2013 Series C bonds. The net proceeds of $46,718,634 were deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from AWPIAA's financial statements. The advance refunding resulted in a gain on defeasance of $425,243 which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2013 bonds. The unamortized balance of the deferred gain on refunding is $390,740 as of September 30, 2024.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Antonio B. Won Pat International Airport Authority (AWPIAA), continued:

AWPIAA revenue bonds are payable solely from and collateralized by a pledge of AWPIAA revenues, which includes all rents, fees and charges received by AWPIAA for the use of the airport facilities. The bond indentures for the 2019, 2021 and 2023 Revenue Bonds include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The aforementioned bond indentures also require the establishment of special funds and accounts to be held and administered by AWPIAA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 4,015,000	$ 7,771,615	$ 11,786,615
2026	10,940,000	7,567,950	18,507,950
2027	11,220,000	7,273,906	18,493,906
2028	11,525,000	6,949,720	18,474,720
2029	11,875,000	6,574,349	18,449,349
2030-2034	59,760,000	25,578,167	85,338,167
2035-2039	37,785,000	15,726,905	53,511,905
2030-2044	47,290,000	5,938,138	53,228,138
	$194,410,000	$83,380,750	$277,790,750

Guam Power Authority (GPA):

In 2012, GPA issued $340,620,000 in Revenue Bonds, 2012 Series A, to refund $356,050,000 of outstanding 1993 Series A and 1999 Series A bonds and to provide additional proceeds to fund the Senior Bond Reserve Fund. Of the net proceeds of $374,138,709 (including an issue premium of $33,518,709), $358,502,697 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 1993 Series A and 1999 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance of $17,283,801, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 1993 and 1999 bonds. The bond premium has been deferred and amortized over the term of the 2012 bonds using the effective interest rate method.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Power Authority (GPA), continued:

In 2014, GPA issued $76,470,000 in Revenue Bonds, 2014 Series A. Of the net proceeds of $84,301,290 (including an issue premium of $7,831,290), $81,632,000 was made available to fund electric power system improvements, the 2014 Capitalized Interest account and the 2014 Senior Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2014 bonds using the effective interest rate method.

In 2017, GPA issued $148,670,000 in Revenue Bonds, 2017 Series A, to refund $150,440,000 of outstanding 2010 Series A bonds. Of the net proceeds of $168,546,259 (including an issue premium of $17,876,459 and funds of $1,999,800 released from a bond fund account), $166,007,863 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2010 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance of $18,390,430, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2010 bonds. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method.

In 2022, GPA issued $257,570,000 in Revenue Bonds 2022 Series A, to refund $285,795,000 of outstanding 2012 Series A bonds. Of the net proceeds of $295,158,617, (including an issue premium of $18,474,929 and funds of $19,113,687 released from a bond fund account), $292,040,901 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2012 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GPA's financial statements. The advance refunding resulted in a loss on defeasance totaling $2,224,524 representing the difference between the reacquisition price and the carrying amount of the 2012 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GPA in effect reduced its aggregate debt service payments by $43,135,796 over the next twenty-three years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of $5,772,263.

In July 2024, GPA refunded portion of its 2014 Series bonds through the issuance of the 2024 Series bonds. At the time of refunding, the 2014 Series bonds had a principal balance outstanding of $58,950,000. The proceeds for the refunding were transferred to an escrow agent who used the proceeds to purchase non-callable and non-prepayable obligations of the United States of America or held uninvested as cash and are to be held in an irrevocable trust to be used for the payment of the principal of and interest on the 2014 Series bonds.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Power Authority (GPA), continued:

The advance refunding met the requirement of an in-substance defeasance and the portions of the 2014 bonds were removed from GPA's financial statements. The advance refunding resulted in a gain on defeasance totaling $2,583,926 representing the difference between the reacquisition price and the carrying amount of the 2014 bonds. The advance refunding resulted an economic gain (difference between the present values of the old debt and the new debt service payments) of $4,619,292.

The loss on refunding of the bonds is being amortized using the effective interest method over the average remaining life of the old bonds which approximated the average life of the new bonds. As of September 30, 2024, the net unamortized balance of the loss on refunding amounted to $9,780,478.

GPA revenue bonds are payable solely from and collateralized by a pledge of GPA revenues, which includes all rates and charges received by GPA in connection with the operation of the electric power system. The respective bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 130% of the annual debt service. The respective bond indentures also require the establishment of special funds and accounts to be held and administered by GPA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 15,855,000	$ 20,090,813	$ 35,945,813
2026	16,525,000	20,675,125	37,200,125
2027	17,350,000	19,828,250	37,178,250
2028	18,220,000	18,939,000	37,159,000
2029	19,130,000	18,005,250	37,135,250
2030-2034	110,985,000	74,302,875	185,287,875
2035-2039	99,315,000	46,977,375	146,292,375
2040-2044	114,760,000	21,346,650	136,106,650
2045	26,480,000	656,600	27,136,600
	$438,620,000	$240,821,938	$ 679,441,938

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Waterworks Authority (GWA):

In 2013, GWA issued $172,630,000 in Revenue Bonds, 2013 Series A. Of the net proceeds of $171,097,017 (including an issue discount of $1,532,983), $168,135,608 was made available to fund water and wastewater system improvements, the 2013 Capitalized Interest account and the 2013 Bond Reserve Fund account. The bond discount has been deferred and amortized over the term of the 2013 bonds using the effective interest rate method. On March 14, 2024, the remaining outstanding balance were fully refunded through the issuance of $133,575,000 2024A refunding bonds.

In 2014, GWA issued $85,600,000 in Revenue Bonds, 2014 Series A and B, to refund $85,985,000 of outstanding 2005 Series A bonds. Of the net proceeds of $92,533,038 (including a net issue premium of $5,648,970 and funds of $1,284,068 released from bond reserve fund and bond fund accounts), $90,996,860 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2005 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GWA's financial statements. The advance refunding resulted in a loss on defeasance of $2,468,670, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2005 bonds. On April 2, 2024, these bonds were fully refunded through the issuance of $51,275,000 2024B refunding bonds.

In 2016, GWA issued $143,310,000 in Revenue Bonds, 2016 Series A. Of the net proceeds of $161,534,842 (including an issue premium of $18,224,842), $159,066,988 was made available to fund water and wastewater system improvements, the 2016 Capitalized Interest account and the 2016 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2016 bonds using the effective interest rate method. On March 14, 2024, these bonds were partially refunded through the issuance of $133,575,000 2024A refunding bonds.

In 2017, GWA issued $107,660,000 in Revenue Bonds, 2017 Series A, to refund $109,105,000 of outstanding 2010 Series A bonds. Of the net proceeds of $124,047,361 (including an issue premium of $13,854,833 and funds of $2,532,528 released from bond reserve fund and bond fund accounts), $122,155,917 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2010 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GWA's financial statements.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Waterworks Authority (GWA), continued:

The advance refunding resulted in a loss on defeasance of $11,791,115, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2010 bonds. The bond premium has been deferred and amortized over the term of the 2017 bonds using the effective interest rate method. On March 14, 2024, these bonds were partially refunded through the issuance of $133,575,000 2024A refunding bonds.

In 2020, GWA issued $134,000,000 Revenue Bonds, 2020 Series A. Of the net proceeds of $145,017,480 (including an issue premium of $11,017,480), $143,035,802 was made available to fund water and wastewater system improvements, the 2020 Capitalized Interest account and the 2020 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2020 bonds using the effective interest rate method.

In 2020, GWA issued $166,075,000 Revenue Bonds, 2020 Series B, to refund $142,595,000 of outstanding 2013 Series A bonds. Of the net proceeds of $167,376,076 (including funds of $1,301,076 released from bond reserve fund and bond fund accounts), $165,243,685 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2013 Series A bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GWA's financial statements. The advance refunding resulted in a loss on defeasance of $22,348,953 representing the difference between the reacquisition price and the carrying amount of the 2013 bonds. Although the advance refunding resulted in the recognition of an accounting loss, GWA in effect reduced its aggregate debt service payments by $13,533,562 over twenty-three years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of $11,931,575. On March 14, 2024, these bonds were partially refunded through the issuance of $133,575,000 2024A refunding bonds.

On March 14, 2024, GWA issued $133.58 million in Refunding Bonds to refund $18.37 million of outstanding 2013 Series bonds, $51.39 million outstanding 2016 Series bonds, $40.91 million of outstanding 2017 Series bonds and $40.24 million outstanding of 2020B Series bonds. The net proceeds of $151.09 million (after payment of $1.96 million in underwriting fees, insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Waterworks Authority (GWA), continued:

On April 2, 2024, GWA issued $51.28 million in Refunding Bonds to refund $55.84 million outstanding 2014 Series bonds. The net proceeds of $56.48 million (after payment of $0.67 million in underwriting fees, insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments.

The refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of $7.74 million.

GWA revenue bonds are payable solely from and collateralized by a pledge of GWA revenues, which includes all rates and charges received by GWA (except for certain legislative surcharge and system development charge revenues) in connection with the operation of the water and wastewater systems. The respective bond indentures include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The respective bond indentures also require the establishment of special funds and accounts to be held and administered by GWA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 10,445,000	$ 27,409,343	$ 37,854,343
2026	10,965,000	26,887,093	37,852,093
2027	11,510,000	26,338,843	37,848,843
2028	13,300,000	25,763,343	39,063,343
2029	14,675,000	25,110,718	39,785,718
2030-2034	83,575,000	115,079,238	198,654,238
2035-2039	106,035,000	94,478,215	200,513,215
2040-2044	136,290,000	68,025,255	204,315,255
2045-2049	160,780,000	32,775,375	193,555,375
2050	36,660,000	916,500	37,576,500
	$584,235,000	$442,783,923	$1,027,018,923

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Port Authority of Guam (PAG):

In 2018, PAG issued $71,445,000 in Revenue Bonds, 2018 Series A, B and C. Of the net proceeds of $77,308,470 (including an issue premium of $5,296,754), $75,312,854 was made available to fund capital improvements of port facilities, the retirement of existing debt, the 2018 Capitalized Interest account and the 2018 Bond Reserve Fund account. The bond premium has been deferred and amortized over the term of the 2018 bonds using the effective interest rate method.

PAG revenue bonds are payable solely from and collateralized by a pledge of PAG revenues, which includes all rents, fees and charges received by PAG (except for certain crane surcharge, facility maintenance fee and public marina revenues) for the use of the seaport facilities. The bond indentures for the 2018 Revenue Bonds include certain debt service and reserve requirements including the requirement that net revenues as defined in the bond indentures equal at least 125% of the annual debt service. The bond indentures also require the establishment of special funds and accounts to be held and administered by PAG's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 2,955,000	$ 2,801,618	$ 5,756,618
2026	3,085,000	2,670,118	5,755,118
2027	3,225,000	2,531,183	5,756,183
2028	3,370,000	2,383,413	5,753,413
2029	1,350,000	2,229,000	3,579,000
2030-2034	7,820,000	10,063,750	17,883,750
2035-2039	9,985,000	7,902,500	17,887,500
2040-2044	12,740,000	5,144,750	17,884,750
2045-2049	12,685,000	1,624,000	14,309,000
	$57,215,000	$37,350,332	$94,565,332

Guam Housing Corporation (GHC):

In 1998, GHC issued $50,000,000 in Housing Revenue Bonds, 1998 Series A. Of the net proceeds of $52,268,630 (including an issue premium of $1,183,630 and other funds released of $1,085,000), $51,340,143 was made available to fund a home financing program on Guam by purchasing fully modified, mortgage-backed securities guaranteed as to timely payment of principal and interest by the Federal Home Loan Mortgage Corporation.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Housing Corporation (GHC), continued:

GHC housing revenue bonds are payable solely from and collateralized by a pledge of GHC revenues and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GHC, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bond indenture includes certain debt service and reserve requirements and require the establishment of special funds and accounts to be held and administered by GHC's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 275,000	$127,794	$ 402,794
2026	295,000	111,694	406,694
2027	305,000	94,588	399,588
2028	325,000	76,763	401,763
2029	345,000	57,788	402,788
2030-2031	745,000	54,048	799,048
	$2,290,000	$522,675	$2,812,675

Guam Economic Development Authority (GEDA):

In 2007, GEDA issued $36,982,077 in Tobacco Settlement Asset-Backed Bonds, 2007 Series A and B, to refund $25,040,000 of outstanding 2001 Series A and B bonds and to provide additional proceeds to fund certain expenditures of GovGuam's General Fund and the 2007 Debt Service Reserve Account. Of the net proceeds of $39,850,293 (including an issue discount of $1,144,510 and funds of $4,012,726 released from bond indenture accounts), $27,132,871 was deposited to an Escrow Fund to be used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the previously issued outstanding 2001 Series A and B bonds. As a result, these bonds are considered defeased, and the liability for these bonds has been removed from GEDA's financial statements. The advance refunding resulted in a loss on defeasance of $2,628,344, which is deferred and is being amortized to expense using the effective interest method over average remaining life of the 2001 bonds. The bond discount has been deferred and amortized over the term of the 2007 bonds using the effective interest rate method.

15. Discretely Presented Component Unit Disclosures, continued

F. Bonds Payable, continued

Guam Economic Development Authority (GEDA), continued:

GEDA tobacco settlement asset-backed bonds are payable solely from and collateralized by a pledge of Tobacco Settlement Revenues (TSR) and other assets pledged for the payment thereof and are not a lien or charge upon the funds of GEDA, except to the extent of the pledge and assignment set forth in the Indenture and in the bonds. The bond indenture includes certain debt service and reserve requirements and require the establishment of special funds and accounts to be held and administered by GEDA's trustees for the accounting of the bond proceeds. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 1,635,000	$ 318,727	$ 1,953,727
2026	4,757,533	242,578	5,000,111
2027	2,017,055	---	2,017,055
2028	2,042,426	---	2,042,426
2029	2,068,495	---	2,068,495
2030-2033	27,188,109	---	27,188,109
	$39,708,618	$561,305	$40,269,923

Changes in Bonds Payable:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Bonds payable:					
AWPIAA	$ 194,410,000	$ ---	$ ---	$ 194,410,000	$ 4,015,000
GPA	467,420,000	54,830,000	(83,630,000)	438,620,000	15,855,000
GWA	613,560,000	184,850,000	(214,175,000)	584,235,000	10,445,000
PAG	60,035,000	---	(2,820,000)	57,215,000	2,955,000
GHC	2,550,000	---	(260,000)	2,290,000	275,000
GEDA	39,893,618	---	(185,000)	39,708,618	1,635,000
	$ 1,377,868,618	$ 239,680,000	$ (301,070,000)	$ 1,316,478,618	$ 35,180,000

15. Discretely Presented Component Unit Disclosures, continued

G. Direct Borrowings

As of September 30, 2024, the discretely presented component units had the following direct borrowings outstanding:

	Dated Date	Issue Amount	Interest Rate	Final Maturity	Outstanding Amount
Antonio B. Won Pat International Airport Authority (AWPIAA):					
Bank loan	January 24, 2014	$ 11,900,000	5.75%	January 23, 2024	$ ---
Guam Housing and Urban Renewal Authority (GHURA):					
FmHA loan	March 26, 1980	$ 2,000,000	6%	March 26, 2030	473,374
Loan guarantee assistance loan	December 3, 2020	$ 12,000,000	3-month T Bill	August 1, 2040	10,904,000
University of Guam (UOG):					
USDA rural development loan	June 12, 2003	$ 13,500,000	4.50%	June 12, 2044	9,335,035
					$ 20,712,409

Antonio B. Won Pat International Airport Authority (AWPIAA):

In 2012, AWPIAA entered into a loan and related promissory note with a bank for the purpose of financing AWPIAA's Energy Performance Management program, which loan was subsequently modified on January 24, 2014. The loan is secured by a Security Agreement and a UCC-1 Financing Agreement with primary source of repayment to be realized from the Energy Performance contract and from AWPIAA's revenues after consideration of the 2013 Revenue Bonds pledge of revenues in the bond indenture. The loan is subject to the U.S. Department of Agriculture's written commitment to the bank to guaranty no less than 90% of the loan to AWPIAA. In the event that AWPIAA defaults in the payment of the loan or in the performance of any of its obligations under the loan agreement or the promissory note, or AWPIAA or any other party defaults in their respective obligations under any of the related security documents, the bank would have the option to declare the unpaid principal amount of the loan, together with any accrued and unpaid interest and charges, immediately due and payable. On January 23, 2024, the principal balance and all accrued interest have been fully paid by AWPIAA.

Guam Housing and Urban Renewal Authority:

Farmers Home Administration

In 1980, GHURA entered into a Section 515 Rural Rental Housing loan with the Farmers Home Administration for the construction of elderly housing known as Guma Trankilidat. The loan is secured by a first mortgage and assignment of rental income and assessments. If GHURA defaults in the payment of the loan or in the performance of any of its obligations under the promissory note, or GHURA or any other party defaults in their respective obligations under any of the related security documents, USDA would have the option to declare the unpaid principal amount of the loan, together with any accrued and unpaid interest and charges, immediately due and payable.

15. Discretely Presented Component Unit Disclosures, continued

G. Direct Borrowings, continued

Guam Housing and Urban Renewal Authority, continued:

Farmers Home Administration, continued

Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$100,800	$25,480	$126,280
2026	107,000	19,480	126,480
2027	114,000	12,480	126,480
2028	121,000	5,480	126,480
2029	30,574	1,726	32,300
	$473,374	$64,646	$538,020

Loan Guarantee Assistance Program

In 2020, GHURA entered into a loan guarantee assistance program loan made pursuant to Section 108 of Title I of the Housing and Community Development Act of 1974 as amended and 24 CFR part 570, Subpart M, in the maximum commitment amount of $12,000,000. Advances are made upon written request of GHURA and the approval of the HUD Secretary. The loan bears variable interest based on the 3-month Treasury Bill rate, is payable quarterly commencing August 1, 2021, with principal due annually. Principal repayment based on the commitment schedule on the written request is as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 486,000	$ 492,861	$ 978,861
2026	495,000	470,894	965,894
2027	505,000	448,520	953,520
2028	515,000	425,694	940,694
2029	526,000	402,416	928,416
2030 through 2034	2,787,000	378,640	3,165,640
2035 through 2039	3,075,000	252,668	3,327,668
2040	2,515,000	113,678	2,628,678
	$10,904,000	$2,985,371	$13,889,371

15. Discretely Presented Component Unit Disclosures, continued

G. Direct Borrowings, continued

University of Guam (UOG):

In 2003, UOG entered into a rural development loan with the U.S. Department of Agriculture (USDA) for the purpose of financing costs associated with the design, construction and collateral equipment of the College of Business and Public Administration (BPA), and for the replacement of the roof of the Fine Arts Building. The loan security agreement requires revenues derived from the operation of the facility to be transferred to an account designated for debt service, operation and maintenance of the facility. After the payment of principal and interest, $6,251 per month is required to be transferred to a reserve account until a sum of $750,060 is accumulated. In addition, UOG assigned and granted to USDA its security interest in all equipment, furniture and fixtures located at the BPA building. The note contains a provision that in an event of default, USDA may, at its option, collect interest income and principal and exercise any other right or remedy provided by the Uniform Commercial Code after giving any notice required thereby. Annual debt service requirements to maturity for principal and interest are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 344,608	$ 405,452	$ 750,060
2026	360,218	389,842	750,060
2027	376,535	373,525	750,060
2028	393,591	356,469	750,060
2029	411,420	338,640	750,060
2030-2034	2,354,116	1,396,184	3,750,300
2035-2039	2,937,840	812,460	3,750,300
2040-2043	2,156,707	148,519	2,305,226
	$9,335,035	$4,221,091	$13,556,126

Changes in Direct Borrowings:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Direct borrowings:					
AWPIAA	$ 591,770	$ ---	$ (591,770)	$ ---	$ ---
GHURA:					
FmHA loan	568,705	---	(95,331)	473,374	100,800
Loan guarantee	11,380,000	---	(476,000)	10,904,000	486,000
UOG	9,657,156	---	(322,121)	9,335,035	344,608
	$ 22,197,631	$ ---	$ (1,485,222)	$ 20,712,409	$ 931,408

15. Discretely Presented Component Unit Disclosures, continued

H. Leased Assets

Guam Community College (GCC):

GCC has entered into a lease agreement with the GCC Endowment Foundation, Inc. for the use of Building 100. At the termination of the lease, the Foundation will retain ownership of the building. As of September 30, 2024, the related lease assets under this agreement are as follows:

Right-to-use assets	$3,673,853
Less accumulated amortization	(357,482)
	$3,316,371

The future payments for the aforementioned lease agreement are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 47,733	$ 152,667	$ 200,400
2026	49,790	150,610	200,400
2027	51,936	148,464	200,400
2028	54,174	146,226	200,400
2029	56,509	143,891	200,400
2030-2034	321,248	680,752	1,002,000
2035-2039	396,707	605,293	1,002,000
2040-2044	489,891	512,109	1,002,000
2045-2049	604,964	397,036	1,002,000
2050-2054	747,066	254,934	1,002,000
2055-2058	721,236	79,452	800,688
	$3,541,254	$3,271,434	$6,812,688

15. Discretely Presented Component Unit Disclosures, continued

H. Leased Assets, continued

Guam Memorial Hospital Authority (GMHA):

GMHA has entered into a 5-year Master License and Subscription Agreement for Electronic Health Records (EHRs) system, and financial and revenue cycle management (RCM) solutions with Medsphere Systems Corporation ("Medsphere"). The agreement expires on April 8, 2025 and has an option to renew four (4) successive terms of one (1) year each with the same terms and conditions. The agreement requires the payment of subscription service fees to Medsphere. As of September 30, 2024, the related lease assets under this agreement is as follows:

Subscription-based IT assets	$6,579,716
Less accumulated amortization	(2,013,852)
	$4,565,864

The future payments for the aforementioned subscription agreement are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$ 950,170	$208,080	$1,158,250
2026	970,106	188,144	1,158,250
2027	1,018,611	139,639	1,158,250
2028	1,069,542	88,708	1,158,250
2029	1,045,384	17,616	1,063,000
	$5,053,813	$642,187	$5,696,000

Guam Power Authority (GPA):

GPA has entered into various lease agreements with operators for the use of pipelines and fuel storage facilities that extend through June 30, 2026. At the termination of the various leases, the operators will retain ownership of the pipelines and fuel storage facilities. As of September 30, 2024, the related lease assets under these various agreements are as follows:

Right-to-use assets	$21,115,196
Less accumulated amortization	(14,231,785)
	$ 6,883,411

15. Discretely Presented Component Unit Disclosures, continued

H. Leased Assets, continued

Guam Power Authority (GPA), continued:

The future payments for the aforementioned lease agreements are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$4,802,469	$100,578	$4,903,047
2026	1,880,763	22,437	1,903,200
2027	100,248	1,992	102,240
	$6,783,480	$125,007	$6,908,487

Guam Waterworks Authority (GWA):

GWA has entered into various lease agreements with an operator for the use of heavy equipment that extend through December 31, 2024. At the termination of the various leases, the operator will retain ownership of the heavy equipment. As of September 30, 2024, the related lease assets under these various agreements are as follows:

Right-to-use assets	$2,595,473
Less accumulated amortization	(1,321,829)
	$1,273,644

The future payments for the aforementioned lease and subscription agreements are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$204,576	$10,033	$214,609
2026	62,073	3,153	65,226
2027	34,147	1,376	35,523
	$300,796	$14,562	$315,358

15. Discretely Presented Component Unit Disclosures, continued

H. Leased Assets, continued

Guam Economic Development Authority (GEDA):

GEDA has entered into a lease agreement with a lessor for the use of office space. Although the updated rate for the period of 2024 to 2025 is currently under negotiation, GEDA is continuing its monthly payments of $25,450 as per the previous agreement. At the termination of the lease, the lessor will retain ownership of the office space. As of September 30, 2024, the related lease assets under this agreement are as follows:

Right-to-use assets	$658,282
Less accumulated amortization	(474,415)
	$183,867

The future payments for the aforementioned lease agreement are as follows:

Year ending September 30,	Principal	Interest	Total
2025	$287,626	$803	$288,429

I. Changes in Other Long-Term Liabilities

During the year ended September 30, 2024, the following changes occurred in other long-term liabilities:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Compensated absences	$ 19,609,015	$ 13,146,786	$ (11,651,860)	$ 21,103,941	$ 9,483,630
Lease obligations	16,410,411	20,722	(5,368,300)	11,062,833	5,269,139
Subscription-based obligations	9,293,191	131,624	(2,431,101)	6,993,714	1,245,603
DCRS sick leave	15,029,885	2,524,126	(5,790,499)	11,763,512	---
Net pension liability	612,889,007	1,644,434	(39,367,373)	575,166,068	140,605
OPEB liability	736,728,651	143,225,919	---	879,954,570	63,351
	$ 1,409,960,160	$ 160,693,611	$ (64,609,133)	$ 1,506,044,638	$ 16,202,328

J. Commitments and Contingencies

Fuel Purchase Contracts:

In 2019, Guam Power Authority (GPA) entered into diesel fuel supply contracts with IP&E Guam, Inc. and Mobil Oil Guam, Inc. The agreements are for two years beginning January 1, 2020, with an option to extend for three years, renewable annually. On September 30, 2024, GPA extended the contract until December 31, 2024.

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Fuel Purchase Contracts, continued:

In 2020, GPA entered into residual fuel oil (RFO) supply contract with Hyundai Corporation. The agreement is for three years commencing on or about September 1, 2020 until August 31, 2023 with the options to extend for two (2) additional one (1) year terms, upon mutual agreement of both parties. In March 2024, both parties amended the second one-year term extension, extending the contract for two years, with the Fuel Purchase Contract expiring on August 31, 2026. The minimum purchase under the contract is 1,000,000 barrels per year of Ultra-Low Sulfur Fuel Oil.

In February 2024, GPA entered into a bulk supply contract for diesel fuel with Hyundai Corporation. The agreement is for three years commencing on or about February 6, 2024 and continuing until February 5, 2027 with options to extend for two (2) additional one (1) year terms, upon mutual agreement of both parties.

Performance Management Contracts (PMCs):

GPA has entered into a PMC with a company for the operation and maintenance of Cabras 1 and 2 generators, which became effective on October 1, 2010, and July 1, 2010, respectively. The PMC was for a period of five years with an option to extend for another five-year term. The option to extend was exercised and the PMC expired on September 30, 2020. On July 30, 2020, the Guam Public Utilities Commission approved GPA's petition and GPA subsequently entered into a new PMC with base period total cost of $9,969,188 for three years with an option to extend for two additional one-year terms. GPA has also entered into a PMC for the operations and maintenance of the Dededo, Macheche and Yigo combustion turbine power plants. The PMC is for a period of five years commencing March 1, 2016, with an option to extend for one additional three-year term and one additional two-year term. The option to extend was exercised and the PMC expires on February 28, 2026. As of September 30, 2024, the minimum future fixed management fees are as follows:

Year Ending September 30,	
2025	$3,633,854
2026	363,003
	$3,996,857

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Fuel Bulk Storage Facility Contract:

In 2023, GPA entered into an agreement for the management and operation of its fuel bulk storage facility. The agreement is for three years, to take effect October 1, 2023 until September 30, 2026, with an option to extend the contract for two additional one-year terms.

Renewable Energy Contracts:

GPA has entered into two agreements to purchase 20 Megawatts (MW) and 5.65 MW of solar renewable energy. The commercial operation date of the two solar plants was October 30, 2015. The agreements include escalating contract prices per MW hour until 2041 with a total minimum renewable energy purchase commitment of 1.1 million MW hour. As of September 30, 2024, the minimum future renewable energy purchases are as follows:

Year Ending September 30,	
2025	$ 20,784,159
2026	20,883,476
2027	20,942,081
2028	20,988,248
2029	21,054,053
2030-2034	106,064,403
2035-2039	108,138,665
2040-2044	72,879,096
2045-2047	34,014,167
	$425,748,348

In 2018, GPA executed three renewable energy purchase agreements to purchase a total of 120 MW of solar renewable energy. The 60 MW Solar Project under KEPCO commenced operations in June 2022 until 2047. The agreement includes escalating contract prices per MW hour until 2047 and 90% minimum production which is the minimum requirement per contract year that is to be met to avoid production shortfall penalties. The total minimum renewable energy purchase commitment is 3.1 million MW hours. The other remaining 60MW project was terminated in March 2025.

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Energy Conversion Agreement:

In 2019, ownership of a power plant under an energy conversion agreement was transferred to GPA. GPA entered into an agreement with the same company to continue to manage and operate the power plant for a period of five years. The operation and maintenance fees are calculated based on factors stated in the agreement and paid on monthly basis. GPA also pays a monthly recapitalization fee of $305,265 consisting of payments for capital and performance improvement projects, operations and maintenance fees, 4% cost of money and 10% contingency. As amended, effective January 30, 2024, the recapitalization fees clause was deleted in its entirety and the related prepaid expenses and other current assets and liabilities reversed in GPA's statement of net position.

U.S. Environmental Protection Agency (EPA):

In 1986, the administrator of the U.S. EPA granted a continuing exemption to GPA under the provisions of Section 325(b) of the Clean Air Act, as amended. The terms of the exemption require monitoring by EPA, certain commitments by GPA regarding fuel stocks, and reporting and delineation of grounds for revocation of the exemption.

In 2011, EPA finalized rules under the National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engine (RICE) Maximum Available Control Technology (MACT). Compliance under the diesel MACT was due May 3, 2013. Non-compliance under the diesel MACT could result in penalty fees of $37,500 per unit per day. GPA obtained PUC approval to early terminate the associated energy conversion agreement of the Tanguisson unit. By deactivating the Tanguisson unit, GPA did not incur compliance costs for this unit.

As to compliance with the other units subjected to RICE MACT and EGU MACT, GPA and EPA entered into a consent decree allowing time for GPA to comply with the regulations and allowing potential fines and penalties for non-compliance to be used for compliance with regulations. In early February 2020, EPA and GPA signed the consent decree. The US District Court approved the consent decree on April 20, 2020 and this approval shall constitute the final judgement to GPA. Due to the COVID-19 pandemic, GPA encountered delays in completing some of the objectives set forth in the consent decree. In 2022, the US District Court approved certain modifications of the consent decree, most of which pertain to the schedules for implementing the injunctive relief required by the decree. The consent decree requires monetary penalties for not accomplishing the various objectives by the required dates. Some of the objectives of the consent decree follow:

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

U.S. Environmental Protection Agency (EPA), continued:

a. Permanently retire Cabras 1 and 2 units by October 31, 2024.

b. Bring the MEC 8 and 9 units into compliance by switching from residual fuel oil to ultra-low sulfur diesel oil and installing oxidation catalysts by July 31, 2022.

c. Construct a new power plant that will comply with the requirements of Clean Air Act to be activated by April 30, 2024.

d. Pay a sum of $400,000 as a civil penalty. This penalty was settled on May 1, 2020.

Additionally, the timelines for a and c are further delayed due to Typhoon Mawar in May 2023. GPA now anticipates the completion of the new power plant by September 30, 2025 and the permanent retirement of Cabras 1 and 2 units by March 31, 2026. GPA applied to the USEPA for extensions of time to meet these milestones in the consent decree and all the requests were approved on December 9, 2024.

Environmental Monitoring:

In 2000, the U.S. Navy (the Navy) transferred 1,417 acres of property to the Antonio B. Won Pat International Airport Authority (AWPIAA) and GovGuam at no cost and paid $10,000,000 to AWPIAA. In exchange for the payment, AWPIAA and GovGuam agreed to complete certain environmental monitoring work on the property even if the cost of the environmental monitoring work exceeds the $10,000,000 remitted by the Navy. AWPIAA management has received the final draft of the Decision Document for Operable Unit 3 which is the groundwater under the former Naval Air Station. AWPIAA's responsibilities under the draft Decision Document are limited to sampling and testing as currently performed. The new task is for AWPIAA to conduct a 5-year review to ensure the remedial action is or will be protective of human health and the environment. This new task may reduce the ongoing sampling and testing requirements or eliminate them. Moreover, the granular activated carbon (GAC) treatment provided under AWPIAA's new water system satisfies the GAC treatment component of future wells meeting the selected remedy. No further obligation of AWPIAA is required under the draft Decision Document. The long-term obligation to operate and maintain the facilities built under the remedial construction as well as the required sampling will be handled through a water system commercial agreement. As of September 30, 2024, AWPIAA estimated that its pollution remediation obligations amounted to $111,661.

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Primary Treatment Permits:

In 2011, the U.S. Environmental Protection Agency (EPA) informed GWA that its waiver request for primary treatment plants for Hagåtña and Northern District Wastewater Treatment Plants (WWTP) had been denied and that GWA would be required to upgrade the plants to secondary treatment. The upgrades were initially estimated to cost approximately $300 million. New National Pollutant Discharge Elimination System (NPDES) permits were issued to these treatment plants effective January 1, 2020, which included secondary treatment standards, some of which these two plants are unable to meet.

In 2016 and 2017, the Office of Economic Adjustment, Department of Defense, awarded GWA $55.3 million and $117.9 million, respectively, for projects to upgrade water and wastewater infrastructure, most specifically to upgrade the Northern District WWTP to full secondary treatment capabilities. The construction of the upgrades was scheduled to be completed by October 2022. GWA continues discussions with EPA regarding the timing of required upgrades to the Hagåtña WWTP as part of a negotiated consent decree.

Stipulated Order:

In 2002, the U.S. Government filed a complaint against the Guam Waterworks Authority (GWA) and GovGuam for alleged violations under the Federal Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). Because of GWA's non-compliance with the National Primary Drinking Water Regulations, the U.S. Government is seeking both civil penalties and injunctive relief to address such non-compliance. GWA and the U.S. Government of Justice, Environmental and Natural Resources Division mutually agreed in the form of a Stipulated Order to resolve the violation issues.

In 2003, a Stipulated Order for Preliminary Relief was filed before the U.S. District Court. The Stipulation requires implementation of short-term projects and initial planning measures by GWA. GWA is required to submit a final financial plan in the Master Plan that generates sufficient revenue to cover the cost of all compliance activities and deliverables required by the Stipulated Order for Preliminary Relief, as well as any other anticipated expenses, including any measures necessary to ensure compliance with the CWA and the SDWA and costs related to the infrastructure improvements identified in the Master Plan.

In 2006, the Court Order was amended, which required GWA to perform approximately $220 million of capital improvement projects and perform other actions to bring GWA's system into compliance. However, GWA was unable to meet all deadlines set out in the amended Court Order. The District Court ordered the parties to stipulate as to the scope of the remaining projects and project completion dates. The parties were unable to reach an agreement on all items. As a result, on November 10, 2011, the District Court issued an order setting new deadlines for the unfinished

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Stipulated Order, continued:

projects and included new projects that were not part of the amended Court Order. As of September 2021, of the 93 items required by the Court Order, 92 items are either complete or in progress (e.g., continuous reporting requirement). The one delayed project is related to the repair, rehabilitation or replacement of water reservoirs estimated to cost $42 million. Issuance of the 2020A Series Revenue Bonds provided the additional funding needed to complete this last project.

GWA filed an unopposed motion in the U.S. District Court to extend the final completion deadline from June 23, 2023, to December 31, 2025. The Court approved the extension and GWA continues its work to complete the sole remaining compliance requirement by the new deadline.

In further regulatory enforcement efforts, GWA and the U.S. EPA entered and filed a Partial Consent Decree (Partial CD) in the Guam U.S. District Court on January 31, 2024. In August 2024, the federal court entered an Order accepting the Partial CD making it effective August 9, 2024. The Order triggers proximate deadlines from August 9, 2024, for GWA to address a series of assessments, planning, reporting, rule updates, and construction measures within a 10-year period to avoid stipulated penalties. The deadlines to be completed vary from months to years over the 10-year period. To date, GWA is on track to meet all deadlines due.

Litigation:

GWA is seeking to quiet title in property listed in a current court action. The court action was first brought by the GovGuam Department of Land Management (DLM) to rescind and correct certificates of title which DLM has claimed were erroneously issued to a private party. The quiet title action addresses certificates of title for property upon which GWA's Northern District Wastewater Treatment Plant (NDWWTP) is located. The private party holding the certificates of title argues it legally acquired the disputed property through foreclosure, first returned to ancestral landowners, and second by GWA's presumptive failure to perform required surveys triggering an automatic reversion of the land. Court records show the private party is seeking the enjoyment, use, and occupancy of the property and just compensation from GWA for inverse condemnation in the amount of $220 million, as well as damages for trespass and encroachment by GWA. If the Guam Superior Court enters a judgment, granting the claimed compensation, against GWA, the resulting liability could have a material and adverse impact on GWA's financial position.

GWA has argued that the ownership of the disputed property has been well documented and permitted through public laws, adopted land use plans, and federal and local government leases, easements, and deeds and that the collective review of these laws and conveyance documents prevents the property under NDWWTP from being transferred to a private landowner as it houses an existing public utility first constructed in 1979. While a final judgement has not been issued, an April 2024 decision and order by the Superior Court granted title to the opposing party. In May 2024, GWA sought an interlocutory appeal on the trial court's April order and an earlier decision.

15. Discretely Presented Component Unit Disclosures, continued

J. Commitments and Contingencies, continued

Litigation, continued:

In January 2025, the Guam Supreme Court granted GWA's request to appeal. The appeal remains ongoing and as a result, GWA's quiet-title litigation before the Superior Court is stayed until the Guam Supreme Court appeal is resolved.

GWA is of the opinion that based on the status of the litigation, and courses of actions still available to it, liabilities of a material nature will not be realized, and therefore no related provision has been recorded in GWA's financial statements for the potential impact, if any, of this matter.

16. Subsequent Events

On April 12, 2025, Public Law 38-8 was enacted whereby $5,750,984 was appropriated from the 2025 General Fund surplus to provide funding to the University of Guam for the purpose of repairs, maintenance, capital improvement projects and accreditation related priorities.

On September 17, 2025, Public Law 38-59 was enacted whereby $40,000,000 was appropriated from the General Fund to fund the operational costs and capital projects for the Guam Memorial Hospital Authority.

On October 27, 2025, Public Law 38-75 was enacted whereby $13,100,000 was appropriated from 2025 net unobligated excess revenues to fund Supplemental Nutritional Assistance Program (SNAP) and Woman, Infants, and Children (WIC) Program for the month of November.

On December 16, 2025, Public Law 38-80 was enacted whereby $19,745,714 was appropriated from the General Fund realized from Bond Refunding Savings, which was not factored into the 2026 budget to fund the capital improvement projects and life saving supplies and materials for the Guam Memorial Hospital Authority.

On April 8, 2026, Public Law 38-119 was enacted whereby $890,000 was appropriated from excess accumulated General Fund revenues for Fiscal Year 2026, to *I Liheslaturan Guåhan* for its cybersecurity and Information Technology (IT) needs.

On April 8, 2026, Public Law 38-115 was enacted establishing statutory authority for the Department of Revenue and Taxation to establish a Tax Amnesty Program.

On April 14, 2026, the island of Guam experienced damages caused by typhoon Sinlaku. As of the date of issuance of the financial statements, GovGuam is unable to reasonably estimate the full financial impact of typhoon Sinlaku on its future financial statements.

Required Supplementary Information

Government of Guam

Schedules of Required Supplementary Information

Schedule of Revenues, Expenditures by Department, and Changes in Fund Balance - Budget and Actual (Unaudited) General Fund
Year ended September 30, 2024
(Amounts in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget -
	Original	Final	(See Note 1)	Positive (Negative)
Revenues:				
Taxes:				
Income tax:				
Gross income tax	$ 469,747	$ 469,747	$ 545,988	$ 76,241
Provision for tax refund payments	(57,273)	(57,273)	(52,928)	4,345
	412,474	412,474	493,060	80,586
Gross receipts	357,498	357,498	430,307	72,809
Section 30 Federal income tax collections	75,449	75,449	76,196	747
Immigration fees	1,289	1,289	2,179	890
Contributions from component units	-	-	4,127	4,127
Other	5,267	68,579	31,097	(37,482)
Total revenues	851,977	915,289	1,036,966	121,677
Expenditures by Department:				
Executive Branch:				
Office of the Governor	8,041	8,129	9,161	(1,032)
Office of I Segundu Na Maga'lahen Guahan	356	319	581	(262)
Bureau of Budget and Management Research	1,184	1,184	1,150	34
Civil Service Commission	1,340	1,340	1,278	62
Department of Administration	50,955	53,506	49,564	3,942
Guam Election Commission	2,154	2,569	2,234	335
Department of Revenue and Taxation	14,532	14,532	12,834	1,698
Bureau of Statistics and Plans	1,680	1,680	1,489	191
Department of Public Works	46	46	2	44
Office of the Attorney General	18,955	18,955	14,892	4,063
Office of Public Accountability	2,031	2,031	2,012	19
Guam Police Department	44,135	44,035	41,949	2,086
Department of Corrections	38,311	38,311	38,739	(428)
Department of Agriculture	5,152	5,152	4,629	523
Department of Public Health and Social Services	62,320	64,977	58,433	6,544
Department of Education	232,296	232,296	234,791	(2,495)
Department of Youth Affairs	8,368	8,618	7,598	1,020
Guam Behavioral Health and Wellness Center	367	467	120	347
Department of Labor	-	-	3	(3)
Department of Parks and Recreation	4,165	4,165	3,736	429
Department of Integrated Services for Individuals with Disabilities	1,368	1,368	753	615
Mayors' Council of Guam	9,229	9,229	8,108	1,121
Chief Medical Examiner	708	708	496	212
Customs and Quarantine Agency	14,467	14,467	12,251	2,216
Department of Chamorro Affairs	2,580	2,580	1,450	1,130
Department of Military Affairs	1,061	1,061	744	317
Guam Fire Department	36,911	36,911	34,510	2,401
Guam Environmental Protection Agency	297	297	103	194
Bureau of Women's Affairs	189	189	169	20
Payments to Component Units:				
Guam Memorial Hospital	8,491	9,464	9,464	-
Guam Power Authority	-	63,312	63,224	88
GovGuam Retirement Fund appropriations	6,020	6,020	6,588	(568)
Retiree Healthcare Premiums	39,927	39,927	74,425	(34,498)
University of Guam	33,419	37,019	37,019	-
Guam Mass Transit Authority	2,419	2,419	2,715	(296)
Guam Community College	13,985	13,985	14,608	(623)
Hagatna Restoration and Redevelopment	409	409	204	205
Guam Ethics Commission	405	531	466	65
Guahan Charter School Council	18,863	19,863	17,013	2,850
Council of Arts and Humanities	586	586	452	134
Chamorro Land Trust Commission	717	2,358	257	2,101
Office of Technology	3,711	3,711	3,264	447
Other	75	75	45	30
Legislative Branch:				
Guam Legislature	9,194	9,194	9,194	-
Judicial Branch:				
Unified Courts of Guam	41,462	41,462	41,462	-
Public Defender	7,873	7,873	7,873	-
Transfers Out				
Supplemental Annuity	5,660	5,660	6,365	(705)
Cost of Living Allowance (Annual)	16,432	16,432	16,317	115
GSWA New Cell	-	-	3,048	(3,048)
MIP Payment Fund	5,523	2,866	931	1,935
Residential Treatment Fund	2,500	2,500	3,347	(847)
GMHA Pharm	-	-	21,714	(21,714)
Debt service	84,590	84,590	84,590	-
Total expenditures	865,459	939,378	968,364	(28,986)
Excess (deficiency) of revenues over (under) expenditures	(13,482)	(24,089)	68,602	92,691
Other financing sources:				
Transfers in from Guam Solid Waste Authority	-	-	3,048	3,048
Adjustment to prior years revenues	-	-	(12,546)	(12,546)
Other financing uses:				
Transfers out to Rainy Day Fund	(16,577)	(16,577)	(16,577)	-
Net change in fund balance	$ (30,059)	$ (40,666)	$ 42,527	$ 83,193

Government of Guam

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability - Defined Benefits Plan
Last Ten Fiscal Years (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the Net Pension Liability	66.06%	64.82%	64.53%	64.43%	64.71%	65.68%	66.37%	66.76%	67.12%	67.89%
GovGuam's proportionate share of the Net Pension Liability	$922,714,223	$963,789,039	$621,744,571	$803,105,297	$785,926,191	$774,529,797	$758,224,443	$913,724,199	$964,364,934	$846,150,680
GovGuam's covered-employee payroll *	$394,069,469	$360,062,980	$343,580,932	$336,777,489	$329,715,820	$337,523,244	$337,409,547	$338,026,939	$343,220,317	$342,819,183
GovGuam's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	234.15%	267.67%	180.96%	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%	246.82%

* Covered-employee payroll data from the actuarial valuation date with one-year lag.

Government of Guam

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability - Ad Hoc
COLA/Supplemental Annuity Plan for DB Retirees
Last Ten Fiscal Years (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the Net Pension Liability	69.98%	70.26%	70.56%	70.52%	70.54%	71.01%	71.23%	71.03%	71.28%	71.81%
GovGuam's proportionate share of the Net Pension Liability	$188,099,798	$180,219,031	$217,558,046	$226,949,578	$228,640,699	$205,815,914	$205,215,544	$163,009,076	$168,069,808	$ 172,874,691

Government of Guam

Schedules of Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability - Ad Hoc
COLA Plan for DCRS Retirees
Last Ten Fiscal Years (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GovGuam's proportion of the Net Pension Liability	66.41%	67.42%	67.69%	68.22%	67.27%	67.34%	66.82%	66.58%	66.29%	62.23%
GovGuam's proportionate share of the Net Pension Liability	$ 52,060,417	$ 40,541,642	$ 47,758,187	$ 45,290,857	$ 40,269,343	$ 33,228,464	$ 41,731,494	$ 41,070,407	$ 34,546,678	$ 30,578,387

Government of Guam

Schedules of Required Supplementary Information

Schedule of Pension, DB Ad Hoc COLA/Supplemental Annuity and DCRS Ad Hoc COLA Contributions
Last Ten Fiscal Years (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$122,678,895	$115,724,944	$104,796,961	$ 98,423,395	$ 95,380,954	$ 95,515,052	$100,210,650	$ 97,809,895	$102,697,851	$109,508,621
Contributions in relation to the contractually required contributio	122,835,564	115,718,631	104,744,780	98,433,332	95,428,777	95,496,347	100,224,246	97,837,069	102,702,810	109,515,515
Contribution deficiency (excess)	$ (156,669)	$ 6,313	$ 52,181	$ (9,937)	$ (47,823)	$ 18,705	$ (13,596)	$ (27,174)	$ (4,959)	$ (6,894)
GovGuam's covered-employee payroll *	$394,069,469	$360,062,980	$343,580,932	$336,777,489	$329,715,820	$337,523,244	$337,409,547	$338,026,939	$343,220,317	$342,819,183
Contributions as a percentage of covered-employee payroll	31.17%	32.14%	30.49%	29.23%	28.94%	28.29%	29.70%	28.94%	29.92%	31.95%

* Covered-employee payroll data from the actuarial valuation date with one-year lag.

Government of Guam

Schedules of Required Supplementary Information

Schedule of the Proportionate Share of the Total OPEB Liability
Last Ten Fiscal Years * (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
GovGuam's proportion of the total OPEB Liability	67.45%	67.55%	67.23%	67.33%	68.06%	68.01%	68.47%	68.35%	68.31%
GovGuam's proportionate share of the total OPEB Liability	$ 1,844,477,479	$ 1,551,137,956	$ 1,863,415,612	$ 1,695,689,492	$ 1,737,832,562	$ 1,275,051,027	$ 1,669,874,024	$ 1,731,286,159	$ 1,457,685,811

* Information for 2015 is not available

1. Budgetary Process

As required under law (5 GCA §4103 and §4106), the Governor directs the preparation and administration of the Executive Budget for GovGuam on an annual basis. The Executive Budget represents the Governor's financial proposal with recommended priorities for allocating resources. The budget process is important and necessary for the enactment of a budget and review of government operations. The Budget Process occurs in four (4) phases: formulation, adoption, execution, and audit.

During the *formulation phase*, the economic forecast and the program and financial plans are prepared for the various departments. Economic data and statistics are utilized in developing projected revenues for the upcoming fiscal year. Once revenues have been projected, a budget call is distributed to all the line agencies. This process starts when the Bureau of Budget and Management Research (BBMR) issues guidelines to each line agency in the preparation and development of their respective budgets. The formulation phase culminates in the transmittal of the Program and Financial Plan (Executive Budget) with the Governor's Budget Message to the Legislature for its consideration.

The *adoption phase* is the process in which the Legislature considers the Governor's proposal and passes the overall revenue and spending plan under a General Appropriations Bill. The Bill usually receives more detailed hearings within the auspices of the applicable legislative committees. Usually, a series of hearings will be called during which department heads and staff members give an overview of the Governor's proposed budget and are expected to provide explanations when their department's/agency's appropriations are considered. Finally, the Legislature may pass a General Appropriations Bill. The Bill is then transmitted to the Governor for approval. Other bills to include amendments during the fiscal year may be introduced for enactment into law.

The *execution phase* involves the release of funds appropriated per the General Appropriations Act. Each department prepares allotment of appropriations and may request revisions, legislative or administrative transfers, or supplemental appropriations. BBMR must approve such revisions to allotments. The Bureau also monitors and assists agencies in carrying out the approved budget in line with the established policies of the Governor.

The *audit phase* involves the evaluation of departments/agencies to identify areas in need of improving compliance procedures with applicable laws and regulations. During the audit phase, financial transactions, accounts and reports are assessed and analyzed to improve accountability, effectiveness, and efficiency in the achievement of goals and objectives. This phase is also to assure economic use of resources to enhance achievement of public services.

1. Budgetary Process, continued

Budgetary control is maintained within the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effective with certain executive and legislative branch approval. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the Legislature as representing continuing appropriations.

The Budget Act for fiscal year 2024, Public Law No. 36-042, was approved for the Executive branch and the Legislative branch. The accompanying Schedule of Revenues, Expenditures by Department, and Changes in Fund Balance - Budget and Actual - General Fund presents solely the financial activities of the General Fund administered by the Department of Administration, and does not include the financial activities of the General Fund administered by the Guam Department of Education or the impact of implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

GovGuam's annual budget has been prepared on a basis that differs from governmental GAAP. Actual amounts in the accompanying budgetary comparison statements are presented on a budgetary basis, which includes outstanding encumbrances as a budgetary expenditure.

Encumbrance accounting is employed in governmental funds. For budgetary purposes, the encumbrances (i.e., purchase orders, contracts) are considered expenditures when incurred. For GAAP reporting purposes, encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent fiscal year.

2. Reconciliation of Budgetary Schedule (Amounts in Thousands)

Net change in fund balance - budgetary basis	$42,527
Net change in fund balance of GASB 54 Funds included within the General Fund	55,879
Net change in fund balance - General Fund	$98,406

3. Changes in Assumptions – Pension Plans

Amounts reported in 2023 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,798,000 per year.

Amounts reported in 2022 actuarial valuation reflected an assumption related to administrative expenses to remain at $6,565,000 per year.

Amounts reported in 2021 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,565,000 per year.

Amounts reported in 2020 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,439,000 per year.

Amounts reported in 2019 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,860,000 per year.

Amounts reported in 2018 actuarial valuation reflected an assumption related to administrative expenses to increase to $7,082,000 per year.

Amounts reported in the 2017 actuarial valuation reflect a change in assumption of payroll growth to 2.75% rather than 3%. The mortality, retirement age and disability assumption were changed to reflect actual experience more closely. Assumption related to administrative expense reflected an increase to $6,344,000 per year and a revised allocation to the various pension plans to reflect actual experience.

Amounts reported in 2016 actuarial valuation reflect a change in assumption of administrative expenses to $6,078,000 per year rather than $5,806,000.

Amounts reported in 2015 actuarial valuation reflect a change in assumption of payroll growth to 3% rather than 3.5% which was used to determine amounts reported prior to 2015. Amounts reported in 2014 reflect an adjustment of the expectations of salary increases, disability and retirement age to reflect actual experience more closely. The amounts reported in the 2011 actuarial valuation reflect an expectation of retired life mortality based on the RP-2000 Mortality Table rather than the 1994 U.S. Uninsured Pensioners Table, which was used to determine amounts reported prior to 2011. Amounts reported in 2011 also reflect a change in assumption on valuation of assets to a 3-year phase in for gains/losses relative to interest rate assumption from market value, with fixed income investments at amortized costs which was used to determine amounts reported prior to 2011.

Other Postemployment Benefit Plan

The information presented has no assets accumulated in a trust to pay related benefits.

Supplementary Information

Government of Guam

General Fund
September 30, 2024

The General Fund is the most significant of GovGuam's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund. The General Fund is divided into several accounts. A brief discussion of the accounts that comprise GovGuam's General Fund as of September 30, 2024, follows.

Department of Administration - The Department of Administration is responsible for maintaining the financial data of all line agencies of GovGuam except for the Department of Education.

Guam Department of Education - The Guam Department of Education (GDOE), formerly known as the Guam Public School System, is a line agency of GovGuam. This fund is maintained separately by the Department of Education.

Department of Education Operations Fund - This fund was created by Public Law 28-68 to account for local appropriations to cover the operational expenses of the Guam Department of Education and any use associated with the Guam Department of Education, as determined in the Department of Education budget in accordance with 10 GCA Chapter 3, by the Guam Education Policy Board *or* the laws of Guam. This fund is maintained within the Department of Administration.

Autonomous Medical Insurance Premiums – This fund was created to track all medical insurance premiums received from Autonomous Agencies.

Better Public Service Fund - This fund was created by Public Law 29-002 to account for 10% of all fees and license revenues received by the Department of Revenue and Taxation (DRT) for the purpose of improving and modernizing systems used to provide DRT services, including on-line filing of taxes, renewal of licenses and permits, upgrades of computer hardware/software to improve record retrieval by members of the public, and the training of DRT staff in technical skills and customer service.

Board of Barbering and Cosmetology – This fund was created to track all proceeds from fees and fines collected by the Board.

Census 2020 Fund - This fund accounts for activities of the United States Census 2020 conducted by the Guam Census Office.

Child Tax Credit – This fund was created for handling Child Tax Credit Payments from Federal Treasury. This fund provides financial support to parents and caregivers to help them manage the costs associated with raising children.

Compact Impact Offset – This fund was created to monitor the funds received under Compacts of Free Association with FSM, Palau, Marshall Islands in exchange for granting the US land for military purposes.

Dental Self-Insured Fund - This fund accounts for activities associated with the provision of dental benefits for employees and retirees

DMHSA Receiver Fund - This fund accounts for activities of the Federal Management Team associated with the Permanent Injunction requiring GovGuam to provide treatment and develop programs to mentally ill patients residing on Guam.

DOC Inmates Revolving Fund - The fund was created by Executive Order 94-17 and is administered by the Department of Corrections. Revenues are generated from funds collected for housing U.S. prisoners and detainees, meals charged to DOC employees, and sale of wet garbage to private persons. Expenditures are for purchases of clothing, food, equipment, medical supplies and medicines for prisoners and detainees.

D.O.D. Contract Fund - This fund was created by the Department of Administration to account for funds from the United States Department of Defense to the Department of Education (D.O.E.) specifically to provide for fixed tuition payment per eligible D.O.D. students enrolled in the Guam D.O.E. system and for the recruitment of qualified teachers. This fund is not subject to the provisions of OMB Circular A-133.

DPHSS Sanitary Inspection Revolving Fund - This fund was created by the Department of Public Health and Social Services to account for the overall cost of conducting sanitary inspections of temporary workforce housing and other required inspections.

EITC Reimbursement – This fund was created to handle EITC reimbursements from Federal Treasury. The purpose of the fund is to provide financial assistance to low-to-moderate-income workers and families, particularly those with children, by reducing their tax liability.

Exxon Fuel Overcharge Fund - This fund was created based on a federal court decision against the Exxon Corporation. Guam was allocated approximately three million dollars as its share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest-bearing account. This fund is administered by the Guam Energy Office.

Financial Management Revolving Fund - This fund was created by Executive Order No. 2002-12 for costs associated with the handling and accounting for monies and deposits to be charged for treasury services related to the Financial Management Division.

General Services Agency (GSA) Fund - GSA is maintained within the Department of Administration as the centralized procurement and warehousing for departments and agencies of GovGuam. Additionally, GSA oversees the delegation of procurement authority of approximately eleven departments and agencies.

GSA Inventory Revolving Fund - This fund was created for the purchase and replenishment of items to be carried in the supplies inventory maintained in the warehouse operated by GSA.

Guam Geodetic Network Fund - This fund was created by Public Law 23-31 for the purpose of accounting for the updating of the 1963 geodetic network by the Department of Land Management.

Government Claims Fund - This fund was created by Public Law 17-029 to pay for claims against any line agency of GovGuam. The sources of revenue are obtained from legislative appropriations. The Attorney General administers this fund and designates which claims shall be paid.

Guam Memorial Hospital Authority Pharmaceuticals Fund - This fund was created by Public Law 28-68 for the purpose of accounting for 6.19% of all gross receipt taxes collected in Guam for appropriation by *I Liheslaturan Guahan* to fund all pharmaceutical, drug and medicine requirements for Guam Memorial Hospital.

Guam Telephone Authority Privatization Proceeds Fund - This fund was created by Public Law 26-70 to account for the proceeds realized from the sale of the Guam Telephone Authority.

Guam War Claims Fund - This fund was created by Public Law 35-61 to account for the War Claims Program wherein, through a Memorandum of Agreement between GovGuam and the U.S. Department of Treasury, GovGuam advances the payment of adjudicated claims which were reimbursed impounding Section 30 federal tax collections.

Housing Revolving Fund - This fund is maintained to account for the leasing of Government of Guam housing units to both private individuals and public organizations. Funding of this program is provided by both rental fees and Government contributions.

Human Resource Services Revolving Fund - This fund was created by Executive Order No. 2002-01 for administrative costs and supplies and equipment costs associated with in the areas of classification and pay, recruitment, records, employee benefits, test development, employee management relations, training and development, as well as the Drug-Free Workplace Program of the Human Resources Division.

Income Tax Refund Reserve Fund - This fund was created by Public Law 22-140 for the purpose of receiving General Fund revenues reserved for income tax refund payments. This fund is not subject to any transfer authority of the Governor of Guam.

Income Tax Efficiency Payment Fund - This fund was created by Public Law 26-74 for the purpose of improving the efficiency of tax refund payments by hiring temporary income tax return processors, training of Department of Revenue and Taxation employees, and the purchase of computer and other equipment to quickly process income tax returns.

Legislature Operations Fund - The Guam Legislature was created by the Organic Act of Guam, as amended. It is a unicameral body of 15 members elected bi-annually. It meets in two regular year-round sessions. Funding is provided through General Fund appropriations.

Medically Indigent Program Payment Revolving Fund - This fund was created by Public Law 25-164 to be used for the payment of any authorized Medically Indigent Program obligation, regardless of when the obligation was incurred.

Off-Island Treatment Fund - This fund was created by Public Law 20-220 to be administered by the Director of Administration. Monies from the fund shall be expended upon order of the Superior Court of Guam to send a person under the jurisdiction of the court off-island for residential care arising from a physical, mental or emotional handicap or a severe emotional disturbance. Monies shall be expended for diagnosis, evaluation and treatment fees, medical and incidental expenses, room and board and transportation costs.

Office of Public Accountability Fund - The Office of Public Accountability was created by Public Law 21-122 as an instrumentality of GovGuam, independent of the executive, legislative and judicial branches.

Public Defender Service Corporation Alternate Public Defender (APD) Fund - This fund was created to account for the operations of the APD within the Public Defender Service Corporation (PDSC) to provide legal services on court appointed matters of conflict cases by the PDSC.

Public Defender Service Corporation Operations Fund - This fund was created by Public Law 13-51 to provide effective legal aid and assistance to those persons on Guam who are unable to afford counsel.

Rainy Day Fund - This fund was created by Public Law 22-24 for the purpose of establishing a reserve fund to be used for eliminating or reducing any General Fund deficit existing at the end of a fiscal year substantially resulting from an unexpected, substantial decline in revenues received or due to the General Fund; or for expenses caused by a Guam emergency.

State Agency for Surplus Property Fund - This fund was created for the disposal of salvage and surplus personal property from GovGuam agencies and departments.

Stripper Well Overcharge Fund - This fund was created based on a federal court decision against Stripper Well. As with the Exxon Overcharge Fund, Guam was allocated a share of the settlement. Expenditures are limited to Federal Energy Programs. Revenues are from interest earned on this fund's interest-bearing account. This fund is administered by the Guam Energy Office.

Supplemental Annuity Benefits Fund - This fund was created by Public Law 27-29 for the purpose of accounting for the payment of retiree supplemental annuity benefits by the Department of Administration.

Supplemental Appropriations Revenue Fund - This fund was created by Public Law 31-74 to ensure that various GovGuam agencies “deemed vital” would be funded, despite limited resources available.

Unfunded Liability Fund - This fund accounts for activities associated with liabilities incurred for unfunded expenditures.

Unified Courts of Guam Fund - The fund was created as an independent judicial branch of GovGuam to account for the operations of the Supreme Court of Guam and the Superior Court of Guam. Funding is provided primarily through Government of Guam General Fund appropriations.

Section 30 Bond Fund - This fund is used to account for an assignment of Section 30 funds required by: (i) the Limited Obligation (Section 30) Bond Series A 2001 bond indenture to redeem bond principal and to pay bond interest as such becomes due; and (ii) a $10,000,000 promissory bank note.

Limited Obligation Bond Series A 2016 Fund - This fund is used to account for funds required by the Limited Obligation Bond Series A 2016 bond indenture to redeem bond principal and to pay bond interest as such becomes due.

General Obligation Bond Series A 2019 Fund - This fund is used to account for funds transferred from the Solid Waste Operations Fund to redeem bond principal and to pay bond interest as such becomes due.

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 Fund Number	100	618	505	290	628	633	686	818	502	255	214	106
	Department of Administration	Guam Department of Education	Department of Education Operations	Autonomous Medical Insurance Premiums	Board of Barbering and Cosmetology	Better Public Service	Census 2020	Child Tax Credit	Compact Impact Offset	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract
ASSETS													
Cash and cash equivalents	$ 196,856,467	$ 18,947,862	$ ---	$ 3,965,495	$ 45,422	$ ---	$ ---	$ 9,254,422	$ ---	$ ---	$ 19,431	$ ---	$ 1,895
Investments	210,624	---	---	---		---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	80,110,109	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	1,630,508	---	---	---	---	---	---	---	---	---	---	---
Other	955,011	63,823	---	---	---	---	---	---	---	---	---	---	---
Due from component units	14,740,693	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	220,618,523	69,171,856	---	---	---	1,042,425	---	18,976,040	13,762,887	---	---	---	---
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	---	---	---	---	---	---	---
Prepayments	270,000	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other assets	2,000,000	10,850	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	67,780,274	1,089,744	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 583,541,701	$ 90,914,643	$ ---	$ 3,965,495	$ 45,422	$ 1,042,425	$ ---	$ 28,230,462	$ 13,762,887	$ ---	$ 19,431	$ ---	$ 1,895
LIABILITIES AND FUND BALANCE (DEFICIT)													
Accounts payable	$ 88,275,612	$ 5,229,831	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 31,803	$ ---	$ ---
Accrued payroll and other	3,920,347	8,645,657	---	---	---	---	---	---	---	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	200,706,885	---	---	3,940,154	41,641	---	---	---	---	---	---	---	1,147
Payable to federal agencies	---	---	---	---	---	---	---	28,218,191	---	---	---	---	---
Unearned revenue	77,010,836	---	---	---	---	---	---	---	---	---	---	---	---
Provision for tax refunds	74,652,363	---	---	---	---	---	---	---	---	---	---	---	---
COLA liability	4,393,680	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	29,067,339	---	---	23,132	---	---	---	---	17,697,094	---	---	---	748
Total liabilities	478,027,062	13,875,488	---	3,963,286	41,641	---	---	28,218,191	17,697,094	---	31,803	---	1,895
Fund balance (deficit):													
Non-spendable	2,000,000	---	---	---	---	---	---	---	---	---	---	---	---
Restricted	68,050,274	1,089,744	---	---	---	---	---	12,271	---	---	---	---	---
Committed	---	75,949,411	---	2,209	3,781	1,042,425	---	---	---	---	---	---	---
Unassigned	35,464,365	---	---	---	---	---	---	---	(3,934,207)	---	(12,372)	---	---
Total fund balance (deficit)	105,514,639	77,039,155	---	2,209	3,781	1,042,425	---	12,271	(3,934,207)	---	(12,372)	---	---
Total liabilities and fund balance (deficit)	$ 583,541,701	$ 90,914,643	$ ---	$ 3,965,495	$ 45,422	$ 1,042,425	$ ---	$ 28,230,462	$ 13,762,887	$ ---	$ 19,431	$ ---	$ 1,895

(continued)

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 Fund Number	638	685	104	299	229	404	649	239	617	616	676
	DPHSS Sanitary Inspection Revolving	EITC Reimbursement	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
ASSETS											
Cash and cash equivalents	$ 1,942,698	$ 11,347,741	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Investments	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:											
Taxes	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	28,738	19,661	---	---	---	---	---	595,887	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	22,929,618	---	262,558	19,900	375,546	---	195	565,000	---	---
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	1,831,333	---	---	---	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---
Deposits and other assets	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:											
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 1,942,698	$ 34,277,359	$ 28,738	$ 282,219	$ 19,900	$ 2,206,879	$ ---	$ 195	$ 565,000	$ 595,887	$ ---
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Accrued payroll and other	1,651	---	---	---	595	---	---	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	238,218	---	28,738	---	---	---	---	---	---	595,887	---
Payable to federal agencies	---	33,297,995	---	---	---	---	---	---	---	---	---
Unearned revenue	---	---	---	---	---	---	---	---	---	---	---
Provision for tax refunds	---	---	---	---	---	---	---	---	---	---	---
COLA liability	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	239,869	33,297,995	28,738	---	595	---	---	---	---	595,887	---
Fund balance (deficit):											
Non-spendable	---	---	---	---	---	1,831,333	---	---	---	---	---
Restricted	---	---	---	---	---	---	---	---	---	---	---
Committed	1,702,829	979,364	---	282,219	19,305	---	---	195	565,000	---	---
Unassigned	---	---	---	---	---	375,546	---	---	---	---	---
Total fund balance (deficit)	1,702,829	979,364	---	282,219	19,305	2,206,879	---	195	565,000	---	---
Total liabilities and fund balance (deficit)	$ 1,942,698	$ 34,277,359	$ 28,738	$ 282,219	$ 19,900	$ 2,206,879	$ ---	$ 195	$ 565,000	$ 595,887	$ ---

(continued)

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 Fund Number	201	298	303	321		293	329				288
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
ASSETS											
Cash and cash equivalents	$ ---	$ ---	$ ---	$ 783	$ 2,278,442	$ ---	$ ---	$ 94,967	$ 85,049	$ 2,869,460	$ 560,319
Investments	---	---	---	---	---	---	---	1,554,000	---	---	---
Receivables, net:											
Taxes	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	21,310	---	---	---
Other	211,611	---	---	---	1,430	---	---	1,535	159,667	1,207,304	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	92,238	104,721	518,983	280,424	---	4,482,596	13,213	---	---	---	56,911,767
Due from private purpose trust funds	---	---	---	---	---	---	---	---	---	---	---
Inventories	---	---	---	---	---	---	---	---	---	---	---
Prepayments	---	---	---	---	---	---	---	7,229	55,179	236,966	---
Deposits and other assets	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:											
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 303,849	$ 104,721	$ 518,983	$ 281,207	$ 2,279,872	$ 4,482,596	$ 13,213	$ 1,679,041	$ 299,895	$ 4,313,730	$ 57,472,086
LIABILITIES AND FUND BALANCE (DEFICIT)											
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ 104,958	$ 849,889	$ ---	$ 178,138	$ 11,160	$ 44,503	$ ---
Accrued payroll and other	---	5,674	---	---	156,406	---	---	---	234,919	902,216	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	---	---	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---
Unearned revenue	---	---	---	---	---	---	---	---	3	6,600	---
Provision for tax refunds	---	---	---	---	---	---	---	---	---	---	---
COLA liability	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	8,894	---	---	---	726,084	---	13,213	---	31,465	627,121	---
Total liabilities	8,894	5,674	---	---	987,448	849,889	13,213	178,138	277,547	1,580,440	---
Fund balance (deficit):											
Non-spendable	---	---	---	---	---	---	---	---	---	---	---
Restricted	---	---	---	---	---	---	---	---	---	---	---
Committed	294,955	99,047	518,983	281,207	1,292,424	3,632,707	---	1,500,903	22,348	2,733,290	57,472,086
Unassigned	---	---	---	---	---	---	---	---	---	---	---
Total fund balance (deficit)	294,955	99,047	518,983	281,207	1,292,424	3,632,707	---	1,500,903	22,348	2,733,290	57,472,086
Total liabilities and fund balance (deficit)	$ 303,849	$ 104,721	$ 518,983	$ 281,207	$ 2,279,872	$ 4,482,596	$ 13,213	$ 1,679,041	$ 299,895	$ 4,313,730	$ 57,472,086

(continued)

Government of Guam

Combining Balance Sheet
General Fund

September 30, 2024

D365 Fund Number	314	103	607	645	678		355	363	364			
	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Unfunded Liability	Unified Courts of Guam	Section 30 Tax Revenues	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
ASSETS												
Cash and cash equivalents	$ 34,891	$ ---	$ ---	$ 246	$ ---	$ 10,877,056	$ 57,910,210	$ ---	$ ---	$ 317,092,856	$ ---	$ 317,092,856
Investments	---	---	---	---	---	---	---	---	---	1,764,624	---	1,764,624
Receivables, net:												
Taxes	---	---	---	---	---	---	---	---	---	80,110,109	---	80,110,109
Federal agencies	---	---	---	---	---	854,301	---	---	---	2,506,119	---	2,506,119
Other	19,514	---	---	---	---	9,658	---	---	---	3,273,839	---	3,273,839
Due from component units	---	---	---	---	---	---	---	---	---	14,740,693	---	14,740,693
Due from other funds	---	12,459	---	---	7,150,138	1,329,477	---	---	---	418,620,564	(174,609,808)	244,010,756
Due from private purpose trust funds	---	---	---	---	---	255,007	---	---	---	255,007	---	255,007
Inventories	165,412	---	---	---	---	---	---	---	---	1,996,745	---	1,996,745
Prepayments	---	---	---	---	---	---	---	---	---	569,374	---	569,374
Deposits and other assets	---	---	---	---	---	394,068	---	---	---	2,404,918	---	2,404,918
Restricted assets:												
Cash and cash equivalents	---	---	---	---	---	---	---	18,661,549	2,445,290	89,976,857	---	89,976,857
Total assets	$ 219,817	$ 12,459	$ ---	$ 246	$ 7,150,138	$ 13,719,567	$ 57,910,210	$ 18,661,549	$ 2,445,290	$ 933,311,705	$ (174,609,808)	$ 758,701,897
LIABILITIES AND FUND BALANCE (DEFICIT)												
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ 500,000	$ 1,879,565	$ 2,000	$ ---	$ ---	$ 97,107,459	$ ---	$ 97,107,459
Accrued payroll and other	---	---	---	---	---	949,272	---	---	---	14,816,737	---	14,816,737
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	74,085	---	---	---	---	---	55,952,117	---	---	261,578,872	(174,609,808)	86,969,064
Payable to federal agencies	---	---	---	---	---	---	---	---	---	61,516,186	---	61,516,186
Unearned revenue	---	---	---	---	---	---	---	---	---	77,017,439	---	77,017,439
Provision for tax refunds	---	---	---	---	---	---	---	---	---	74,652,363	---	74,652,363
COLA liability	---	---	---	---	---	---	---	---	---	4,393,680	---	4,393,680
Deposits and other liabilities	---	---	---	14,012	---	388,133	---	---	---	48,597,235	---	48,597,235
Total liabilities	74,085	---	---	14,012	500,000	3,216,970	55,954,117	---	---	639,679,971	(174,609,808)	465,070,163
Fund balance (deficit):												
Non-spendable	145,732	---	---	---	---	---	---	---	---	3,977,065	---	3,977,065
Restricted	---	---	---	---	---	---	---	18,661,549	2,445,290	90,259,128	---	90,259,128
Committed	---	12,459	---	---	---	10,502,597	---	---	---	158,909,744	---	158,909,744
Unassigned	---	---	---	(13,766)	6,650,138	---	1,956,093	---	---	40,485,797	---	40,485,797
Total fund balance (deficit)	145,732	12,459	---	(13,766)	6,650,138	10,502,597	1,956,093	18,661,549	2,445,290	293,631,734	---	293,631,734
Total liabilities and fund balance (deficit)	$ 219,817	$ 12,459	$ ---	$ 246	$ 7,150,138	$ 13,719,567	$ 57,910,210	$ 18,661,549	$ 2,445,290	$ 933,311,705	$ (174,609,808)	$ 758,701,897

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	100		618	505	290	628	633	686	818	502	255	214	106
	Department of Administration	Guam Department of Education	Department of Education Operations	Autonomous Medical Insurance Premiums	Board of Barbering and Cosmetology	Better Public Service	Census 2020	Child Tax Credit	Compact Impact Offset	Dental Self Insured	DMHSA Receiver	DOC Inmates Revolving	D.O.D. Contract
Revenues:													
Taxes:													
Income	$ 502,436,468	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Gross receipts	411,687,628	---	---	---		---	---	---	---	---	---	---	---
Excise	4,890,086	---	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	76,195,730	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	1,246,146	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	13,926	---	---	---	---	7,758	---	---	---	---	---	---	---
Charges for services	2,178,745	1,483,657	---	---	---	---	---	---	---	---	---	982,983	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	5,456,242	---	---	1,136	2,530	---	---	4,286	---	---	2,526	---	---
Contributions from component units	3,137,200	---	---	---	---	---	---	---	---	---	---	---	---
Other	26,301,298	200,877	---	---	---	---	---	---	---	---	---	---	---
Total revenues	1,032,297,323	2,930,680	---	1,136	2,530	7,758	---	4,286	---	---	2,526	982,983	---
Expenditures by Function:													
Current:													
General government	96,187,151	---	---	---	---	907,610	---	---	3,934,207	34,165	---	---	---
Protection of life and property	153,786,999	---	---	---	---	---	---	---	---	---	---	1,400,239	---
Public health	18,200,627	---	---	---	---	---	---	---	---	---	11,467	---	---
Community services	6,772,916	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	3,839,490	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	13,411,189	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	2,717,299	---	---	---	---	---	---	---	---	---	---	---	---
Public education	8,625,234	166,794,596	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	205,807	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	6,213,131	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
GovGuam Retirement Fund	6,037,475	---	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	13,985,046	---	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	220,889	---	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	2,008,039	---	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	42,822,270	---	---	---	---	---	---	---	---	---	---	---	---
Guam Power Authority	63,223,600	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	37,019,056	---	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	65,434,941	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	22,610,000	9,592,828	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	30,812,359	11,286,015	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	594,133,518	187,673,439	---	---	---	907,610	---	---	3,934,207	34,165	11,467	1,400,239	---
Excess (deficiency) of revenues over (under) expenditures	438,163,805	(184,742,759)	---	1,136	2,530	(899,852)	---	4,286	(3,934,207)	(34,165)	(8,941)	(417,256)	---
Other financing sources (uses):													
Transfers in from other funds	3,831,745	252,111,758	234,865,770	---	---	1,671,588	---	---	---	---	---	417,256	---
Transfers out to other funds	(430,210,512)	---	(234,865,770)	---	---	---	(6,800)	---	---	---	---	---	(1,193)
Total other financing sources (uses), net	(426,378,767)	252,111,758	---	---	---	1,671,588	(6,800)	---	---	---	---	417,256	(1,193)
Net change in fund balances (deficit)	11,785,038	67,368,999	---	1,136	2,530	771,736	(6,800)	4,286	(3,934,207)	(34,165)	(8,941)	---	(1,193)
Fund balances (deficit) at beginning of year	93,729,601	9,670,156	---	1,073	1,251	270,689	6,800	7,985	---	34,165	(3,431)	---	1,193
Fund balances (deficit) at end of year	$ 105,514,639	$ 77,039,155	$ ---	$ 2,209	$ 3,781	$ 1,042,425	$ ---	$ 12,271	$ (3,934,207)	$ ---	$ (12,372)	$ ---	$ ---

(continued)

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	638	685	104	299	229	404	649	239	617	616	676
	DPHSS Sanitary Inspection Revolving	EITC Reimbursement	Exxon Fuel Overcharge	Financial Management Revolving	General Services Agency	GSA Inventory Revolving	Guam Geodetic Network	Government Claims	Guam Memorial Hospital Authority Pharmaceuticals	Guam Telephone Authority Privatization Proceeds	Guam War Claims
Revenues:											
Taxes:											
Income	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Gross receipts	---	---	---	---	---	---	---	---	---	---	---
Excise	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	512,586	---	---	37,707	---	269,146	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	470	534,548	---	---	---	---	---	---	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---
Total revenues	513,056	534,548	---	37,707	---	269,146	---	---	---	---	---
Expenditures by Function:											
Current:											
General government	---	25	---	4,732	37,836	---	17,353	44,887	---	---	6,048
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---
Public health	114,013	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	7,753	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---
Payments to:											
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	21,714,329	---	---
Guam Power Authority	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	---	---	---	---	---	---	---	---	---	---	---
Debt service:											
Principal retirement	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	114,013	25	7,753	4,732	37,836	---	17,353	44,887	21,714,329	---	6,048
Excess (deficiency) of revenues over (under) expenditures	399,043	534,523	(7,753)	32,975	(37,836)	269,146	(17,353)	(44,887)	(21,714,329)	---	(6,048)
Other financing sources (uses):											
Transfers in from other funds	---	---	73,992	---	---	---	17,353	45,082	21,714,329	---	6,048
Transfers out to other funds	---	---	---	---	---	---	---	---	---	(775,919)	---
Total other financing sources (uses), net	---	---	73,992	---	---	---	17,353	45,082	21,714,329	(775,919)	6,048
Net change in fund balances (deficit)	399,043	534,523	66,239	32,975	(37,836)	269,146	---	195	---	(775,919)	---
Fund balances (deficit) at beginning of year	1,303,786	444,841	(66,239)	249,244	57,141	1,937,733	---	---	565,000	775,919	---
Fund balances (deficit) at end of year	$ 1,702,829	$ 979,364	$ ---	$ 282,219	$ 19,305	$ 2,206,879	$ ---	$ 195	$ 565,000	$ ---	$ ---

(continued)

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	201	298	303	321		293	329				288
	Housing Revolving	Human Resources Services Revolving	Income Tax Refund Reserve	Income Tax Efficiency Payment	Legislature Operations	Medically Indigent Program Payment Revolving	Off-Island Treatment	Office of Public Accountability	Public Defender Service Corporation (APD)	Public Defender Service Corporation (Operations)	Rainy Day
Revenues:											
Taxes:											
Income	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Gross receipts	---	---	---	---	---	---	---	---	---	---	---
Excise	---	---	---	---	---	---	---	---	---	---	---
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	---	39,325	---	---	---	---	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---
Fines and forfeits	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	---	---	759	---	---	14,088	---	---	260
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	2,517,764	---	469	---	---	---
Total revenues	---	39,325	---	---	759	2,517,764	---	14,557	---	---	260
Expenditures by Function:											
Current:											
General government	---	270,066	---	---	8,941,280	---	3,593,321	2,018,634	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	2,696,440	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	1,716,076	6,133,552	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	1,668,371
Payments to:											
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	---	---
Guam Community College	---	---	---	---	---	---	---	---	---	---	---
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	---	---
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	---	---	---
Guam Power Authority	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---
Miscellaneous appropriations	---	---	---	---	---	---	---	---	---	---	---
Debt service:											
Principal retirement	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	---	270,066	---	---	8,941,280	2,696,440	3,593,321	2,018,634	1,716,076	6,133,552	1,668,371
Excess (deficiency) of revenues over (under) expenditures	---	(230,741)	---	---	(8,940,521)	(178,676)	(3,593,321)	(2,004,077)	(1,716,076)	(6,133,552)	(1,668,111)
Other financing sources (uses):											
Transfers in from other funds	---	---	---	---	9,193,660	930,904	3,582,714	2,030,737	1,562,160	6,191,099	16,577,444
Transfers out to other funds	---	---	---	---	(352,000)	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	8,841,660	930,904	3,582,714	2,030,737	1,562,160	6,191,099	16,577,444
Net change in fund balances (deficit)	---	(230,741)	---	---	(98,861)	752,228	(10,607)	26,660	(153,916)	57,547	14,909,333
Fund balances (deficit) at beginning of year	294,955	329,788	518,983	281,207	1,391,285	2,880,479	10,607	1,474,243	176,264	2,675,743	42,562,753
Fund balances (deficit) at end of year	$ 294,955	$ 99,047	$ 518,983	$ 281,207	$ 1,292,424	$ 3,632,707	$ ---	$ 1,500,903	$ 22,348	$ 2,733,290	$ 57,472,086

(continued)

Government of Guam

Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balance (Deficit)
General Fund

Year ended September 30, 2024

D365 Fund Number	314	103	607	645	678		355	363	364			
	State Agency for Surplus Property	StripperWell Overcharge	Supplemental Annuity Benefits	Supplemental Appropriations Revenue	Unfunded Liability	Unified Courts of Guam	Section 30 Tax Revenues	Limited Obligation Series A 2016 Debt Service	General Obligation Series A 2019 Debt Service	Combined Total	Eliminating Entries	Total
Revenues:												
Taxes:												
Income	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 502,436,468	$ ---	$ 502,436,468
Gross receipts	---	---	---	---	---	---	---	---	---	411,687,628	---	411,687,628
Excise	---	---	---	---	---	---	---	---	---	4,890,086	---	4,890,086
Section 30 Federal income tax collections	---	---	---	---	---	---	---	---	---	76,195,730	---	76,195,730
Intergovernmental	---	---	---	---	---	3,708,692	---	---	---	4,954,838	---	4,954,838
Licenses and permits	41,155	---	---	---	---	---	---	---	---	921,603	---	921,603
Charges for services	---	---	---	---	---	---	---	---	---	4,645,385	---	4,645,385
Fines and forfeits	---	---	---	---	---	691,521	---	---	---	691,521	---	691,521
Interest and investment earnings	7	---	---	---	---	---	824,239	343,500	77,562	7,262,153	---	7,262,153
Contributions from component units	---	---	---	---	---	---	---	---	---	3,137,200	---	3,137,200
Other	---	---	---	---	6,675,138	---	---	---	---	35,695,546	---	35,695,546
Total revenues	41,162	---	---	---	6,675,138	4,400,213	824,239	343,500	77,562	1,052,518,158	---	1,052,518,158
Expenditures by Function:												
Current:												
General government	5,074	---	---	---	---	---	---	---	---	116,002,389	---	116,002,389
Protection of life and property	---	---	---	---	---	---	---	---	---	155,187,238	---	155,187,238
Public health	---	---	---	---	---	---	---	---	---	21,022,547	---	21,022,547
Community services	---	---	---	---	---	---	---	---	---	6,772,916	---	6,772,916
Recreation	---	---	---	---	---	---	---	---	---	3,839,490	---	3,839,490
Individual and collective rights	---	---	---	---	---	44,858,184	---	---	---	66,119,001	---	66,119,001
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	2,717,299	---	2,717,299
Public education	---	---	---	---	---	---	---	---	---	175,419,830	---	175,419,830
Environmental protection	---	---	---	---	---	---	---	---	---	213,560	---	213,560
Economic development	---	---	---	---	---	---	---	---	---	7,881,502	---	7,881,502
Payments to:												
GovGuam Retirement Fund	---	---	---	---	---	---	---	---	---	6,037,475	---	6,037,475
Guam Community College	---	---	---	---	---	---	---	---	---	13,985,046	---	13,985,046
Guam Housing Corporation	---	---	---	---	---	---	---	---	---	220,889	---	220,889
Guam International Airport Authority	---	---	---	---	---	---	---	---	---	2,008,039	---	2,008,039
Guam Memorial Hospital Authority	---	---	---	---	---	---	---	---	---	64,536,599	---	64,536,599
Guam Power Authority	---	---	---	---	---	---	---	---	---	63,223,600	---	63,223,600
University of Guam	---	---	---	---	---	---	---	---	---	37,019,056	---	37,019,056
Miscellaneous appropriations	---	---	6,365,000	---	---	---	---	---	---	71,799,941	---	71,799,941
Debt service:												
Principal retirement	---	---	---	---	---	---	---	10,140,000	1,960,000	44,302,828	---	44,302,828
Interest and fiscal charges	---	---	---	---	---	452,928	---	8,974,500	1,037,000	52,562,802	---	52,562,802
Total expenditures	5,074	---	6,365,000	---	---	45,311,112	---	19,114,500	2,997,000	910,872,047	---	910,872,047
Excess (deficiency) of revenues over (under) expenditures	36,088	---	(6,365,000)	---	6,675,138	(40,910,899)	824,239	(18,771,000)	(2,919,438)	141,646,111	---	141,646,111
Other financing sources (uses):												
Transfers in from other funds	---	---	6,365,000	---	---	40,958,763	---	17,777,041	3,047,833	622,972,276	(597,436,113)	25,536,163
Transfers out to other funds	---	---	---	---	---	---	---	---	---	(666,212,194)	597,436,113	(68,776,081)
Total other financing sources (uses), net	---	---	6,365,000	---	---	40,958,763	---	17,777,041	3,047,833	(43,239,918)	---	(43,239,918)
Net change in fund balances (deficit)	36,088	---	---	---	6,675,138	47,864	824,239	(993,959)	128,395	98,406,193	---	98,406,193
Fund balances (deficit) at beginning of year	109,644	12,459	---	(13,766)	(25,000)	10,454,733	1,131,854	19,655,508	2,316,895	195,225,541	---	195,225,541
Fund balances (deficit) at end of year	$ 145,732	$ 12,459	$ ---	$ (13,766)	$ 6,650,138	$ 10,502,597	$ 1,956,093	$ 18,661,549	$ 2,445,290	$ 293,631,734	$ ---	$ 293,631,734

Government of Guam

Nonmajor Governmental Funds

September 30, 2024

The Nonmajor Governmental Funds statements include the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for nonmajor special revenue funds, nonmajor capital projects funds, and nonmajor debt service funds that comprise the other governmental funds column in the basic financial statements. The combining nonmajor special revenue funds statements, the combining nonmajor capital projects funds statements, and the combining nonmajor debt service funds are detailed behind the special revenue funds, capital project funds and debt service funds dividers.

Government of Guam

Nonmajor Governmental Funds
Combining Balance Sheet

September 30, 2024

Fund Number			354	
ASSETS	Other Special Revenue	Other Capital Project	Other Debt Service	Total
Cash and cash equivalents	$ 116,223,498	$ 2,591,888	$ ---	$ 118,815,386
Investments	16,851,646	---	---	16,851,646
Receivables, net:				
Taxes	5,078,944	---	---	5,078,944
Federal agencies	4,820,582	---	---	4,820,582
Leases	15,080,030	---	---	15,080,030
Other	7,479,927	---	---	7,479,927
Due from component units	77,410	---	---	77,410
Due from other funds	68,888,642	335,532	293,134	69,517,308
Prepayments	2,585,325	---	---	2,585,325
Deposits and other assets	---	1,000	---	1,000
Restricted assets:				
Cash and cash equivalents	40,599,966	355,614	7,191,580	48,147,160
Investments	300,000	4,743,137	---	5,043,137
Total assets	$ 277,985,970	$ 8,027,171	$ 7,484,714	$ 293,497,855
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 5,167,622	$ 3,428	$ ---	$ 5,171,050
Accrued payroll and other	1,865,056	---	---	1,865,056
Due to component units	9,663,700	---	---	9,663,700
Due to other funds	54,004,887	1,437,689	---	55,442,576
Payable to federal agencies	24,437,878	---	---	24,437,878
Deposits and other liabilities	4,310,850	159,633	---	4,470,483
Total liabilities	99,449,993	1,600,750	---	101,050,743
Deferred inflows of resources:				
Leases	14,793,766	---	---	14,793,766
Deferred revenues	44,658	---	---	44,658
Total deferred inflows	14,838,424	---	---	14,838,424
Total liabilities and deferred inflows of resources	114,288,417	1,600,750	---	115,889,167
Fund balances:				
Restricted	9,568,574	6,434,952	7,484,714	23,488,240
Committed	154,240,337	---	---	154,240,337
Unassigned	(111,358)	(8,531)	---	(119,889)
Total fund balances	163,697,553	6,426,421	7,484,714	177,608,688
Total liabilities, deferred inflows of resources and fund balances	$ 277,985,970	$ 8,027,171	$ 7,484,714	$ 293,497,855

Government of Guam

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures by Function, and
Changes in Fund Balances

Year ended September 30, 2024

Fund Number	Other Special Revenue	Other Capital Project	354 Other Debt Service	Total
Revenues:				
Taxes:				
Property	$ 36,249,105	$ ---	$ ---	$ 36,249,105
Hotel	33,973,452	---	---	33,973,452
Liquid fuel	1,686,883	---	---	1,686,883
Tobacco	22,537,418	---	---	22,537,418
Alcoholic beverages	3,916,083	---	---	3,916,083
Limited gaming	1,738,219	---	---	1,738,219
Intergovernmental	20,964,816	---	---	20,964,816
Licenses and permits	61,832,712	1,468,976	---	63,301,688
Charges for services	28,073,670	---	---	28,073,670
Fines and forfeits	---	456,147	---	456,147
Interest and investment earnings	2,691,478	365,237	336,576	3,393,291
Contributions from component units	86,470	---	---	86,470
Other	32,476,274	---	---	32,476,274
Total revenues	246,226,580	2,290,360	336,576	248,853,516
Expenditures by Function:				
Current:				
General government	21,695,849	---	---	21,695,849
Protection of life and property	14,594,577	---	---	14,594,577
Public health	30,959,782	---	---	30,959,782
Community services	5,460,576	---	---	5,460,576
Recreation	591,840	---	---	591,840
Individual and collective rights	10,863,632	546,010	---	11,409,642
Public welfare	7,896,729	---	---	7,896,729
Transportation	5,990,378	---	---	5,990,378
Public education	21,822,542	---	---	21,822,542
Environmental protection	21,314,305	---	---	21,314,305
Economic development	694,853	---	---	694,853
Payments to:				
Guam Community College	8,775,861	---	---	8,775,861
Guam Preservation Trust	1,370,000	---	---	1,370,000
Guam Visitors Bureau	30,382,970	---	---	30,382,970
University of Guam	7,835,914	---	---	7,835,914
Capital projects	---	3,715,516	---	3,715,516
Debt service:				
Principal retirement	200,039	236,789	---	436,828
Interest and fiscal charges	137,161	423,251	2,943,250	3,503,662
Total expenditures	190,587,008	4,921,566	2,943,250	198,451,824
Excess (deficiency) of revenues over (under) expenditures	55,639,572	(2,631,206)	(2,606,674)	50,401,692
Other financing sources (uses):				
Transfers in from other funds	31,459,823	---	2,943,250	34,403,073
Transfers out to other funds	(25,681,100)	---	---	(25,681,100)
Total other financing sources (uses), net	5,778,723	---	2,943,250	8,721,973
Net change in fund balances	61,418,295	(2,631,206)	336,576	59,123,665
Fund balances at beginning of year	102,279,258	9,057,627	7,148,138	118,485,023
Fund balances at end of year	$ 163,697,553	$ 6,426,421	$ 7,484,714	$ 177,608,688

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. A brief discussion of GovGuam's nonmajor governmental funds - special revenue funds as of September 30, 2024, follows.

Aboveground Storage Tank Management Fund - The fund was created by Public Law 34-140 to account for all fees, assessments, fines, and forfeitures collected relative to the regulation of above ground storage facilities.

Accessible Parking Fund - The fund was created by Public Law 18-28 to ensure that disabled persons are given equal access to government offices and services. Revenues are generated from fines collected from those parked illegally in handicapped parking spaces. Expenditures are authorized for maintenance of disabled parking areas.

Air Pollution Control Fund - This fund was created by Public Law 24-40 to provide a coordinated Territory-wide program of air pollution prevention, abatement, and control. Revenues are derived primarily from permit application fees and annual emission fees.

Alcoholic Beverage Compliance Fees and Fines Fund - The fund was created by Public Law 31-199 to account for all fees and fines collected relative to the regulated conduct of special tasting and sampling events at approved locations.

Arts in Public Buildings Fund - This fund was created by Public Law 31-118 to assist in the promotion of local art on display in government public buildings.

Banking and Insurance Enforcement Fund - This fund was created by Public Law 33-91 for the purpose of monitoring and enforcing regulations associated with the banking and insurance industries.

Board of Accountancy Fund - This fund was created for the purpose of regulating aspects of the practice of public accountancy. The Guam Code Annotated Title 22, Subsection 35104(d) states, "all fees and money collected by the Board under this Chapter shall be accounted for by the Board and deposited in a special fund known as the 'Guam Board of Accountancy Fund." Sources of revenues are from the issuance of certificates and permit fees collected from public accountants and firms practicing public accountancy. Monies shall be expended for administering the Guam Accountancy Act of 2003.

Capitol District Fund - This fund was created by Public Law 29-69 for the sole purpose of funding the repair, restoration, renovation, or refurbishment of the Guam Congress Building or other Capitol District properties. Income received pursuant to any lease of property within the Capitol District shall be deposited into this fund.

Cannabis Fund – This fund was created to record the excise tax related to the sale or transfer of cannabis and is administered by DoA. 50% of fund is to go to DPHSS, GPD, GCQA, DRT, GBHWC, & DoA COLES to fund various cannabis related equipment or activities.

CARES Act Unemployment Assistance – This fund was established to provide temporary financial support to individuals who are not eligible for regular unemployment compensation or have exhausted their benefits.

Carrier Off-Duty Services Revolving Fund - This fund was created by Public Law 25-138. Charges from this fund are from services performed by Customs and Quarantine Officers, in the performance of their duties on any day of the week upon special request by the Director of Customs and Quarantine outside of normal working hours.

Chamorro Land Trust Operations Fund - This fund was created by Public Law 28-68 to account for the proceeds from all land use permits, monetary contributions and fees for the benefit of the Chamorro Land Trust Commission (CLTC).

Chamorro Land Trust Survey and Infrastructure Fund - This fund was created for the purpose of accounting for the receipt of all proceeds from the sale of bull cart trails and land remnants and proceeds from the sale of land under the Land for the Landless program that will be used solely for the surveying of CLTC land and for the operational needs in support thereof.

Chamorro Loan Guarantee Fund - This fund was created by Public Law 12-226 to account for loans made by governmental agencies or lending institutions to those holding leases or licenses issued by the Chamorro Land Trust Commission that may be guaranteed. This guarantee may be for home or commercial loan purposes. The loan guarantees shall be subject to certain restrictions.

Child Care Revolving Fund - This fund was created by Public Law 31-73 to account for all funds received under the Child Welfare Services Act.

Community Health Centers Fund - This fund was created to provide for both the Northern and Southern Guam Community Health Centers. Revenues are derived from fees charged to health service recipients utilizing the Center. Revenues are applied to expenditures applicable to the operation of the Center.

Consumer Protection Fund - This fund was created by Public Law 21-18 to account for fees collected by the Attorney General’s Office under the Consumer Protection Act.

Contractors' License Board Fund - This fund was created to protect the public by licensing the contractors of Guam. Revenues are derived from both license fees and local appropriations.

Controlled Substance Diversion Fund - This fund was created by Public Law 24-149 for use by the Department of Public Health for programs to monitor controlled substances, to identify and detect its diversion, equipment, supplies and contracts necessary to monitor controlled substances, and training of employees tasked with administering the Act. Revenues for this fund are provided for by fees assessed in relation to the registration and control of the manufacture, distribution and dispensing of controlled substances in Guam.

Corona Virus Capital – This fund was established by the U.S. Department of the Treasury to provide $10 billion to states, territories, freely associated states, and Tribal governments for critical capital projects. The fund aims to enable work, education, and health monitoring in response to the public health emergency caused by COVID-19.

COVID-19 – This fund was created to and track COVID-19 expenses prior to receiving official documentation for federal stimulus funding.

Criminal Injuries Compensation Fund - The Criminal Injuries Compensation Fund was enacted under Public Law 20-155. The fund was created for the purpose of compensating victims injured through criminal mischief. Public Law 20-155 created the Criminal Injuries Commission, which was created to determine, on a case-by-case basis, who is worthy of compensation. Sources of funding are prosecuted criminals (offenders) and Government appropriations. Per Public Law 20-155, compensation must be made within 18 months of date of injury. In addition, no claim will be awarded in excess of $10,000.

Customs, Agriculture, and Quarantine Inspection Services Fund - This fund was created by Public Law 23-45 and amended by Public Law 23-96 Section 73145 of the Government Code of Guam. The law requires that each aircraft landing at the Guam International Airport Terminal (GIAT) shall be levied a customs, agriculture, and quarantine inspection service charge reasonably related to the cost incurred by the Customs and Quarantine Agency and the Department of Agriculture in providing, maintaining and operating the service charge facilities, and shall be allocated among air carriers in such a manner reasonably related to the relative demand for such services attributable to each carrier. All expenditures of the Fund shall be made exclusively by appropriation of the Guam Legislature. The Fund shall not be commingled with the General Fund and shall be kept in a separate bank account.

Dededo Buffer Strip Revolving Fund - This fund was created as a result of the re-enactment of Section 68901(1) of Title 21 of the Guam Code Annotated as amended by Public Law 24-59. This authorizes the Department of Land Management to enter into commercial leases, not exceeding ten (10) years, for the use of the Dededo and Yigo Municipal Planning Councils (two-thirds to Dededo and one-third to Yigo) for the upkeep and maintenance of sports and recreational facilities.

DLM Building Construction Fund - This fund was created by Public Law 29-46 to account for all monies received from FEMA for the construction of the Department of Land Management building.

DPW Building and Design Fund - This fund was created by Public Law 20-221 to be used for review and building inspection operational expenditures. Any fees collected from plan review and building inspection shall be deposited to the special fund.

Drivers' Education Fund - This fund was created by Public Law 22-20 to be expended on personnel, travel, purchase of vehicles, insurance, fuel and maintenance, textbooks and materials, driving simulators, a consultant and for teachers' stipends.

Education Stabilization – This fund was created to provide rapid financial relief and support for educational institutions as they prevent, prepare for, and respond to the impacts of the national emergency.

Emergency Rental Assistance – This was created to track assistance programs to provide financial support to renters facing eviction or struggling to pay rent, utilities, or related housing costs.

Enhanced 911 Emergency Reporting System Fund - This fund was created by Public Law 25-55. The fund is created to provide a source of funding for cost associated with the "911" Emergency Reporting System by charging a monthly surcharge known as the "911 Surcharge" paid by Local Exchange Telephone and Commercial Mobil Radio Service subscribers. All money and interest earned by this fund will be used by the Guam Fire Department solely for enhanced "911" equipment and systems.

Environmental Health Fund - This fund was created by Public Law 25-120 to account for all fees and penalties collected pursuant to laws enforced by the Division of Environmental Health of the Department of Public Health and Social Services.

Equitable Sharing Program Fund - This fund accounts for proceeds received from the U.S. Department of Justice Asset Forfeiture Program, which encompasses the seizure and forfeiture of assets that represent the proceeds of or were used to facilitate federal crimes.

Examiner Off-Duty Services Fund - This fund was created by Public Law 30-140 to account for hourly charges for services required by Department of Revenue and Taxation examiners outside of normal working hours.

Government Ethics Fund - This fund was created for the purpose of accounting for transactions associated with enforcement by the Guam Ethics Commission.

GFD Capital Revolving Fund - This fund was created by Public Law 22-52 to establish a capital outlay revolving fund within the Guam Fire Department to purchase essential emergency rescue and firefighting vehicles and emergency and life support equipment.

GMHA Healthcare Trust and Development Fund - This fund was created by Public Law 32-60 to account for license fees, business privilege tax, and income tax collected from companies involved in gaming to be used by designated public healthcare agencies of GovGuam.

Guam Ancestral Lands Commission (GALC) Operations Fund - This fund was established by Public Law 25-45 for the purpose of accounting for the payment of operational costs associated with the GALC.

Guam Ancestral Land Bank Fund - This fund was created for the purpose of accounting for all assets and revenues of the Land Bank, which consists of former Spanish Crown Lands and other non-ancestral lands conveyed by the United States federal government to GovGuam. The GALC acts as a developer of the lands with resulting lease rental income used to provide just compensation for those dispossessed landowners whose properties cannot be returned.

Guam Landowner's Recovery Fund - This fund was created for the purpose of accounting for the purpose of granting loans, loan guarantees or grant-in-aid to landowners, or to defer costs or fees for professional services required by those landowners or class of landowners who have ancestral land claims.

Guam Ancestral Lands Commission Survey Infrastructure and Development Fund - This fund was created for the purpose of accounting for the proceeds of lease revenues earned from all leases of Apra Harbor Reservation F-12 and Parcel N14-1 (the Polaris Point parcels) under the jurisdiction of the GALC. This fund shall be used for the surveying and mapping, purchase and installation of infrastructure, including paved access roads and commercial development, of the GALC properties, and for the administrative, operational, and financial support of these efforts.

Guam Broadband Infrastructure Fund - This fund accounts for U.S. federal funds used to bring qualified broadband to unserved households on Guam.

Guam Cancer Trust Fund - This fund was created to provide financial assistance to organizations that provide patient directed services for the prevention of cancers, its treatment, diagnosis, and other services that *may* be required to access treatment, including, but *not limited to,* off-island transportation and temporary housing.

Guam Charter Schools Fund - This fund was created by Public Law 29-140 to account for all funds received under the Guam Academy Charter Schools Act of 2009.

Guam Environmental Trust Fund - This fund was created through Public Law 21-10. The fund is administered by the Guam Environmental Protection Agency and was created to clean up hazardous materials and to restore and repair damage to the environment. Revenues are generated through collection of a 2% assessment fee on all commercial and industrial liability insurance premiums which will be collected by the Department of Revenue and Taxation.

Guam Plant Inspection and Permit Fund - This fund was created by Public Law 27-29 for the administration, operation, maintenance and improvement of the Plant Inspection Station of the Department of Agriculture.

Guam Invasive Species Inspection Fee Fund - This fund was created by Public Law 31-43 to account for fees collected by the Guam Department of Agriculture for the inspection, quarantine, and eradication of invasive species contained in any freight brought into Guam.

Guam Preservation Trust Fund - This fund was created by Public Law 20-151 for the purpose of the preservation of the island's many historical and cultural locations. Revenues are derived from building permit fees assessed to contractors before the issuance of any type of building permit.

Guam Procurement Advisory Council Support Fund - This fund was created by Public Law 31-93 to account for the operations of the Guam Procurement Advisory Council.

Health and Human Services Fund - This fund was created by Public Law 24-174 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement for settlements received from the tobacco industry.

Healthy Futures Fund – This fund was created by Public Law 27-05 to account for 50% of proceeds received on alcoholic beverages excise taxes and all tobacco-related taxes to be expended for health and education programs relating to tobacco and alcohol prevention, cessation, treatment and control, and to improving overall health and well-being.

Health Professional Licensure Fund - This fund was created by Public Law 21-33 to defray the cost of obtaining standardized examination materials and services for the healing arts and cosmetology licensor and the cost of proctoring examination at the testing site.

Health and Security Trust Fund - This fund was created by Public Law 24-174 to account for 50% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be expended for the operations and capital expenditures of the Guam Memorial Hospital Authority.

Hessler Building Rental – This fund was created by MOA 2021-01-23 between DOA and GEDA for the General Property Management of the Hessler Building in Hagatna.

Historic Preservation Archaeological Mitigation Fund - This fund was created by Public Law 29-147 to account for penalties and fines imposed by the Historic Preservation Office for failure to comply with the obtaining of a Certificate of Approval.

Homeowner's Assistance – This fund was established under Section 3206 of the American Rescue Plan Act of 2021 to mitigate hardships associated with the COVID-19 Pandemic.

Host Community Benefits Fund - This fund was created by Public Law 30-165 to recognize the impact on the villages of Inarajan and Ordot as host communities to the Layon landfill and the Ordot Dump and funded by revenue from tipping fees.

Hotel Occupancy Tax Surplus Fund - This fund was created by Public Law 32-68 to account for hotel occupancy tax collections received by the Tourist Attraction Fund in excess of Bureau of Budget and Management Research revenue estimates.

Indirect Cost Fund - This fund was created by Public Law 29-113 to account for appropriations for the following purposes: (a) training such as Continuing Professional Education Credits, CPE; (b) negotiating and administering GovGuam's indirect cost rate; (c) purchasing of supplies and equipment associated with negotiating and administering GovGuam's indirect cost rate; and (d) automated budget development and maintenance.

Inmate Phone Access Fund – Fund used to account for expenses related to inmate and detainees access to amenities without compromising prison safety and security. Up to 50% of net proceeds to develop or enhance inmate welfare and the other 50% for rehabilitation programs within DoC.

Land Acquisition Fund - This fund was created by Public Law 9-170 to account for all costs of acquiring private land for public purposes.

Land Survey Revolving Fund - This fund was created to administer the surveying, mapping, and registration of all government-owned properties. Revenues are derived from certain documentary fees and proceeds from leases of government land. Funds are expended after allotments authorizing their expenditure are created by the Bureau of Budget and Management Research.

Limited Gaming Fund - This fund was created by Public Law 26-52 to account for activities under the Gaming Control Act.

Litter Control Revolving – This was created to receive 70% of assessments, fines, bail forfeitures, and other funds collected and is to be used to fund clean up equipment and work as well as awareness and advertising for anti-litter.

Manpower Development Fund - This fund was created by Public Law 18-48 to enhance manpower training programs. The fund receives revenues from registration fees of non-immigrant workers.

Medical Use of Cannabis Fund - This fund was created by Public Law 32-134 to account for activities associated with the legal use of cannabis for medicinal purposes.

MHSA Services Fund - This fund was created by Public Law 31-233 to account for proceeds from the collection of any fees by the Department of Mental Health and Substance Abuse.

Non-Entitlement Local Government – This fund was created to track funds being provided to non-entitlement local governments, often referred to as non-entitlement units of local government (NEUs), are typically smaller municipalities that do not receive direct federal funding based on population size.

Notary Public Revolving Fund - This fund was created by Public Law 21-106 to account for revenues received under the Model Notary Law.

Office of the Attorney General Fund - This fund was created to account for collections received by the Office of the Attorney General.

Office of Vital Statistics Revolving Fund - This fund was created by Public Law 31-213 to account for revenues received by the Territorial Registrar, Office of Vital Statistics, within the Department of Public Health and Social Services.

Opioid Recovery Trust Fund - This fund was created Public Law No. 36-64 to account for settlement monies secured by the Office of the Attorney General for Guam.

Ordot Dump Reserve – This fund is established for settlement proceeds of Government of Guam vs. United States. This fund was earmarked for maintenance of Ordot Dump and mandated that this is separate from General Fund and is not subject to appropriation, transfer to GF at end of Fiscal year or Governor's transfer authority.

Pesticide Management Fund - This fund was created by Public Law 29-46 to account for fees collected by the Guam Environmental Protection Agency to be used for the purchase of equipment, payment of personnel costs, public outreach, training, contracts, and disposal of confiscated pesticides and devices associated with the Pesticide Enforcement program.

Plant Nursery Revolving Fund - This fund was created by Public Law 26-140 to account for fees collected under the Department of Agriculture's Fee Schedule for plant nursery services and activities.

Police Patrol Vehicle and Equipment Revolving Fund - This fund was created by Public Law 32-205 to account for the collection of vehicle safety inspection fees to be used for the acquisition of vehicles and associated equipment by the Guam Police Department.

Police Services Fund - This fund was created by Public Law 24-23 for the purpose of funding the general operational needs of the Guam Police Department. Revenues are derived mainly from miscellaneous services and fees provided by the department.

Prison Industries Revolving Fund - This fund was created by Public Law 29-94 to account for all revenues collected under the Department of Correction's Prison Industries program that was established as a means for inmates to receive job training and skills development.

Professional Engineers', Architects' and Surveyors' Fund - This fund was created to receive fees from licenses and license renewals and to use those funds to administer and enforce the laws relating to professional engineers, architects and land surveyors.

Public Library System Fund - This fund accounts for the operations of all libraries in the Library System on Guam in accordance with the rules and regulations promulgated by the Library Board.

Public Recreation Services Fund - This fund was created by Public Law 27-106 to account for the maintenance, upgrade and upkeep of all parks and recreational facilities within the jurisdiction of the Department of Parks and Recreation, and the creation and continuance of existing community related programs and activities for the benefit of the island.

Public Transit Fund - This fund was created by Public Law 26-76 under the authority of the Department of Administration to operate Guam's mass transit system.

Rabies Prevention Fund - This fund was created by Public Law 24-216 to maintain, enhance and secure the prevention of rabies on Guam. Revenues are derived from issuance of entry permits for any dog or cat imported into Guam.

Recycling Revolving Fund - This fund was created by Public Law 28-171 to account for recycling fees levied upon the registered owner of a motor vehicle to assist in the recycling and disposal of motor vehicles and other recyclable materials.

Safe Drinking Water Fund - This fund was created to account for fees, monetary charges and other funds collected or received by the Guam Environmental Protection Agency pursuant to the Safe Drinking Water Act to be used for the administration and implementation of the Safe Drinking Water Program; for public education and similar outreach programs; and promotions aimed at increasing awareness of the dangers of using pipes, plumbing fittings or fixtures containing lead over the acceptable limit set by this Act or regulations.

Safe Homes, Safe Streets Fund - This fund was created by Public Law 27-104 to account for public safety and social programs that enforce alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-related violence and abuse, and/or support community-based drug and substance abuse prevention programs at the Guam Police Department, the Guam Public School System, the Department of Public Health and Social Services, the Department of Youth Affairs, the Department of Mental Health & Substance Abuse

Safe Streets Fund - This fund was created by Public Law 22-41 to account for fines collected for certain offenses involving alcohol and controlled substances, convictions involving children, vehicular negligence and homicide, and drinking while driving a motor vehicle. Funds are appropriated to the Department of Corrections to be used to compensate staff and provide supplies or facilities to house incarcerated persons convicted of misdemeanors and persons convicted of abovementioned offenses.

Section 2718 Fund - This fund was created by Public Law 31-77 to account for all proceeds from rebates paid to and entitled to GovGuam pursuant to Section 2718(b)(1)(A) of the Public Health Services Act, as amended by the Patient Protection and Affordable Care Act (PPACA), Public Law 111-148.

Solid Waste Management Plan - This fund was created by Public Law 25-175 to be administered by the Guam Environmental Protection Agency to deal with solid waste management.

Solid Waste Operations Fund - This fund was created by Public Law 24-272 to account for the operations of the Guam Solid Waste Authority and to provide a financing source for GovGuam's costs and expenses directly related to the closure and post-closure of the solid waste landfill.

Special Assets Forfeiture Fund - This fund was created by Public Law 26-120 to account for property that is forfeited under any local law enforced or administered by the Guam Police Department.

Stray Dog Revolving Fund - This fund was created by Public Law 28-108 to account for the imposition of mandatory fines on owners of impounded dogs.

Street Light Fund - This fund was created by Public Law 27-38 to pay for the installation and operation of public streetlights.

Tax Collection Fund - This fund was created by Public Law 27-05. Fifty percent (50%) of the fund is earmarked for the purposes of employing tax technicians, revenue agents, revenue officers, and for other related expenses to increase collection of taxes and for the salaries of employees serving as Passport Acceptance Agents. The remaining fifty percent (50%) is to be deposited in the Public School Library Resources Fund.

Territorial Educational Facilities Fund (TEF) - TEF was created by Public Law 22-19 (as amended by Public Law 23-14) to account for all real property tax revenues received by or on behalf of GovGuam. These revenues are used for the debt service payments of the General Obligation Bonds, 1993 Series A and 1995 Series A.

Territorial Highway Fund - This fund was created for the purpose of obtaining proper maintenance and construction of highways and for the implementation of Highway Safety plans, programs and projects. Revenues are derived from Federal grants, certain liquid fuels taxes, vehicle registration fees and local appropriations.

Tourist Attraction Fund - This fund was created to finance the improvement of the physical facilities of Guam's parks and recreation areas. Financing is provided by the imposition of an 11 percent tax on lodging provided to transients.

Truck Enforcement Screening Station Facility Fund - This fund was created by Public Law 33-106 to account for fees collected from the monitoring of size, weight and load limitations and restriction of certain vehicles operating on Guam roads.

Underground Storage Tank Management Fund - This fund was created by Public Law 20-106 to account for collections received under the Underground Storage of Regulated Substances Act.

UOG Capital Improvements Fund - This fund was created by Public Law 26-48 to account for the design, construction and collateral equipment of the College of Business and Public Administration, and for the replacement of the roof of the Fine Arts Building.

Victim/Witness Travelling-Housing Fund - This fund was created by Public Law 30-60 to account for fees received by the Office of the Attorney General for requested statements issued about the disposition of a person’s criminal arrest or criminal case.

Water Protection Fund - This fund was created by Public Law 22-47 to provide funding for the administration and implementation and enforcement of the Water Pollution Control Act and regulations promulgated from said Act, for educational programs and grants for research and development, advertisement promotions, and inspections of facilities to prevent or minimize erosion that contributes to pollution of the waters.

Water Research and Development Fund - This fund was created by Public Law 22-47 to conduct water resource research which will contribute to the effective planning and management of Guam’s underground and surface water, and to the development of programs which promote the best use of these resources.

Wildlife Conservation Fund - This fund was created to preserve, manage, enhance and protect the Government's wildlife resources and their environment. Revenues are derived principally from the sale of hunting, fishing and harvesting licenses, fees and permits.

Workers Request Fund – This fund was established to trace those locally funded worker's request (all others).

Workmen's Compensation Fund - This fund was authorized to be created by Public Law 1-88. Section 37042 of the Government Code of Guam requires a fund sufficient to secure compensation payments under Title XXXIII of the Government Code in respect to employees of GovGuam, its agencies and instrumentalities, including any public corporation. Funds are disbursed upon the order of the Workers Compensation Commission, of which the Director of Labor is the Commissioner.

Youth Tobacco Education and Prevention Fund - This fund was created by Public Law 25-187 to account for 10% of proceeds from the sale and securitization of the allocation under the Master Settlement Agreement to be utilized by the Department of Mental Health and Substance Abuse, for youth compliance monitoring and tobacco and drug prevention and education programs.

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	674	236	265	667	661	611	266		679	282	624	669	415	646
	Aboveground Storage Tank Management	Accessible Parking	Air Pollution Control	Alcoholic Beverage Compliance Fees and Fines	Arts in Public Buildings	Banking and Insurance Enforcement	Board of Accountancy	Capitol District	CARES Act Unemployment Assistance	Carrier Off-duty Services Revolving	Chamorro Land Trust Operations	Chamorro Land Trust Survey and Infrastructure	Chamorro Loan Guarantee	Child Care Revolving
ASSETS														
Cash and cash equivalents	$ ---	$ ---	$ ---	$ ---	$ ---	$ 56,297	$ 1,132,855	$ ---	$ ---	$ ---	$ 2,988,196	$ 67	$ ---	$ ---
Investments	---	---	---	---	---	---	---	---	345,772	---	---	---	---	---
Receivables, net:														
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	7,704	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	5,474,274	128,263	---	---
Other	---	---	---	---	---	---	23,550	---	---	---	17,634	16,723	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	77,410	---	---	---
Due from other funds	400,919	5,287	301,528	264,295	---	1,279,779	---	---	9,345,877	121,551	---	228,551	782,323	83,262
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:														
Cash and cash equivalents	---	---	---	---	---	---	---	843,791	---	---	---	---	572,383	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	300,000	---
Total assets	$ 400,919	$ 5,287	$ 301,528	$ 264,295	$ ---	$ 1,336,076	$ 1,156,405	$ 843,791	$ 9,691,649	$ 121,551	$ 8,557,514	$ 373,604	$ 1,662,410	$ 83,262
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 9,793	$ ---	$ 3,409,116	$ ---	$ 16,130	$ ---	$ ---	$ ---
Accrued payroll and other	---	---	---	---	---	2,057	---	---	---	70,222	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	5,300	---	---	---	706,675	---	695,855	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	5,575,014	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	---	---	---	---	5,300	2,057	9,793	---	9,690,805	70,222	711,985	---	---	---
Deferred inflows of resources:														
Leases	---	---	---	---	---	---	---	---	---	---	5,619,429	130,385	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	5,619,429	130,385	---	---
Total liabilities and deferred inflows of resources	---	---	---	---	5,300	2,057	9,793	---	9,690,805	70,222	6,331,414	130,385	---	---
Fund balances (deficit):														
Restricted	---	---	---	---	---	---	---	843,791	844	---	---	---	872,383	---
Committed	400,919	5,287	301,528	264,295	---	1,334,019	1,146,612	---	---	51,329	2,226,100	243,219	790,027	83,262
Unassigned	---	---	---	---	(5,300)	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	400,919	5,287	301,528	264,295	(5,300)	1,334,019	1,146,612	843,791	844	51,329	2,226,100	243,219	1,662,410	83,262
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 400,919	$ 5,287	$ 301,528	$ 264,295	$ ---	$ 1,336,076	$ 1,156,405	$ 843,791	$ 9,691,649	$ 121,551	$ 8,557,514	$ 373,604	$ 1,662,410	$ 83,262

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	105	250	213	272	690	677	325	209	267	630	235	246	683	681	281
	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	CoronaVirus Capital	COVID-19	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Education Stabilization	Emergency Rental Assistance	Enhanced 911 Emergency Reporting System
ASSETS															
Cash and cash equivalents	$ 8,160,947	$ ---	$ 2,722,250	$ ---	$ ---	$ ---	$ 1,228,129	$ 6,447,539	$ ---	$ 2,949	$ ---	$ ---	$ ---	$ 11,844,896	$ 4,365,607
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:															
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	767,328	---	---	---	3,088,960	---	---	---	---	---	---	---	69,195	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	2,030,690	---	---	---	---	---	---	405,350
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	310,343	---	1,184,783	---	---	220,472	---	328,560	---	2,809,638	68,447	---	1,935,439	---
Prepayments	---	---	---	---	---	---	---	2,585,325	---	---	---	---	---	---	---
Restricted assets:															
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 8,928,275	$ 310,343	$ 2,722,250	$ 1,184,783	$ 3,088,960	$ ---	$ 1,448,601	$ 11,063,554	$ 328,560	$ 2,949	$ 2,809,638	$ 68,447	$ 69,195	$ 13,780,335	$ 4,770,957
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)															
Liabilities:															
Accounts payable	$ 105,831	$ ---	$ ---	$ ---	$ ---	$ ---	$ 169	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 244,110
Accrued payroll and other	142,807	---	15,582	---	---	939	---	125,189	---	---	31,537	---	---	19,634	39,824
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	5,983,734	---	903,428	---	3,088,960	2,547	---	3,758,876	---	1	---	---	69,195	5,761,044	3,001,318
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	7,999,657	---
Deposits and other liabilities	---	---	---	---	---	---	210,162	---	---	---	---	---	---	---	---
Total liabilities	6,232,372	---	919,010	---	3,088,960	3,486	210,331	3,884,065	---	1	31,537	---	69,195	13,780,335	3,285,252
Deferred inflows of resources:															
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities and deferred inflows of resources	6,232,372	---	919,010	---	3,088,960	3,486	210,331	3,884,065	---	1	31,537	---	69,195	13,780,335	3,285,252
Fund balances (deficit):															
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	2,695,903	310,343	1,803,240	1,184,783	---	---	1,238,270	7,179,489	328,560	2,948	2,778,101	68,447	---	---	1,485,705
Unassigned	---	---	---	---	---	(3,486)	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	2,695,903	310,343	1,803,240	1,184,783	---	(3,486)	1,238,270	7,179,489	328,560	2,948	2,778,101	68,447	---	---	1,485,705
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 8,928,275	$ 310,343	$ 2,722,250	$ 1,184,783	$ 3,088,960	$ ---	$ 1,448,601	$ 11,063,554	$ 328,560	$ 2,949	$ 2,809,638	$ 68,447	$ 69,195	$ 13,780,335	$ 4,770,957

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	600	642	640	614	231	656				673	692	641	639
	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services	Government Ethics	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Survey Infrastructure and Development	Guam Broadband Infrastructure	Guam Cancer Trust	Guam Charter Schools
ASSETS													
Cash and cash equivalents	$ 1,191,992	$ 522,465	$ ---	$ 228,852	$ ---	$ 3,438,437	$ 1,855	$ 728,763	$ 5,055	$ 573,901	$ ---	30	$ 3,308
Investments	---	---	---	---	---	---	---	16,505,874	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	453,585	---	---	---	---	---	---	---	---	183,384	---	---
Leases	---	---	---	---	---	---	---	1,545,272	---	7,932,221	---	---	---
Other	---	---	---	---	---	---	---	1,119,077	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	1,491,598	272,902	79,974	117,491	745,999	---	---	---	---	---	10,013	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 2,683,590	$ 1,248,952	$ 79,974	$ 346,343	$ 745,999	$ 3,438,437	$ 1,855	$ 19,898,986	$ 5,055	$ 8,506,122	$ 193,397	30	$ 3,308
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ 447	$ ---	$ ---	$ 91,513	$ ---	$ 73,589	$ ---	---	$ ---
Accrued payroll and other	17,051	---	---	---	---	---	---	---	---	9,328	11,601	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	453,585	---	---	---	378,570	---	---	---	723,803	80,575	30	63,761
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	77,410	---	---	---	---	---
Total liabilities	17,051	453,585	---	---	447	378,570	---	168,923	---	806,720	92,176	30	63,761
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	1,344,550	---	7,699,402	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	1,344,550	---	7,699,402	---	---	---
Total liabilities and deferred inflows of resources	17,051	453,585	---	---	447	378,570	---	1,513,473	---	8,506,122	92,176	30	63,761
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	2,666,539	795,367	79,974	346,343	745,552	3,059,867	1,855	18,385,513	5,055	---	101,221	---	---
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	(60,453)
Total fund balances (deficit)	2,666,539	795,367	79,974	346,343	745,552	3,059,867	1,855	18,385,513	5,055	---	101,221	---	(60,453)
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 2,683,590	$ 1,248,952	$ 79,974	$ 346,343	$ 745,999	$ 3,438,437	$ 1,855	$ 19,898,986	$ 5,055	$ 8,506,122	$ 193,397	30	$ 3,308

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	245	608	662	326	651	270	602	241	311	271	634	687
	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Hessler Building Rental	Historic Preservation Archaeological Mitigation	Homeowner's Assistance
ASSETS												
Cash and cash equivalents	$ 1,137,390	$ 395,523	$ 771,668	$ 665,428	$ ---	$ 386,278	$ 7,251,201	$ ---	$ 24,049	$ ---	$ ---	$ 276,126
Investments	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:												
Taxes	---	---	---	---	---	---	2,104,509	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	---	1,364,649	---	1,931	102,251	---	764,290	---	1,372,497	15,035	150,399
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:												
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 1,137,390	$ 395,523	$ 2,136,317	$ 665,428	$ 1,931	$ 488,529	$ 9,355,710	$ 764,290	$ 24,049	$ 1,372,497	$ 15,035	$ 426,525
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)												
Liabilities:												
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 181,957	$ ---	$ ---	$ ---	$ ---	$ ---
Accrued payroll and other	3,001	---	16,579	---	---	---	326,588	3,473	---	---	---	936
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	370,657	71,809	---	570,796	---	---	8,847,165	---	10,907	---	---	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	425,636
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	373,658	71,809	16,579	570,796	---	---	9,355,710	3,473	10,907	---	---	426,572
Deferred inflows of resources:												
Leases	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities and deferred inflows of resources	373,658	71,809	16,579	570,796	---	---	9,355,710	3,473	10,907	---	---	426,572
Fund balances (deficit):												
Restricted	---	---	---	---	---	---	---	---	---	---	---	---
Committed	763,732	323,714	2,119,738	94,632	1,931	488,529	---	760,817	13,142	1,372,497	15,035	---
Unassigned	---	---	---	---	---	---	---	---	---	---	---	(47)
Total fund balances (deficit)	763,732	323,714	2,119,738	94,632	1,931	488,529	---	760,817	13,142	1,372,497	15,035	(47)
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 1,137,390	$ 395,523	$ 2,136,317	$ 665,428	$ 1,931	$ 488,529	$ 9,355,710	$ 764,290	$ 24,049	$ 1,372,497	$ 15,035	$ 426,525

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	652	658	632	351	222	655	223	232	671	653	688	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Litter Control Revolving	Manpower Development	Medical Use of Cannabis	MHSA Services	Non-Entitlement Local Government	Notary Public Revolving	Office of Attorney General
ASSETS													
Cash and cash equivalents	$ ---	$ 715	$ 43	$ 181	$ ---	$ 140	$ ---	$ 13,209,730	$ 11,651	$ ---	$ 13,247,841	$ ---	$ 915,781
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	97,268	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	500	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	53	2,527,981	1,076,643	70	472,853	3,382,671	1,371	---	11,602	2,044,071	---	336,587	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 53	$ 2,528,696	$ 1,076,686	$ 251	$ 472,853	$ 3,480,079	$ 1,371	$ 13,209,730	$ 23,253	$ 2,044,071	$ 13,247,841	$ 337,087	$ 915,781
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	$ ---	$ ---	$ 9	$ ---	$ ---	$ ---	$ ---	$ 1,000	$ ---	$ ---	$ ---	$ ---	$ ---
Accrued payroll and other	---	---	36,252	---	67,219	---	---	71,604	---	---	---	---	---
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	---	---	8,541,664	---	---	2,763,328	---	228,386
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	10,437,571	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	1,814,289	---	---	---	---	---
Total liabilities	---	---	36,261	---	67,219	---	---	10,428,557	---	---	13,200,899	---	228,386
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	44,658	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	44,658	---	---	---	---	---
Total liabilities and deferred inflows of resources	---	---	36,261	---	67,219	---	---	10,473,215	---	---	13,200,899	---	228,386
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	53	2,528,696	1,040,425	251	405,634	3,480,079	1,371	2,736,515	23,253	2,044,071	46,942	337,087	687,395
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	53	2,528,696	1,040,425	251	405,634	3,480,079	1,371	2,736,515	23,253	2,044,071	46,942	337,087	687,395
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 53	$ 2,528,696	$ 1,076,686	$ 251	$ 472,853	$ 3,480,079	$ 1,371	$ 13,209,730	$ 23,253	$ 2,044,071	$ 13,247,841	$ 337,087	$ 915,781

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	650	689	695	212	107	629	211	663	263	644	215	604	620
	Office of Vital Statistics Revolving	Opiod Recovery Trust	Ordot Dump Reserve	Inmate Phone Access	Cannabis	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Recreation Services
ASSETS													
Cash and cash equivalents	$ 39,159	$ 3,953,065	$ ---	$ ---	$ 5,107	$ ---	$ ---	$ 1	$ ---	$ ---	$ 34,752	$ 1,989,018	$ 263,093
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	474,254	---	---	9,754	31,975	664,533	81,622	883,625	1,430,662	4,359	74,762	---	---
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	30,715,554	---	---	---	---	---	---	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ 513,413	$ 3,953,065	$ 30,715,554	$ 9,754	$ 37,082	$ 664,533	$ 81,622	$ 883,626	$ 1,430,662	$ 4,359	$ 109,514	$ 1,989,018	$ 263,093
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Accrued payroll and other	1,763	---	---	---	---	---	---	---	15,714	---	6,815	---	135
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	83,626	---	---	---	---	---	---	---	---	---	368,194	157,327
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities	1,763	83,626	---	---	---	---	---	---	15,714	---	6,815	368,194	157,462
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities and deferred inflows of resources	1,763	83,626	---	---	---	---	---	---	15,714	---	6,815	368,194	157,462
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---
Committed	511,650	3,869,439	30,715,554	9,754	37,082	664,533	81,622	883,626	1,414,948	4,359	102,699	1,620,824	105,631
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	---
Total fund balances (deficit)	511,650	3,869,439	30,715,554	9,754	37,082	664,533	81,622	883,626	1,414,948	4,359	102,699	1,620,824	105,631
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 513,413	$ 3,953,065	$ 30,715,554	$ 9,754	$ 37,082	$ 664,533	$ 81,622	$ 883,626	$ 1,430,662	$ 4,359	$ 109,514	$ 1,989,018	$ 263,093

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	317	285	619	289	601	217	647	284	416	605	625	202	603
	Public Transit	Rabies Prevention	Recycling Revolving	Safe Drinking Water	Safe Homes Safe Streets	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	Stray Dog Revolving	Street Light	Tax Collection
ASSETS													
Cash and cash equivalents	$ ---	$ ---	$ 7,549,922	$ ---	$ ---	$ 114,671	$ ---	$ ---	$ 5,419,275	$ 559,619	$ ---	$ ---	$ ---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Receivables, net:													
Taxes	---	---	---	---	---	---	---	---	---	---	---	---	---
Federal agencies	---	---	---	---	---	---	---	---	---	258,130	---	---	---
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	3,866,403	---	---	---	---
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due from other funds	---	241,093	495,406	142,795	8,750	---	21,480	108,131	---	---	3,408	---	868,618
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---
Restricted assets:													
Cash and cash equivalents	---	---	---	---	---	---	---	---	8,468,238	---	---	---	---
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---
Total assets	$ ---	$ 241,093	$ 8,045,328	$ 142,795	$ 8,750	$ 114,671	$ 21,480	$ 108,131	$ 17,753,916	$ 817,749	$ 3,408	$ ---	$ 868,618
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)													
Liabilities:													
Accounts payable	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 1,033,283	$ ---	$ ---	$ ---	$ ---
Accrued payroll and other	---	---	1,344	---	---	---	---	---	347,702	---	---	---	17,192
Due to component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Due to other funds	---	---	---	---	---	137,223	---	---	1,074,209	394,827	---	19,520	---
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---
Deposits and other liabilities	---	---	---	---	---	---	---	---	192,238	---	---	---	---
Total liabilities	---	---	1,344	---	---	137,223	---	---	2,647,432	394,827	---	19,520	17,192
Deferred inflows of resources:													
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---
Total liabilities and deferred inflows of resources	---	---	1,344	---	---	137,223	---	---	2,647,432	394,827	---	19,520	17,192
Fund balances (deficit):													
Restricted	---	---	---	---	---	---	---	---	7,851,556	---	---	---	---
Committed	---	241,093	8,043,984	142,795	8,750	---	21,480	108,131	7,254,928	422,922	3,408	---	851,426
Unassigned	---	---	---	---	---	(22,552)	---	---	---	---	---	(19,520)	---
Total fund balances (deficit)	---	241,093	8,043,984	142,795	8,750	(22,552)	21,480	108,131	15,106,484	422,922	3,408	(19,520)	851,426
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ ---	$ 241,093	$ 8,045,328	$ 142,795	$ 8,750	$ 114,671	$ 21,480	$ 108,131	$ 17,753,916	$ 817,749	$ 3,408	$ ---	$ 868,618

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet

September 30, 2024

Fund Number	205 Territorial Educational Facilities	208 Territorial Highway	206 Tourist Attraction	257 Truck Enforcement Screening Station Facility	636 Under-ground Storage Tank Management	297 University of Guam Capital Improve-ments	637 Victim/ Witness Travel-Housing	283 Water Protection	300 Water Research and Development	203 Wildlife Conservation	862 Workers Request	310 Workman's Compensation	276 Youth Tobacco Education and Prevention	Total
ASSETS														
Cash and cash equivalents	$ 4,387,461	$ 4,132,041	$ 3,472,328	$ ---	$ 360,002	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 5,849	$ 116,223,498
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	16,851,646
Receivables, net:														
Taxes	595,033	290,759	1,983,671	---	---	---	---	---	---	---	---	---	---	5,078,944
Federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	4,820,582
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	15,080,030
Other	---	---	---	---	---	---	---	---	---	---	---	---	---	7,479,927
Due from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	77,410
Due from other funds	6,462,652	17,148,871	---	582,023	---	500,000	17,386	477,607	147,655	125,050	27,706	1,825,335	15,145	68,888,642
Prepayments	---	---	---	---	---	---	---	---	---	---	---	---	---	2,585,325
Restricted assets:														
Cash and cash equivalents	---	---	---	---	---	---	---	---	---	---	---	---	---	40,599,966
Investments	---	---	---	---	---	---	---	---	---	---	---	---	---	300,000
Total assets	$ 11,445,146	$ 21,571,671	$ 5,455,999	$ 582,023	$ 360,002	$ 500,000	$ 17,386	$ 477,607	$ 147,655	$ 125,050	$ 27,706	$ 1,825,335	$ 20,994	$ 277,985,970
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)														
Liabilities:														
Accounts payable	$ 675	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 5,167,622
Accrued payroll and other	207,096	228,166	---	---	---	---	---	---	---	---	27,706	---	---	1,865,056
Due to component units	---	9,663,700	---	---	---	---	---	---	---	---	---	---	---	9,663,700
Due to other funds	---	---	4,560,242	---	127,750	---	---	---	---	---	---	---	---	54,004,887
Payable to federal agencies	---	---	---	---	---	---	---	---	---	---	---	---	---	24,437,878
Deposits and other liabilities	646	2,016,105	---	---	---	---	---	---	---	---	---	---	---	4,310,850
Total liabilities	208,417	11,907,971	4,560,242	---	127,750	---	---	---	---	---	27,706	---	---	99,449,993
Deferred inflows of resources:														
Leases	---	---	---	---	---	---	---	---	---	---	---	---	---	14,793,766
Deferred revenues	---	---	---	---	---	---	---	---	---	---	---	---	---	44,658
Total deferred inflows	---	---	---	---	---	---	---	---	---	---	---	---	---	14,838,424
Total liabilities and deferred inflows of resources	208,417	11,907,971	4,560,242	---	127,750	---	---	---	---	---	27,706	---	---	114,288,417
Fund balances (deficit):														
Restricted	---	---	---	---	---	---	---	---	---	---	---	---	---	9,568,574
Committed	11,236,729	9,663,700	895,757	582,023	232,252	500,000	17,386	477,607	147,655	125,050	---	1,825,335	20,994	154,240,337
Unassigned	---	---	---	---	---	---	---	---	---	---	---	---	---	(111,358)
Total fund balances (deficit)	11,236,729	9,663,700	895,757	582,023	232,252	500,000	17,386	477,607	147,655	125,050	---	1,825,335	20,994	163,697,553
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 11,445,146	$ 21,571,671	$ 5,455,999	$ 582,023	$ 360,002	$ 500,000	$ 17,386	$ 477,607	$ 147,655	$ 125,050	$ 27,706	$ 1,825,335	$ 20,994	$ 277,985,970

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	674	236	265	667	661	611	266	679	282	624	669	415	646
	Aboveground Storage Tank Management	Accessible Parking	Air Pollution Control	Alcoholic Beverage Compliance Fees and Fines	Arts in Public Buildings	Banking and Insurance Enforcement	Board of Accountancy	Capitol District	CARES Act Unemployment Assistance	Carrier Off-duty Services Revolving	Chamorro Land Trust Operations	Chamorro Land Trust Survey and Infrastructure	Chamorro Loan Guarantee	Child Care Revolving
Revenues:														
Taxes:														
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	---	$ ---	$ ---	$ 212,724	$ ---
Hotel	---	---	---	---		---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	75,800	4,773	137,221	62,585	---	658,588	843,660	---	---	671,273	1,009,198	6,083	---	7,965
Charges for services	---	---	---	---	---	---	---	261,000	---	---	---	---	---	---
Interest and investment earnings	---	---	---	---	---	15	57,173	199	---	---	701	---	98	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	(301)	---	---	573	---	---
Total revenues	75,800	4,773	137,221	62,585	---	658,603	900,833	261,199	(301)	671,273	1,009,899	6,656	212,822	7,965
Expenditures by Function:														
Current:														
General government	---	---	---	1,425	---	124,762	475,842	52,200	---	---	---	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	630,429	---	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	5,300	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	607,422	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	798	---	1,492	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:														
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	225,000	---	---	---	---	---	---	---
Debt service:														
Principal retirement	---	---	---	---	---	---	---	200,039	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	137,161	---	---	---	---	---	---
Total expenditures	798	---	1,492	1,425	5,300	124,762	700,842	389,400	---	630,429	607,422	---	---	---
Excess (deficiency) of revenues over (under) expenditures	75,002	4,773	135,729	61,160	(5,300)	533,841	199,991	(128,201)	(301)	40,844	402,477	6,656	212,822	7,965
Other financing sources (uses):														
Transfers in from other funds	---	---	---	---	---	---	---	352,000	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	352,000	---	---	---	---	---	---
Net change in fund balances (deficit)	75,002	4,773	135,729	61,160	(5,300)	533,841	199,991	223,799	(301)	40,844	402,477	6,656	212,822	7,965
Fund balances (deficit) at beginning of year	325,917	514	165,799	203,135	---	800,178	946,621	619,992	1,145	10,485	1,823,623	236,563	1,449,588	75,297
Fund balances (deficit) at end of year	$ 400,919	$ 5,287	$ 301,528	$ 264,295	$ (5,300)	$ 1,334,019	$ 1,146,612	$ 843,791	$ 844	51,329	$ 2,226,100	$ 243,219	$ 1,662,410	$ 83,262

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	105	250	213	272	690	677	325	209	267	630	235	246	683	681	281
	Community Health Centers	Consumer Protection	Contractors' License Board	Controlled Substance Diversion	CoronaVirus Capital	COVID-19	Criminal Injuries Compensation	Customs, Agriculture and Quarantine Inspection Services	Dededo Buffer Strip Revolving	DLM Building Construction	DPW Building and Design	Drivers' Education	Education Stabilization	Emergency Rental Assistance	Enhanced 911 Emergency Reporting System
Revenues:															
Taxes:															
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	574,055	---	---	---	4,191,271	---	---	---	---	---	---	---	586,456	8,746,137	---
Licenses and permits	2,758,176	---	888,681	252,510	---	---	50,583	7,622,914	---	---	644,909	9,167	---	---	2,228,681
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	---	593	---	---	---	338	966	---	1	---	---	---	---	1,032
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	71,555	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	3,403,786	---	889,274	252,510	4,191,271	---	50,921	7,623,880	---	1	644,909	9,167	586,456	8,746,137	2,229,713
Expenditures by Function:															
Current:															
General government	---	---	814,540	---	80,357	3,486	---	---	---	---	1,301,735	---	586,456	1,604,338	---
Protection of life and property	---	---	---	---	---	---	27,342	5,391,985	---	---	---	---	---	---	3,926,105
Public health	7,440,909	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	7,141,799	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:															
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	4,110,914	---	---	---	---	---	---	---	---	---	---
Debt service:															
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	7,440,909	---	814,540	---	4,191,271	3,486	27,342	5,391,985	---	---	1,301,735	---	586,456	8,746,137	3,926,105
Excess (deficiency) of revenues over (under) expenditures	(4,037,123)	---	74,734	252,510	---	(3,486)	23,579	2,231,895	---	1	(656,826)	9,167	---	---	(1,696,392)
Other financing sources (uses):															
Transfers in from other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Net change in fund balances (deficit)	(4,037,123)	---	74,734	252,510	---	(3,486)	23,579	2,231,895	---	1	(656,826)	9,167	---	---	(1,696,392)
Fund balances (deficit) at beginning of year	6,733,026	310,343	1,728,506	932,273	---	---	1,214,691	4,947,594	328,560	2,947	3,434,927	59,280	---	---	3,182,097
Fund balances (deficit) at end of year	$ 2,695,903	$ 310,343	$ 1,803,240	$ 1,184,783	$ ---	$ (3,486)	$ 1,238,270	$ 7,179,489	$ 328,560	$ 2,948	$ 2,778,101	$ 68,447	$ ---	$ ---	$ 1,485,705

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	600	642	640	614	231	656				673	692	641	639
	Environmental Health	Equitable Sharing Program	Examiner Off-Duty Services	Government Ethics	GFD Capital Revolving	GMHA Healthcare Trust and Development	Guam Ancestral Lands Operations	Guam Ancestral Land Bank	Guam Ancestral Landowners Recovery	Survey Infrastructure and Development	Guam Broadband Infrastructure	Guam Cancer Trust	Guam Charter Schools
Revenues:													
Taxes:													
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	642,100	---	---	---	---	---	---	---
Intergovernmental	---	96,532	---	---	---	---	28,021	---	---	---	532,825	---	---
Licenses and permits	1,630,907	---	24,118	122,560	732,066	---	---	709,706	---	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	333	143	---	58	---	824	2	1,831,300	---	---	---	---	2
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	3,815	---	17	---	---	---	2,000
Total revenues	1,631,240	96,675	24,118	122,618	732,066	642,924	31,838	2,541,006	17	---	532,825	---	2,002
Expenditures by Function:													
Current:													
General government	---	854	---	17,988	---	---	30,811	120,444	---	---	431,604	---	---
Protection of life and property	---	63,409	---	---	709,495	---	---	---	---	---	---	---	---
Public health	1,253,953	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	874,303	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	13,336,958
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	1,253,953	64,263	---	17,988	709,495	---	30,811	120,444	---	874,303	431,604	---	13,336,958
Excess (deficiency) of revenues over (under) expenditures	377,287	32,412	24,118	104,630	22,571	642,924	1,027	2,420,562	17	(874,303)	101,221	---	(13,334,956)
Other financing sources (uses):													
Transfers in from other funds	---	---	---	---	---	---	---	---	---	533,026	---	---	13,274,503
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	---	---	533,026	---	---	13,274,503
Net change in fund balances (deficit)	377,287	32,412	24,118	104,630	22,571	642,924	1,027	2,420,562	17	(341,277)	101,221	---	(60,453)
Fund balances (deficit) at beginning of year	2,289,252	762,955	55,856	241,713	722,981	2,416,943	828	15,964,951	5,038	341,277	---	---	---
Fund balances (deficit) at end of year	$ 2,666,539	$ 795,367	$ 79,974	$ 346,343	$ 745,552	$ 3,059,867	$ 1,855	$ 18,385,513	$ 5,055	$ ---	$ 101,221	$ ---	$ (60,453)

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	245	608	662	326	651	270	602	241	311	271	634	687
	Guam Environmental Trust	Guam Plant Inspection and Permit	Guam Invasive Species Inspection Fee	Guam Preservation Trust	Guam Procurement Advisory Council Support	Health and Human Services	Healthy Futures	Health Professional Licensure	Health and Security Trust	Hessler Building Rental	Historic Preservation Archaeological Mitigation	Homeowner's Assistance
Revenues:												
Taxes:												
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	22,537,418	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	3,916,083	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	754,930
Licenses and permits	251,626	121,888	1,971,104	1,194,348	---	28,000	---	329,104	---	---	---	---
Charges for services	---	---	---	---	---	---	---	---	---	615,024	---	---
Interest and investment earnings	268	92	212	119	---	18,650	775	---	1,167	---	---	(1,689)
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	251,894	121,980	1,971,316	1,194,467	---	46,650	26,454,276	329,104	1,167	615,024	---	753,241
Expenditures by Function:												
Current:												
General government	---	---	---	---	---	2,600	---	---	---	235,257	---	---
Protection of life and property	---	---	---	---	---	---	99,999	---	---	---	---	---
Public health	---	---	---	---	---	---	21,595,468	293,242	---	---	---	---
Community services	---	---	---	---	---	---	4,280,243	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	45,155	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	754,930
Transportation	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	378,326	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	82,684	607,756	---	---	---	---	---	---	---	---	---
Payments to:												
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	1,370,000	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	3,000,000	---	---	---	---	---
Debt service:												
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	378,326	82,684	607,756	1,370,000	---	2,600	28,975,710	293,242	---	235,257	45,155	754,930
Excess (deficiency) of revenues over (under) expenditures	(126,432)	39,296	1,363,560	(175,533)	---	44,050	(2,521,434)	35,862	1,167	379,767	(45,155)	(1,689)
Other financing sources (uses):												
Transfers in from other funds	---	---	---	---	---	---	2,521,434	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	---
Total other financing sources (uses), net	---	---	---	---	---	---	2,521,434	---	---	---	---	---
Net change in fund balances (deficit)	(126,432)	39,296	1,363,560	(175,533)	---	44,050	---	35,862	1,167	379,767	(45,155)	(1,689)
Fund balances (deficit) at beginning of year	890,164	284,418	756,178	270,165	1,931	444,479	---	724,955	11,975	992,730	60,190	1,642
Fund balances (deficit) at end of year	$ 763,732	$ 323,714	$ 2,119,738	$ 94,632	$ 1,931	$ 488,529	$ ---	$ 760,817	$ 13,142	$ 1,372,497	$ 15,035	$ (47)

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	652	658	632	351	222	655	223	232	671	653	688	261	648
	Host Community	Hotel Occupancy Tax Surplus	Indirect Cost	Land Acquisition	Land Survey Revolving	Limited Gaming	Litter Control Revolving	Manpower Development	Medical Use of Cannabis	MHSA Services	Non-Entitlement Local Government	Notary Public Revolving	Office of Attorney General
Revenues:													
Taxes:													
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	1,096,119	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	4,491,583	---	---
Licenses and permits	---	---	---	---	2,225,415	---	---	11,145,999	235	933,403	---	51,450	270,428
Charges for services	---	---	2,068,042	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	---	1	---	---	---	130	---	2,520	2	---	---	---	232
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	---	1	2,068,042	---	2,225,415	1,096,249	---	11,148,519	237	933,403	4,491,583	51,450	270,660
Expenditures by Function:													
Current:													
General government	---	---	1,487,763	---	3,362,272	35	---	---	---	---	---	---	---
Protection of life and property	---	---	---	---	---	---	---	---	---	---	---	---	---
Public health	---	---	---	---	---	---	---	---	200	292,880	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	505,740	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	163,103	---	3,943,630	---	---	4,448,707	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	460,445	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	8,575,461	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	460,445	---	1,487,763	---	3,362,272	668,878	---	12,519,091	200	292,880	4,448,707	---	---
Excess (deficiency) of revenues over (under) expenditures	(460,445)	1	580,279	---	(1,136,857)	427,371	---	(1,370,572)	37	640,523	42,876	51,450	270,660
Other financing sources (uses):													
Transfers in from other funds	460,445	---	---	---	---	---	1,371	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	(346,514)	---	---	---	---	---	---	---
Total other financing sources (uses), net	460,445	---	---	---	---	(346,514)	1,371	---	---	---	---	---	---
Net change in fund balances (deficit)	---	1	580,279	---	(1,136,857)	80,857	1,371	(1,370,572)	37	640,523	42,876	51,450	270,660
Fund balances (deficit) at beginning of year	53	2,528,695	460,146	251	1,542,491	3,399,222	---	4,107,087	23,216	1,403,548	4,066	285,637	416,735
Fund balances (deficit) at end of year	$ 53	$ 2,528,696	$ 1,040,425	$ 251	$ 405,634	$ 3,480,079	$ 1,371	$ 2,736,515	$ 23,253	$ 2,044,071	$ 46,942	$ 337,087	$ 687,395

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	650	689	695	212	107	629	211	663	263	644	215	604	620
	Office of Vital Statistics Revolving	Opiod Recovery Trust	Ordot Dump Reserve	Inmate Phone Access	Cannabis	Pesticide Management	Plant Nursery Revolving	Police Patrol Vehicle and Equipment Revolving	Police Services	Prison Industries Revolving	Professional Engineers', Architects' and Surveyors'	Public Library System	Public Recreation Services
Revenues:													
Taxes:													
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	963,006	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	220,459	---	---	---	16,952	206,467	8,671	344,111	1,077,117	---	277,064	1,159,647	67,455
Charges for services	---	86,466	---	---	---	---	---	---	---	---	---	---	---
Interest and investment earnings	11	982	128,790	---	1	---	---	---	---	---	9	418	63
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	30,586,764	---	---	---	---	---	---	---	---	---	---
Total revenues	220,470	1,050,454	30,715,554	---	16,953	206,467	8,671	344,111	1,077,117	---	277,073	1,160,065	67,518
Expenditures by Function:													
Current:													
General government	---	35	---	---	122	---	---	---	---	---	321,940	---	---
Protection of life and property	---	331,143	---	---	---	---	---	163,870	717,629	---	---	---	---
Public health	83,130	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	40,945
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	---	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	---	---	---	---	---	---	---	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	83,130	331,178	---	---	122	---	---	163,870	717,629	---	321,940	---	40,945
Excess (deficiency) of revenues over (under) expenditures	137,340	719,276	30,715,554	---	16,831	206,467	8,671	180,241	359,488	---	(44,867)	1,160,065	26,573
Other financing sources (uses):													
Transfers in from other funds	---	---	---	---	---	---	---	---	---	---	---	---	---
Transfers out to other funds	---	---	---	---	---	---	---	---	---	---	---	(362,864)	---
Total other financing sources (uses), net	---	---	---	---	---	---	---	---	---	---	---	(362,864)	---
Net change in fund balances (deficit)	137,340	719,276	30,715,554	---	16,831	206,467	8,671	180,241	359,488	---	(44,867)	797,201	26,573
Fund balances (deficit) at beginning of year	374,310	3,150,163	---	9,754	20,251	458,066	72,951	703,385	1,055,460	4,359	147,566	823,623	79,058
Fund balances (deficit) at end of year	$ 511,650	$ 3,869,439	$ 30,715,554	$ 9,754	$ 37,082	$ 664,533	$ 81,622	$ 883,626	$ 1,414,948	$ 4,359	$ 102,699	$ 1,620,824	$ 105,631

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	317	285	619	289	601	217	647	284	416	605	625	202	603
	Public Transit	Rabies Prevention	Recycling Revolving	Safe Drinking Water	Safe Homes Safe Streets	Safe Streets	Section 2718	Solid Waste Management Plan	Solid Waste Operations	Special Assets Forfeiture	Stray Dog Revolving	Street Light	Tax Collection
Revenues:													
Taxes:													
Property	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---
Hotel	---	---	---	---	---	---	---	---	---	---	---	---	---
Liquid fuel	---	---	---	---	---	---	---	---	---	---	---	---	---
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---
Licenses and permits	---	57,045	2,765,746	15,121	---	27,109	---	9,850	---	---	100	4,152,790	1,159,466
Charges for services	3,105	---	---	---	---	---	---	---	25,040,033	---	---	---	---
Interest and investment earnings	---	---	2,079	---	---	27	---	---	378,612	154	---	---	---
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	---	---	---	---	---	---	---	---	---	---
Total revenues	3,105	57,045	2,767,825	15,121	---	27,136	---	9,850	25,418,645	154	100	4,152,790	1,159,466
Expenditures by Function:													
Current:													
General government	---	---	---	---	---	---	---	---	---	---	---	4,172,310	931,210
Protection of life and property	---	---	---	---	---	50,291	---	---	---	153,238	---	---	---
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---
Community services	---	---	---	---	---	---	---	---	---	---	---	---	---
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---
Individual and collective rights	---	---	---	---	---	---	---	---	---	---	---	---	---
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---
Transportation	189,207	---	---	---	---	---	---	---	---	---	---	---	---
Public education	---	---	---	---	---	---	---	---	---	---	---	---	---
Environmental protection	---	---	1,189,896	3,980	---	---	---	9,300	19,126,940	---	---	---	---
Economic development	---	---	---	---	---	---	---	---	---	---	---	---	---
Payments to:													
Guam Community College	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---
Guam Visitors Bureau	---	---	---	---	---	---	---	---	---	---	---	---	---
University of Guam	---	---	---	---	---	---	---	---	---	---	---	---	---
Debt service:													
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---
Total expenditures	189,207	---	1,189,896	3,980	---	50,291	---	9,300	19,126,940	153,238	---	4,172,310	931,210
Excess (deficiency) of revenues over (under) expenditures	(186,102)	57,045	1,577,929	11,141	---	(23,155)	---	550	6,291,705	(153,084)	100	(19,520)	228,256
Other financing sources (uses):													
Transfers in from other funds	186,102	---	---	---	---	---	---	---	385,624	---	---	---	---
Transfers out to other funds	---	---	(385,624)	---	---	---	---	---	(3,508,278)	---	---	---	---
Total other financing sources (uses), net	186,102	---	(385,624)	---	---	---	---	---	(3,122,654)	---	---	---	---
Net change in fund balances (deficit)	---	57,045	1,192,305	11,141	---	(23,155)	---	550	3,169,051	(153,084)	100	(19,520)	228,256
Fund balances (deficit) at beginning of year	---	184,048	6,851,679	131,654	8,750	603	21,480	107,581	11,937,433	576,006	3,308	---	623,170
Fund balances (deficit) at end of year	$ ---	$ 241,093	$ 8,043,984	$ 142,795	$ 8,750	$ (22,552)	$ 21,480	$ 108,131	$ 15,106,484	$ 422,922	$ 3,408	$ (19,520)	$ 851,426

(continued)

Government of Guam

Nonmajor Governmental Funds - Special Revenue Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	205 Territorial Educational Facilities	208 Territorial Highway	206 Tourist Attraction	257 Truck Enforcement Screening Station Facility	636 Under-ground Storage Tank Management	297 University of Guam Capital Improve-ments	637 Victim/ Witness Travel-Housing	283 Water Protection	300 Water Research and Development	203 Wildlife Conservation	862 Workers Request	310 Workman's Compensation	276 Youth Tobacco Education and Prevention	Total
Revenues:														
Taxes:														
Property	$ 36,036,381	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ 36,249,105
Hotel	---	---	33,973,452	---	---	---	---	---	---	---	---	---	---	33,973,452
Liquid fuel	---	1,686,883	---	---	---	---	---	---	---	---	---	---	---	1,686,883
Tobacco	---	---	---	---	---	---	---	---	---	---	---	---	---	22,537,418
Alcoholic beverages	---	---	---	---	---	---	---	---	---	---	---	---	---	3,916,083
Limited gaming	---	---	---	---	---	---	---	---	---	---	---	---	---	1,738,219
Intergovernmental	---	---	---	---	---	---	---	---	---	---	---	---	---	20,964,816
Licenses and permits	---	10,301,660	---	29,800	79,069	---	10,680	59,629	83,630	19,950	---	---	8,000	61,832,712
Charges for services	---	---	---	---	---	---	---	---	---	---	---	---	---	28,073,670
Interest and investment earnings	1,142	760	261,795	---	94	---	---	---	---	---	---	---	284	2,691,478
Contributions from component units	---	---	---	---	---	---	---	---	---	---	---	86,470	---	86,470
Other	---	---	---	---	---	---	---	---	---	---	---	1,811,851	---	32,476,274
Total revenues	36,037,523	11,989,303	34,235,247	29,800	79,163	---	10,680	59,629	83,630	19,950	---	1,898,321	8,284	246,226,580
Expenditures by Function:														
Current:														
General government	---	5,521,393	13,270	---	---	---	---	---	---	---	---	---	800	21,695,849
Protection of life and property	---	2,310,764	---	---	---	---	18,878	---	---	---	---	---	---	14,594,577
Public health	---	---	---	---	---	---	---	---	---	---	---	---	---	30,959,782
Community services	1,175,033	---	---	---	---	---	---	---	---	---	---	---	---	5,460,576
Recreation	---	---	---	---	---	---	---	---	---	---	---	---	---	591,840
Individual and collective rights	335,505	---	---	---	---	---	---	---	---	---	---	490,962	---	10,863,632
Public welfare	---	---	---	---	---	---	---	---	---	---	---	---	---	7,896,729
Transportation	---	5,801,171	---	---	---	---	---	---	---	---	---	---	---	5,990,378
Public education	8,485,584	---	---	---	---	---	---	---	---	---	---	---	---	21,822,542
Environmental protection	---	---	---	---	7,128	---	---	56,000	80,000	---	---	---	---	21,314,305
Economic development	---	---	---	---	---	---	---	---	---	4,413	---	---	---	694,853
Payments to:														
Guam Community College	200,400	---	---	---	---	---	---	---	---	---	---	---	---	8,775,861
Guam Preservation Trust	---	---	---	---	---	---	---	---	---	---	---	---	---	1,370,000
Guam Visitors Bureau	---	---	30,382,970	---	---	---	---	---	---	---	---	---	---	30,382,970
University of Guam	---	---	---	---	---	500,000	---	---	---	---	---	---	---	7,835,914
Debt service:														
Principal retirement	---	---	---	---	---	---	---	---	---	---	---	---	---	200,039
Interest and fiscal charges	---	---	---	---	---	---	---	---	---	---	---	---	---	137,161
Total expenditures	10,196,522	13,633,328	30,396,240	---	7,128	500,000	18,878	56,000	80,000	4,413	---	490,962	800	190,587,008
Excess (deficiency) of revenues over (under) expenditures	25,841,001	(1,644,025)	3,839,007	29,800	72,035	(500,000)	(8,198)	3,629	3,630	15,537	---	1,407,359	7,484	55,639,572
Other financing sources (uses):														
Transfers in from other funds	---	12,327,342	---	---	---	1,000,000	---	---	---	---	---	417,976	---	31,459,823
Transfers out to other funds	(17,114,953)	(1,019,617)	(2,943,250)	---	---	---	---	---	---	---	---	---	---	(25,681,100)
Total other financing sources (uses), net	(17,114,953)	11,307,725	(2,943,250)	---	---	1,000,000	---	---	---	---	---	417,976	---	5,778,723
Net change in fund balances (deficit)	8,726,048	9,663,700	895,757	29,800	72,035	500,000	(8,198)	3,629	3,630	15,537	---	1,825,335	7,484	61,418,295
Fund balances (deficit) at beginning of year	2,510,681	---	---	552,223	160,217	---	25,584	473,978	144,025	109,513	---	---	13,510	102,279,258
Fund balances (deficit) at end of year	$ 11,236,729	$ 9,663,700	$ 895,757	$ 582,023	$ 232,252	$ 500,000	$ 17,386	$ 477,607	$ 147,655	$ 125,050	$ ---	$ 1,825,335	$ 20,994	$ 163,697,553

Government of Guam

Nonmajor Governmental Funds - Capital Project Funds

September 30, 2024

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. A brief discussion of GovGuam's nonmajor governmental funds - capital projects funds as of September 30, 2024, follows:

Limited Obligation Highway Improvement Bonds Fund - This fund is used to account for the construction of highway improvement projects from Limited Obligation Highway Improvement bond proceeds.

Limited Obligation Infrastructure Improvement Bonds Fund - This fund is used to account for the construction of capital improvement projects from Limited Obligation Infrastructure Improvement bond proceeds.

Layon Landfill Fund - This fund is used to account for bond proceeds issued by GovGuam for the purpose of financing facilities of the Solid Waste Management System of Guam.

Layon Landfill Cell 3 Fund – This fund is used to account for bond proceeds issued by GovGuam for the purpose of financing Cell 3 for Solid Waste management System of Guam.

Ordot Chalan Pago Multi-Purpose Center – This fund is used to account for the construction of the Ordot Chalan Pago Multi-Purpose Center.

Judicial Building Fund - This fund is used to account for the construction of miscellaneous capital improvements of the Superior Court of Guam and to redeem loan principal and to pay loan interest as such becomes due.

Government of Guam

Nonmajor Governmental Funds - Capital Projects Funds
Combining Balance Sheet

September 30, 2024

Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	258 Layon Landfill Cell 3	684 Ordot Chalan Pago Multi-Purpose Center	Judicial Building	Total
ASSETS:							
Cash and cash equivalents	$ ---	$ ---	$ ---	$ ---	$ ---	$ 2,591,888	$ 2,591,888
Due from other funds	175,899	---	---	---	159,633	---	335,532
Deposits and other assets	---	---	---	---	---	1,000	1,000
Restricted assets:							
Cash and cash equivalents	---	62,044	---	293,570	---	---	355,614
Investments	---	3,841,033	---	---	---	902,104	4,743,137
Total assets	$ 175,899	$ 3,903,077	$ ---	$ 293,570	$ 159,633	$ 3,494,992	$ 8,027,171
LIABILITIES AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts payable	$ ---	$ 1,788	$ ---	$ ---	$ ---	$ 1,640	$ 3,428
Due to other funds	---	93,084	8,531	6,597	---	1,329,477	1,437,689
Deposits and other liabilities	---	---	---	---	159,633	---	159,633
Total liabilities	---	94,872	8,531	6,597	159,633	1,331,117	1,600,750
Fund balances (deficit):							
Restricted	175,899	3,808,205	---	286,973	---	2,163,875	6,434,952
Unassigned	---	---	(8,531)	---	---	---	(8,531)
	175,899	3,808,205	(8,531)	286,973	---	2,163,875	6,426,421
Total liabilities and fund balances (deficit)	$ 175,899	$ 3,903,077	$ ---	$ 293,570	$ 159,633	$ 3,494,992	$ 8,027,171

Government of Guam

Nonmajor Govenmental Funds - Capital Projects Funds
Combining Statement of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

Fund Number	224 Limited Obligation Highway Improvement Bonds	251 Limited Obligation Infrastructure Improvement Bonds	254 Layon Landfill	258 Layon Landfill Cell 3	684 Ordot Chalan Pago Multi-Purpose Center	Judicial Building	Total
Revenues:							
Licenses and permits	$ ---	$ ---	$ ---	$ ---	$ 796,790	$ 672,186	$ 1,468,976
Fines and forfeits	---	---	---	---	---	456,147	456,147
Interest and investment earnings	---	351,006	---	14,231	---	---	365,237
Total revenues	---	351,006	---	14,231	796,790	1,128,333	2,290,360
Expenditures by function:							
Current:							
Individual and collective rights	---	---	---	---	---	546,010	546,010
Capital projects	---	2,451,655	---	---	744,739	519,122	3,715,516
Debt service:							
Principal retirement	---	---	---	---	---	236,789	236,789
Interest and fiscal charges	---	---	---	---	---	423,251	423,251
Total expenditures	---	2,451,655	---	---	744,739	1,725,172	4,921,566
Net change in fund balances (deficit)	---	(2,100,649)	---	14,231	52,051	(596,839)	(2,631,206)
Fund balances (deficit) at beginning of year	175,899	5,908,854	(8,531)	272,742	(52,051)	2,760,714	9,057,627
Fund balances (deficit) at end of year	$ 175,899	$ 3,808,205	$ (8,531)	$ 286,973	$ ---	$ 2,163,875	$ 6,426,421

Government of Guam

Nonmajor Governmental Funds - Debt Service Funds

September 30, 2024

Debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment. A brief discussion of GovGuam's nonmajor governmental funds - debt service funds as of September 30, 2024, follows:

Limited Obligation Infrastructure Improvement Bonds Fund - This fund is used to account for funds required by the Limited Obligation Infrastructure Improvement bond indenture to redeem bond principal and to pay bond interest as such becomes due.

Government of Guam

Fiduciary Funds - Pension Trusts

September 30, 2024

Pension trusts are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans and defined contribution plans. A brief discussion of GovGuam's fiduciary funds - pension trusts as of September 30, 2024, follows:

Defined Benefit Plan - GovGuam participates in the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan administered by the GovGuam Retirement Fund (GGRF). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995 as well as plan members enrolled in the DB 1.75 Plan.

Defined Contribution Plan - All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS) administered by GGRF.

Deferred Section 457 Compensation Plan - a nonqualified deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. Participation is voluntary for GovGuam employees who are members of the Defined Benefit Plan and the Defined Contribution Plan and mandatory for GovGuam employees who are members of the DB 1.75 Plan.

Government of Guam

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Pension (and Other Employee Benefit) Trusts

September 30, 2024

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
ASSETS				
Cash and cash equivalents	$ 13,280,191	$ 2,224,131	$ 430,180	$ 15,934,502
Investments at fair value:				
Common stocks	1,675,065,102	---	---	1,675,065,102
U.S. Government securities	403,835,085	---	---	403,835,085
Corporate bonds and notes	258,020,356	---	---	258,020,356
Money market funds	19,453,767	---	---	19,453,767
Mutual funds	42,421,944	451,093,083	176,983,852	670,498,879
Total investments	2,398,796,254	451,093,083	176,983,852	3,026,873,189
Accounts receivable:				
Employer contributions, net	4,449,520	403,995	---	4,853,515
Member contributions	904,343	402,514	1,147,584	2,454,441
Interest and penalties on contributions	95,356	---	---	95,356
Accrued investment income	6,884,823	---	---	6,884,823
Due from brokers for unsettled trades	605,110	---	---	605,110
Service credits	2,559,697	---	---	2,559,697
Other	769,176	82,949	6,395,484	7,247,609
Due from DC plan	599,850	---	---	599,850
Total receivables	16,867,875	889,458	7,543,068	25,300,401
Capital assets	1,172,972	7,390	---	1,180,362
Total assets	2,430,117,292	454,214,062	184,957,100	3,069,288,454
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources from pensions	1,141,635	353,878	---	1,495,513
Deferred outflows of resources from OPEB	2,199,127	---	---	2,199,127
Total deferred outflows of resources	3,340,762	353,878	---	3,694,640
LIABILITIES				
Accounts payable and accrued expenses	4,842,487	643,989	---	5,486,476
Due to DB plan	---	599,850	---	599,850
Due to brokers for unsettled trades	3,520,116	---	---	3,520,116
Net pension liability	5,534,909	455,671	---	5,990,580
OPEB liability	10,173,626	---	---	10,173,626
Total liabilities	24,071,138	1,699,510	---	25,770,648
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources from pensions	190,759	199,410	---	390,169
Deferred inflows of resources from OPEB	3,705,376	---	---	3,705,376
Total deferred inflows of resources	3,896,135	199,410	---	4,095,545
NET POSITION				
Restricted for:				
Employees' pension benefits	$ 2,405,490,781	$ 452,669,020	$ 184,957,100	$ 3,043,116,901

Government of Guam

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension (and Other Employee Benefit) Trusts

Year ended September 30, 2024

	Defined Benefit	Defined Contribution	Deferred Section 457 Compensation	Total
Additions:				
Contributions:				
Employer	$ 167,809,996	$ 18,988,959	$ ---	$ 186,798,955
Member	36,458,165	18,891,399	19,180,266	74,529,830
Total contributions	204,268,161	37,880,358	19,180,266	261,328,785
Net investment income:				
Net increase in fair value of investments	419,499,135	80,299,916	10,213,982	510,013,033
Interest	29,289,475	16,955,124	8,177,303	54,421,902
Dividends	17,400,279	---	---	17,400,279
Other	522,858	242,438	---	765,296
Total investment income	466,711,747	97,497,478	18,391,285	582,600,510
Less: investment expenses	6,074,152	157,024	668,500	6,899,676
Net investment income	460,637,595	97,340,454	17,722,785	575,700,834
Total additions	664,905,756	135,220,812	36,903,051	837,029,619
Deductions:				
Benefits	255,171,862	---	7,151,017	262,322,879
Refunds	3,352,557	25,124,757	---	28,477,314
Interest on refunded contributions	519,638	---	---	519,638
Administrative and general expenses	6,724,091	2,208,195	---	8,932,286
Total deductions	265,768,148	27,332,952	7,151,017	300,252,117
Change in net position held in trust for employees' pension benefits	399,137,608	107,887,860	29,752,034	536,777,502
Net transfers from DC to DB Plan	132,711,988	(132,711,988)	---	---
Net position at beginning of year	1,873,641,185	477,493,148	155,205,066	2,506,339,399
Net position at end of year	$ 2,405,490,781	$ 452,669,020	$ 184,957,100	$ 3,043,116,901

Government of Guam

Fiduciary Funds – Private Purpose Trusts

September 30, 2024

Private purpose trusts are used to report any trust arrangement not properly reported in a pension trust fund or an investment trust fund under which principal and income benefit individuals, private organizations, or other governments. A brief discussion of GovGuam's fiduciary funds - private purpose trusts as of September 30, 2024, follows:

Trust Fund - this fund was established to account for judgments compelling individuals to award payments arising from various civil and criminal cases.

Traffic Court Trust Fund - this fund was established to account for deposits made by accused traffic offenders who are contesting charges against them.

Guardianship Trust Fund - this fund was established by Public Law 25-103 to account for the financial affairs of individuals for whom the Court has been petitioned to act as a guardian.

Land Condemnation Trust Fund - this fund was established as an escrow account for governmental land acquisitions.

Jury Trust Fund - this fund was established by Public Law 19-28 to account for funds awarded and to be awarded to citizens who serve on juries. Funding is derived from local appropriations.

Judicial Client Service Trust Fund - this fund was established by Public Law 27-55 to account for funds collected for: (i) the appointment of Counsel of Indigent Defendants including, but not limited to, attorney fees, investigator fees, interpreter fees, expert fees, jury fees, and any other related expenses approved by the Superior Court of Guam or the Supreme Court of Guam; (ii) Law Enforcement Escort Costs; and (iii) operations of Erica's House.

Safe Streets Trust Fund - this fund was established by Public Law 34-107 to account for the operations of the Driving While Intoxicated Court program.

PDSC Land Claims Trust Fund - this fund was established to account for land claims adjudication assisted by the Public Defender.

Government of Guam

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Fiduciary Net Position

September 30, 2024

	20	21	22	23	24	25	26			
	PDSC Land Claims Trust	Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total
ASSETS:											
Cash and cash equivalents	$ 13,593	$ 11,304,032	$ 9,595	$ 2,732,571	$ 1,603,606	$ 220,001	$ 1,730,623	$ 7	$ 17,614,028	$ ---	$ 17,614,028
Due from other funds	---	---	55,643	---	66	38,094	151,716	32,077	277,596	(277,596)	---
Total assets	13,593	11,304,032	65,238	2,732,571	1,603,672	258,095	1,882,339	32,084	17,891,624	(277,596)	17,614,028
LIABILITIES											
Due to other funds	---	339,713	---	192,891	---	---	---	---	532,604	(277,596)	255,008
Deposits and other liabilities	12,710	10,964,319	65,238	2,539,680	1,603,672	212,719	480,567	32,084	15,910,989	---	15,910,989
Total liabilities	12,710	11,304,032	65,238	2,732,571	1,603,672	212,719	480,567	32,084	16,443,593	(277,596)	16,165,997
NET POSITION											
Restricted for:											
Individuals, organizations, and other governments	$ 883	$ ---	$ ---	$ ---	$ ---	$ 45,376	$ 1,401,772	$ ---	$ 1,448,031	$ ---	$ 1,448,031

Government of Guam

Fiduciary Funds - Private Purpose Trusts
Combining Statement of Changes in Fiduciary Net Position

Year ended September 30, 2024

		20	21	22	23	24	25	26			
	PDSC Land Claims Trust	Trust	Traffic Court Trust	Guardianship Trust	Land Condemnation Trust	Jury Trust	Judicial Client Service Trust	Safe Streets Trust	Combined Total	Eliminating Entries	Total
Additions:											
Use of money and property	$ 42	$ ---	$ ---	$ ---	$ ---	$ 235	$ 1,459,490	$ 122,644	$ 1,582,411	$ ---	$ 1,582,411
Transfers in from other funds	---	---	---	---	---	496,552	20,475	43,893	560,920	(560,920)	---
Total additions	42	---	---	---	---	496,787	1,479,965	166,537	2,143,331	(560,920)	1,582,411
Deductions:											
Individual and collective rights	---	---	---	---	---	496,552	1,486,148	146,062	2,128,762	---	2,128,762
Transfers out to other funds	---	---	---	---	---	---	540,445	20,475	560,920	(560,920)	---
Total deductions	---	---	---	---	---	496,552	2,026,593	166,537	2,689,682	(560,920)	2,128,762
Change in net position held in trust for individuals, organizations, and other governments	42	---	---	---	---	235	(546,628)	---	(546,351)	---	(546,351)
Net position at beginning of year	841	---	---	---	---	45,141	1,948,400	---	1,994,382	---	1,994,382
Net position at end of year	$ 883	$ ---	$ ---	$ ---	$ ---	$ 45,376	$ 1,401,772	$ ---	$ 1,448,031	$ ---	$ 1,448,031

Government of Guam

Fiduciary Funds – Custodial

September 30, 2024

Custodial funds are used to report resources held by GovGuam in a purely custodial capacity.

Government of Guam

Nonmajor Component Units

September 30, 2024

Component units are legally separate organizations for which the elected officials of GovGuam are financially accountable. Nonmajor component units are defined as those component units whose activities are not significant or material to that of the primary government or to all component units as a whole. Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi - business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds. Generally accepted accounting principles are generally those applicable to similar businesses in the private sector: the measurement focus is on determination of the change in net position, financial position and cash flows. A brief discussion of GovGuam's nonmajor component units as of September 30, 2024, follows:

Guam Housing Corporation (GHC) - GHC was organized under the authority of Public Law 8-80 to promote the general welfare of GovGuam by encouraging investment in and development of low-cost housing. GHC provides for its operating needs by charging points on its low-cost loans. Interest rates are determined by its Board of Directors. GovGuam has the ability to impose its will on GHC.

Guam Economic Development Authority (GEDA) - GEDA was created to assist in the implementation of an integrated program for the economic development of Guam. Enabling legislation set forth several specific purposes for the establishment of GEDA to include:

a) Aiding private enterprise without competing with it;
b) Expansion of the money supply to finance housing facilities; and
c) Providing the means necessary for acquisition of hospital facilities.

To accomplish the stated purposes, GEDA is authorized to conduct research of, invest in, provide loans to operate and provide technical assistance to industries and/or agricultural projects; issue revenue bonds; obtain Government of Guam land; purchase mortgages; and recommend to the Governor of Guam businesses qualifying for tax rebates and abatements. GEDA utilizes certain Trust Funds, such as the Guam Development Fund Act and the Agricultural Development Fund to accomplish certain of the stated purposes.

Guam Preservation Trust (GPT) - This fund was created by Public Law 20-151 to establish a program for historic preservation at all levels of government and to promote the use and conservation of such preservations for education, inspiration, pleasure and enrichment of the residents of the Territory. GovGuam has the ability to impose its will on GPT.

Guam Visitors Bureau (GVB) - GVB is a public corporation created for the purpose of promoting the visitor industry in Guam. Funding is provided from transfers of appropriations from the Tourist Attraction Fund and interest income. GovGuam provides financial support to GVB through legislative appropriations.

Guam Educational Telecommunications Corporation (GETC) - GETC, also known as KGTF-TV, was created as a public corporation by Public Law 12-194, as approved on January 2, 1975. The law sets forth the purpose of the Corporation to present educational television to the people of Guam and involve the people of Guam in its activities to the maximum extent possible. Funding is primarily derived from appropriations from the General Fund, community service grants and contributions from the public. GovGuam provides financial support to GETC through legislative appropriations.

Government of Guam

Nonmajor Component Units
Combining Statement of Net Position

September 30, 2024

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm-unications Corporation	Total
ASSETS						
Cash and cash equivalents	$ 6,684,102	$ 24,315,519	$ 2,376,834	$ 22,874,253	$ 2,264,218	$ 58,514,926
Investments	---	32,370,811	2,991,594	1,590,428	---	36,952,833
Receivables, net	24,649,198	31,399,762	364,814	30,022	106,419	56,550,215
Due from primary government	---	---	---	5,102,817	---	5,102,817
Prepayments	60,026	---	---	31,154	---	91,180
Deposits and other assets	102,082	61,206	---	45,078	99,815	308,181
Restricted assets:						
Cash and cash equivalents	4,385,351	6,046,694	---	14,816,354	---	25,248,399
Investments	168,168	---	---	---	---	168,168
Capital assets:						
Nondepreciable capital assets	2,934,227	---	11,259,667	5,992,415	18,000	20,204,309
Capital assets, net of accumulated depreciation	3,773,650	686,275	30,233	889,341	1,425,004	6,804,503
Total assets	42,756,804	94,880,267	17,023,142	51,371,862	3,913,456	209,945,531
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	1,095,449	1,961,583	---	2,937,546	529,006	6,523,584
Deferred outflows from OPEB	1,562,292	2,290,660	---	1,538,397	919,397	6,310,746
Total deferred outflows of resources	2,657,741	4,252,243	---	4,475,943	1,448,403	12,834,330
LIABILITIES						
Accounts payable	298,577	35,810	244,901	2,928,470	10,361	3,518,119
Accrued interest payable	10,973	424,687	---	---	---	435,660
Accrued payroll and other	---	401,452	---	446,735	---	848,187
Due to primary government	---	77,410	---	---	---	77,410
Unearned revenue	1,626,886	108,588	---	14,550,979	618,084	16,904,537
Deposits and other liabilities	247,035	18,322	8,000	65,001	20,860	359,218
Long-term liabilities:						
Due within one year	398,726	1,922,626	36,144	219,547	203,956	2,780,999
Due in more than one year	13,426,788	44,702,650	24,080	14,211,552	3,452,573	75,817,643
Total liabilities	16,008,985	47,691,545	313,125	32,422,284	4,305,834	100,741,773
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	382,645	245,890	---	269,449	75,795	973,779
Deferred inflows from OPEB	2,041,819	1,704,397	---	2,277,327	984,339	7,007,882
Deferred inflows from leases	---	27,964,249	---	---	---	27,964,249
Total deferred inflows of resources	2,424,464	29,914,536	---	2,546,776	1,060,134	35,945,910
NET POSITION						
Net investment in capital assets	6,707,877	686,275	1,381,685	6,881,756	1,443,004	17,100,597
Restricted:						
Other purposes	4,719,385	6,046,694	13,577,004	226,073	---	24,569,156
Unrestricted (deficit)	15,553,834	14,793,460	1,751,328	13,770,916	(1,447,113)	44,422,425
Total net position	$ 26,981,096	$ 21,526,429	$ 16,710,017	$ 20,878,745	$ (4,109)	$ 86,092,178

Government of Guam

Nonmajor Component Units
Combining Statement of Revenues, Expenses, and Changes in Net Position

Year ended September 30, 2024

	Guam Housing Corporation	Guam Economic Development Authority	Guam Preservation Trust	Guam Visitors Bureau	Guam Educational Telecomm-unications Corporation	Total
Expenses	$ 3,505,533	$ 8,547,562	$ 2,106,906	$ 27,205,310	$ 2,704,693	$ 44,070,004
Program revenues:						
Charges for services	2,663,498	4,807,790	249,659	564,829	295,816	8,581,592
Operating grants and contributions	---	666,111	74,496	---	798,109	1,538,716
Total program revenues	2,663,498	5,473,901	324,155	564,829	1,093,925	10,120,308
Net program revenues (expenses)	(842,035)	(3,073,661)	(1,782,751)	(26,640,481)	(1,610,768)	(33,949,696)
General revenues:						
Payments from GovGuam	412,305	---	1,194,808	30,356,848	805,029	32,768,990
Investment earnings	---	7,150,641	584,741	148,053	794	7,884,229
Other	---	---	---	2,071,336	---	2,071,336
Total general revenues	412,305	7,150,641	1,779,549	32,576,237	805,823	42,724,555
Change in net position	(429,730)	4,076,980	(3,202)	5,935,756	(804,945)	8,774,859
Net position at beginning of year	27,410,826	17,449,449	16,713,219	14,942,989	800,836	77,317,319
Net position at the end of the year	$ 26,981,096	$ 21,526,429	$ 16,710,017	$ 20,878,745	$ (4,109)	$ 86,092,178

Government of Guam

Other Information

September 30, 2024

A brief discussion of other information presented for additional analysis as of September 30, 2024, follows:

Charter Schools:
- iLearn Academy Charter School:
- Guahan Academy Charter School:
  - Combining Balance Sheet
  - Combining Statement of Revenues, Expenditures By Object and Changes in Fund Balance (Deficit)

Schedule of Personnel Count:
- Primary Government

Schedule of Continuing Appropriations:
- Primary Government

Government of Guam

Charter Schools
Combining Balance Sheet

September 30, 2024

	iLearn Academy Charter School	Guahan Academy Charter School	Total
ASSETS			
Cash and cash equivalents	$ 298,615	$ 779,546	$ 1,078,161
Receivables, net:			
Other	8,802	409,206	418,008
Inventories	41,769	-	41,769
Prepayments	-	-	-
Deposits and other assets	-	128,183	128,183
Total assets	$ 349,186	$ 1,316,935	$ 1,666,121
LIABILITIES AND FUND BALANCE			
Accounts payable	$ 11,611	$ 614,952	$ 626,563
Accrued payroll and other	-	-	-
Deposits and other liabilities	-	-	-
Total liabilities	11,611	614,952	626,563
Fund balance:			
Unassigned	337,575	701,983	1,039,558
Total fund balance	337,575	701,983	1,039,558
Total liabilities and fund balance	$ 349,186	$ 1,316,935	$ 1,666,121

Government of Guam

Charter Schools
Combining Statement of Revenues, Expenditures By Object, and Changes in Fund Balances (Deficit)

Year ended September 30, 2024

	iLearn Academy Charter School	Guahan Academy Charter School	Total
Revenues:			
Charges for services	$ 6,088,091	$ 4,951,128	$ 11,039,219
Operating grants and contributions	948,551	552,267	1,500,818
Other	115,728	463,962	579,690
Charges for services	7,152,370	5,967,357	13,119,727
Expenditures by Object:			
Salaries and wages - regular	2,678,433	-	2,678,433
Contractual services	21,522	-	21,522
Miscellaneous	4,131,123	5,419,664	9,550,787
Total expenditures	6,831,078	5,419,664	12,250,742
Net change in fund balances	321,292	547,693	868,985
Fund balances at beginning of year	16,283	154,290	170,573
Fund balances at end of year	$ 337,575	$ 701,983	$ 1,039,558

Government of Guam

Schedule of Personnel Count - Primary Government

Year ended September 30, 2024

Department	Number of Employees	Amount
Bureau of Budget and Management Research	13	1,457,790
Bureau of Statistics and Plans	28	2,934,110
Bureau of Women's Affairs	2	186,486
Chamorro Land Trust Commission	9	715,350
Chief Medical Examiner	2	436,135
Civil Service Commission	10	1,092,668
Customs and Quarantine	178	15,201,863
Department of Administration	117	11,174,397
Department of Agriculture	115	6,955,446
Department of Chamorro Affairs	27	1,077,379
Department of Corrections	222	24,716,700
Department of Education	3,205	186,121,589
Department of Integrated Services for Individuals with Disabilities	33	1,683,796
Department of Labor	187	13,155,317
Department of Land Management	35	2,967,338
Department of Military Affairs	62	5,260,611
Department of Parks and Recreation	57	3,397,392
Department of Public Health and Social Services	506	41,113,480
Department of Public Works	242	19,180,582
Department of Revenue and Taxation	155	12,324,526
Department of Youth Affairs	71	7,727,644
Guam Behavioral Health and Wellness Center	272	22,712,886
Guam Commission for Educator Certification	3	179,281
Guam Council on the Arts and Humanities Agency	5	607,709
Guam Educational and Telecommunications Corporation - KGTF	10	705,239
Guam Election Commission	18	1,523,378
Guam Energy Office	13	827,874
Guam Environmental Protection Agency	54	4,691,325
Guam Ethics Commission	4	333,987
Guam Fire Department	250	35,670,260
Guam Legislature	147	5,815,741
Guam Police Department	361	42,624,263
Guam Public Library System	15	1,001,355
Guam Regional Transit Authority	47	3,429,784
Guam Solid Waste Authority	73	3,845,301
Hagatna Restoration and Redevelopment	3	178,021
Mayors' Council of Guam	244	10,901,008
Office of I Maga'Hagan Guahan	109	9,526,883
Office of I Segundu Na Maga'Lahen Guahan	17	948,724
Office of Public Accountability	18	1,616,876
Office of Technology	20	1,653,650
Office of the Attorney General	185	15,121,651
Public Defender Service Corporation	69	5,816,787
Post Commission	1	110,315
State Homeland Security Program	37	2,299,282
Unified Courts of Guam	425	37,837,107
Veteran's Affairs Office	19	874,747
	7,695	$ 569,734,033

Funding Source	Amount
General Fund	$ 354,445,606
Federal Grants Assistance Fund	67,824,960
ARPA Assistance	7,491,224
GDOE Federal Grants Fund	69,326,147
Other Governmental Funds	70,646,096
	$ 569,734,033

Government of Guam

Schedule of Continuing Appropriations - Primary Government
Year ended September 30, 2024

Department	Amount
Bureau of Budget and Management Research	$ -
Bureau of Statistics and Plans	8,770,517
Bureau of Women's Affairs	-
CAHA (Council of Arts and Humanities)	24,400
Chamorro Land Trust Commission	275
Chief Medical Examiner	111,646
Civil Service Commission	-
Customs and Quarantine	1,407,521
Department of Administration	294,468
Department of Agriculture	3,219,092
Department of Chamorro Affairs	53,246
Department of Corrections	364,030
Department of Integrated Services for Individuals with Disabilities	1,122,295
Department of Labor	22,202
Department of Land Management	600
Department of Mental Health and Substance Abuse	2,459,563
Department of Military Affairs	871,189
Department of Parks and Recreation	624,285
Department of Public Health and Social Services	11,121,677
Department of Public Works	18,210,654
Department of Revenue and Taxation	63,542
Department of Youth Affairs	73,275
General Services Agency	-
Government Ethics Commission	5,446
Government of Guam Retirement Fund	27,221,185
Guahan Charter School	-
Guam Airport Authority	-
Guam Catholic Schools	-
Guam Department of Education	-
Guam Economic Development Authority	1,786,633
Guam Election Commission	47,724
Guam Energy Office	2,313,615
Guam Environmental Protection Agency	61,118
Guam Fire Department	5,725
Guam Memorial Hospital Authority	-
Guam Police Department	5,116,960
Guam Power Authority	-
Guam Public Library System	62,248
Guam Regional Transit Authority	218,263
Guam Solid Waste Authority	48,755
Hagatna Restoration and Redevelopment	240,000
Mayors' Council of Guam	3,221,937
Office of I Maga'lahen Guahan	10,437,944
Office of I Segundu Na Maga'lahen Guahan	25,003
Office of Technology	3,994
Office of the Attorney General	3,308,213
Unified Courts of Guam	-
University of Guam	-
	$ 102,939,240

Funding Source	Amount
General Fund	$ 33,807,202
Federal Grants Assistance Fund	56,167,845
Other Governmental Funds	12,964,193
	$ 102,939,240

The Auditor's Communication With Those Charged With Governance

Government of Guam

Year ended September 30, 2024

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Shape the future with confidence

April 23, 2026

Management and Those Charged with Governance
Government of Guam

We have performed an audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Government of Guam (GovGuam) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements, in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated April 23, 2026.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

REQUIRED COMMUNICATIONS

Professional standards require the auditor to provide those charged with governance with additional information regarding the scope and results of the audit that may assist those charged with governance in overseeing the financial reporting and disclosure processes which the management of GovGuam is responsible. We summarize these required communications as follows:

Overview of the planned scope and timing of the audit

Our audit scope and timing are consistent with the plan communicated in our engagement letter dated April 2, 2024 and at our various audit planning meetings with management.

Auditors' Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)

The financial statements, required supplementary information, and supplementary and other information are the responsibility of GovGuam's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statement is free of material misstatement.

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An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we will express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.
Our responsibilities are included in our audit engagement letter.

Changes to the audit strategy, timing of the audit and significant risks identified

Our audit strategy is consistent with the plan communicated during the various audit planning meetings.

Matters relevant to our evaluation of the entity's ability to continue as a going concern

We did not identify any events or conditions that led us to believe there was substantial doubt about GovGuam's ability to continue as a going concern.

Our views about the qualitative aspects of the entity's significant accounting practices, including:

- **Accounting policies**
- **Accounting estimates**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

We have provided a discussion of significant accounting policies and our views regarding significant accounting estimates and financial statement disclosures and related matters in Note 1 of the basic financial statements.

We determined that those charged with governance are informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

Management's judgment is called upon in:

- Preparing budgets that are used to administer and monitor GovGuam's operations. These budgets include determining how existing financial resources will be used in GovGuam's operations.

- Determining the adequacy of the allowance for accounts receivable.

- Determining the assumptions used in measuring significant accounting estimates for financial accounting purposes.

Related party relationships and transactions

We noted no significant matters regarding GovGuam's relationships and transactions with related parties.

Changes to the terms of the audit with no reasonable justification for the change

None.

Significant unusual transactions

We are not aware of any significant unusual transactions executed by GovGuam.

Difficult or contentious matters subject to consultation outside of the audit team

There were no difficult or contentious matters that required consultation outside of the audit team.

Material corrected misstatements related to accounts and disclosures

Refer to "Management Representations Letter" in Appendix A.

Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial

Refer to "Management Representations Letter" in Appendix A.

Significant deficiencies and material weaknesses in internal control over financial reporting

We have issued our Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with *Government Auditing Standards* dated April 23, 2026. In that report, we identified certain deficiencies in internal control that we consider to be significant deficiencies and material weaknesses.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Independence matters

We are not aware of any matters that in our professional judgment would impair our independence.

New accounting pronouncements

Management is still assessing the impact of adopting the following GASB Statements**:**

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention

We are not aware of any matters that require communication.

Disagreements with management and significant difficulties encountered in dealing with management when performing the audit

There were no material disagreements with GovGuam's management on financial accounting and reporting matters during the audit.

Management's consultations with other accountants

We are not aware of any consultations made by management with other accountants or specialists.

Other material written communications with management

None.

Other matters

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

AICPA ethics ruling regarding third-party service providers

From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY firms, who may deal with GovGuam or its affiliates directly, although EY alone will remain responsible to you for the Audit Services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, third-party service providers may provide services for EY in connection with the Audit Services.

Representations from management

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix A.

Engagement team's involvement with preparation of the financial statements

Under GAS 2018 Revisions, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management's ability to effectively oversee the non-audit services to be provided. The engagement team should determine that the audited entity has designated an individual who possesses suitable skill, knowledge or experience and that the individuals understand the services to be performed sufficiently to oversee them. The engagement team should document consideration of management's ability to oversee non-audit services to be performed.

The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on GovGuam's trial balance with the understanding that GovGuam's underlying books and records are maintained by GovGuam's accounting department and that the final trial balance prepared by GovGuam is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of GovGuam.
- GovGuam's Director and Chief Financial Officer have the skill set to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

****

This communication is intended solely for the information and use of those charged with governance, management, and the Office of Public Accountability - Guam and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Ernst & Young LLP

Appendix

A - Management Representations Letter

EDWARD M. BIRN
Director (Direktot)
RENA K. BORJA
Deputy Director (Sigundo Direktot)

DEPARTMENT OF ADMINISTRATION
DIPATTAMENTON ATMENESTRASION
DIRECTOR'S OFFICE
(Ufisinan Direktot)
Telephone (*Telifon*): (671) 475-1101/1250

LOURDES A. LEON GUERRERO
Governor (Maga'hâga)
JOSHUA F. TENORIO
Lt. Governor (Sigundo Maga'lâhi)

April 23, 2026

Ernst & Young LLP
Ernst & Young Building
231 Ypao Road, Suite 201
Tamuning, Guam 96931

In connection with your audit of the basic financial statements of the Government of Guam (GovGuam) as of September 30, 2024 and for the year then ended, and the related notes to the financial statements, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form opinions whether the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of GovGuam and the respective changes in financial position and cash flows, where applicable, thereof in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management's responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated April 2, 2024, for the preparation and fair presentation of the basic financial statements in accordance with US GAAP applied on a basis consistent with that of the preceding years.

In preparing the basic financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GovGuam's ability to continue as a going concern for one year after the date that the basic financial statements are issued.

590 South Marine Corps Drive, ITC Building, Suite 224, Tamuning, Guam 96913 • P. O. Box 7420, Tamuning, Guam 96931

Government of Guam
Letter of Representations

April 23, 2026

Management's responsibilities, continued

We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.

- Additional information that you have requested from us for the purpose of the audit

- Unrestricted access to persons within GovGuam from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

There are no material transactions that have not been properly recorded in the accounting records underlying the basic financial statements.

From February 7, 2025 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements of any opinion unit that comprises the basic financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Uncorrected misstatements

We believe that the effects of any uncorrected, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. Refer to the "Schedule of Uncorrected Misstatements" in Appendix A.

Government of Guam
Letter of Representations

April 23, 2026

Corrected misstatements

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements. Refer to the "Schedule of Corrected Misstatements" in Appendix B.

Internal control

We have communicated to you all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting. There have been no significant changes in internal control since September 30, 2024.

Minutes, contracts and internal audit reports

We have not prepared any minutes of the meetings of members, officers or summaries of actions of recent meetings held from October 1, 2023 to the date of this letter.

We also have made available to you all public laws and significant contracts, including amendments and agreements, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that have a material effect on the financial statements.

We have also made available to you all internal audit reports (or reports from similar functions) that were issued to management during the year that address internal control over financial reporting.

Methods, significant assumptions, and data used in making accounting estimates

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including fair value measurements, are reasonable and supportable.

Ownership and pledging of assets

Except for assets accounted for in accordance with GASB Statements No. 87, 94 and 96—as amended, for which we were provided a right-to-use another entity's nonfinancial asset (the underlying asset), GovGuam has satisfactory title to all assets appearing in the statement of net position. No security agreements have been carried out under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which GovGuam has satisfactory title appear in the statement of net position.

Government of Guam
Letter of Representations

April 23, 2026

Receivables and revenues

Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62 - as amended.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of net position date in respect of any sales and services rendered prior to that date and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

Revenues and other governmental fund financial resources are recognized in the period in which they became both measurable and available to finance expenditures of the fiscal period.

Inventories

Physical counts and measurements of inventories were made by competent employees under the supervision of management and book records were appropriately adjusted after giving recognition to cut-off for materials received and products shipped.

Adequate provision has been made for losses under firm purchase commitments for goods or inventory. There have been no reductions of the selling prices of finished goods subsequent to September 30, 2024 and none are contemplated.

Leases

We have identified and accounted for all contracts (including any modifications thereto) that meet the criteria to be accounted for as a lease under GASB Statement No. 87 - as amended. We have appropriately considered any renewal, termination or purchase options in those contracts. We also believe other relevant assumptions (e.g., economic life, fair value, and residual value) made for purposes of accounting for lease arrangements are reasonable and supportable estimates.

To measure the lease liability, we used the rate the lessor charges to us or the rate implicit in the lease. When the interest rate could not be readily determined, we then estimated our incremental borrowing rate (IBR). We believe our IBR is a reasonable estimate and represents an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.

Subscription-Based Information and Technology Arrangements (SBITA)

We have identified and accounted for all contracts that meet the criteria to be accounted for as a SBITA under GASB Statement, 96—as amended. We have appropriately considered any modifications or terminations in the contract.

Subscription-Based Information and Technology Arrangements (SBITA), continued

To measure the SBITA liability, we used the rate the SBITA vendor charges to us or the rate implicit in the SBITA. When the interest rate could not be readily determined, we then estimated our incremental borrowing rate (IBR). We believe our IBR is a reasonable estimate and represents an estimate of the interest rate that would be charged for borrowing the SBITA payment amounts during the SBITA term.

Long-lived assets to be held and used, including amortizable intangible assets

No events or changes in circumstances have occurred that indicate the carrying amounts of long-lived assets to be held and used, including intangible assets that are subject to amortization, may not be recoverable.

Fair value measurements

We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation techniques have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB Statement No. 72 - as amended. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72 - as amended.

We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the basic financial statements and believe this information to be reliable and consistent with the requirements of GASB Statement No. 72 - as amended.

Related party relationships and transactions

We have made available to you the names of all related parties and all relationships and transactions with related parties.

The substance of transactions with related parties as defined in GASB Statement No. 56 - as amended, has been considered and appropriate adjustments or disclosures are made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

Side agreements and other arrangements

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Government of Guam
Letter of Representations

April 23, 2026

Arrangements with financial institutions

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

Events of default under debt agreements

No events of default have occurred with respect to any of GovGuam's debt agreements.

Contingent liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62 - as amended other than those disclosed in the financial statements.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency other than those disclosed or accrued in the financial statements.

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements other than those disclosed or accrued in the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62 - as amended other than those accrued or disclosed in the financial statements, nor are there any accruals for loss contingencies included in the statement of net position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62 - as amended.

Oral or written guarantees

There are no oral or written guarantees, including guarantees of the debt of others.

Purchase commitments

At September 30, 2024, GovGuam had no purchase commitments for inventories more than normal requirements or at prices that were more than market at those dates.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2024, because of being a party to futures or forwards contracts, short sales or hedge transactions.

Government of Guam
Letter of Representations

April 23, 2026

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that GovGuam's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role GovGuam's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of GovGuam.

Independence

We have communicated to you the names of GovGuam's affiliates, as described in the AICPA Code of Professional Conduct ET section 1.224.020 *State and Local Government Client Affiliates*, officers and directors, or individuals who serve in such capacity for GovGuam.

We are not aware of any business relationship between GovGuam and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of GovGuam's audit.

Conflicts of interest

There are no instances where any officer or employee of GovGuam has an interest in a company with which GovGuam does business that would be considered a "conflict of interest."- Such an interest would be contrary to GovGuam's policy.

Government of Guam
Letter of Representations

April 23, 2026

Effects of new accounting principles

As discussed in Note 1 to the financial statements, we have not completed the process of evaluating the effects that will result from adopting the amendments to the following codification provided in Governmental Accounting Standards Board (GASB):

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosure*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

GovGuam is therefore unable to disclose the effects that adopting the amendments in the aforementioned GASB Statements will have on its financial position and the changes in its financial position when such statements are adopted.

Going concern

In preparing the financial statements, we evaluated the entity's ability to continue as a going concern for twelve months after the date that the financial statements are issued, and provide appropriate financial statement disclosure, as necessary under GASB requirements.

Pension benefits

We have disclosed to you all significant pension benefits promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes, that constitute the plan.

Postemployment benefits other than pensions

We have disclosed to you all significant postemployment benefits other than pensions (OPEBs) promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes that constitute the plan.

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Contributions and the Schedule of Proportionate Share of the Total OPEB Liability and Related Ratios, which have been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement. There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

Government of Guam
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Required supplementary information, continued

We are responsible for the significant assumptions and interpretations underlying the measurement and presentation of the required supplementary information. We believe that the significant assumptions and interpretations used are reasonable.

We believe that the separate presentation of the schedule of changes in total pension liability and related ratios related to GASB Statement No. 73 is not significant. The required information is combined with schedules required under GASB Statement No. 68.

Supplementary information

We are responsible for the preparation and fair presentation of the following schedules (the "Supplementary Information"):

- Supplementary Combining Schedule of Balance Sheet Accounts
- Supplementary Combining Schedule of Revenues, Expenditures by Function, and Changes in Fund Balances (Deficit) Accounts
- Supplementary Combining Statement of Fiduciary Net Position (as presented by other auditors)
- Supplementary Combining Statement of Changes in Fiduciary Net Position (as presented by other auditors)
- Supplementary Schedule of Personnel Count - Primary Government
- Supplementary Schedule of Continuing Appropriations

We believe the supplementary information, including its form and content, is fairly stated in all material respects.

There have been no changes in the methods of measurement or presentation of the supplementary information from those used in the prior period.

There are no significant assumptions or interpretations underlying the measurement or presentation of the information.

Additional representations

- We have identified and disclosed to you, all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds. We have identified and disclosed to you, all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements where the noncompliance could have a direct and material effect on the basic financial statements.

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Additional representations, continued

- The basic financial statements include all component units as well as joint ventures with an equity interest and properly disclose all other joint ventures and other related organizations.
- The basic financial statements include all fiduciary activities as required by GASB Statement No.84.
- The basic financial statements properly classify all funds and activities in accordance with GASB Statement No. 54 - as amended.
- All funds that meet the quantitative criteria in GASB Statement No. 34, as amended and GASB Statement No. 37, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.
- Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
- Special and extraordinary items are appropriately classified and reported.
- We have informed you of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- We have followed all applicable laws and regulations in adopting, approving and amending budgets, deposits and investments, including collateral requirements on depository accounts and investments.

Additional representations, continued

- There have been no instances of abuse that have occurred or are likely to have occurred that could be quantitatively or qualitatively material to the financial statements.
- Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.
- Capital assets are properly capitalized, reported and, if applicable, depreciated.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position was properly recognized under the policy.
- GovGuam has obligated, expended, received and used public funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by Guam or federal law. Such obligation, expenditure, receipt or use of public funds was in accordance with any limitations, conditions or mandatory directions imposed by Guam or federal law.
- Money or similar assets handled by Government of Guam or Federal Government have been properly and legally administered and the accounting and recordkeeping related thereto is proper, accurate and in accordance with law.
- Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

Other matters

We have received a draft copy of our financial statements as of and for the year ended September 30, 2024. The accuracy and completeness of the financial statements, including footnote disclosures, are our responsibility.

You have assisted in the preparation of our financial statements based on information in our trial balance and accounting records. It is our understanding that:

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- All adjusting journal entries posted to the trial balance have been approved by us, and

Government of Guam
Letter of Representations

April 23, 2026

Other matters, continued

- We have designated a competent representative to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements, including footnote disclosures.
- We have reviewed the draft financial statements for accuracy and completeness.
- We acknowledge that we have reviewed them and taken responsibility for them.

Subsequent events

Subsequent to September 30, 2024, and as listed on Appendix C, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to GovGuam's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and cash flows of GovGuam, except those listed below, which have been disclosed as Note 16 to the financial statements:

- On April 12, 2025, Public Law 38-8 was enacted whereby $5,750,984 was appropriated from the 2025 General Fund surplus to provide funding to the University of Guam for the purpose of repairs, maintenance, capital improvement projects and accreditation related priorities.
- On September 17, 2025, Public Law 38-59 was enacted whereby $40,000,000 was appropriated from the General Fund to fund the operational costs and capital projects for the Guam Memorial Hospital Authority.
- On October 27, 2025, Public Law 38-75 was enacted whereby $13,100,000 was appropriated from 2025 net unobligated excess revenues to fund Supplemental Nutritional Assistance Program (SNAP) and Woman, Infants, and Children (WIC) Program for the month of November.
- On December 16, 2025, Public Law 38-80 was enacted whereby $19,745,714 was appropriated from the General Fund realized from Bond Refunding Savings, which was not factored into the 2026 budget to fund the capital improvement projects and lifesaving supplies and materials for the Guam Memorial Hospital Authority.
- On April 8, 2026, Public Law 38-119 was enacted whereby $890,000 was appropriated from excess accumulated General Fund revenues for Fiscal Year 2026, to *I Liheslaturan Guåhan* for its cybersecurity and Information Technology (IT) needs.

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- On April 8, 2026, Public Law 38-115 was enacted establishing statutory authority for the Department of Revenue and Taxation to establish a Tax Amnesty Program.

- On April 14, 2026, the island of Guam experienced damages caused by typhoon Sinlaku. As of the date of issuance of the financial statements, GovGuam is unable to reasonably estimate the full financial impact of typhoon Sinlaku on its future financial statements.

*****

We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and was, therefore, designed primarily for the purpose of expressing opinions on the basic financial statements of GovGuam and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

Edward M. Birn
Director

Theresa Rivers
Chief Financial Officer

A - Management Representations Letter, continued

Government of Guam
Letter of Representations
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Appendices

A – Schedule of Uncorrected Misstatements

B – Schedule of Corrected Misstatements

C – Subsequent Events

Government of Guam
Letter of Representations

April 23, 2026

Appendix A – Schedule of Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity: GovGuam - Government Wide | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements No.	WIP ref.	Account (Note 1)	Analysis of misstatements Debit/(Credit): Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
SAD #01	GW.OPGN1.02	To correct overstatement due to duplicate inactive members.										
PY SAD #01	Tab 4.1	OPEB Liability				5,465,833						
		Deferred outflows from OPEB		(4,686,114)								
		Amount to be provided for OPEB							(779,719)	X	(779,719)	X
PY SAD #02	GW.PX.01	To record GovGuam's proportionate share in the difference in net pension liability due to assumptions outside the reasonable range.										
	Tab 11	Deferred outflows from pension										
		Pension expense									5,076,251	X
		Net pension liability										
SAD #03	GW.LRE.03	To record the difference on SBITA assets and liabilities computation as of 09/30/2024.										
PY SAD #03	Tab 00	SBITA assets		(1,185,826)								
		SBITA amortization										
		SBITA liability				(3,782,730)						
		SBITA investment							4,948,556		(10,218)	X
SAD #02	GW.KG	To transfer CIP with contracts closed as of 09/30/2024.										
	Tab 01.2	Depreciable assets - Infrastructure		22,870,362								
		Construction in Progress		(22,870,362)								
		Depreciation expense							914,814	X	650,282	X
		Accumulated Depreciation		(914,814)								
	SAD.01 - SAD.04	Effect from Governmental and Proprietary Fund's Factual Uncorrected Misstatements.										
	Uncorrected tab	General Fund	(4,886,317)		13,590,342		3,216,764		(11,920,789)	X	(5,036,583)	X
		Proprietary Funds			(2,515,358)				2,515,358	X		
		Aggregate remaining fund information	3,371,318		(2,974,536)		621,437		(1,118,106)	X		
											(672,102)	X
SAD 05	GW.LRE.02	To record an unrecorded adjustment related to GASB 87										
		Right of use assets, net	4,256,484									
		Lease liabilities			(4,575,447)							
		Amount to be provided for GASB 87 leases					318,963					

Communication schedule for uncorrected misstatements

Entity: GovGuam - Government Wide | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements No.	WIP ref.	Account (Note 1)	Analysis of misstatements Debit/(Credit): Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Projected misstatements:												
	SAD.01	Effect from Governmental Fund's Projected Uncorrected Misstatements.										
	Uncorrected tab	General Fund			(14,858,741)		1,530,618		13,110,125	X	(3,968,364)	X
Judgmental misstatements:												
	SAD.01	Effect from Governmental Fund's Judgemental Uncorrected Misstatements.										
	Uncorrected tab	General Fund			1,540,240				(1,540,240)	X	(8,888,019)	X
Total of uncorrected misstatements before income tax			2,741,383	(8,798,754)	(9,493,499)	1,703,103	5,696,770	0	6,138,997		(11,628,392)	
Total of uncorrected misstatements			2,741,383	(8,798,754)	(9,493,499)	1,703,103	5,696,770	0	6,138,997		(11,628,392)	
Financial statement amounts			1,198,148,157	2,159,189,650	(788,870,481)	(4,705,996,940)	2,136,428,694		(126,912,469)		(78,818,193)	
Effect of uncorrected misstatements on F/S amounts			0.2%	-0.3%	1.2%	0.0%	0.3%		-4.8%		14.8%	
Memo: Total of non-taxable items (marked 'X' above)									1,190,441		(11,628,392)	
Uncorrected misstatements before income tax								0.0%	6,138,997		(11,628,392)	
Less: Tax effect of misstatements at current year marginal rate								0%	0		0	
Uncorrected misstatements in income tax									0		0	
Cumulative effect of uncorrected misstatements after tax but before turnaround								-4.8%	6,138,997		(11,628,392)	
Turnaround effect of prior period uncorrected misstatements									After tax	Memo: Before tax		
								All factual and projected misstatements:	4,740,373	########		
								Judgmental misstatements (Note 3):	0	0		
Cumulative effect of uncorrected misstatements, after turnaround effect								-8.6%	10,879,370			
Current year income before tax									0			
Current year income after tax									(126,912,469)			

A - Management Representations Letter, continued

Government of Guam
Letter of Representations

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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - General Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								Income statement effect of the prior period	
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period			
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
SAD #11	FO.E	To recognize uncollectible receivable balances from Homeland Security related expired grants and transfer it from federal grants to General Fund.										
PY	Tab 05.1	Expenditures							6,464,579	X	6,549,017	X
SAD #01		Due to Federal Grants Fund (Interfund)			(6,464,579)							
SAD #05	GF.N	To write-off long outstanding liabilities. (GL 2322000-100).										
	Tab N.01	Accounts payable			3,077,029							
PY		Revenue-Other							(3,077,029)	X	(2,334,745)	X
SAD #05												
SAD #02	RISK.03.2	To record expenditures for those lease payments that were paid in advance but already incurred										
	Tab 3	Expenditures							4,886,317	X	4,726,817	X
PY	Note 30	Prepayments	(4,886,317)									
SAD #06												
SAD #04	GF.P	To recognize revenues for those deposits that were collected in advance but already earned										
	Tab P.00	Deposits and other liabilities			3,376,852							
PY	TM D	Revenue-Other							(3,376,852)	X	(2,910,532)	X
SAD #07												
PY	GF.C	To record bank reconciling items.										
SAD #08	C.02 tab	Cash and cash equivalents										
		Expenditures-bank fees									4,337	X
		Receivables-Taxes										
SAD #01	GF.N.01.1	To escheat unclaimed checks (GL#3313027-100, 3313038-100, 3313039-100, 3313035-100)										
PY	Escheat tab	Accounts payable			9,269,573							
SAD #09		Revenue							(9,269,573)	X	(7,733,252)	X
PY	GF.N.01	To adjust accrued liabilities no longer valid. (GL#1100215W0)										
SAD #10	Tab05	Accrued Other Expenditures										
		Expenditures									(1,226,763)	X

Communication schedule for uncorrected misstatements

Entity: GovGuam - General Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								Income statement effect of the prior period	
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period			
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
PY	GG.IA	To record permanent transfers to Special Revenues to cover fund deficits (Fund 317 and Fund 202)										
SAD #11	Tab 01	Transfer out									804,580	X
	tm N4	Interfund										
PY	FG.E	To record uncollected federal agency receivables related to various expired ALN grants in General Fund.										
SAD #14	Tab 02.1	Expenditures									3,530,042	X
		Due to Federal Grants Fund (Interfund)										
SAD #03	GF.N	To record liability and expenditures incurred in FY2024. (IJE0082518 and IJE0081303)										
	Tab N.04	Expenditures							4,290,460	X	5,601,050	X
PY	TM 7	Accrual			(4,290,460)							
SAD #15												
SAD #12	GF.PB	To adjust amounts due to federal agencies for EITC and ACTC/CTC Claims										
		Payable to federal agencies - Reserve for EITC (3713011-			5,817,586							
PY		Payable to federal agencies - Reserve for EITC (2315001-			6,143,190							
SAD #16		Payable to federal agencies - Reserve for CTC (3713012-			4,660,293							
		Tax provision - Tax revenue							(16,621,069)	X	(11,778,875)	X
SAD #13	FG.N.04.1	To record MIP/Medicaid accrual for local portion.										
	Tab 5	Expenditures - Transfers out							2,589,413	X	10,254,356	X
PY		Due to federal grants			(2,589,413)							
SAD #19												
SAD #08	PGAP.03a	To record total 2018 claims liability with final settlement or payment pending the availability of funds.										
		Expenditures							1,874,308	X	1,874,308	X
PY		Accounts payable			(1,874,308)							
SAD #20												
SAD #07	GF.VE	To adjust FY23 expenditures recorded in FY24 related to medical claims.										
	Tab VE.02	Net Position					3,216,764					
	TM F & G	Expenditures							(3,216,764)	X		

A - Management Representations Letter, continued

Government of Guam
Letter of Representations
April 23, 2026

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - General Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								Income statement effect of the prior period	
No.	WIP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period			
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
SAD #09	GF.PC	To adjust the difference between balance per GL and SL for the provision for tax refund.										
	TM N1	Provision for tax refund							3,535,421	X		
		Tax refund			(3,535,421)							
Projected misstatements:												
SAD #06	GF.VE	To adjust FY23 expenditures recorded in FY24 related to medical claims.										
PY	Tab VE.02	Net Position					1,539,616					
SAD #03	TM 3	Expenditures							(1,539,616)	X	(3,968,264)	X
SAD #14	FG.E	To record uncollected federal agency receivables related to various expired ALN grants in General Fund.										
	Tab 02.1	Transfers out							14,658,741	X		
		Due to Federal Grants Fund (Interfund)			(14,658,741)							
Judgmental misstatements:												
PY	GF.N	To accrue DOC liabilities for GMHA										
SAD #04	Tab	Expenditures									2,469,375	X
	N.05.01	Accounts payable										
PY	GF.PC	To adjust tax provision for individual and corporate returns TY2022 and prior										
SAD# 18	Tab 1.1	Tax refund provision										
		Tax revenue									(9,357,394)	X

Communication schedule for uncorrected misstatements

Entity: GovGuam - General Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								Income statement effect of the prior period	
No.	WIP ref	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period			
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
SAD #10	GF.PC	To adjust reserve for EIP and RRCs.										
	Tab 5.1	Reserve for economic stimulus payments.			1,540,240							
PY		2024 RRC Revenue Return							(1,540,240)	X	(1,540,640)	X
SAD #17												
Reclassification misstatements:												
Total of uncorrected misstatements before income tax			(4,886,317)	0	471,841	0	4,756,380	0	(341,904)		(5,038,583)	
Total of uncorrected misstatements			(4,886,317)	0	471,841	0	4,756,380	0	(341,904)		(5,038,583)	
Financial statement amounts			758,701,897	0	(486,070,143)	0	(293,631,754)		(98,406,197)		(59,757,331)	
Effect of uncorrected misstatements on F/S amounts			-0.6%	0.0%	-0.1%	0.0%	-1.6%		0.3%		8.4%	
									Memo: Total of non-taxable items (marked 'X' above)		(341,904)	
									Uncorrected misstatements before income tax	0.0%	(341,904)	(5,038,583)
									Less: Tax effect of misstatements at current year marginal rate	0%	0	0
									Uncorrected misstatements in income tax		0	0
									Cumulative effect of uncorrected misstatements after tax but before turnaround	0.3%	(341,904)	(5,038,583)
									Turnaround effect of prior period uncorrected misstatements		After tax	Memo: Before tax
									All factual and projected misstatements:		(1,392,279)	######
									Judgmental misstatements (Note 3):		0	0
									Cumulative effect of uncorrected misstatements, after turnaround effect	3.8%	(1,734,183)	
									Current year income before tax		0	
									Current year income after tax		(98,406,197)	

A - Management Representations Letter, continued

Government of Guam
Letter of Representations

April 23, 2026

Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - Federal Grants Assistance Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)									
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
PY SAD #03	FG.N	To record expenditures incurred during FY2023 (AS400 Ref: EFT 020224-PYMT#05 GU-THS-014B(004) RTE 14B RECON)										
	Tab	Expenditures									1,368,520	X
	N.04	Revenues									(1,368,520)	X
	N1	Due from federal agencies										
		Accrual										
PY SAD #04	FG.N	To record expenditures incurred during FY2023 (D365 ref: 1000617-C230600280 PYMT#09 RETENTION 0005(003) VOUCHER# 020124-071)										
	Tab	Expenditures									819,689	X
	N.04	Revenues									(819,689)	X
	N2	Due from federal agencies										
		Accrual										
SAD #01	FG.E	To transfer uncollectible federal receivable balances from Homeland Security related expired grants to General Fund.										
	Tab 05.1	Due to General Fund (Interfund)	6,464,579									
		Amounts due from Homeland Security	(6,464,579)									
SAD #02	FG.N.04.1	To record MIP/Medicaid accrual for the total portion (both federal and local match)										
	Tab 5	Expenditure							19,051,378	X		
		Accruals/payables			(19,051,378)							
		Revenues							(19,051,378)	X		
		Payables to federal agencies			19,051,378							
SAD #04	FG.N.04.1	To record an adjustment related to the local match of the MIP/Medicaid										
	Tab 5	Revenues							2,589,413	X		
		Transfers in							(2,589,413)	X		

Communication schedule for uncorrected misstatements

Entity: GovGuam - Federal Grants Assistance Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)									
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Projected misstatements:												
SAD #03	FG.E	To transfer uncollected federal agency receivables related to various expired ALN grants to General Fund.										
	Tab 02.1	Due to General Fund (Interfund)	14,658,741									
		Due from federal agencies	(14,658,741)									
		Revenues							14,658,741			
		Transfers in							(14,658,741)			
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0		0	
Total of uncorrected misstatements			0	0	0	0	0	0	0		0	
Financial statement amounts			111,509,793	0	(110,956,367)	0	(553,426)		(163,438)		(31,704)	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		0.0%	

Memo: Total of non-taxable items (marked 'X' above)		0	0
Uncorrected misstatements before income tax	0.0%	0	0
Less: Tax effect of misstatements at current year marginal rate	0%	0	0
Uncorrected misstatements in income tax		0	0
Cumulative effect of uncorrected misstatements after tax but before turnaround	0.0%	0	0

Turnaround effect of prior period uncorrected misstatements	After tax	Memo: Before tax
All factual and projected misstatements:	0	0
Judgmental misstatements (Note 3):	0	0
Cumulative effect of uncorrected misstatements, after turnaround effect	0.0% 0	
Current year income before tax	0	
Current year income after tax	(163,438)	

A - Management Representations Letter, continued

Government of Guam
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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - ARPA Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
PY SAD #01	ARPA.N	To record expenditures incurred in FY2023 that were not accrued. (ACH00005682)										
	Tab N.04	Expenditures									390,876	X
		Intergovernmental revenue									(390,876)	X
		Accounts payable and other										
		Due from federal agency										
Projected misstatements:												
Judgmental misstatements:												
SAD01	ARPA.N	To record liability and expenditures incurred in FY2024 related to ARPA Funds.										
	Tab N.04	Expenditures							167,539	X		
	TM N7	Accounts payable and other			(167,539)							
		Intergovernmental revenue							(167,539)	X		
		Payable to federal agencies			167,539							
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0		0	
Total of uncorrected misstatements			0	0	0	0	0	0	0		0	
Financial statement amounts			228,986,066	0	(205,015,387)	0	(23,970,679)		(11,941,427)		(12,027,024)	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		0.0%	
		Memo: Total of non-taxable items (marked 'X' above)							0		0	
		Uncorrected misstatements before income tax						0.0%	0		0	
		Less: Tax effect of misstatements at current year marginal rate						0%	0		0	
		Uncorrected misstatements in income tax							0		0	
		Cumulative effect of uncorrected misstatements after tax but before turnaround						0.0%	0		0	
		Turnaround effect of prior period uncorrected misstatements							After tax	Memo: Before tax		
		All factual and projected misstatements:							0	0		
		Judgmental misstatements (Note 3):							0	0		
		Cumulative effect of uncorrected misstatements, after turnaround effect						0.0%	0			
		Current year income before tax							0			
		Current year income after tax							(11,941,427)			

Communication schedule for uncorrected misstatements

Entity: GovGuam - GDOE Federal Grants Assistance Fund | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
SAD 01 - FG	GDOE	To record federal revenues in FY2023 which was collected and recorded only in FY2024.										
	GF.UE.01, Tab 01	Revenues - Federal grants and contributions									(1,873,870)	
		Transfers out									1,873,870	
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0		0	
Total of uncorrected misstatements			0	0	0	0	0	0	0		0	
Financial statement amounts			102,526,802	0	(102,526,802)	0	0		0		0	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		0.0%	
		Memo: Total of non-taxable items (marked 'X' above)							0		0	
		Uncorrected misstatements before income tax						0.0%	0		0	
		Less: Tax effect of misstatements at current year marginal rate						0%	0		0	
		Uncorrected misstatements in income tax							0		0	
		Cumulative effect of uncorrected misstatements after tax but before turnaround						0.0%	0		0	
		Turnaround effect of prior period uncorrected misstatements							After tax	Memo: Before tax		
		All factual and projected misstatements:							0	0		
		Judgmental misstatements (Note 3):							0	0		
		Cumulative effect of uncorrected misstatements, after turnaround effect						0.0%	0			
		Current year income before tax							0			
		Current year income after tax							0			

Communication schedule for uncorrected misstatements

Entity: GovGuam - Chamorro Lands (Permanent Funds) | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0		0	
Total of uncorrected misstatements			0	0	0	0	0	0	0		0	
Financial statement amounts			0	459,050,489	0	0	(459,050,489)		0		0	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		0.0%	
		Memo: Total of non-taxable items (marked 'X' above)							0		0	
		Uncorrected misstatements before income tax						0.0%	0		0	
		Less: Tax effect of misstatements at current year marginal rate						0%	0		0	
		Uncorrected misstatements in income tax							0		0	
		Cumulative effect of uncorrected misstatements after tax but before turnaround						0.0%	0		0	
		Turnaround effect of prior period uncorrected misstatements							After tax	Memo: Before tax		
		All factual and projected misstatements:							0	0		
		Judgmental misstatements (Note 3):							0	0		
		Cumulative effect of uncorrected misstatements, after turnaround effect						0.0%	0			
		Current year income before tax							0			
		Current year income after tax							0			

A - Management Representations Letter, continued

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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - Other Govt Funds | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
PY SAD #01	GG.IA	To adjust Fund 317(Guam Regional Transit Authority) and Fund 202 (Streetlight Fund).										
	Tab 01	Fund 317 GRMTA-Transfer in									(356,078)	X
	TM N4	Fund 317 Interfund										
		Fund 202 Streetlight fund - Transfer in									(446,502)	X
		Fund 202 Interfund										
PY SAD #02	FG.E	To record revenues and receivables due from federal agencies for eligible expenditures reported (ALN 93.224, ALN 16.922 and ALN 11.035).										
	Tab TM	Receivables-Federal agencies										
	H	Revenues-Intergovernmental									(804,805)	X
PY SAD #03	OG.LRO	To record current year effect on GASB 87 Leases for GALC and CLTC.										
		Receivables - Leases										
		Deferred inflows - Leases										
		Revenue - Rental									472,549	X
		Revenue - Interest									(454,052)	X
PY SAD #04	GF.EI	To adjust AR GIAA Passenger fees uncollected.										
	Tab 01	Receivables - Other (GLA*12091252*12)										
		Revenues									1,998,037	X
SAD #01	NAP.FS.01a	To record NAP - Municipality of Chalan Pago-Ordot.										
		Cash	1,091,725									
		Revenue							(2,759,178)	X	(1,151,593)	X
		Expenditures							1,676,451	X	72,442	X

Communication schedule for uncorrected misstatements

Entity: GovGuam - Other Govt Funds | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
SAD #02	CLTC.FS.01	To record the differences in CLTC TB per the line agency and per DOA										
	Tab 1.1	Cash	(2,442)									
		Receivables, Leases	616,523									
		Receivables, Other	81,088									
		Accounts payable			32,475							
		Due to component units			9,200							
		Due to other funds			(41,488)							
		Deferred Inflow of Resources - Leases			(982,304)							
		Deferred Revenues			58,291							
		Fund balance					522,728					
		Licenses and permits							(131,872)	X		
		Interest and investment earnings							146,301	X		
		Individual and collective rights							(306,500)	X		
SAD #03	GALC.FS.01	To record the differences in GALC TB per the line agency and per DOA										
	Tab 1.1	Cash and cash equivalents	(938,544)									
		Receivables - Leases	239,220									
		Due from other funds	(39,368)									
		Accounts payable			(73,569)							
		Accrued payroll and other			(9,328)							
		Due to component units			2,663							
		Due to other funds			715,963							
		Deferred inflow of resources - leases			(321,503)							
		Fund Balance					98,699					
		Individual and collective rights							306,535	X		
		Transfer in							(39,847)	X		
SAD #04	OG.LRO	To record difference on recalculated GASB 87 leases for GALC.										
	Tab 05.1	Receivables - Leases	2,264,905									
		Deferred inflows - Leases			(2,264,905)							
Total of uncorrected misstatements before income tax			3,371,216	0	(2,874,536)	0	621,427	0	(1,118,100)		(672,102)	
Total of uncorrected misstatements			3,371,216	0	(2,874,536)	0	621,427	0	(1,118,100)		(672,102)	
Financial statement amounts			3,392,511,000	0	(161,921,967)	0	(3,293,696,273)		(996,954,830)		(219,998,947)	
Effect of uncorrected misstatements on F/S amounts			0.1%	0.0%	1.8%	0.0%	0.0%		0.2%		0.3%	

A - Management Representations Letter, continued

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Appendix A – Schedule of Uncorrected Misstatements, continued

Communication schedule for uncorrected misstatements

Entity: GovGuam - 502 and 503 (Proprietary Funds) | Period Ended: 30-Sep-2024 | Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								
No.	W/P ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period		Income statement effect of the prior period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
SAD #01	PF.N	To accrue reported medical claims with FY2024 service dates.										
	Tab N.04.3	Expenditures							2,515,358	A		
		Accounts Payable			(2,515,358)							
Total of uncorrected misstatements before income tax			0	0	(2,515,358)	0	0	0	2,515,358		0	
Total of uncorrected misstatements			0	0	(2,515,358)	0	0	0	2,515,358		0	
Financial statement amounts			33,665,566	0	(27,666,648)	0	(8,018,917)		(8,018,917)		0	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	9.1%	0.0%	0.0%		-41.8%		0.0%	
									2,515,358		0	

A - Management Representations Letter, continued

Government of Guam
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Appendix B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: GovGuam - Government Wide | Period ended: 30-Sep-2024 | Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE #01	GW OPGN1.01	To adjust the OPEB related amounts based on the audited OPEB Schedules for the measurement period ended September 30, 2023.								
	Tab 2	OPEB liability				(293,339,523)				
	FS.01 - AJE	Deferred outflows from OPEB		78,004,780						
		Deferred inflows from OPEB				160,791,928				
		Amount to be provided for OPEB							54,542,815	X
AJE #02	GW PX1.01	To adjust the pension related amounts based on the audited Pension Schedules for the measurement period ended September 30, 2023.								
	Tab 2	Pension liability				21,667,210				
	FS.01 - AJE	Deferred outflows from Pension		(87,741,317)						
		Deferred inflows from Pension				(7,810,030)				
		Amount to be provided for Pension							73,994,137	X
AJE #03	GW Q.02	To adjust GASB 18 accrual for landfill.								
	Tab 1	Long term debt				(5,174,615)				
	FS.01 - AJE	Amount to be provided for GASB 18							5,174,615	X
AJE #04	GW LRE.01	To adjust school financed purchase obligations and related accounts to reflect the amount as of September 30, 2024.								
	Tab 01	Reserve for maintenance and insurance		(125,000)						
	FS.01 - AJE	School financed purchase obligations				9,592,828				
		Amount to be provided for school fiannced purchase obligations							(9,467,828)	X
AJE #05	GW Q	To adjust bonds payable and related accounts to reflect the amount as of September 30, 2024.								
	Tabs Q.01, Q.01.4, Q.01.5	Notes and Bonds Payable				42,109,716				
	FS.01 - AJE	Amount to be provided for bonds							(35,383,104)	X
		Deferred loss on refunding		(6,726,612)						
AJE #06	GW KG	To reconcile capital assets to reflect the updated balances as of September 30, 2024.								
	Tab 01	Capital assets		42,760,480						
	FS.01 - AJE	Accumulated Depreciation		(19,272,042)						
		Amount to be provided for capital assets							(23,488,438)	X
AJE #07	GW LRE.02	To adjust the leases balances - GASB 87 as of September 30, 2024.								
	Tab LRE.00	GASB 87 assets		(1,902,867)						
		Lease liability				(1,876,675)				
		Amount to be provided for GASB 87 leases							3,779,542	X
AJE #08	GW LRE.03	To adjust the subscription asset balances - GASB 96 as of September 30, 2024.								
	Tab LRE.03.00	GASB 96 assets		20,120,726						
		Lease liability				(33,853,593)				
		Amount to be provided for GASB 96 leases							13,732,867	X
	SAD.01 - SAD.05	Effect from Governmental Fund's Corrected Misstatements								
	Corrected tab	General Fund	(6,791,919)		(2,574,422)		(267,160)		9,633,501	X
		Federal Grants Fund	1,635,382		(5,718,050)				4,082,668	X
		ARPA Fund			(1,635,382)				1,635,382	X
		Other NonMajor Governmental Funds	3,021,234		7,467,722		(1,380,122)		(9,108,834)	X
		GDOE Federal Grants Assistance Fund	1,267,312		(1,701,328)		434,016			
Total of corrected misstatements before income tax			(867,991)	25,118,148	(4,161,460)	(108,002,754)	(1,213,266)	0	89,127,323	
Financial statement amounts			1,198,148,157	2,159,189,650	(788,670,461)	(4,705,086,040)	2,138,428,634		(126,912,463)	
Effect of corrected misstatements on FS amounts			**-0.1%**	**1.2%**	**0.5%**	**2.3%**	**-0.1%**		**-70.2%**	

A - Management Representations Letter, continued

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: GovGuam - General Fund | Period ended: 30-Sep-2024 | Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE #01	GF.E	To adjust delinquent receivables per DRT tax receivable summary.								
	Tab E.01.6	Income tax receivable - Delinquent	33,611,790							
	FS.01 - AJE	GRT receivable - Delinquent	10,624,508							
		Income tax receivable	(33,611,790)							
		Deferred Rev - Income tax	(10,624,508)							
AJE #02	GG.IA	To record permanent transfers to Special Revenues to cover fund deficits (Funds 214, 329, 673, 602, 317, 208, 297 and 684).								
	Tab IA.01	Transfer out							7,445,046	X
	FS.01 - PC51, PC52	Interfund	(6,791,919)							
		Transfer in							(653,127)	X
AJE #03	FS.01	To record an adjustment to correct the beginning net position amount of Fund 100.								
	AJE Tab	Net Position					(267,160)			
	AJE 15 and 16	Expenditures							2,335,410	X
		Accounts payable			(2,068,250)					
AJE #04	FS.01	To record an adjustment to correct the interfund transfer of Fund 208.								
	AJE Tab	Revenue							409,075	X
	AJE 19	Interfund			(409,075)					
AJE #05	FS.01	To record an adjustment to correct Funds 618, 681 and 205 for FS presentation purposes.								
	AJE Tab	Transfer In							3,138,576	X
	AJE 12	Revenue							(3,139,576)	X
AJE #06	FS.01	To record an adjustment to match Fund 206 and 416 to the separately audited FS.								
	AJE Tab	Revenue							97,097	X
	AJE 13	Interfund			(97,097)					
Total of corrected misstatements before income tax			(6,791,919)	0	(2,574,422)	0	(267,160)	0	9,633,501	
Financial statement amounts			758,701,897	0	(465,070,163)	0	(293,631,734)		(98,406,193)	
Effect of corrected misstatements on F/S amounts			-0.9%	0.0%	0.6%	0.0%	0.1%		-9.8%	

Communication schedule for corrected misstatements

Entity: GovGuam - Federal Grants Assistance Fund | Period ended: 30-Sep-2024 | Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE #01	FG.N	To correct the unusual AP balance noted on the federal grants (2322001-101)								
	Tab N.02	Interfund	1,635,382							
		Expenditure							(1,635,382)	X
AJE #02	FS.01	To record an adjustment to correct the fund balances related to Fund 101.								
	AJE Tab	Transfers In							(195,335)	X
	AJE 17	Revenue							(463,383)	X
		Expenditure							6,376,768	X
		Payable to Federal Agencies			(5,718,050)					
Total of corrected misstatements before income tax			1,635,382	0	(5,718,050)	0	0	0	4,082,668	
Financial statement amounts			111,509,793	0	(110,956,367)	0	(553,426)		(163,438)	
Effect of corrected misstatements on F/S amounts			1.5%	0.0%	5.2%	0.0%	0.0%		-2498.0%	

Communication schedule for corrected misstatements

Entity: GovGuam - ARPA Fund | Period ended: 30-Sep-2024 | Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE #01	FG.N	To correct the unusual AP balance noted on the federal grants (2322001-101)								
	Tab N.02	Expenditure							1,635,382	X
		Interfund			(1,635,382)					
Total of corrected misstatements before income tax			0	0	(1,635,382)	0	0	0	1,635,382	
Financial statement amounts			228,986,066	0	(205,015,387)	0	(23,970,679)		(11,941,427)	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.8%	0.0%	0.0%		-13.7%	

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Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: GovGuam - GDOE Federal Grants Assistance Fund Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
	FG.01	To correct opening fund balance.								
		Fund Balance					434,016			
		Revenue - Federal grants and contributions							(1)	X
		Due to other funds			(434,015)					
FG.N.01, Tab N.04	FG.02	To record vendor invoices for services rendered in FY2024.								
		Expenditure - General Administration							1,267,312	X
		Other liabilities and accruals			(1,267,312)					
		Receivables from federal agencies	1,267,312							
		Federal grants and contributions							(1,267,312)	X
Total of corrected misstatements before income tax			1,267,312	0	(1,701,328)	0	434,016	0	(1)	
Financial statement amounts			102,526,802	0	(102,526,802)	0	0		0	
Effect of corrected misstatements on F/S amounts			1.2%	0.0%	1.7%	0.0%	0.0%		0.0%	

Communication schedule for corrected misstatements

Entity: GovGuam - Chamorro Lands (Permanent Funds) Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
Total of corrected misstatements before income tax			0	0	0	0	0	0	0	
Financial statement amounts			0	459,050,489	0	0	(459,050,489)		0	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	

Communication schedule for corrected misstatements

Entity: GovGuam - 502 and 503 (Proprietary Funds) Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
Total of corrected misstatements before income tax			0	0	0	0	0	0	0	
Financial statement amounts			33,655,565	0	(27,636,648)	0	(6,018,917)		(6,018,917)	
Effect of corrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	

A - Management Representations Letter, continued

Government of Guam
Letter of Representations

April 23, 2026

Appendix B – Schedule of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: GovGuam - Other Govt Funds Period ended: 30-Sep-2024 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE #01	GG.IA	To record permanent transfers to Special Revenues to cover fund deficits (Funds 673, 602, 317, 208, 297 and 684).								
	Tab IA.01	Interfund			6,791,919					
	FS.01 - PC51, PC52	Transfer in							(6,791,919)	X
AJE #02	FS.01	To record an adjustment to correct the beginning net position amount of Fund 673.								
	AJE Tab	Net Position					(392,148)			
	AJE 14	Expenditures							392,148	X
AJE #03	FS.01	To record an adjustment to correct the interfund transfer of Fund 208								
	AJE Tab	Interfund	409,075							
	AJE 19	Transfer In							(409,075)	X
AJE #04	FS.01	To record an adjustment to correct Funds 618, 681 and 205 for FS presentation purposes.								
	AJE Tab	Payable to federal agencies			655,785					
	AJE 16	Accounts payable			(675)					
		Revenues							(655,110)	X
AJE #05	FS.01	To record an adjustment to match Fund 206 and 416 to the separately audited FS.								
	AJE Tab	Cash and cash equivalents - Unrestricted	1,658,752							
	AJE 13	Receivable - Taxes	856,310							
		Interfund	97,097							
		Accounts payable			20,693					
		Net Position					(987,974)			
		Revenue							(759,887)	X
		Expenditure							18,634,845	X
		Transfer In							(385,624)	X
		Transfer Out							(19,134,212)	X
Total of corrected misstatements before income tax			3,021,234	0	7,467,722	0	(1,380,122)	0	(9,106,834)	
Financial statement amounts			3,392,511,630	0	(161,921,357)	0	(3,230,590,273)		(595,354,816)	
Effect of corrected misstatements on F/S amounts			0.1%	0.0%	-4.6%	0.0%	0.0%		1.5%	

A - Management Representations Letter, continued

Government of Guam
Letter of Representations
April 23, 2026

Appendix C – Subsequent Events

Government of Guam
Subsequent Events Questionnaire
Coverage: For the period from October 1, 2024 to auditor's report

Question	Response Yes or No	If yes, please provide additional information
1 Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements?	No	
2 Have there been any new significant contingent liabilities or commitments arisen, except as disclosed in the financial statements?	No	
3 Have there been any significant changes that occurred in trends of revenue or expenditures that could affect accounting estimates (e.g., valuation of receivables or inventories, realization of deferred charges, provisions for liabilities or unearned income)?	No	
4 Have there been any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?	No	
5 Have there been any significant changes that occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	No	
6 Were there any significant unusual or non-recurring adjustments been recorded (or are necessary)?	No	
7 Were there any communications, written or oral, occurred with the regulatory agencies (including Federal granting agencies or any of its agencies) with which the entity files financial statements or seeks federal assistance/grants form?	No	
8 Have there been any changes in the entity's related parties?	No	
9 Have any significant new related party transactions occurred?	No	
10 Were there any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements?	No	
11 Are you aware of any fraud or suspected fraud affecting **Government of Guam** involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the financial statements?	No	
12 Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of **Government of Guam**?	No	

Page 1 of 2

A - Management Representations Letter, continued

Government of Guam
Letter of Representations

April 23, 2026

Government of Guam
Subsequent Events Questionnaire
Coverage: For the period from October 1, 2024 to auditor's report

Question	Response Yes or No	If yes, please provide additional information
13 Are you aware of any close relationships, or business employment or other relationships that could bear on EY's independence (e.g. business/financial relationships, litigation with EY, family relationship, employment, loans, cooperative arrangements, etc.)?	No	

Edward Birn, Department of Administration - Director
Name and Title

Theresa Rivers, Department of Administration - CFO
Name and Title

Financial Highlights
Government of Guam Compliance Audit
Fiscal Year 2024

April 27, 2026

The Government of Guam (GovGuam) Fiscal Year (FY) 2024 compliance audit identified widespread issues across major federal programs, primarily driven by missing documentation and weak oversight controls. The auditors issued disclaimer opinions on five major federal programs, meaning the Government could not demonstrate whether funds were used in compliance with federal requirements due to insufficient documentation. Additional programs received qualified opinions. Questioned costs totaled approximately $22.6 million (M); however, for several findings, questioned costs could not be determined due to incomplete records.

Over the past four fiscal years, the compliance audit has been issued with increasing delay, from approximately 20 days late in FY 2021 to 298 days late in FY 2024, while the number of findings and questioned costs has also increased, indicating persistent challenges in financial management and oversight.

Audit Opinion

For FY 2024, GovGuam received a disclaimer of opinion on five major federal programs. A disclaimer does not indicate misuse of funds but reflects insufficient records and support to demonstrate compliance. In practical terms, this means:

- Some federal funds could not be fully verified, and
- Oversight systems were not consistently able to demonstrate accountability due to gaps in documentation, monitoring, and record retention.

Across findings, the most consistent issue was not isolated errors, but the Government's inability to consistently demonstrate compliance due to incomplete or unsupported records. These issues recur across multiple programs in how federal funds are documented, monitored, and reported. When agencies cannot demonstrate compliance:

- Decision-makers lack reliable information.
- Public confidence in financial stewardship may be weakened.

Continued weaknesses may affect GovGuam's ability to demonstrate compliance with federal requirements. These results underscore the need for stronger, coordinated oversight to ensure federal funds are properly tracked, supported, and accounted for. These conditions also affect the reliability and timeliness of financial information used for decision-making and oversight.

Key Compliance Risks

Across findings, the most consistent issue was the inability to demonstrate compliance due to missing, incomplete, or unsupported records, with the Department of Administration (DOA) have the most findings

Doc. No. 38GL-26-2254.*

and questioned costs, followed by the Department of Public Health and Social Services (DPHSS). See Table 1.

Table 1: FY 2024 Findings and Questioned Costs by Agency

Agency	Questioned Costs in Millions (M)	Total # of Findings	# of Findings with Questioned Costs	# of Findings with Undeterminable Questioned Costs	# of Repeat Findings
DOA	$ 11.8	31	25	6	12
DPHSS	$ 10.8	10	8	2	1
Department of Labor	$ 0.02	1	1	0	0
Bureau of Budget Mgmt. and Research	$ -	6	2	4	4
Guam Homeland Security	$ -	4	1	3	0
Guam Env. Protection Agency	$ -	1	0	1	1
Grand Total	**$22.6**	**53**	**37**	**16**	**18**

Documentation and Oversight

Agencies frequently could not provide complete records needed to support compliance.

- Inability to provide full populations for testing.
- Records unavailable due to system or retention issues.

When documentation is insufficient, compliance cannot be consistently confirmed based on available documentation.

Cash Management and Reconciliation

Controls over how federal funds are drawn and tracked were inconsistent.

- Costs were not always supported before reimbursement.
- Drawdowns were not consistently reconciled.

These gaps increase the risk of improper use of federal funds and inaccurate reporting.

Eligibility and Program Administration

Weaknesses were identified in determining who qualifies for federally funded benefits.

- Income and household verification.
- Citizenship or eligibility determination.
- Timeliness of eligibility decisions.

In some cases, eligibility could not be verified, resulting in questioned costs.

Procurement and Compliance Controls

Procurement records were often incomplete, including missing files, required checks, and cost analyses. As a result, compliance with federal requirements could not always be verified.

Monitoring and Internal Controls

Routine monitoring controls were not consistently effective. In several instances, issues were identified only during audit testing rather than through agency oversight.

Recurring Issues

Eighteen of the 53 findings were repeat findings from prior years, indicating that corrective actions were not consistently implemented or sustained. Specifically, in:

- Documentation practices.
- Monitoring controls.
- Reporting and financial processes.

These recurring patterns suggest that underlying control weaknesses are systemic rather than isolated to individual programs.

Audit Issuance Continues to be Delayed

Although this audit covers FY 2024, it is being issued nine (9) months after the statutory deadline of June 2025. Based on the past four fiscal years, the trend shows increasing delays in audit issuance, an increasing number of audit findings, and consistently high questioned costs indicating ongoing challenges in financial management and oversight. This trend indicates underlying financial management and compliance issues have persisted without full resolution. The table below summarizes the trend in audit timing, findings, and questioned costs over the past four fiscal years. See Table 2.

Table 2: FY 2021 to FY 2024 Compliance Audit Trends

Fiscal Year	Statutory Deadline	Date Issued	Number of Days Late	Number of Months Late	Number of Findings	Questioned Costs in Millions (M)
FY 2021	June 30, 2022	July 20, 2022	20	1	30	$ 41.7
FY 2022	June 30, 2023	November 21, 2023	144	5	33	$ 11.2
FY 2023	June 30, 2024	February 13, 2025	228	7	34	$ 15.5
FY 2024	June 30, 2025	April 24, 2026	298	10	53	$ 22.6

DOA Response to Audit Timeliness

GovGuam, like many U.S. territories and some states, has experienced considerable delays in completing audits in a timely manner. DOA cited the following factors contributing to delays:

- Limited availability of qualified and experienced accountants across the Government and auditors.
- Increased federal funding, which in turn has increased the work needed to prepare, audit, and resolve the work needed to complete the federal compliance report required under the Single Audit Act.
- Late completion of audits for component units, including the FY 2024 Guam Department of Education audit.

GovGuam has received some assistance from the U.S. Department of Interior (DOI) to improve audit timeliness since it is the cognizant federal agency for the U.S. territories, except Puerto Rico. DOI is responsible to other federal grantor agencies for audit quality and timeliness. GovGuam, Ernst & Young, and DOI have initiated discussions to improve audit quality and timeliness.

Management Letter Comments

The management letter highlights underlying financial management issues, including:

- Weak financial closing and reconciliation processes.

- Long-standing unresolved balances and unrecorded liabilities.
- Inconsistent application of accounting standards.
- Reporting differences between submitted reports and accounting records.
- Gaps in procurement, grant tracking, and cash management policies.

These conditions indicate that system-level improvements are needed to strengthen consistency in documentation, monitoring, and reporting across programs.

For more details, please refer to the Reports on Compliance and Management Letter at https://www.guamopa.org.

Reports on Compliance

Government of Guam

Year ended September 30, 2024

Government of Guam

Reports on Compliance

Year ended September 30, 2024

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Shape the future with confidence

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Lourdes A. Leon Guerrero
Governor
Government of Guam

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements, and have issued our report thereon dated April 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered GovGuam's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control. Accordingly, we do not express an opinion on the effectiveness of GovGuam's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 through 2024-006 and 2024-008 through 2024-009 to be material weaknesses.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2024-007 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GovGuam's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

GovGuam's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on GovGuam's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. GovGuam's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

April 23, 2026

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Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Honorable Lourdes A. Leon Guerrero
Governor
Government of Guam

Report of Independent Auditors on Compliance for Each Major Federal Program

Qualified, Unmodified and Disclaimer of Opinions

We have audited Government of Guam's (GovGuam's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Assistance Listing Number (ALN) 10.551/10.561 Supplemental Nutrition Assistance Program (SNAP) Cluster, ALN 10.557 Special Supplemental Food Program for Women, Infants and Children, ALN 11.031 Broadband Infrastructure Program, ALN 17.225 Unemployment Insurance, ALN 17.277 Workforce Investment Act (WIA) National Emergency Grants, ALN 21.023 Emergency Rental Assistance Program, ALN 21.027 Coronavirus State and Local Fiscal Recovery Funds, ALN 66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support, ALN 93.575/93.596 Child Care and Development (CCDF) Cluster, ALN 93.767 Children's Health Insurance Program and ALN 93.778 Medicaid Cluster; and we were engaged to audit GovGuam's compliance with the types of compliance requirements identified in the OMB *Compliance Supplement* that could have a direct and material effect on ALN 15.875 Economic, Social and Political Development of the Territories, ALN 21.026 Homeowner Assistance Fund, ALN 21.029 Coronavirus Capital Projects Fund, ALN 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), and ALN 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters), for the year ended September 30, 2024. GovGuam's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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Summary of Opinions

ALN	Name of Federal Program or Cluster	Type of Opinion
10.551/10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster	Unmodified
10.557	Special Supplemental Food Program for Women, Infants and Children	Qualified
11.031	Broadband Infrastructure Program	Unmodified
15.875	Economic, Social and Political Development of the Territories	Disclaimer
17.225	Unemployment Insurance	Unmodified
17.277	Workforce Investment Act (WIA) National Emergency Grants	Unmodified
21.023	Emergency Rental Assistance Program	Qualified
21.026	Homeowner Assistance Fund	Disclaimer
21.027	Coronavirus State and Local Fiscal Recovery Funds	Qualified
21.029	Coronavirus Capital Projects Fund	Disclaimer
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	Qualified
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Disclaimer
93.575/93.596	Child Care and Development Fund (CCDF) Cluster	Qualified
93.767	Children's Health Insurance Program	Qualified
93.778	Medicaid Cluster	Qualified
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Disclaimer

Disclaimer of Opinion on Five Major Federal Programs

We do not express an opinion on GovGuam's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the following major federal programs. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Five Major Federal Programs section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the following major federal programs.

ALN	Name of Federal Program or Cluster
15.875	Economic, Social and Political Development of the Territories
21.026	Homeowner Assistance Fund
21.029	Coronavirus Capital Projects Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Qualified Opinion on Seven Major Federal Programs

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, GovGuam complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the following major federal programs for the year ended September 30, 2024:

ALN	Name of Federal Program or Cluster
10.557	Special Supplemental Food Program for Women, Infants and Children
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support
93.575/93.596	Child Care and Development Fund (CCDF) Cluster
93.767	Children's Health Insurance Program
93.778	Medicaid Cluster

Unmodified Opinion on Four Major Federal Programs

In our opinion, GovGuam complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the following major federal programs as identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended September 30, 2024.

ALN	Name of Federal Program or Cluster
10.551/10.561	Supplemental Nutrition Assistance Program (SNAP)
11.031	Broadband Infrastructure Program
17.225	Unemployment Insurance
17.277	Workforce Investment Act (WIA) National Emergency Grants

Basis for Disclaimer of Opinion on Five Major Federal Programs

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain audit evidence supporting GovGuam's compliance with the applicable compliance requirements, as described in Findings 2024-010, 2024-013 through 2024-016, 2024-021 through 2024-024, 2024-029 through 2024-031, 2024-036 through 2024-039, and 2024-49 through 2024-053. As a result of these matters, we were unable to determine whether GovGuam complied with the requirements applicable to the following major federal programs:

Finding Number	ALN	Name of Federal Program or Cluster	Compliance Requirement
2024-010	15.875	Economic, Social and Political Development of the Territories	Cash Management

Finding Number	ALN	Name of Federal Program or Cluster	Compliance Requirement
2024-013	15.875	Economic, Social and Political Development of the Territories	Allowable Costs/Cost Principles Procurement and Suspension and Debarment
2024-014	15.875	Economic, Social and Political Development of the Territories	Equipment and Real Property Management
2024-015	15.875	Economic, Social and Political Development of the Territories	Reporting
2024-016	15.875	Economic, Social and Political Development of the Territories	Subrecipient Monitoring
2024-021	21.026	Homeowner Assistance Fund	Activities Allowed or Unallowed Allowable Costs/Cost Principles
2024-022	21.026	Homeowner Assistance Fund	Eligibility
2024-023	21.026	Homeowner Assistance Fund	Matching, Level of Effort, Earmarking
2024-024	21.026	Homeowner Assistance Fund	Reporting
2024-029	21.029	Coronavirus Capital Projects Fund	Matching, Level of Effort, Earmarking
2024-030	21.029	Coronavirus Capital Projects Fund	Reporting
2024-031	21.029	Coronavirus Capital Projects Fund	Subrecipient Monitoring
2024-036	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Cash Management
2024-037	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Equipment and Real Property Management
2024-038	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Period of Performance
2024-039	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Procurement and Suspension and Debarment
2024-049	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Activities Allowed or Unallowed Allowable Costs/Cost Principles
2024-050	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Matching, Level of Effort, Earmarking
2024-051	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Period of Performance
2024-052	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Reporting
2024-053	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Special Tests and Provisions

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing* Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GovGuam and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of GovGuam's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

As discussed in Note 3b to the Schedule of Expenditures of Federal Awards, GovGuam's basic financial statements include the operations of certain organizational units, which expended federal awards which are not included in GovGuam's Schedule of Expenditures of Federal Awards during the year ended September 30, 2024. Our compliance audit, described in the "Qualified and Modified Opinions" section, does not include the operations of each organizational unit identified in Note 3b because the organizational unit engaged other auditors to perform an audit of compliance, if required.

Matters Giving Rise to Qualified Opinion on Seven Major Federal Programs

As described in Findings 2024-010 through 2024-012, 2024-018 through 2024-020, 2024-025, 2024-027 through 2024-028, 2024-033, 2024-035, and 2024-040 through 2024-041, 2024-043, 2024-045, and 2024-048 in the accompanying Schedule of Findings and Questioned Costs, GovGuam did not comply with requirements regarding the following:

Finding Number	ALN	Name of Federal Program or Cluster	Compliance Requirement
2024-010	10.557	Special Supplemental Food Program for Women, Infants and Children	Cash Management
2024-011	10.557	Special Supplemental Food Program for Women, Infants and Children	Period of Performance
2024-012	10.557	Special Supplemental Food Program for Women, Infants and Children	Procurement and Suspension and Debarment
2024-018	21.023	Emergency Rental Assistance Program	Eligibility
2024-019	21.023	Emergency Rental Assistance Program	Matching, Level of Effort, Earmarking

Finding Number	ALN	Name of Federal Program or Cluster	Compliance Requirement
2024-020	21.023	Emergency Rental Assistance Program	Reporting
2024-025	21.027	Coronavirus State and Local Fiscal Recovery Funds	Activities Allowed or Unallowed Allowable Costs/Cost Principles
2024-027	21.027	Coronavirus State and Local Fiscal Recovery Funds	Procurement and Suspension and Debarment
2024-028	21.027	Coronavirus State and Local Fiscal Recovery Funds	Subrecipient Monitoring
2024-033	66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	Cash Management
2024-035	66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	Program Income
2024-040	93.575/ 93.596	Child Care and Development Fund (CCDF) Cluster	Activities Allowed or Unallowed Allowable Costs/Cost Principles
2024-041	93.575/ 93.596	Child Care and Development Fund (CCDF) Cluster	Eligibility
2024-043	93.575/ 93.596	Child Care and Development Fund (CCDF) Cluster	Reporting
2024-045	93.767	Children's Health Insurance Program	Eligibility
2024-048	93.778	Medicaid Cluster	Eligibility Special Tests and Provisions

Compliance with such requirements is necessary, in our opinion, for GovGuam to comply with the requirements applicable to those programs.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to GovGuam's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GovGuam's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GovGuam's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding GovGuam's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of GovGuam's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-017, 2024-026, 2024-032, 2024-034, 2024-042, 2024-044, and 2024-046 through 2024-047. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on GovGuam's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. GovGuam's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

GovGuam is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. GovGuam's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-010 through 2024-016, 2024-018 through 2024-025, 2024-027 through 2024-031, 2024-033, 2024-035 through 2024-045, and 2024-047 through 2024-053 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-017, 2024-026, 2024-032, 2024-034, and 2024-046 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on GovGuam's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. GovGuam's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

GovGuam is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. GovGuam's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of GovGuam as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GovGuam's basic financial statements. We issued our report thereon, dated April 23, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernst + Young LLP

April 23, 2026

Government of Guam

Schedule of Expenditures of Federal Awards by Grantor

Year ended September 30, 2024

Agency/Program	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department of Agriculture	$ 151,257,003	$ 497,992
U.S. Department of Commerce	7,881,743	5,010,913
U.S. Department of Defense	11,079,224	2,452,768
U.S. Department of Housing and Urban Development	62,646	-
U.S. Department of the Interior	15,597,479	1,385,686
U.S. Department of Justice	5,681,768	1,496,139
U.S. Department of Labor	18,173,600	-
U.S. Department of Transportation	33,533,347	-
Department of Treasury	61,336,132	4,150,852
Federal Communications Commission	152,928	-
National Foundation on the Arts and the Humanities	367,759	132,949
U.S. Environmental Protection Agency	6,448,836	-
U.S. Department of Energy	1,179,558	-
U.S. Department of Education	1,735,199	526,492
U.S. Department of Health and Human Services	283,964,650	457,012
Corporation for National and Community Service	1,131,349	644,528
U.S. Department of Homeland Security	4,989,856	1,063,060
GRAND TOTAL	$ 604,573,077	$ 17,818,391

Note: All awards are received direct from the Federal agency.

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Schedule of Expenditures of Federal Awards

Year ended September 30, 2024

Agency/Program		Federal Expenditures	Amounts Passed Through To Subrecipients
	U.S. DEPARTMENT OF AGRICULTURE		
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	$ 119,035,772	$ -
10.561	State Administrative Matching Grant for Food Stamp Program	2,506,107	244,521
10.561	COVID-19 State Administrative Matching Grant for Food Stamp Program	-	-
	Subtotal SNAP Cluster	121,541,879	244,521
	Community Facilities Loans and Grants Cluster		
10.766	Community Facilities Loans and Grants	176,177	-
	Subtotal Community Facilities Loan and Grants Cluster	176,177	-
10.170	In Vitro Dev of Clean Planting Stock	$ 332,774	$ 217,979
10.179	Micro-Grants for Food Security Program	16,582	-
10.182	Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	- 195,000	-
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	118	-
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	8,732	-
10.542	Pandemic EBT Benefits	17,948,447	-
10.557	Special Supplemental Food Program for Women, Infants and Children	10,423,286	-
10.578	WIC Grants to States (WGS)	-	-
10.649	State Pandemic Electronic Benefit Transfer (p-ebt) Adminstrative Costs	477,335	
10.664	Cooperative Forestry Assistance	71,452	35,492
10.698	State & Private Foresty Cooperative Fire Assistance	65,221	-
	U.S. DEPARTMENT OF AGRICULTURE TOTAL	$ 151,257,003	$ 497,992
	U.S. DEPARTMENT OF COMMERCE		
	Economic Development Cluster		
11.307	Economic Adjustment Assistance	$ 694,766	$ 675,986
11.307	COVID-19 Economic Adjustment Assistance	320,192	-
	Subtotal Economic Development Cluster	1,014,958	675,986
11.031	Broadband Infrastructure Program	$ 4,072,643	$ 4,072,643
11.032	State Digital Equity Planning and Capacity Grant	95,741	-
11.035	Broadband Equity, Access, and Deployment Program	431,604	-
11.407	Interjurisdictional Fisheries Act of 1986	8,488	-
11.419	Coastal Zone Management Administration Awards	1,157,000	130,625
11.437	Pacific Fisheries Data Program	178,050	-
11.452	Unallied Industry Projects	1,512	-
11.454	Unallied Management Projects	-	-
11.463	Habitat Conservation	74,751	-
11.467	Meteorologic and Hydrologic Modernization Development	379,489	-
11.472	Unallied Science Program	34,865	-
11.473	Office for Coastal Management	83,324	-
11.482	Coral Reef Conservation Program	349,318	131,659
	U.S. DEPARTMENT OF COMMERCE TOTAL	$ 7,881,743	$ 5,010,913

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Schedule of Expenditures of Federal Awards, continued

Agency/Program		Federal Expenditures	Amounts Passed Through To Subrecipients
	U.S. DEPARTMENT OF DEFENSE		
12.005	Conservation and Reabilitation of Natural Resources on Military Installations	$ 1,143	$ -
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services (DSMOA)	136,492	-
12.401	National Guard Military Operations and Maintenance (O&M) Projects	6,449,113	-
12.404	National Guard Challenge Program	626,148	-
12.600	Community investment	2,228,721	1,488,392
12.618	Community Economic Adjustment Assistance for Establishment or Expansion of a Military Installation	1,637,607	964,376
	U.S. DEPARTMENT OF DEFENSE TOTAL	$ 11,079,224	$ 2,452,768
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
14.267	Promotion of the Arts-Partnership Agreements	$ 62,646	$ -
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOTAL	$ 62,646	$ -
	U.S. DEPARTMENT OF THE INTERIOR		
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration	$ 1,953,144	$ 250,000
15.611	Wildlife Restoration	777,087	-
15.626	Enhanced Hunter Education and Safety	482	-
	Subtotal Fish and Wildlife Cluster	2,730,713	250,000
15.615	Cooperative Endangered Species Conservation Fund	817,055	417,586
15.634	State Wildlife Grants	33,260	-
15.663	NFWF-USFWS Conservation Partnership	4,278	4,278
15.669	Cooperative Landscape Conservation	14,528	-
15.875	Economic, Social, and Political Development of the Territories	11,639,098	713,822
15.904	Historic Preservation Fund Grants-In-Aid	358,547	-
	U.S. DEPARTMENT OF THE INTERIOR TOTAL	$ 15,597,479	$ 1,385,686
	U.S. DEPARTMENT OF JUSTICE		
16.017	Sexual Assault Services Formula Program	$ 98,010	$ 88,340
16.034	Coronavirus Emergency Supplemental Funding	274,095	-
16.043	Veterans Treatment Court Discretionary Grant Program	161,697	-
16.320	Services for Trafficking Victims	-	-
16.540	Juvenile Justice and Delinquency Prevention-Allocation to States	3,966	-
16.554	National Criminal History Improvement Program (NCHIP)	1,010,199	-
16.575	Crime Victim Assistance	612,922	358,496
16.576	Victim Compensation Program	116,649	7,371
16.585	Drug Court Discretionary Grant Program	207,478	-
16.588	Violence Against Women Formula Grants	508,379	400,088
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	48,024	6,321
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	183,167	134,795
16.593	Residential Substance Abuse Treatment for State Prisoners	97,641	81,184
16.710	Public Safety Partnership and Community Policing Grants	775,912	-
16.735	PREA Program: Strategic Support for PREA Implementation	167,839	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	327,628	305,101
16.742	Paul Coverdell Forensic Science	124,875	114,443
16.745	Justice and Mental Health Collaboration Program	92,345	-
16.750	Support for Adam Walsh Act Implementation Grant Program	160,452	-
16.754	Harold Rogers Prescription Drug Monitoring Program	-	-
16.812	Adult Reentry Demonstration Program	354,726	-
16.828	Swift Certain and Fair Sanctions Program	1,000	-
16.922	Equitable Sharing Funds	354,764	-
	U.S. DEPARTMENT OF JUSTICE TOTAL	$ 5,681,768	$ 1,496,139

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Schedule of Expenditures of Federal Awards, continued

Agency/Program		Federal Expenditures	Amounts Passed Through To Subrecipients
	U.S. DEPARTMENT OF LABOR		
17.002	Labor Force Statistics	$ 60,528	$ -
17.005	Compensation and Working Conditions Data	51,407	-
	Employment Service Cluster:		
17.207	Employment Service	330,624	-
17.801	Disabled Veteran's Outreach Program (DVOP)	126,028	-
	Subtotal Employment Service Cluster	456,652	-
	WIOA Cluster:		
17.258	WIA Adult Program	837,384	-
17.259	WIA Youth Activities	990,385	-
17.278	WIA Dislocated Worker Formula Grant	731,895	-
	Subtotal WIOA Cluster	2,559,664	-
17.225	Unemployment Insurance	7,319,645	-
17.225	COVID-19 Unemployment Insurance	1,007,320	-
17.235	Senior Community Service Employment Program	829,303	-
17.273	Foreign Labor Certification	-	-
17.277	WIA-Natl Emerg Grants	5,080,328	-
17.277	COVID-19 WIA-Natl Emerg Grants	-	-
17.285	Apprenticeship USA Grants	183,968	-
17.290	WIOA Adult, Disolacated Worker and Youth Outlying Areas Consolidated Grants	308,194	-
17.504	Consultation Agreements	316,591	-
	U.S. DEPARTMENT OF LABOR TOTAL	$ 18,173,600	$ -
	U.S. DEPARTMENT OF TRANSPORTATION		
20.205	Highway Planning & Construction	$ 31,029,096	$ -
20.205	COVID-19-Highway Planning & Construction	234,250	-
	Highway Safety Cluster:		
20.600	State & Community Highway Safety	804,259	-
	Subtotal Highway Safety Cluster	804,259	-
20.602	Occupant Protection Incentive Grants	55,516	-
20.218	Motor Carrier Safety Assistance Program	393,234	-
20.530	Public Transportation Innovation	87,395	-
20.530	COVID-19 Public Transportation Innovation	792,985	-
20.509	Formula Grants for Other Than Urbanized Areas	84,030	-
20.509	COVID-19 -Formula Grants for Other Than Urbanized Areas	-	-
20.610	St Traffic Safety Info System Improvement	5,325	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	47,257	-
	U.S. DEPARTMENT OF TRANSPORTATION TOTAL	$ 33,533,347	$ -

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Schedule of Expenditures of Federal Awards, continued

Agency/Program		Federal Expenditures	Amounts Passed Through To Subrecipients
	DEPARTMENT OF TREASURY		
21.016	Equitable Sharing Program	$ 153,239	$ -
21.019	Coronavirus Relief Fund	-	-
21.023	Emergency Rental Assistance	8,746,138	-
21.026	Homeowners Assistance Program	754,930	-
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	47,490,554	39,938
21.029	COVID-19 Coronavirus Capital Projects Fund	4,191,271	4,110,914
	DEPARTMENT OF TREASURY TOTAL	$ 61,336,132	$ 4,150,852
	FEDERAL COMMUNICATIONS COMMISSION		
32.011	Affordable Connectivity Outreach Grant Program	$ 152,928	$ -
	FEDERAL COMMUNICATIONS COMMISSION TOTAL	$ 152,928	$ -
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.025	Promotion of the Arts-Partnership Agreements	$ 295,233	$ 132,949
45.310	State Library Program	72,526	-
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES TOTAL	$ 367,759	$ 132,949
	U.S. ENVIRONMENTAL PROTECTION AGENCY		
66.600	Environmental Protection Consolidated Grants - Program Support	$ 5,842,677	$ -
66.040	Diesel Emissions Reduction Act	126,609	-
66.046	Climate Pollution Reduciton Grants	479,550	-
	U.S. ENVIRONMENTAL PROTECTION AGENCY TOTAL	$ 6,448,836	$ -
	U.S. DEPARTMENT OF ENERGY		
81.041	State Energy Program	$ 779,200	$ -
81.042	ARRA Weatherization Assistance for Low-Income Persons	381,349	-
81.128	Energy Efficieny and Conservation Block Grant	19,009	-
	U.S. DEPARTMENT OF ENERGY TOTAL	$ 1,179,558	$ -
	U.S. DEPARTMENT OF EDUCATION		
84.126A	Rehabilitation Services-Vocational Rehabilitation Grants to States	$ 1,139,156	$ -
84.177B	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind (B)	9,587	-
84.425H	Education Stablization Fund	586,456	526,492
	U.S. DEPARTMENT OF EDUCATION TOTAL	$ 1,735,199	$ 526,492

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Schedule of Expenditures of Federal Awards, continued

Agency/Program	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Aging Cluster:		
93.044 Special Programs for the Aging - Title III, Part B - Grants	$ 1,361,552	$ -
93.044 COVID-19-Special Programs for the Aging - Title III, Part B - Grants	64,951	-
93.045 Special Programs for the Aging - Title III, Part C - Nutrition Services	3,053,616	-
93.045 COVID-19 'Special Programs for the Aging - Title III, Part C - Nutrition Services	6,882	-
93.053 Nutrition Services Incentive Program	264,399	-
Subtotal Aging Cluster	4,751,400	-
93.224 Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	1,775,794	-
93.224 COVID-19 Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	598,698	-
93.527 Grants for New and Expanded Services under the Health Center Program	25,896	-
93.527 COVID-19 Grants for New and Expanded Services under the Health Center Program	73,428	-
Subtotal Health Center Program Cluster	2,473,816	-
93.575 Child Care and Development Block Grant	18,136,018	-
93.575 COVID-19 Child Care and Development Block Grant	16,551,160	-
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund	4,076,262	-
Subtotal CCDF Cluster	38,763,440	-
Medicaid Cluster:		
93.778 Medical Assistance Program (Medicaid; Title XIX)	168,102,958	-
93.778 COVID-19 Medical Assistance Program (Medicaid; Title XIX)	883	-
Subtotal Medicaid Cluster	168,103,841	-
93.041 Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	10,590	-
93.042 Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	64,158	-
93.042 COVID-19-Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individuals	-	-
93.043 Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	10,666	-
93.048 Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	207,891	-
93.048 COVID-19 -'Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	93,355	-
93.052 Nation Family Caregiver Support Program	468,252	-
93.052 COVID-19 Nation Family Caregiver Support Program	908	
93.069 Pandemic Influenza/ Response to Bioterrorism	484,097	-
93.070 ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE	1,513	-
93.077 Family Smoking Prevention and Tobacco Control Act Regulatory Research	270,993	-
93.104 Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	588,052	
93.110 Maternal and Child Health Federal Consolidated Programs	13,037	-
93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs	924,716	-
93.127 EMSC Partnership Grants	133,765	-
93.150 Projects for Assistance in Transition from Homelessness (PATH)	45,282	-
93.165 Grants to States for Loan Repayment	37,028	-
93.217 Family Planning - Services	48,459	-
93.243 Substance Abuse and Mental Health Services-Projects of Regional and National Significance	4,859,472	160,433
93.268 Immunization Grants	1,287,072	-
93.268 COVID-19 Immunization Grants	544,005	-
93.323 Epidemiology and Lab Cap Prog2	1,065,728	-
93.323 COVID-19- Epidemiology and Lab Cap Prog2	3,586,733	-
93.324 State Health Insurance Assistance Program	67,395	-
93.324 COVID-19 State Health Insurance Assistance Program	79,555	-
93.336 Behavioral Risk Factor Srv Sys	258,959	-
93.354 STLT HLTH DEPT RESP TO CRISIS	375,878	-
93.377 Prevention and Control of Chronic Disease	334,225	-
93.387 NATIONAL STATE TOBACCO PROGRAM	37,004	-
93.369 ALC Independent Living State Grants	34,648	-
93.391 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	1,185,065	296,246
93.434 Prevention and Control of Chronic Disease	1,041,229	-
93.495 Community Health Workers for Public Health Response and Resilient	300,064	-
93.499 Low Income Household Water Assistance Program	-	-
93.504 Family to Family Health Information Centers	60,847	-

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Schedule of Expenditures of Federal Awards, continued

Agency/Program		Federal Expenditures	Amounts Passed Through To Subrecipients
93.558	Temporary Assistance for Needy Families	818,561	-
93.560	Family Support Payments to States_Assistance Payments	1,131,864	-
93.563	Child Support Enforcement	4,162,321	-
93.587	Promote the Survival and Continuing Vitality of Native American Languages	432,178	-
93.590	Community-Based Child Abuse Prevention Grants	-	-
93.597	Grants to States for Access and Visitation Programs	121,417	-
93.630	Developmental Disabilities Basic Support and Advocacy Grants	307,180	-
93.645	Stephanie Tubbs Jones Child Welfare Services Program	-	-
93.665	Emergency Grants to Address Mental and Substance Use Disorder During COVID-19	4,343	-
93.667	Social Services Block Grant	3,994,330	-
93.669	Child Abuse and Neglect State Grants	-	-
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	-	-
93.698	Elder Justice Act	12,009	-
93.747	Elder Abuse Prevention Interventions Program	-	-
93.747	COVID-19 Elder Abuse Prevention Interventions Program	210,060	-
93.767	Children's Health Insurance Program	32,045,067	-
93.788	Opioid STR	209,362	-
93.829	Section 223 Demonstration Program to Improve Community Mental Health Services	145,479	-
93.870	Maternal, Infant and Early Childhood Home visiting Grant Program	900,586	-
93.870	COVID-19 Maternal, Infant and Early Childhood Home visiting Grant Program	23,128	-
93.889	Natl Bioterrsm Hosp Prep Program	290,392	-
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	503,906	333
93.917	HIV Care Formula Grants	217,473	-
93.945	Assistance Program for Chronic Disease Prevention and Control	-	-
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	13,849	-
93.958	Block Grants for Community Mental Health Services	1,424,737	-
93.958	COVID-19 - Block Grants for Community Mental Health Services	169,042	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	1,350,844	-
93.959	COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	473,549	-
93.967	CDC's Collaboration with Academia to Strengthen Public Health	895,091	-
93.982	Mental Health Disaster Assistance and Emergency Mental Health	592,308	-
93.991	Preventive Health and Health Services Block Grant	274,908	-
93.994	Maternal and Child Health Services Block Grant to the States	627,528	-
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL	$ 283,964,650	$ 457,012
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
94.003	State Commissions	$ 310,039	$ -
94.006	AmeriCorps State and National	644,528	644,528
94.008	AmeriCorps Commision Investment Fund	130,839	-
94.017	AmeriCorps Seniors Senior Demonstration Program	45,943	-
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE TOTAL	$ 1,131,349	$ 644,528
	U.S. DEPARTMENT OF HOMELAND SECURITY		
97.008	Non-Profit Security Program	$ 318,062	$ 318,062
97.012	Boating Safety Financial Assistance	381,071	-
97.032	Crisis Counseling	1	-
97.036	Public Assistance Grants	1,186,218	-
97.036	COVID-19 Public Assistance Grants	754,840	-
97.039	Hazard Mitigation Grant	761,624	555,998
97.042	Emergency Management Performance Grants	724,933	-
97.047	BRI: Building Resilient Infrastructure & Communities	288,675	189,000
97.056	Port Security Grant Program	7,275	-
97.067	Homeland Security Grant Program	492,652	-
97.082	Earthquake and Consortium	-	-
97.082	Earthquake and Consortium	74,505	-
	U.S. DEPARTMENT OF HOMELAND SECURITY TOTAL	$ 4,989,856	$ 1,063,060
	GRAND TOTAL	$ 604,573,077	$ 17,818,391

See accompanying notes to Schedule of Expenditures of Federal Awards

Government of Guam

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

1. Scope of Audit

The Government of Guam (GovGuam) is a governmental entity established by the 1950 Organic Act of Guam, as amended, and has the powers of a body corporate, as defined in the Act and local statutes. All significant operations of the Government of Guam are included within the scope of the audit. The U.S. Department of the Interior has been designated as the Government of Guam's cognizant agency for the Single Audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of GovGuam under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of GovGuam, it is not intended to and does not present the financial positions or changes in financial positions of GovGuam.

3. Summary of Significant Accounting Policies

a. Basis of Accounting:

All expenditures and capital outlays that represent the federal share are reported as expenditures. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, consistent with the way the Government of Guam maintains its accounting records. This includes earned reimbursements under different formula grants and entitlement programs that are accounted for as revenues in the General Fund of the Government of Guam and Supplemental Nutrition Assistance Program (SNAP) electronic benefits transfer (EBT) during the period. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. GovGuam does not elect to use the de-minimis indirect cost rate allowed under the Uniform Guidance.

b. Reporting Entity:

For purposes of complying with The Single Audit Act of 1984, as amended in 1996, GovGuam's reporting entity is defined in Note 1A to its September 30, 2024, basic financial statements; except that the Guam Department of Education, the GovGuam Retirement Fund, and all the discretely presented component units are excluded. Accordingly, the accompanying Schedule of Expenditures of Federal Awards presents the federal award programs administered by GovGuam, as defined above, for the year ended September 30, 2024.

3. Summary of Significant Accounting Policies, continued

The federal expenditure totals for the excluded departments and component units as of September 30, 2024, are as follows:

Department or Component Unit		Federal Expenditure Total
Antonio B. Won Pat International Airport Authority	$	8,632,819
GovGuam Retirement Fund	$	-
Guam Community College	$	7,861,245
Guam Department of Education	$	184,018,788
Guam Economic Development Authority	$	-
Guam Educational Telecommunications Corporation	$	-
Guam Housing and Urban Renewal Authority	$	89,642,043
Guam Housing Corporation	$	-
Guam Memorial Hospital Authority	$	2,003,303
Guam Power Authority	$	1,152,300
Guam Preservation Trust	$	-
Guam Visitors Bureau	$	-
Guam Waterworks Authority	$	2,999,185
Port Authority of Guam	$	5,148,479
University of Guam	$	60,202,786

The Government of Guam administers certain federal awards programs through subrecipients. Those subrecipients are also not considered part of the Government of Guam reporting entity.

c. Cost Allocation:

The Government of Guam has a plan for the allocation of common costs related to public health and social services federal awards programs. The amounts allocated to 2024 federal awards programs are based on 2024 actual expenditures and caseloads.

d. Matching Costs:

The non-Federal shares of programs are not included in the accompanying Schedule of Expenditures of Federal Awards.

4. Noncash Awards

Certain federal award programs do not involve cash awards to the Government of Guam. These programs generally could include donated commodities, insurance, electronic benefit payments under the Supplemental Nutrition Assistance Program (SNAP) and the Pandemic EBT Benefits (P-EBT), and loans. For the year ended September 30, 2024, the Government of Guam had the following noncash award:

U.S. Department of Agriculture ALN 10.551 SNAP EBT payments	$119,035,772
U.S. Department of Agriculture ALN 10.542 Pandemic EBT payments	17,948,447
Total SNAP EBT and P-EBT payments reported on the Schedule of Expenditures of Federal Awards	$136,984,219

Government of Guam

Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	X	**Yes**	____	**No**
Significant deficiency(ies) identified?	X	**Yes**	____	**None reported**

Noncompliance material to financial statements noted?	____	**Yes**	X	**No**

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	X	**Yes**	____	**No**
Significant deficiency(ies) identified?	X	**Yes**	____	**None reported**

Type of auditor's report issued on compliance for major federal programs:

10.551/10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster	Unmodified
10.557	Special Supplemental Food Program for Women, Infants and Children	Qualified
11.031	Broadband Infrastructure Program	Unmodified
15.875	Economic, Social and Political Development of the Territories	Disclaimer
17.225	Unemployment Insurance	Unmodified
17.277	Workforce Investment Act (WIA) National Emergency Grants	Unmodified
21.023	Emergency Rental Assistance Program	Qualified
21.026	Homeowner Assistance Fund	Disclaimer
21.027	Coronavirus State and Local Fiscal Recovery Funds	Qualified
21.029	Coronavirus Capital Projects Fund	Disclaimer
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	Qualified
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Disclaimer
93.575/93.596	Child Care and Development Fund (CCDF) Cluster	Qualified

Section I - Summary of Auditor's Results, continued

93.767	Children's Health Insurance Program	Qualified
93.778	Medicaid Cluster	Qualified
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X **Yes** ____ **No**

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	SNAP Cluster:
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the SNAP
10.557	Special Supplemental Food Program for Women, Infants and Children
11.031	Broadband Infrastructure Program
15.875	Economic, Social and Political Development of the Territories
17.225	Unemployment Insurance
17.277	Workforce Investment Act (WIA) National Emergency Grants
21.023	Emergency Rental Assistance Program
21.026	Homeowner Assistance Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
21.029	Coronavirus Capital Projects Fund
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.778	Medical Assistance Program
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Section I - Summary of Auditor's Results, continued

Dollar threshold used to distinguish between Type A and Type B programs: $3,000,000

Auditee qualified as low risk auditee? _____**Yes** __X__**No**

Section II - Financial Statement Findings

Reference Number	Findings
2024-001	General Ledger and SEFA Reconciliations
2024-002	OPEB Census Data and OPEB Liability
2024-003	Tax Receivables
2024-004	Special Revenue Fund Deficits
2024-005	Capital Assets
2024-006	Compliance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions
2024-007	Compliance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements
2024-008	Reconciliation of Unearned Revenues
2024-009	Medical and Dental Self-Insured Claims Liabilities

Section III - Federal Award Findings and Questioned Costs

Reference Number	ALN	Findings	Questioned Costs
2024-010	10.557 15.875	Cash Management	--- ***
2024-011	10.557	Period of Performance	217,035
2024-012	10.557	Procurement and Suspension and Debarment	1,433
2024-013	15.875	Allowable Costs/Cost Principles Procurement and Suspension and Debarment	4,594,214
2024-014	15.875	Equipment and Real Property Management	--- ***
2024-015	15.875	Reporting	0
2024-016	15.875	Subrecipient Monitoring	--- ***
2024-017	17.277	Eligibility	23,715
2024-018	21.023	Eligibility	20,769
2024-019	21.023	Matching, Level of Effort, Earmarking	--- ***
2024-020	21.023	Reporting	0
2024-021	21.026	Activities Allowed or Unallowed Allowable Costs/Cost Principles	7,874
2024-022	21.026	Eligibility	2,142

Section III - Federal Award Findings and Questioned Costs, continued

Reference Number	ALN	Findings	Questioned Costs
2024-023	21.026	Matching, Level of Effort, Earmarking	--- ***
2024-024	21.026	Reporting	0
2024-025	21.027	Activities Allowed or Unallowed Allowable Costs/Cost Principles	5,617,888
2024-026	21.027	Matching, Level of Effort, Earmarking	--- ***
2024-027	21.027	Procurement and Suspension and Debarment	--- ***
2024-028	21.027	Subrecipient Monitoring	--- ***
2024-029	21.029	Matching, Level of Effort, Earmarking	--- ***
2024-030	21.029	Reporting	0
2024-031	21.029	Subrecipient Monitoring	--- ***
2024-032	66.600	Activities Allowed or Unallowed Allowable Costs/Cost Principles	11,154
2024-033	66.600	Cash Management	333,147
2024-034	66.600	Period of Performance	4,248
2024-035	66.600	Program Income	--- ***
2024-036	93.323	Cash Management	113,143
2024-037	93.323	Equipment and Real Property Management	--- ***
2024-038	93.323	Period of Performance	16,668
2024-039	93.323	Procurement and Suspension and Debarment	980,252
2024-040	93.575/93.596	Activities Allowed or Unallowed Allowable Costs/Cost Principles	3,005
2024-041	93.575/93.596	Eligibility	638,831
2024-042	93.575/93.596	Matching, Level of Effort, Earmarking	1,828,343
2024-043	93.575/93.596	Reporting	0
2024-044	93.575/93.596	Special Tests and Provisions - Health and Safety Requirements	3,726,391
2024-045	93.767	Eligibility	1,970,002
2024-046	93.767	Period of Performance	76,203
2024-047	93.767	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)	1,562,177
2024-048	93.778	Eligibility Special Tests and Provisions - Utilization Control Special Tests and Provisions - Provider Eligibility (Screening and Enrollment) Special Tests and Provisions - Provider Health and Safety Standards	--- ***
2024-049	97.036	Activities Allowed or Unallowed Allowable Costs/Cost Principles	65,621

Section III - Federal Award Findings and Questioned Costs, continued

Reference Number	ALN	Findings	Questioned Costs
2024-050	97.036	Matching, Level of Effort, Earmarking	--- ***
2024-051	97.036	Period of Performance	--- ***
2024-052	97.036	Reporting	0
2024-053	97.036	Special Tests and Provisions - Project Accounting	--- ***

*** Questioned costs are undeterminable. See related finding for more information.

Finding No.: 2024-001
Area: General Ledger Reconciliation and SEFA Reconciliations

Criteria:

General ledger balances related to receivable and payable to federal agencies should be timely reconciled (e.g., at least monthly) to the subsidiary ledger or supporting details and reviewed for ongoing pertinence. The Schedule of Expenditures of Federal Awards (SEFA) should reconcile to general ledger balances and should present all amounts passed through to subrecipients. Amounts due from each federal agency by grant award and period of performance information should be readily available and used to monitor expiring or expired grants.

In addition, Section 1903 of the Social Security Act states that the federal reimbursement is permitted only for properly supported expenditures incurred in the proper and efficient administration of the Government Medicaid Plan.

Conditions:

1. Unreconciled differences were identified related to receivable and payable to federal agencies.

	Per Subsidiary	Per GL	Variance
Receivables from federal agencies:			
Major fund - federal grants assistance	$101,222,922	$112,798,851	$(11,575,929)
The aggregate remaining fund information	$ 4,820,583	$ 7,031,827	$(2,211,244)
Payables to federal agencies:			
Major fund – federal grants assistance	$ 32,420,478	$ 34,263,105	$(1,842,627)
Major fund – ARPA assistance	$181,046,151	$171,647,307	$ 9,398,844
The aggregate remaining fund information	$ 10,064,697	$ 24,624,903	$(14,560,206)

The client recorded post-closing adjustments to correct the differences.

2. The Schedule of Expenditures and Federal Awards (SEFA), notes to SEFA, and supporting expenditure listing were not timely reconciled and completed, resulting in multiple versions being provided during the audit. Specifically, deficiencies were noted, as follows:

    a. Examination of expenditure listing of identified major programs revealed numerous credit balances that were not timely reconciled and removed from the listing:

ALN	Name of Federal Program or Cluster	Total Credit Amount
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	$2,018,472
17.225	Unemployment Insurance	$488,304
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	$2,641,062
21.029	COVID-19 Coronavirus Capital Projects Fund	$685,835
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	$216,956
93.575/93.596	Child Care and Development Fund (CCDF) Cluster	$5,225,966
93.767	Children's Health Insurance Program	$8,634,333
93.778	Medical Assistance Program	$32,550,221

Finding No.: 2024-001, continued
Area: General Ledger Reconciliation and SEFA Reconciliations

Conditions, continued:

b. Amounts passed-through to subrecipients of ALN 93.575 and ALN 15.875 were corrected as subawards were not accurately classified or coded.
c. SEFA erroneously identified a Highway Planning & Construction Cluster, which is not a cluster of programs; and the identification of ALN 20.602 in the Highway Safety Cluster.
d. Noncash award for ALN 10.551 was erroneously reported.

3. As of March 2026, and based on available information, the Federal Grants Fund did not draw down approximately $15 million of amounts due from federal agencies mainly related to National Guard Military Operations and Maintenance (O&M) Projects (ALN 12.401) reported as of September 30, 2024. An adjustment was included in the communication of uncorrected projected misstatements for balances identified to have grant awards that have lapsed.

   Additionally, as of September 30, 2024, $6.465 million of receivables due from federal grantor related to U.S. Department of Homeland Security were uncollectible due to expired grants or for expenditures that exceeded total grant award. A proposed adjustment was included in the summary of uncorrected misstatements to transfer the uncollected balance to the General Fund.

4. We noted that the Government received $17 million in federal funding for the Medicaid Program (ALN 93.778). The funding was not supported by corresponding, allowable expenditures. The Government was unable to provide documentation demonstrating that the drawdown reflected actual costs incurred for Medicaid program services.

Cause:

GovGuam did not perform timely reconciliations of the receivable and payable to federal agencies and did not effectively perform monitoring controls over the completeness of the SEFA to detect and correct understatements relative to expenditures and subrecipient transactions.

Effect:

The aforementioned accounts and SEFA amounts were misstated.

Finding No.: 2024-001, continued
Area: General Ledger Reconciliation and SEFA Reconciliations

Identification as a Repeat Finding: 2023-002

Recommendation:

GovGuam management should develop and implement a Gantt chart for financial reporting purposes that includes the reconciliation of general ledger accounts with corresponding subsidiary ledgers at least monthly or quarterly. In addition, GovGuam management should consider adopting a federal module that automate the reconciliation process between the general ledger and subsidiary ledgers or implement a centralized federal grant management system. Finally, GovGuam management should conduct an independent assessment of the collectability of those receivables from federal agencies.

Views of Responsible Officials:

In FY2024 part of the year was processed in the new FMIS Microsoft 365 accounting system, which the auditor was granted access. Supporting documents are embedded into the accounting records. The necessary controls will be strengthened when the updated modules of the FMIS are fully implemented.

Finding No.: 2024-002
Area: OPEB Census Data and OPEB Liability

Criteria:

Census data used to determine the total OPEB liability should represent accurate and complete information.

Additionally, the actuary proposed assumptions for mortality should be within reasonable range.

Conditions:

1. Inactive Members - For 2 of 47 (or 4%) of inactive members tested, exceptions were identified as follows :

RecID		Record Source	Unit	Data input	Per Census Data	Per Enrollment/ Personnel Records
1)	19344	GEDA	GEDA	Medical Dental	SC RSP Class I Class I	SC-RSP Class II Class II
2)	16887	GGRF	GMHA	Medical	SC PPO Class I	No medical

2. Active Members - For 7 of 48 (or 14%) active members tested, exceptions were identified as follows:

RecID	Unit/Record Source	Data input	Per Census Data	Per Personnel Records
1) 3958	GDOE	Gender	Female	Male
2) 4355	GDOE	Gender	Male	Female
3) 4791	GDOE	Gender	Female	Male
4) 6574	GDOE	Gender	Male	Female
5) 7189	GDOE	Gender	Male	Female
6) 9239	GPA	Date of Birth	1/1/1961	12/19/1961
7) 10560	PDSC	Date of Hire	09/02/2019	12/22/1993

For RecID 10560, no guidance or criteria was established for employees with multiple hire dates.

Finding No.: 2024-002, continued
Area: OPEB Census Data and OPEB Liability

Conditions, continued:

3. For 4 of 95 (or 4%) members tested, the following were identified as apparent duplicates:

	Type	RecID	Unit
Member#1	Inactive-Retiree	18882	Guam Memorial Hospital Authority
	Inactive-Disability	11994	Port Authority of Guam
Member#2	Inactive-Retiree	18340	Guam Waterworks Authority
	Inactive-Disability	18341	Guam Department of Education
Member#3	Inactive-Retiree	13871	Line Agency-Dept of Military Affairs
	Inactive-Surviving Spouse	13872	Line Agency-Dept of Youth Affairs
Member#4	Inactive-Retiree	15915	Line Agency – Dept of Public Works
	Inactive-Surviving Spouse	19626	Line Agency – Governor's Office

Furthermore, we noted the census data included an additional 562 inactive members with the same name and date of birth. These duplicates appear to relate to an overlap of life insurance resulting in a $7.1M overstatement of the OPEB liability. The $7.1M overstatement was not considered material to the OPEB schedules. The amount is included in the Communication Schedule for Uncorrected Misstatements.

4.

	Increase in OPEB Liability	Outside Reasonable Range
Mortality: The proposed assumption is outside of our reasonable range. We estimate if an assumption within our reasonable range had been used (instead of the current assumption), the liability would increase by approximately $59,579,550.	$59,579,550	Yes
IMPACT ON TOTAL OPEB LIABILITY – all ranges considered	$59,579,550	
IMPACT ON TOTAL OPEB LIAIBLITY – total difference outside reasonable range	$59,579,550	

As the $59.6 million understatement was not considered material to the OPEB schedules. The amount is included in the Communication Schedule for Uncorrected Misstatements.

Finding No.: 2024-002, continued
Area: OPEB Census Data and OPEB Liability

Cause:

GovGuam did not implement procedures to determine that the census data is accurate. Additionally, mortality assumptions used by the actuary were not considered to be within reasonable range by the audit actuaries.

Effect:

Total OPEB liability is understated by $59.6 million.

Identification as a Repeat Finding: 2023-004

Recommendation:

GovGuam should develop and implement procedures to determine that the census data is accurate. Active members with multiple hire dates should be defined, for example if such should represent the total service years to the Government of Guam. GovGuam should also determine if mortality rates used by the actuary are within reasonable range.

Views of Responsible Officials:

In FY2024 OPEB report the Mortality Rates Assumption is the same that GGRF's Actuary uses and is industry standard for public entities. This report is a rollover report and census differences originating in FY2023 will not be adjusted. Census corrections will be made in FY2025. Liability is reported in the Government-wide statements only and does not impact governmental or federal funds.

Finding No.: 2024-003
Area: Tax Receivables

Criteria:

Taxes receivable and related amounts estimated to be uncollectible should be recorded when the asset or revenue recognition criteria have been met or the underlying accounting event has occurred, and the amount is determinable.

Condition:

Taxes receivable are currently recognized by the Department of Administration (DOA) as revenues when the underlying exchange transaction occurs and when collectible within 60 days (real property taxes) or 90 days (business privilege and income taxes). Delinquent taxes receivable that are measurable but are not due within 12 months are not timely recorded by DOA. Recording of taxes receivable and related estimated allowance for uncollectible receivables in respect of fiscal year 2024 was corrected by DOA after year end in the amount of $33.6 million based on a summary activity report provided by the Department of Revenue and Taxation (DRT) in September 2025.

Cause:

Lack of effective coordination between DRT and DOA over the taxes receivable recording process.

Effect:

No material impact on the financial statements is determined as taxes receivable and related estimated uncollectible amounts were subsequently corrected.

Identification as a Repeat Finding: 2023-005

Recommendation:

Financial information associated with delinquent taxes and related receivables should be timely provided by DRT to DOA to facilitate the recordation process and related financial statement disclosure requirements.

Views of Responsible Officials:

DOA relies on data provided by DRT to update the tax receivable accounts. GovGuam mirrors the U.S. Tax Code and DRT is charged with enforcement of the Guam Territorial Income Tax pursuant to the Organic Act of Guam, as amended, and 11 GCA Chapter 1. The IRS Safeguard Rules limits the amount of information that is accessible outside the taxing authorities. Going forward DOA will work collaboratively with DRT to obtain and post-tax receivables.

Finding No.: 2024-004
Area: Special Revenue Fund Deficits

Criteria:

DOA should monitor special revenues funds.

Condition:

Certain special revenue funds for various reasons have incurred expenditures in excess of revenues and or grants received, which resulted in interfund payable balances of $7.445M. Repayment of these balances may not be expected within a reasonable time due to continuing fund deficits. As no alternative funding source is available or identified, we have proposed operating transfers from the General Fund. The following fund deficits were identified as of September 30, 2024.

Special Revenue Fund	Fund deficit
Healthy Futures Fund (Fund 602)	$2,521,434
Guam Highway Fund (Fund 208)	2,254,567
OCP Munti-Purpose Center (Fund 684)	796,790
Survey Infrastructure and Development (Fund 673)	533,026
University of Guam Capital Improvements (Fund 297)	500,000
DOC Revolving Fund (Fund 214)	417,256
Off-island Treatment Fund (Fund 329)	235,871
Guam Regional Transit Authority (Fund 317)	186,102
	$7,445,046

Cause:

GovGuam did not monitor fund deficits. Expenditures were incurred in excess of available fund balance.

Effect:

Expenditures in excess of revenues occurred resulting in special revenue fund deficits. Operating transfers may be required if the interfund payable to the General Fund are not expected to be repaid.

Identification as a Repeat Finding: 2023-006

Recommendation:

We recommend DOA limit the ability of special revenue funds to incur expenditures in excess of revenues collected. Additionally, we recommend DOA periodically analyze special revenue fund deficits for interfund payable balances that may not be expected to be repaid; thereby requiring the reporting of operating transfers.

Finding No.: 2024-004, continued
Area: Special Revenue Fund Deficits

Views of Responsible Officials:

The GovGuam Budget process appropriates to each fund an authority to expend funds pursuant to the annual appropriations law. The power to appropriate is Organically bestowed on the Guam Legislature. The root cause of the deficits is attributed to the inherent difference between the appropriate funds and revenues collected by each Special Revenue Fund. DOA will continue to monitor the interfund activities and will propose permanent transfers as necessary pursuant to GASB 34.

Finding No.: 2022-005
Area: Capital Assets

Criteria:

1. Reconciliation with inventory records, capital asset ledgers and the general ledger should be timely performed.

2. Capital assets should be reviewed for ongoing pertinence to minimize the opportunity for misstatements and to identify retired assets that have been replaced, disposed, or that have no further value or use.

3. Capital assets should be recorded in accordance with the applicable capitalization policy

Conditions:

1. As of October 2025, over a year after the fiscal year ended September 30, 2024, reconciliations were still ongoing. Initial post-closing adjustment (PC29) to adjust capital assets to reflect the DOA's additions and depreciation were provided only on November 2025. Audit adjustments were still necessary to reconcile to the capital asset schedules provided including all the updated schedules of the separate line agencies.

2. Construction costs and equipment purchases were not easily identifiable by project or purchase. The capital asset subsidiary ledger included details of transactions from the general ledger and were not organized in a manner that can be identified by project.

3. For Construction in Progress projects (CIP) tested, we identified some projects that was completed as of September 30, 2024 and not transferred to depreciable assets. Through further analysis, we identified approximately $22.87million in CIP projects with contract that have been fully liquidated as of fiscal year end. The proposed adjustments were included in the communication schedule of uncorrected misstatements to transfer these projects as depreciable.

4. As of August 11, 2025, the Government of Guam has not assessed impairment of capital assets.

Cause:

The processes over inventory, maintenance and reconciliation of capital assets are not routine. Government of Guam requires more funding and human resources to fully implement and develop a useful capital asset management system.

Effect:

Depreciable assets and amounts reported as construction-in-progress may be materially misstated. Such potential misstatements were mitigated through the proposed audit adjustment.

Finding No.: 2022-005, continued
Area: Capital Assets

Identification as a Repeat Finding: 2023-007

Recommendation:

GovGuam should record capital assets in accordance with the Government's capitalization policy and should implement a policy to monitor replacements, disposals, transfers of assets and construction in progress by project. Additionally, we recommend management revisit the capitalization policy and consider including all vehicles as part of the reported capital asset inventory.

Management should determine whether additional personnel are needed to allow for timely review and recordation of capital assets, especially given the substantial capital asset construction that is undertaken by GovGuam. Furthermore, coordination with DPW and engineering firms must occur at project commencement so that accounts are established to track capital costs and to allow for the preparation of periodic reports documenting a project's percentage of completion.

Equipment management has been a continuing finding in prior audits, and GovGuam management continues to be in the process of effecting corrective action to develop and fund an equipment management system.

Views of Responsible Officials:

Implementation of a Fixed Assets Module as part of the new FMIS system that will help automate the tracking and reporting of Capital assets, is near completion with final testing in progress. DOA will update the SOP for the Fixed Assets for capital asset reporting accordingly. Review of Assets acquired in FY2024 was completed, with FY2025 in progress. As noted previously, the process is hampered by difficulties in recruiting personnel.

Finding No.: 2024-006
Area: Compliance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions

Criteria:

GASB Statement No. 68 requires the Government to measure the net pension liability based on the present value of the projected benefit payments owed to active and inactive employees. Additionally, any changes in the net pension liability, such as contributions made to the pension plan, are reported as deferred outflows or inflows of resources, depending on the timing of those contributions relative to the measurement date.

Condition:

Deferred outflows and inflows of resources – pension were overstated by approximately $87.8 million and $7.8 million respectively. Net pension liability and pension expense were understated by $21.6 million and $74.0 million respectively for the measurement date ended September 30, 2023. Audit adjustment was proposed to correct the misstatement identified and included in the summary of corrected misstatements.

Cause:

We observed that the Government's financial statement closing process did not include preparation and recording of all GASB 68 related transactions.

Effect:

This resulted to misstatements in deferred outflow, deferred inflow, net pension liability and pension expense.

Recommendation:

We recommend management to include in their monthly closing process the recognition and recording of GASB 68 related transactions.

Views of Responsible Officials:

Required information is obtained from the GGRF's Actuarial Valuation report and the subsequent Independent Auditor's Report on the Pensions. Historically, the Actuarial report for FY2024 was issued in May 2025 and FY2023 was issued in June 2024. Until the GGRF Actuary report is available timely, DOA will not be able to complete GASB 68 and 73 requirements within the audited year.

Finding No.: 2024-007
Area: Compliance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA)

Criteria:

GASB Statement No. 96 requires governments to recognize a SBITA asset and a corresponding SBITA liability, initially measured at the present value of subscription payments expected during the subscription term.

Condition:

The Government did not record any adjustment related to GASB 96. As of September 30, 2024, we noted unrecorded SBITA assets and liability of approximately $20.12 million and $20.63 million, respectively.

Cause:

We observed that the Government's financial statement closing process did not include preparation and recording of all GASB 96 related transactions.

Effect:

This resulted to misstatements in SBITA assets and liabilities.

Recommendation:

We recommend management to include in their monthly closing process the recognition and recording of SBITA assets and liabilities.

Views of Responsible Officials:

DOA has updated Year End closing procedures with additional resource identified (GAAFR) to ensure appropriate recording of GASB 96 transactions.

Finding No.: 2024-008
Area: Reconciliation of Unearned Revenues

Criteria:

General Fund tax reserves presented as unearned revenues should be reconciled with the federal tax credits that were processed and paid.

Condition:

Unearned revenues for the Earned Income Tax Credit (EITC), Child Tax Credit (CTC), and Additional Child Tax Credit (ACTC) as of September 30, 2024 were not reconciled against the federal tax credits that were processed and paid. This resulted to an overstatement of unearned revenues in the General Fund by $16.621 million. An adjustment was proposed and included in the communication schedule of uncorrected misstatements.

Cause:

Reconciliations were not performed as of September 30, 2024 to correctly report the balance of unearned revenues.

Effect:

Misstatement in the unearned revenues account in the General Fund.

Recommendation:

We recommend that the DOA and DRT join efforts to reconcile the unearned revenues.

Views of Responsible Officials:

Similar to response in Finding 2024-003, DOA relies on DRT to provide the necessary information. However, DOA has identified where the data is located and has worked with DRT to generate the proper report to properly account and report the tax credits. DOA has incorporated this task into year-end closing process.

Finding No.: 2024-009
Area: Medical and Dental Self-Insured Claims Liabilities

Criteria:

GASB 10 requires government entities to recognize (1) Unpaid reported claims (RBNS) and (2) Claims incurred but not yet reported (IBNR). Claims costs, including claim adjustment expenses and estimates of costs for claims relating to covered events that have occurred but have not been reported to the pool, should be recognized in the period in which the event that triggers coverage under the policy or participation contract occurs.

State and local governmental entities other than public entity risk pools are required to report an estimated loss from a claim as an expenditure/expense and as a liability if both of these conditions are met:

1. Information available before the financial statements are issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. It is implicit in this condition that it must be probable that one or more future events will also occur, confirming the fact of the loss.

2. The amount of the loss can be reasonably estimated.

Condition:

We identified unrecorded claims of approximately $2.515 million related to the FY2024 service period. The understatement was included in the communication schedule of uncorrected misstatements.

Cause:

Management has not performed an assessment on the impact of potential liabilities for those reported medical and dental claims but not yet paid and those incurred but not reported.

Effect:

This resulted to misstatements in expenditures and accruals of medical and dental claims.

Recommendation:

We recommend management to revisit and determine if an actuary should be engaged to assess the estimation methodology for the accrual of medical and dental claims.

Views of Responsible Officials:

DOA has identified the required report to update the medical and dental self-insurance claims liabilities and have incorporated this into our fiscal year end closing checklist.

Finding No.:	2024-010
Federal Agencies:	U.S. Department of Agriculture U.S. Department of the Interior
AL Programs:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children 15.875 Economic, Social, and Political Development of the Territories
Area:	Cash Management
Questioned Costs:	$ Undeterminable

Criteria:

2 CFR 200.305 states that payments for States are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at 31 CFR 205.

Subpart A of regulations at 31 CFR Part 205 requires state recipients to enter into Treasury-State Agreements (TSA) that prescribe specific methods of drawing down federal funds (funding techniques) for federal programs listed in the Assistance Listing that meet the funding threshold for a major federal assistance program under the CMIA. TSA also specify the terms and conditions under which an interest liability would be incurred. Programs not covered by a TSA are subject to procedures prescribed by U.S. Department of the Treasury in Subpart B of 31 CFR Part 205, which at 31 CFR section 205.33(a) include the requirement for a state to minimize the time between the drawdown of federal funds and their disbursement for federal program purposes.

GovGuam entered into TSA effective October 1, 2023 through September 30, 2024. The funding technique indicated in the TSA Section 6.3.2 for the program is Payment Schedule – Weekly, wherein, GovGuam shall request funds such that they are deposited in a State account on the median business day of the week. The request shall be made in accordance with the appropriate Federal agency cut-off time. The amount of the request shall be a prorated share of the lesser of (1) the annual grant divided by 52, or (2) the total amount of Federal funds expected to be paid out for program purposes during the year divided by 52. This funding technique is interest neutral.

Condition:

For nine (or 100%) of nine items tested under ALN 10.557 and for eight (or 100%) of eight items tested under ALN 15.875, the Department of Administration (DOA) drew funds in a manner that was inconsistent with the funding technique indicated in TSA. Specifically, DOA requested funds after expenditures have been incurred or on “as needed” basis.

Finding No.:	2024-010, continued
Federal Agencies:	U.S. Department of Agriculture U.S. Department of the Interior
AL Programs:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children 15.875 Economic, Social, and Political Development of the Territories
Area:	Cash Management
Questioned Costs:	$ Undeterminable

Cause:

DOA did not enforce compliance with the requirements of the TSA due to inefficiencies caused by data migration during the year.

Effect:

GovGuam is in noncompliance with the applicable cash management requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

DOA should implement monitoring over compliance with the cash management requirements and enforce compliance with the TSA.

Views of Responsible Officials:

The Federal and Compliance section will establish a Standard Operating Procedure for draw downs. As well as, conducting drawdowns daily to minimize the time between the drawdowns of federal funds and the disbursement for federal program purposes.

Finding No.: 2024-011
Federal Agency: U.S. Department of Agriculture
AL Program: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Area: Period of Performance
Questioned Costs: $217,035

Criteria:

In accordance with applicable period of performance (POP) requirements, a State may only charge allowable costs incurred during a federal award's period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Conditions:

Of fifty-five items, aggregating $1,471,726 of $4,046,837 of expenditures subjected to period of performance test, deficiencies were noted, as follows:

No.	Federal Award No.	Transaction Date	Voucher	Description	Amount	Questioned Costs
1	7GU700GU7	11/20/2023	GNJL00000786	LABOR1118	$ 26,250	$ 26,250
2	7GU700GU7	11/07/2023	GNJL00000773	EFT_111523	137	137
3	7GU700GU7	11/07/2023	GNJL00000773	EFT_111523	400	400
4	7GU700GU7	10/13/2023	GNJL00000809	LABOR1007	381	381
5	7GU700GU7	11/20/2023	GNJL00000786	J240620075	31,414	31,414
6	7GU700GU7	11/20/2023	GNJL00000786	J240620075	28,119	28,119
7	7GU700GU7	09/11/2024	LABOR000000431	LABOR0907	65,685	65,685
8	7GU700GU7	08/28/2024	LABOR000000402	LABOR0824	28,134	28,134
9	7GU700GU7	08/14/2024	LABOR000000373	LABOR0810	27,421	27,421
10	7GU700GU7	08/02/2024	LABOR000000367	LABOR0727	465	465
11	7GU700GU7	08/30/2024	GNJL00032828	J241700314	1,250	1,250
12	7GU700GU7	08/30/2024	GNJL00032828	J241700314	3,918	3,918
13	7GU700GU7	08/14/2024	GNJL00032925	J241700317	41	41
14	7GU700GU7	08/14/2024	GNJL00032922	J241700317	240	240
15	7GU700GU7	08/14/2024	GNJL00032920	J241700317	280	280
16	7GU700GU7	08/14/2024	GNJL00032918	J241700317	2,795	2,795
17	7GU700GU7	08/14/2024	GNJL00032914	J241700317	105	105
					$217,035	$217,035

For item #s 1 through 10, compliance with period of performance could not be determined as supporting documents (e.g., invoices, receipts, or time logs, check payment, etc.) were not made available for examination.

For item #s 11 through 17, compliance whether liquidation of the obligation occurs within the allowable time period could not be determined as supporting documents such as canceled check or payment document was not made available for examination.

Finding No.:	2024-011, continued
Federal Agency:	U.S. Department of Agriculture
AL Program:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Area:	Period of Performance
Questioned Costs:	$217,035

Cause:

The Department of Public Health and Social Services (DPHSS) did not provide supporting documentation to ensure compliance with period of performance requirements. The Department of Administration (DOA) additionally had limited staffing and resources during the review period that may have hindered their ability to obtain and compile documentation from DPHSS, resulting in incomplete submissions.

Effect:

GovGuam is in noncompliance with applicable period of performance requirements. The reportable questioned cost is $217,035 based on the items identified in Conditions above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable period of performance requirements, specifically, ensuring all supporting documentation is on file.

Views of Responsible Officials:

The DPHSS WIC Program disagrees with the findings. All supporting documents related to the findings were provided promptly on March 3,2026 when request was received on February 26,2026.

In accordance with WIC FY 2024 Closeout Guidance and the requirements under 2 CFR 200.344, the WIC Program is allowed 90 days after the end of the period of performance to submit all final financial reports, as well as 90 days to liquidate all obligations incurred during the period of performance. For FY 2024, the closeout timeline required that all obligations be liquidated no later than January 31, 2025.

The program adhered to these federal requirements. All obligations were liquidated prior to the close of the fiscal year grant, and obligations were reported in the fiscal year in which they occurred, consistent with 7 CFR 246.17. Furthermore, the final closeout report was submitted within 120 days after the end of the fiscal year, fully complying with WIC closeout procedures.

Based on the timely submission of all supporting documentation and adherence to federal closeout regulations, the DPHSS WIC Program maintains that the questioned costs were appropriately obligated, liquidated, and reported.

Finding No.:	2024-011, continued
Federal Agency:	U.S. Department of Agriculture
AL Program:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Area:	Period of Performance
Questioned Costs:	$217,035

Auditor's Response:

Our finding remains. Documents subsequently received by auditors on February 10, 2026 from the Department of Administration (DOA) are insufficient or incomplete to substantiate compliance with period of performance. There are no subsequent submissions or other documentations received to resolve remaining findings cited in the conditions above.

Finding No.:	2024-012
Federal Agency:	U.S. Department of Agriculture
AL Program:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$1,433

Criteria:

2 CFR 200.302 states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Moreover, the recipient's and subrecipient's financial management system must provide for maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest.

Conditions:

1. For 2 (or 50%) of four items, aggregating $4,618 of $223,728 expenditures subjected to procurement and suspension and debarment test, no procurement file was provided to substantiate whether the Department of Administration (DOA) complied with applicable procurement requirements for the following:

Federal Award No.	PO / Transaction Date	PO / Voucher No.	Questioned Costs
7GU700GU7	09/30/2024	IJE0084212	$ 208
7GU700GU7	04/10/2024	IJE0021764	1,225
			$1,433

2. Seven initially tested samples were later determined to be procured in prior years and are not procurements during fiscal year 2024. Consequently, remaining samples tested were insufficient to satisfy the minimum number of items to test.

Finding No.:	2024-012, continued
Federal Agency:	U.S. Department of Agriculture
AL Program:	10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$1,433

Cause:

DOA's new financial management system implemented during the fiscal year has no capability to generate a report of all expenditures procured during the fiscal year and expenditure information from the old financial management system are not completely evident from the migrated expenditure information in the new financial management system, hence, there was difficulty in establishing population that will be subjected to procurement and suspension and debarment test. As there was no efficient alternative way of identifying whether or not costs charged to the program were procured during the fiscal year, and due to the timing of the audit and lack of staffing resources, DOA was unable to provide the procurement files of selected transactions by the agreed audit timeline.

Effect:

GovGuam is in noncompliance with applicable procurement and suspension and debarment requirements. The reportable questioned cost is $1,433 based on the items identified in Condition #1 above.

Recommendation:

DOA management should ensure that financial management system in place permits the preparation of reports of all expenditures procured during the fiscal year.

Responsible personnel should ensure that documentation is adequate to comply with the applicable procurement requirements. Specifically, documentation should indicate the history of procurement, including the solicitation process and rationale for contractors or vendor selection.

Views of Responsible Officials:

GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

GSA has revised IFB templates to include the required debarment and suspension certification language in accordance with 2 CFR 200.214. Effective immediately, all new contracts will include this clause prior to execution.

For local vendors that may not appear in federal systems, GSA will require a debarment and suspension certification as part of the contracting process and maintain this documentation within the procurement record.

Finding No.:	2024-013
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Area:	Allowable Costs/Cost Principles
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$4,594,214

Criteria:

2 CFR 200.403(a) states that federal program expenditures should be necessary and reasonable for the performance of the Federal award in accordance with allowable costs/cost principles requirements and 2 CFR 200.403(g) states that costs should be adequately documented.

2 CFR 200.439(b) states that:

(1) Capital expenditures for general purpose equipment, buildings, and land are allowable as direct costs, but only with the prior written approval of the Federal agency or pass-through entity.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $10,000 or more have the prior written approval of the Federal agency or pass-through entity.

(3) Capital expenditures for improvements to land, buildings, or equipment that materially increase their value or useful life are allowable as a direct cost, but only with the prior written approval of the Federal agency or pass-through entity.

2 CFR 180.300 requires entities entering into a covered transaction with another person at the next lower tier to verify that the person with whom they intend to do business is not excluded or disqualified. Such verification can be made by (a) checking SAM.gov Exclusions, or (b) collecting a certification from that person; or (c) adding a clause or condition to the covered transaction with that person.

2 CFR 180.220 (b) (1) states that a contract for goods and services is a covered transaction if the contract is awarded by a participant in a nonprocurement transaction covered under 2 CFR 180.210, and the contract amount is expected to equal or exceed $25,000.

Finding No.: 2024-013, continued
Federal Agency: U.S. Department of the Interior
AL Program: 15.875 Economic, Social, and Political Development of the Territories
Area: Allowable Costs/Cost Principles
Area: Procurement and Suspension and Debarment
Questioned Costs: $4,594,214

Criteria, continued:

2 CFR 200.302 states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Moreover, the recipient's and subrecipient's financial management system must provide for maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest.

Conditions:

1. For four (or 11%) of thirty-eight items, aggregating $7,792,207 of $11,505,805 in total non-payroll expenditures subjected to allowable costs/cost principles compliance test, deficiencies were noted, as follows:

Item No.	Federal Award No.	Account Name	Journal No.	Expense Amount	Questioned Cost
1	D20AP00048	Contract	00034366	$ 208,828	$ 208,828
2	D20AP00048	Contract	00034368	1,101,649	1,101,649
3	D20AP00048	Contract	00034369	2,000,000	2,000,000
4	D21AP10145	Capital outlay	00068602	539,700	539,700
				$3,850,177	$3,850,177

For item #s 1 through 4, there is no Authorization to Proceed (ATP) document on file to support that expense was approved prior to being incurred.

Finding No.: 2024-013, continued
Federal Agency: U.S. Department of the Interior
AL Program: 15.875 Economic, Social, and Political Development of the Territories
Area: Allowable Costs/Cost Principles
Area: Procurement and Suspension and Debarment
Questioned Costs: $4,594,214

Conditions, continued:

2. For seven (or 88%) of eight items, aggregating $4,061,890 of $4,681,768 of expenditures subjected to procurement and suspension and debarment compliance test, we noted the following:

Item No.	Federal Award No.	PO / Transaction Date	PO / Voucher Number	Questioned Costs
1	GUAMCIP2019-4	01/16/20024 ; 03/20/2024	C240600030	$ 293,625
2	D22AP00128	06/05/2024	PO0001185	67,500
3	D21AP10130	07/18/2024	IJE0043049	112,912
4	D20AP00048	11/17/2023	GNJL00016533	208,828
5	D20AP00048	11/17/2023	GNJL00016535	1,101,649
6	D20AP00048	11/17/2023	GNJL00016534	270,000
7	D20AP00048	11/17/2023	GNJL00016536	2,000,000
				$4,054,514

For item #s 1 through 3, the General Services Agency (GSA) represented that it performed verification of suspension or debarment from SAM.gov. However, no formal documentation is kept on file to demonstrate compliance at the time of procurement.

For item #s 4 through 7, no procurement file was provided to substantiate whether the Department of Administration (DOA) complied with applicable procurement and suspension and debarment requirements.

3. Schedule of Expenditures of Federal Awards (SEFA) was revised subsequently after expenditures were initially determined and tested for suspension and debarment. Based on the revised SEFA, the number of items tested were insufficient to satisfy the minimum required number of items to test.

Cause:

The Department of Administration (DOA) did not obtain ATP documentation from federal grantor agency as they represented that it is not required since the requirement to obtain such is not explicitly indicated in the grant award.

Finding No.:	2024-013, continued
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Area:	Allowable Costs/Cost Principles
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$4,594,214

Cause, continued:

DOA's new financial management system implemented during the fiscal year has no capability to generate a report of all expenditures procured during the fiscal year and expenditure information from the old financial management system are not completely evident from the migrated expenditure information in the new financial management system, hence, there was difficulty in establishing population that will be subjected to procurement and suspension and debarment test. As there was no efficient alternative way of identifying whether or not costs charged to the program were procured during the fiscal year, and due to the timing of the audit and lack of staffing resources, DOA was unable to provide the procurement files of selected transactions by the agreed audit timeline. This limitation resulted to repeated replacement of sample selections to meet the minimum sample size required for testing.

DOA also does not have a formal policy requiring documentation of procedures performed to verify that the person in a covered transaction with whom they intend to do business is not excluded or disqualified.

Effect:

GovGuam is in noncompliance with applicable allowable costs/cost principles and procurement and suspension and debarment requirements.

The reportable questioned cost related to allowable costs/cost principles requirements based on the items identified in Condition #1 above is $3,850,177.

The reportable questioned cost related to procurement and suspension and debarment requirements based on the items identified in Condition #2 above is $4,054,514.

Only $4,594,214 total questioned cost is reported at this finding as $3,310,477 is reported and included in both Condition #s 1 and 2 above.

Identification as a Repeat Finding: 2023-012

Recommendation:

DOA management should obtain clarification from federal grantor agency regarding ATP requirement and/or exemption of capital expenditures of the program.

Finding No.:	2024-013, continued
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Area:	Allowable Costs/Cost Principles
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$4,594,214

Recommendation, continued:

DOA management should ensure that financial management system in place permits the preparation of report of all expenditures procured during the fiscal year.

Responsible personnel should ensure that documentation is adequate to comply with the applicable procurement requirements. Specifically, documentation should indicate the history of procurement, including the solicitation process and rationale for contractors or vendor selection.

DOA management should establish formal policy requiring retaining documentation of procedures performed to verify that the person in a covered transaction with whom they intend to do business is not excluded or disqualified.

Views of Responsible Officials:

Agency disagrees with 2 out of the 3 findings.

• Condition 1 regarding the Authorization To Proceed (ATP), as per the Grant and Cooperative Agreement and the Grant Terms and Conditions, it did not state that an ATP is required to begin work on the grant for D20AP00048 and D21AP10145.The Government complies with ATP requirements for grants which mandate such compliance. If the grant is silent, no ATP is required..

• Condition 2 GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

• Condition 3 The necessary controls will be strengthened when the updated Federal Grant module is fully implemented.

Auditor's Response:

Our finding remains. Although no ATP may be required, the selected samples did not demonstrate compliance related to obtaining the required written pre-approval as mentioned in the criteria above.

Finding No.:	2024-014
Federal Agency:	U.S. Department of Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Equipment and Real Property Management
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with 2 CFR 200.313(b), a State must use, manage and dispose of equipment acquired under a Federal award in accordance with State laws and procedures.

2 CFR 200.313(d) states that regardless of whether equipment is acquired in part or its entirety under the Federal award, the recipient must manage equipment (including replacement equipment) utilizing procedures that meet the following requirements:

(1) Property records must include a description of the property, a serial number or another identification number, the source of funding for the property (including the FAIN), the title holder, the acquisition date, the cost of the property, the percentage of the Federal agency contribution towards the original purchase, the location, use and condition of the property, and any disposition data including the date of disposal and sale price of the property. The recipient and subrecipient are responsible for maintaining and updating property records when there is a change in the status of the property.

(2) A physical inventory of the property must be conducted, and the results must be reconciled with the property records at least once every two years.

(3) A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.

(4) Regular maintenance procedures must be in place to ensure the property is in proper working condition.

(5) If the recipient or subrecipient is authorized or required to sell the property, proper sales procedures must be in place to ensure the highest possible return.

Furthermore, 2 CFR 200.303(a) states that the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control-Integrated Framework” issued by the COSO.

Finding No.:	2024-014, continued
Federal Agency:	U.S. Department of Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Equipment and Real Property Management
Questioned Costs:	$ Undeterminable

Conditions:

1. Bureau of Budget and Management Research (BBMR) lacks adequate internal policies and procedures over compliance with the applicable federal property rules and regulations.

2. BBMR's capital asset records do not meet the criteria above and lacks certain information such as:
    a. Serial number or asset tag number
    b. Funding source, including the FAIN
    c. Title holder
    d. Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
    e. Location
    f. Use and condition
    g. Date of disposal, if any
    h. Sale price of the property

3. BBMR's most recent comprehensive physical inventory of its property was in January 2016; however, the required reconciliation was not completed. As of September 30, 2024, the required biannual physical inventory and reconciliation were not performed.

4. As capital asset records are not effectively maintained, it does not appear that BBMR has effectively developed means to adequately safeguard capital assets from loss, damage, or theft, or to reasonably investigate such occurrences.

   We are unable to assess the overall cumulative monetary value of these deficiencies. However, the table below summarizes total capital outlays over the past five years.

2024 Purchases	2023 Purchases	2022 Purchases	2021 Purchases	2020 Purchases
$1,557,198	$200,185	$975,344	$1,338,770	$527,784

Finding No.:	2024-014, continued
Federal Agency:	U.S. Department of Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Equipment and Real Property Management
Questioned Costs:	$ Undeterminable

Cause:

The processes over inventory, maintenance and reconciliation of capital assets are not routine. BBMR requires additional funding and human resources to fully implement and develop a useful capital asset management system.

Effect:

GovGuam is in noncompliance with applicable equipment and real property management requirements. The underlying capital outlays are not considered questioned costs, as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-011

Recommendation:

BBMR should complete the required biannual physical inventory and reconciliations and should consider developing a more detailed corrective action plan with timetables for completing planned actions, such as processing required reconciliations and reports, training personnel and coordinating with other governmental units on property management requirements.

Views of Responsible Officials:

Implementation of a Fixed Assets Module as part of the new FMIS system that will help automate the tracking and reporting of Capital assets, is near completion with final testing in progress. DOA will update the SOP for the Fixed Assets for capital asset reporting accordingly. Review of Assets acquired in FY2024 was completed, with FY2025 in progress. As noted previously, the process is hampered by difficulties in recruiting personnel.

Finding No.:	2024-015
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Reporting
Questioned Costs:	$0

Criteria:

2 CFR 200.302(a) states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.

2 CFR 300.302(b) states that recipient's financial management system must provide for the following:

1) Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.

2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements in 2 CFR 200.328 and 200.329.

3) Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

2 CFR 200.328(c) states that recipient must submit financial reports as required by the Federal award.

Condition:

Bureau of Budget and Management Research (BBMR) was unable to provide a complete listing of financial reports required to be submitted for each of grant awards effective during the fiscal year.

Finding No.:	2024-015, continued
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Reporting
Questioned Costs:	$0

Cause:

BBMR did not maintain an internal monitoring of financial reports required to be submitted for each of grant awards effective during the fiscal year and did not ensure compliance with applicable reporting requirements.

Effect:

We are unable to determine compliance with applicable reporting requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-013

Recommendation:

BBMR management should enforce monitoring controls over compliance with applicable reporting requirements. Responsible personnel should maintain a monitoring of financial reports required to be submitted for each of grant awards effective during the fiscal year.

Views of Responsible Officials:

BBMR will work with DOA to keep soft copies of submitted and approved Federal Financial Reports (FFR) on hand.

Finding No.:	2024-016
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Subrecipient Monitoring
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with applicable subrecipient monitoring requirements, a pass-through entity (PTE) must:

a) Identify the Award and Applicable Requirements – Clearly identify to the subrecipient:

   (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.332(a)(1);

   (2) all requirements imposed by the PTE on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.332(a)(2)); and

   (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the federal award (e.g., financial, performance, and special reports) (2 CFR section 200.332(a)(3)).

b) Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).

c) Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)).

Condition:

Schedule of subrecipients were received past the deadline, and copies of related subaward documents including the terms and conditions of the subawards were not provided during the audit. Total amount passed through to subrecipients during the fiscal year is $713,822.

Finding No.:	2024-016, continued
Federal Agency:	U.S. Department of the Interior
AL Program:	15.875 Economic, Social, and Political Development of the Territories
Federal Award No.:	Various
Area:	Subrecipient Monitoring
Questioned Costs:	$ Undeterminable

Cause:

Bureau of Budget and Management Research (BBMR) management did not respond to audit requests in a timely manner.

Effect:

We are unable to verify compliance with the requirements for subrecipient monitoring. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

BBMR management should establish internal policies and procedures over timely response to audit-related matters.

Views of Responsible Officials:

BBMR will create Standard Operating Procedures as well as a checklist, to assist in the monitoring of subrecipient compliance.

Finding No.:	2024-017
Federal Agency:	U.S. Department of Labor
AL Program:	17.277 Workforce Investment Act (WIA) National Emergency Grants
Federal Award No:	23A60DW000007
Area:	Eligibility
Questioned Costs:	$23,715

Criteria:

Section 189(h) of the Workforce Innovation and Opportunity Act (WIOA) requires individuals receiving any assistance or benefit under WIOA, that they not violate section 3 of the Military Selective Service Act (50U.S.C. app. 451) by not presenting and submitting to registration as required in (686.420) and TEGL 11-11, Chg. 2.

Condition:

For one (or 3%) of forty items, aggregating $784,344 of $4,820,337 in total participant benefits, no supporting document was provided to substantiate that the participant (employee # 62966) was compliant with WIOA Section 189(h) and was registered on the Selective Service System.

Cause:

Department of Labor (DOL) did not have adequate procedures to ensure that the participant was registered under the Selective Service System as required for men who were born on or after January 1, 1960 (i.e. 30 days before or 30 days after their birthday.)

Effect:

GovGuam is in noncompliance with applicable eligibility requirements. The reportable questioned cost is $23,715 based on the item identified in Condition above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Views of Responsible Officials:

In June 2024, GDOL established a policy workgroup to modernize internal procedures. Consequently, the AJC-024-Selective Service Registration policy was updated and formally approved on August 12, 2024. This updated guidance was distributed to all American Job Center (AJC) staff and case managers on August 15, 2024, to ensure future consistency in documentation and eligibility overrides.

Finding No.: 2024-018
Federal Agency: U.S. Department of the Treasury
AL Program: 21.023 Emergency Rental Assistance
Federal Award No.: COVID-19 Section 501 of the Consolidated Appropriations Act, 2021
Federal Award No.: COVID-19 Section 3201 of the American Rescue Plan Act, 2021
Area: Eligibility
Questioned Costs: $20,769

Criteria:

Pursuant to section 501(k)(3)(B) of Division N of the Consolidated Appropriations Act, 2021, and 2 CFR 200.403, when providing ERA1 assistance, the grantee must review the household's income and sources of assistance to confirm that the ERA1 assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs.

Per Emergency Rental Assistance Frequently Asked Questions Revised July 27, 2022, in all cases, grantees must document their policies and procedures for determining household eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations.

Condition:

For twelve (or 30%) of forty participants tested, aggregating $53,639 of $7,141,800 in total participant benefits, deficiencies were noted, as follows:

Item No.	Case / Voucher No.	Benefit Amount	Questioned Cost
1	IJE0062937	$ 4,056	$ 4,056
2	IJE0031146	133	133
3	ERA216-00906	3,538	3,538
4	ERA216-01739	948	948
5	ERA216-01099	600	600
6	ERA216-01082	477	477
7	ERA216-01161	234	234
8	ERA216-01171	441	441
9	ERA215-01085	5,600	5,600
10	ERA216-01241	2,476	2,476
11	ERA216-00773	114	114
12	ERA215-02288	2,152	2,152
		$20,769	$20,769

For item #s 1 through 2, no documentation was on file to support eligibility determination.

For item #s 3 through 10, no documentation (e.g. check stubs and/or 1040 forms) was on file to support whether the participant met the income eligibility requirement. Furthermore, for items #s 3 through 8, documentation that determines the eligibility period (e.g. Approved Financial Assistance Form or Continuance of Assistance Approval Form) was not on file.

Finding No.:	2024-018, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.023 Emergency Rental Assistance
Federal Award No.:	COVID-19 Section 501 of the Consolidated Appropriations Act, 2021
Federal Award No.:	COVID-19 Section 3201 of the American Rescue Plan Act, 2021
Area:	Eligibility
Questioned Costs:	$20,769

Condition, continued:

For item # 11, supporting documentation on file to support whether all members in the household of the participant met the citizenship requirement (e.g. government issued identification card) was incomplete.

For item # 12, inconsistent information was identified in the supporting documents such as the date of birth and familial relationships.

Cause:

The Department of Administration (DOA) could not locate records while physical files are currently being scanned and saved electronically due to the closure of the program.

Effect:

GovGuam is in noncompliance with applicable eligibility requirements. The reportable questioned cost is $20,769 based on the items identified in Condition above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Views of Responsible Officials:

The Agency is reviewing the management of Federal Grants to ensure robust handover and succession plans are in place for future programs. The sudden passing of the ERA Program Coordinator directly impacted overall management of the program.

Finding No.:	2024-019
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.023 Emergency Rental Assistance
Federal Award No.:	COVID-19 Section 501 of the Consolidated Appropriations Act, 2021
Federal Award No.:	COVID-19 Section 3201 of the American Rescue Plan Act, 2021
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with applicable matching, level of effort, earmarking requirements, under Emergency Rental Assistance (ERA) 1, a grantee may use up to 10 percent of the total award amount for direct and indirect administrative costs. Under ERA 2, a grantee may use up to 15% percent of the total award amount for direct and indirect administrative costs and 10 percent of the total award amount for housing stability purposes.

Furthermore, 2 CFR 200.303(a) states that the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the COSO.

Condition:

The Department of Administration (DOA) was unable to demonstrate and provide evidence of compliance with the applicable earmarking requirement due to closure of the program during the fiscal year and expiration of employment contract of personnel responsible for compliance.

Cause:

DOA lacks established internal control policies and procedures relating to proper turn-over of documents. Remaining DOA personnel managing the program did not have access to internal files of the Program Coordinator whose employment contract expired.

Effect:

GovGuam is in noncompliance with applicable matching, level of effort, earmarking requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Finding No.:	2024-019, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.023 Emergency Rental Assistance
Federal Award No.:	COVID-19 Section 501 of the Consolidated Appropriations Act, 2021
Federal Award No.:	COVID-19 Section 3201 of the American Rescue Plan Act, 2021
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Recommendation:

DOA management should establish internal control policies and procedures relating to turnover of documents to ensure that all required and supporting documentation are properly maintained and retained for purposes of demonstrating compliance over applicable matching, level of effort, and earmarking requirements.

Views of Responsible Officials:

The Agency is reviewing the management of Federal Grants to ensure robust handover and succession plans are in place for future programs. The sudden passing of the ERA Program Coordinator directly impacted overall management of the program.

Finding No.:	2024-020
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.023 Emergency Rental Assistance
Federal Award No.:	COVID-19 Section 501 of the Consolidated Appropriations Act, 2021
Federal Award No.:	COVID-19 Section 3201 of the American Rescue Plan Act, 2021
Area:	Reporting
Questioned Costs:	$0

Criteria:

In accordance with applicable reporting requirements, GovGuam is required to submit quarterly performance report, specifically, ERA Compliance Report (PRA 1505-0270 (ERA 2)).

2 CFR 200.329(a) states that recipient is responsible for the oversight of the Federal award. The recipient must monitor its activities under Federal awards to ensure it is compliant with all requirements and meeting performance expectations. Monitoring by the recipient must cover each program, function, or activity.

2 CFR 329(c)(1) states that recipient must submit performance reports as required by the Federal award. Reports submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period.

Grant award terms and conditions state that records shall be maintained by recipient for a period of five years after the period of performance.

Condition:

For four (or 100%) of four reports tested, records that accumulate and summarize reported data/ key line items such as 1) Administrative Costs Ratio; and 2) Housing Stability Services Ratio were not provided for the following:

Item No.	Quarter Ended	Reporting Period
1	ERA Quarterly Report - Q3 2023	07/01/2023 - 09/30/2023
2	ERA Quarterly Report - Q4 2023	10/01/2023 - 12/31/2023
3	ERA Quarterly Report - Q1 2024	01/01/2024 - 03/31/2024
4	ERA Quarterly Report - Q2 2024	04/01/2024 - 06/30/2024

Cause:

The Department of Administration (DOA) lacks established internal control policies and procedures relating to proper turn-over of documents. DOA was unable to provide sufficient supporting records to substantiate the reported data/ key line items due to closure of the program during the fiscal year and expiration of employment contract of personnel responsible for compliance with reporting requirements. Additionally, DOA did not maintain records for a period of five years after the period of performance.

Finding No.:	2024-020, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.023 Emergency Rental Assistance
Federal Award No.:	COVID-19 Section 501 of the Consolidated Appropriations Act, 2021
Federal Award No.:	COVID-19 Section 3201 of the American Rescue Plan Act, 2021
Area:	Reporting
Questioned Costs:	$0

Effect:

We are unable to verify accuracy of reported data/ key line items. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-014

Recommendation:

DOA management should establish internal control policies and procedures over retention of grant-related documents after period of performance for a period specified by the grant terms and conditions.

Views of Responsible Officials:

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements.

Finding No.: 2024-021
Federal Agency: U.S. Department of the Treasury
AL Program: 21.026 Homeowner Assistance Fund
Federal Award No.: COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area: Activities Allowed or Unallowed
Area: Allowable Cost/Cost Principles
Questioned Costs: $7,874

Criteria:

In accordance with the applicable activities allowed or unallowed requirements, institutions must demonstrate that costs incurred are allowable under the relevant program legislation, federal awarding agency regulations, and the terms and conditions of the award and consistent with the purpose of the grant.

2 CFR 200.403(a) states that federal program expenditures should be necessary and reasonable for the performance of the Federal award in accordance with allowable costs/cost principles requirements and 2 CFR 200.403(g) states that costs should be adequately documented.

Conditions:

1. For one (or 3%) of twenty-nine items, aggregating $24,864 of $554,280 in total non-payroll expenditures, vendor invoice was not on file:

Account Name	Journal No.	Expense Amount	Questioned Cost
Miscellaneous	48333	$1,454	$1,454

2. For six (or 55%) of eleven items, aggregating $11,179 of $200,650 in total payroll expenditures, deficiencies were noted, as follows:

Item No.	Account Name	Job Order No.	Employee No.	Expense Amount	Questioned Cost
1	Fringe	60721644	60124	$1,139	$1,139
2	Fringe	60721644	62889	191	191
3	Regular Salary	60721644	62889	191	191
4	Regular Salary	60721644	60038	1,591	1,591
5	Fringe	Undeterminable	Undeterminable	2,255	2,255
6	Fringe	60721644	60124	1,053	1,053
				$6,420	$6,420

For item #s 1 through 4, there were no supporting documents (e.g. timesheet, payroll register, personnel action file) on file to substantiate whether such expenditures were allowable cost of the underlying grant.

Finding No.:	2024-021, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.026 Homeowner Assistance Fund
Federal Award No.:	COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area:	Activities Allowed or Unallowed
Area:	Allowable Cost/Cost Principles
Questioned Costs:	$7,874

Conditions, continued:

For item # 5, there was no labor cost distribution report on file to substantiate whether such expenditure was allowable costs of the underlying grant.

For item # 6, payroll register was not on file.

Cause:

The Department of Administration (DOA) did not enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions and ensuring expenditures are necessary and reasonable for the performance of the Federal award.

Effect:

GovGuam is in noncompliance with activities allowed or unallowed and allowable costs/cost principles requirements. The reportable questioned cost is $7,874 based on the items identified in Conditions above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions.

Views of Responsible Officials:

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements.

Finding No.: 2024-022
Federal Agency: U.S. Department of the Treasury
AL Program: 21.026 Homeowner Assistance Fund
Federal Award No.: COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area: Eligibility
Questioned Costs: $2,142

Criteria:

In accordance with U.S. Department of the Treasury Homeowner Assistance Fund (HAF): Guidance on Participant Compliance and Reporting Responsibilities dated May 9, 2022, HAF participants are responsible for ensuring funds are used for eligible purposes. Generally, HAF participants must develop and implement policies and procedures, and record retention, to determine and monitor implementation of criteria for determining the eligibility of beneficiaries. HAF participants will need to maintain procedures for obtaining information evidencing a given beneficiary's eligibility.

Condition:

For five (or 13%) of forty participants tested, aggregating $23,372 of $547,076 in total participant benefits, deficiencies were noted, as follows:

Item No.	HAF Case No.	Household Size	Date	Questioned Cost
1	532	5	02/15/2024	$ 844
2	532	5	01/08/2024	570
3	400	2	11/28/2023	273
4	1285	1	11/20/2023	259
5	898	Undeterminable	11/28/2023	196
				$2,142

For item #s 1 and 3, vendor invoices were addressed to an individual different from the participant and there were no additional support to verify the relationship between the participant and the invoice addressee.

For item # 2, no documentation was on file to support eligibility determination.

For item # 4, documentation that determines the eligibility period (e.g., Approved Continuation of Financial Assistance Request Form) was not on file.

For item # 5, documentation of participant's identification (e.g., government-issued identification), documentation to support whether the participant met the income eligibility requirement (e.g., paystubs, W2s or other wage statements), and documentation that determines the eligibility period (e.g., Approved Continuation of Financial Assistance Request Form) were not on file.

Finding No.:	2024-022, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.026 Homeowner Assistance Fund
Federal Award No.:	COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area:	Eligibility
Questioned Costs:	$2,142

Cause:

The Department of Administration (DOA) could not locate records while physical files are currently being scanned and saved electronically due to the closure of the program.

Effect:

GovGuam is in noncompliance with applicable eligibility requirements. The reportable questioned cost is $2,142 based on the items identified in Condition above.

Identification as a Repeat Finding: 2023-015

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Views of Responsible Officials:

The Agency is reviewing its federal grants management to ensure robust handover and succession plans are in place of future programs.

Finding No.:	2024-023
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.026 Homeowner Assistance Fund
Federal Award No.:	COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with applicable matching, level of effort, earmarking requirements, GovGuam is subject to the following earmarking requirements:

a) Counseling or educational efforts by housing counseling agencies approved by Housing and Urban Development (HUD), tribal government (including such efforts by in-house housing counselors who are HUD certified or tribally approved), or legal services, targeted to households eligible to be served with funding from the Homeowner Assistance Fund (HAF) related to foreclosure prevention or displacement, in an aggregate amount up to 5 percent of the funding from the HAF received by the HAF participant.

b) Planning, community engagement, needs assessment, and administrative expenses related to the HAF participant's disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15 percent of the funding from the HAF received by the HAF participant. If the HAF participant has only received the initial 10% of its allocation, no more than 50% of the initial payment is permitted to be used for the expenses mentioned here.

c) Participants are providing not less than 60% of funds to homeowners with income less than 100% AMI or 100% of U.S. median income.

d) Participants target homeowners that are classified as Socially Disadvantaged Individuals (SDI) and 100 percent AMI or less.

Furthermore, 2 CFR 200.303(a) states that the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the COSO.

Condition:

The Department of Administration (DOA) was unable to demonstrate and provide evidence of compliance with the applicable earmarking requirement due to closure of the program during the fiscal year and expiration of employment contract of personnel responsible for compliance.

Finding No.:	2024-023, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.026 Homeowner Assistance Fund
Federal Award No.:	COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Cause:

DOA lacks established internal control policies and procedures relating to proper turn-over of documents. Remaining DOA personnel managing the program did not have access to internal files of the Program Coordinator whose employment contract expired.

Effect:

GovGuam is in noncompliance with applicable matching, level of effort, earmarking requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

DOA management should establish internal control policies and procedures relating to turnover of documents to ensure that all required and supporting documentation is properly maintained and retained for purposes of demonstrating compliance over applicable matching, level of effort, and earmarking requirements.

Views of Responsible Officials:

The Agency is reviewing its federal grants management to ensure robust handover and succession plans are in place of future programs.

Finding No.:	2024-024
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.026 Homeowner Assistance Fund
Federal Award No.:	COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area:	Reporting
Questioned Costs:	$0

Criteria:

In accordance with applicable reporting requirements, GovGuam is required to submit quarterly financial report (PRA 1505-0269-Quarterly) and annual performance report (PRA 1505-0269).

2 CFR 200.302(a) states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.

2 CFR 300.302(b) states that recipient's financial management system must provide for the following:

1) Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.

2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements in 2 CFR 200.328 and 200.329.

3) Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

2 CFR 200.329(a) states that recipient is responsible for the oversight of the Federal award. The recipient must monitor its activities under Federal awards to ensure it is compliant with all requirements and meeting performance expectations. Monitoring by the recipient must cover each program, function, or activity.

Finding No.: 2024-024, continued
Federal Agency: U.S. Department of the Treasury
AL Program: 21.026 Homeowner Assistance Fund
Federal Award No.: COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area: Reporting
Questioned Costs: $0

Criteria, continued:

Per Homeowner Assistance Fund: Annual Report User Guide October 14, 2022 (Updated October 15, 2025), the annual report required to be submitted during fiscal year 2024 is the annual report with period covered October 1, 2022 through September 30, 2023, which is required to be submitted on or before November 15, 2023.

Conditions:

1. For three (or 75%) of four financial reports tested, expenditures reported in the quarterly reports differ from amounts per underlying accounting records and no reconciliation was provided to explain the identified variances, as follows:

Item No.	Reporting Period Ended	Per Report	Per Accounting Records	Over Reported
1	09/30/2023	$12,659,760	$12,407,349	$(252,411)
2	12/31/2023	$12,946,108	$12,858,191	$(87,917)
3	03/31/2024	$13,097,082	$13,064,030	$(33,052)

2. For four (or 100%) of four financial reports tested, records that accumulate and summarize reported data/ key line items such as 1) Administrative Expenses; and 2) Services, Counseling & Education were not provided.

3. The annual report with period covered October 1, 2022 through September 30, 2023, which was required to be submitted on or before November 15, 2023 was not provided.

Cause:

The Department of Administration (DOA) lacks established internal control policies and procedures relating to proper turn-over of documents. DOA was unable to: 1) provide reconciliation to explain the identified variances; 2) provide sufficient supporting records to substantiate the reported data/ key line items; and 3) unable to provide a copy of the annual report.

Effect:

GovGuam is in noncompliance with applicable reporting requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Finding No.:	2024-024, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.026 Homeowner Assistance Fund
Federal Award No.:	COVID-19 Section 3206 of the American Rescue Plan Act of 2021
Area:	Reporting
Questioned Costs:	$0

Identification as a Repeat Finding: 2023-016

Recommendation:

DOA management should establish internal control policies and procedures over retention of grant-related documents after period of performance for a period specified by the grant terms and conditions. Responsible personnel should review underlying accounting records and perform reconciliation of the required reports.

Views of Responsible Officials:

The Agency is reviewing its federal grants management to ensure robust handover and succession plans are in place of future programs.

Finding No.:	2024-025
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Activities Allowed or Unallowed
Area:	Allowable Cost/Cost Principles
Questioned Costs:	$5,617,888

Criteria:

In accordance with the applicable activities allowed or unallowed requirements, institutions must demonstrate that costs incurred are allowable under the relevant program legislation, federal awarding agency regulations, and the terms and conditions of the award and consistent with the purpose of the grant.

2 CFR 200.403(a) states that federal program expenditures should be necessary and reasonable for the performance of the Federal award in accordance with allowable costs/cost principles requirements and 2 CFR 200.403(g) states that costs should be adequately documented.

Conditions:

1. For fifteen (or 33%) of forty-six items, aggregating $11,525,386 of $36,042,947 in total non-payroll expenditures, deficiencies were noted, as follows:

Item No.	Account Name	Journal No.	Expense Amount	Questioned Cost
1	MISCELLANEOUS	00067838	$2,573,833	$ 2,573,833
2	MISCELLANEOUS	00098372	2,095,344	2,095,344
3	MISCELLANEOUS	00111428	914,439	914,439
4	MISCELLANEOUS	00073184	22,080	22,080
5	SUPPLIES	00059723	2,753	2,753
6	SUPPLIES	00048327	1,250	1,250
7	SUPPLIES	00048264	380	380
8	SUPPLIES	00197787	313	313
9	CONTRACT	00062971	224	224
10	SUPPLIES	00034372	127	127
11	SUPPLIES	00035681	68	68
12	SUPPLIES	00034371	67	67
13	SUPPLIES	00035731	17	17
14	TELECOMM	00046716	607	607
15	SUPPLIES	00186721	672	672
			$5,612,174	$5,612,174

Finding No.: 2024-025, continued
Federal Agency: U.S. Department of the Treasury
AL Program: 21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.: COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area: Activities Allowed or Unallowed
Area: Allowable Cost/Cost Principles
Questioned Costs: $5,617,888

Conditions, continued:

For item #s 1 through 13, there were no supporting documents (e.g. purchase order, contract, invoice, payment advice) on file to substantiate whether such expenditures were allowable cost of the underlying grant.

For item # 14, except for payment advice, there were no other supporting documents (e.g. purchase order, contract, invoice) on file to substantiate whether such expenditures were allowable cost of the underlying grant.

For item # 15, payment advice was not on file.

2. For three (or 30%) of ten items, aggregating $16,236 of $11,409,253 in total payroll expenditures, deficiencies were noted, as follows:

Item No.	Account Name	Job Order No.	Employee No.	Expense Amount	Questioned Cost
1	Overtime Salary	Unidentifiable	10000433	$ 628	$ 628
2	Regular Salary	102021301	3272	894	894
3	Regular Salary	Unidentifiable	10000255	4,192	4,192
				$5,714	$5,714

For item # 1, job order number was not indicated in the timesheet, hence, we are unable to ascertain whether such expenditure was allowable cost of the underlying grant.

For item # 2, payroll register was unclear or illegible.

For item # 3, there were no supporting documents (e.g. timesheet, payroll register, personnel action file) on file to substantiate whether such expenditure was allowable cost of the underlying grant.

Cause:

The Department of Administration (DOA) did not enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions and ensuring expenditures are necessary and reasonable for the performance of the Federal award.

Finding No.:	2024-025, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Activities Allowed or Unallowed
Area:	Allowable Cost/Cost Principles
Questioned Costs:	$5,617,888

Effect:

GovGuam is in noncompliance with activities allowed or unallowed and allowable costs/cost principles requirements. The reportable questioned cost is $5,617,888 based on the items identified in Conditions above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions.

Views of Responsible Officials:

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements.

Finding No.:	2024-026
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with 31 CFR Section 35.6(h)(3)(ii), funds used for the projects identified in 31 CFR Section 35.6(h), must supplement, and not supplant, other Federal, State, territorial, Tribal, and local government funds (as applicable) that:

(A) in the case of non-Federal funds, have been obligated for activities or projects that are eligible as part of any Surface Transportation project or Title I project, as applicable, or

(B) in the case of Federal funds, a Federal agency has committed to a particular project pursuant to an award agreement or otherwise.

Condition:

Capital outlays during the fiscal year are $3,552,804 and we were unable to determine whether such capital outlays were related to Surface Transportation or Title I projects. Department of Administration (DOA) lacks adequate internal policies and procedures over compliance with the applicable level of effort requirement. Furthermore, DOA was unable to demonstrate and provide evidence of compliance with the level of effort requirement.

Cause:

DOA was unaware of the level of effort compliance requirement.

Effect:

GovGuam is in noncompliance with applicable matching, level of effort, earmarking requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

DOA management should consider training responsible personnel managing federal programs to be well informed of the applicable compliance requirements. Also, DOA management should establish internal policies and procedures over compliance with applicable matching, level of effort, earmarking requirements.

Finding No.:	2024-026, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Views of Responsible Officials:

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements.

Finding No.:	2024-027
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$ Undeterminable

Criteria:

2 CFR 200.302 states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Moreover, the recipient's and subrecipient's financial management system must provide for maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest.

Condition:

Report of all expenditures procured during the fiscal year could not be provided. Furthermore, there is no efficient and effective alternative way of identifying whether or not costs charged to the program were procured during the fiscal year.

Cause:

The Department of Administration's (DOA) new financial management system implemented during the fiscal year has no capability to generate a report of all expenditures procured during the fiscal year and expenditure information from the old financial management system are not completely evident from the migrated expenditure information in the new financial management system. Furthermore, there was no efficient alternative way of identifying whether or not costs charged to the program were procured during the fiscal year.

Effect:

We are unable to make selection of transactions necessary to provide us with sufficient appropriate audit evidence to support an opinion on compliance with procurement and suspension and debarment compliance requirement. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Finding No.:	2024-027, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$ Undeterminable

Identification as a Repeat Finding: 2023-017

Recommendation:

DOA management should ensure that financial management system in place permits the preparation of report of all expenditures procured during the fiscal year.

Views of Responsible Officials:

GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

GSA has revised IFB templates to include the required debarment and suspension certification language in accordance with 2 CFR 200.214. Effective immediately, all new contracts will include this clause prior to execution.

For local vendors that may not appear in federal systems, GSA will require a debarment and suspension certification as part of the contracting process and maintain this documentation within the procurement record.

Finding No.:	2024-028
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Subrecipient Monitoring
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with applicable subrecipient monitoring requirements, a pass-through entity (PTE) must:

a) Identify the Award and Applicable Requirements – Clearly identify to the subrecipient:

   (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.332(a)(1);

   (2) all requirements imposed by the PTE on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.332(a)(2)); and

   (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the federal award (e.g., financial, performance, and special reports) (2 CFR section 200.332(a)(3)).

b) Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).

c) Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)).

Condition:

There were no executed subaward documents relative to the amount passed through to subrecipient amounting to $5,000,000.

Finding No.:	2024-028, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Award No.:	COVID-19 Section 9901 of the American Rescue Plan Act of 2021
Area:	Subrecipient Monitoring
Questioned Costs:	$ Undeterminable

Cause:

Department of Administration (DOA) management relied on the Executive Order published by the Office of the Governor without establishing subaward agreement to specify applicable terms and conditions of the award.

Effect:

We are unable to verify compliance with the requirements for subrecipient monitoring. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-018

Recommendation:

DOA management should establish internal policies and procedures regarding monitoring of subrecipients.

Views of Responsible Officials:

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements.

Finding No.:	2024-029
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.029 Coronavirus Capital Projects Fund
Federal Award No.:	COVID-19 42 U.S.C. Section 804(b)(1)(B)
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with September 2021 U.S. Department of the Treasury Guidance for the Coronavirus Capital Projects Fund (CPF) for States, Territories & Freely Associated States, program administrative costs over the period of performance may not exceed the greater of 5 percent of the total amounts of the grant received under the Capital Projects Fund, or $25,000. The five percent limitation on administrative expenses includes the combined total of indirect costs and direct administrative costs charged to an award. The term "Program Administrative Costs" is defined as the costs of administering the CPF grant funding by a recipient, providing technical assistance to potential subrecipients, and complying with grant administration and audit requirements.

Condition:

Bureau of Budget and Management Research (BBMR) was unable to demonstrate and provide evidence of compliance with the aforementioned earmarking requirement.

Cause:

BBMR management did not respond to audit requests in a timely manner.

Effect:

GovGuam is in noncompliance with applicable matching, level of effort, earmarking requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

BBMR management should establish internal policies and procedures over timely response to audit-related matters.

Finding No.:	2024-029, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.029 Coronavirus Capital Projects Fund
Federal Award No.:	COVID-19 42 U.S.C. Section 804(b)(1)(B)
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Views of Responsible Officials:

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements.

Finding No.: 2024-030
Federal Agency: U.S. Department of the Treasury
AL Program: 21.029 Coronavirus Capital Projects Fund
Federal Award No.: COVID-19 42 U.S.C. Section 804(b)(1)(B)
Area: Reporting
Questioned Costs: $0

Criteria:

In accordance with applicable reporting requirements, GovGuam is required to submit quarterly performance report, specifically, Project and Expenditure Report for States, Territories & Freely Associated States (PRA 1505-0277). Furthermore, GovGuam is required to submit SF-270, Request for Advance or Reimbursement via Treasury's reporting portal.

Conditions:

1. Bureau of Budget and Management Research (BBMR) was unable to provide a complete listing of SF-270, Request for Advance or Reimbursement reports required to be submitted during the fiscal year.

2. For two (or 100%) of two Project and Expenditure Reports tested, records that accumulate and summarize reported data/ key line items such as 1) Obligations and Expenditures; 2) Administrative Expenses; and 3) for Multi-Purpose Community Facility Projects, Square Footage funded by CPF/Reported, were not provided for the following :

Item	Quarter Ended	Reporting Period
1	Guam CPF P&E Report - Q4 2023	10/01/2023 - 12/31/2023
2	Guam CPF P&E Report - Q2 2024	04/01/2024 - 06/30/2024

Cause:

BBMR management did not respond to audit requests in a timely manner.

Effect:

We are unable to verify accuracy of reported data/ key line items of performance reports. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-019

Recommendation:

BBMR management should enforce monitoring controls over compliance with applicable reporting requirements. Responsible personnel should maintain a monitoring of financial reports required to be submitted during the fiscal year. Furthermore, BBMR management should establish internal policies and procedures over timely response to audit-related matters.

Finding No.:	2024-030, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.029 Coronavirus Capital Projects Fund
Federal Award No.:	COVID-19 42 U.S.C. Section 804(b)(1)(B)
Area:	Reporting
Questioned Costs:	$0

Views of Responsible Officials:

BBMR will work with DOA to make sure reports are submitted on time. BBMR will also retain documentation of submitted reports.

Finding No.:	2024-031
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.029 Coronavirus Capital Projects Fund
Federal Award No.:	COVID-19 42 U.S.C. Section 804(b)(1)(B)
Area:	Subrecipient Monitoring
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with applicable subrecipient monitoring requirements, a pass-through entity (PTE) must:

a) Identify the Award and Applicable Requirements – Clearly identify to the subrecipient:

   (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.332(a)(1);

   (2) all requirements imposed by the PTE on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.332(a)(2)); and

   (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the federal award (e.g., financial, performance, and special reports) (2 CFR section 200.332(a)(3)).

b) Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).

c) Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)).

Furthermore, per September 2021 U.S. Department of the Treasury Guidance for the Coronavirus Capital Projects Fund for States, Territories & Freely Associated States, it states that recipients are responsible for monitoring and overseeing subrecipients' use of funds and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients remain responsible for reporting to U.S. Department of the Treasury on their subrecipients' use of funds.

Condition:

Schedule of subrecipient(s) and copies of related subaward documents including the terms and conditions of the subaward(s) were not provided during the audit. Total amount passed through to subrecipients during the fiscal year is $4,110,914.

Finding No.:	2024-031, continued
Federal Agency:	U.S. Department of the Treasury
AL Program:	21.029 Coronavirus Capital Projects Fund
Federal Award No.:	COVID-19 42 U.S.C. Section 804(b)(1)(B)
Area:	Subrecipient Monitoring
Questioned Costs:	$ Undeterminable

Cause:

Bureau of Budget and Management Research (BBMR) management did not respond to audit requests in a timely manner.

Effect:

We are unable to verify compliance with the requirements for subrecipient monitoring. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-020

Recommendation:

BBMR management should establish internal policies and procedures over timely response to audit-related matters.

Views of Responsible Officials:

BBMR will create Standard Operating Procedures as well as a checklist, to assist in the monitoring of subrecipient compliance.

Finding No.: 2024-032
Federal Agency: U.S. Environmental Protection Agency
AL Program: 66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Area: Activities Allowed or Unallowed
Area: Allowable Cost/Cost Principles
Questioned Costs: $11,154

Criteria:

In accordance with the applicable activities allowed or unallowed requirements, institutions must demonstrate that costs incurred are allowable under the relevant program legislation, federal awarding agency regulations, and the terms and conditions of the award and consistent with the purpose of the grant.

2 CFR 200.403(a) states that federal program expenditures should be necessary and reasonable for the performance of the Federal award in accordance with allowable costs/cost principles requirements and 2 CFR 200.403(g) states that costs should be adequately documented.

Condition:

For 16 (or 67%) of twenty-four items, aggregating $19,823 of $3,526,794 in total payroll expenditures, deficiencies were noted, as follows:

Item No.	Federal Award No.	Account Name	Job Order No.	Employee No.	Expense Amount	Questioned Cost
1	M00906324	Regular Salary	229924107111	10797	$ 1,958	$ 1,958
2	M00906324	Regular Salary	22021301	63216	1,741	1,741
3	M00906324	Regular Salary	229424107111	3951	1,607	1,607
4	M00906324	Regular Salary	221024107	3494	1,405	1,405
5	M00906324	Regular Salary	221024107111	10044	1,358	1,358
6	M00906324	Fringe	229824107	11260	958	958
7	M00906324	Fringe	MLWOP	Undetermined	554	554
8	M00906324	Fringe	MLWOP	Undetermined	554	554
9	M00906324	Fringe	MLWOP	Undetermined	290	290
10	M00906319	Regular Salary	229819107111	7125	254	254
11	M00906324	Fringe	MLWOP	Undetermined	138	138
12	M00906324	Fringe	MLWOP	Undetermined	103	103
13	M00906324	Fringe	Undetermined	Undetermined	9	9
14	M00906324	Fringe	MLWOP	Undetermined	7	7
15	M00906324	Fringe	MLWOP	Undetermined	7	7
16	M00906324	Fringe	229824107	3494	211	211
					$11,154	$11,154

For item #s 1 through 15, there were no supporting documents (e.g. timesheet, payroll register, personnel action file) on file to substantiate whether such expenditures were allowable cost of the underlying grant.

Finding No.:	2024-032 continued
Federal Agency:	U.S. Environmental Protection Agency
AL Program:	66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Area:	Activities Allowed or Unallowed
Area:	Allowable Cost/Cost Principles
Questioned Costs:	$11,154

Condition, continued:

For item # 16, we were unable to trace the amount tested against the provided supporting documentation.

Cause:

The Department of Administration (DOA) did not enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions and ensuring expenditures are necessary and reasonable for the performance of the Federal award.

Effect:

GovGuam is in noncompliance with activities allowed or unallowed and allowable costs/cost principles requirements. The reportable questioned cost is $11,154 based on the items identified in Condition above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions.

Views of Responsible Officials:

Request to DOA will require immediate collaboration between Guam EPA and DOA to gather, reconcile, and provide all documentation supporting compliance of allowable costs incurred during the federal award period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Finding No.:	2024-033
Federal Agency:	U.S. Environmental Protection Agency
AL Program:	66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Federal Award No.:	M00906319
Area:	Cash Management
Questioned Costs:	$333,147

Criteria:

2 CFR 200.305 states that payments for States are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and by default procedures codified at 31 CFR 205.

Subpart A of regulations at 31 CFR Part 205 requires state recipients to enter into Treasury-State Agreements (TSA) that prescribe specific methods of drawing down federal funds (funding techniques) for federal programs listed in the Assistance Listing that meet the funding threshold for a major federal assistance program under the CMIA. Programs not covered by a TSA are subject to procedures prescribed by U.S. Department of the Treasury in Subpart B of 31 CFR Part 205.

31 CFR 205.12(b)(5) states that reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes.

Condition:

ALN 66.600 is not covered by a TSA and Department of Administration (DOA) management represents that the program is funded on a reimbursement basis

For two (or 40%) of five items, aggregating $433,893 of $3,129,853 in total cash drawdowns during the year, no detailed listing of expenditures supporting the following drawdowns during the year was on file to ascertain whether the expenditures were incurred prior to the date of the reimbursement request:

Drawdown Request Date	Drawdown Amount
06/06/2024	$325,718
06/06/2024	7,429
	$333,147

Finding No.:	2024-033, continued
Federal Agency:	U.S. Environmental Protection Agency
AL Program:	66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Federal Award No.:	M00906319
Area:	Cash Management
Questioned Costs:	$333,147

Cause:

DOA management did not respond to audit requests in a timely manner.

Effect:

We are unable to make selection of transactions necessary to provide us with sufficient appropriate audit evidence to support an opinion on compliance with cash management compliance requirements. The reportable questioned cost is $333,147 based on the item identified in Condition above.

Recommendation:

DOA management should establish internal policies and procedures over timely response to audit-related matters.

Views of Responsible Officials:

Request to DOA will require immediate collaboration between Guam EPA and DOA, as all Guam EPA reimbursement requests are accompanied by the FGIA balance report and, currently, the GFMIS expenditure reports.

Finding No.: 2024-034
Federal Agency: U.S. Environmental Protection Agency
AL Program: 66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Federal Award No.: M00906324
Area: Period of Performance
Questioned Costs: $4,248

Criteria:

In accordance with applicable period of performance (POP) requirements, a State may only charge allowable costs incurred during a federal award's period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Condition:

For seven (or 39%) of eighteen items, aggregating $13,989 of $922,464 of expenditures subjected to period of performance test, compliance with period of performance could not be determined as supporting documents (e.g., invoices, receipts, or time logs, check payment, etc.) were not made available for examination:

Transaction Date	Voucher	Description	Amount	Questioned Costs
11/07/2023	GNJL00000773	LABOR1104	$3,022	$3,022
11/07/2023	GNJL00000773	LABOR1104	876	876
11/29/2023	GNJL00000795	SVMS11129	31	31
11/22/2023	GNJL00000788	SVMS11122	91	91
11/15/2023	GNJL00000781	SVMS11115	111	111
11/13/2023	GNJL00000779	SVMS11113	86	86
10/30/2023	GNJL00000826	SVMS11030	31	31
			$4,248	$4,248

Cause:

The Department of Administration (DOA) had limited staffing and resources during the review period that may have hindered the ability to obtain and compile documentation from Guam Environmental Protection Agency (GEPA), resulting in incomplete audit submissions.

Effect:

GovGuam is in noncompliance with applicable period of performance requirements. The reportable questioned cost is $4,248 based on the item identified in Condition above.

Finding No.:	2024-034, continued
Federal Agency:	U.S. Environmental Protection Agency
AL Program:	66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Federal Award No.:	M00906324
Area:	Period of Performance
Questioned Costs:	$4,248

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable period of performance requirements, specifically, ensuring all supporting documentation is on file.

Views of Responsible Officials:

Request to DOA will require immediate collaboration between Guam EPA and DOA to gather, reconcile, and provide all supporting documentation to support compliance with the period of performance in question.

Finding No.:	2024-035
Federal Agency:	U.S. Environmental Protection Agency
AL Program:	66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Federal Award No.:	M00906319 ; M00906324
Area:	Program Income
Questioned Costs:	$ Undeterminable

Criteria:

2 CFR section 200.307(a) states that program income must be used for the original purpose of the Federal award. Program income earned during the period of performance may only be used for costs incurred during the period of performance or allowable closeout costs.

2 CFR section 200.307(b) states that there are three methods of applying program income: deduction; addition; and cost-sharing. Addition is when program income is added to the total allowable costs, increasing the overall total amount of the Federal award.

Applicable Cooperative Agreement Programmatic Conditions states that:

(1) the recipient is authorized to retain program income earned during the project period;

(2) the program income shall be added to funds committed to the project by EPA and used for the purposes and under the conditions of the assistance agreement; and

(3) the recipient must provide as part of its semi-annual and annual and final performance report, a description of how program income is being used. Further, a report on the amount of program income earned during the award period must be submitted with the semi-annual and annual and final Federal Financial Report, Standard Form 425.

Condition:

Recording and use of program income is not monitored. Specifically, collections of program income are recorded in a special revenue fund, along with other non-program income related transactions, and identification of program income that relates to a specific federal award could not be performed. We could not determine whether program income earned during the federal award's period of performance was used only for costs incurred during the period of performance or for the purposes and under the conditions of the assistance agreement.

Further, records which account for program income and specify how program income has been used was not provided.

Finding No.:	2024-035, continued
Federal Agency:	U.S. Environmental Protection Agency
AL Program:	66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support
Federal Award No.:	M00906319 ; M00906324
Area:	Program Income
Questioned Costs:	$ Undeterminable

Cause:

Guam Environmental Protection Agency (GEPA) did not monitor compliance with applicable program income requirements.

Effect:

GovGuam is in noncompliance with applicable program income requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-022

Recommendation:

Responsible personnel should monitor the recording and use of program income.

Views of Responsible Officials:

Guam EPA has implemented processes relevant to the monitoring and reconciliation of program income. As part of our Correction Action for the FY2023 audit, which is a repeat finding in FY2024, Guam EPA is attaching a sample report of all program income collected through the Transaction Processing System (TPS) to include external payments received by DOA. Also, variances not captured by this report, consisting of payments/transactions submitted directly to DOA via electronic method of payments, are being reconciled by our staff and DOA.

Finding No.:	2024-036
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area:	Cash Management
Questioned Costs:	$113,143

Criteria:

2 CFR 200.305 states that payments for States are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and by default procedures codified at 31 CFR 205.

Subpart A of regulations at 31 CFR Part 205 requires state recipients to enter into Treasury-State Agreements (TSA) that prescribe specific methods of drawing down federal funds (funding techniques) for federal programs listed in the Assistance Listing that meet the funding threshold for a major federal assistance program under the CMIA. Programs not covered by a TSA are subject to procedures prescribed by U.S. Department of the Treasury in Subpart B of 31 CFR Part 205.

31 CFR 205.12(b)(5) states that reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes.

Condition:

ALN 93.323 is not covered by a TSA and Department of Administration (DOA) management represents that the program is funded on a reimbursement basis

For fourteen (or 35%) of forty items tested, aggregating $182,079 of $4,540,455 in total cash drawdowns during the year, supporting documentations (e.g., timesheet, payroll register, vendor invoice, check payment) to ascertain whether the expenditures were incurred prior to the date of the reimbursement request were not provided.

Finding No.: 2024-036, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area: Cash Management
Questioned Costs: $113,143

Condition, continued:

Federal Award No.	Transaction Date	Voucher/Reference No.	Expenditure Amount
6NU50CK000531-05-06	05/08/2024	LABOR000000271	$ 2,624
6NU50CK000531-05-06	02/14/2024	LABOR000000003	956
6NU50CK000531-05-06	02/14/2024	LABOR000000003	308
6NU50CK000531-05-06	04/24/2024	LABOR000000254	6,785
6NU50CK000531-02-12	09/30/2023	P236A05317	134
6NU50CK000531-02-12	10/05/2023	P236A05316	270
6NU50CK000531-02-12	10/17/2023	P236A05282	957
6NU50CK000531-02-12	09/30/2023	P236A05362	51,219
6NU50CK000531-03-02	11/20/2023	DPPE11182023	1,591
6NU50CK000531-02-08	12/20/2023	DPPE12162023	43,548
6NU50CK000531-02-08	09/30/2023	D231703194	336
6NU50CK000531-05-00	11/30/2023	FY2024 IC	3,852
6NU50CK000531-01-05	05/20/2022	DPPE05072022	14
6NU50CK000531-01-05	01/03/2024	D241703CS026	549
			$113,143

Cause:

DOA had limited staffing and resources during the review period that may have hindered the ability to obtain and compile documentation from DPHSS, resulting in incomplete submissions.

Effect:

GovGuam is in noncompliance with applicable cash management requirements. The reportable questioned cost is $113,143 based on the item identified in Condition above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable cash management requirements, specifically, ensuring all supporting documentation is on file.

Finding No.:	2024-036, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area:	Cash Management
Questioned Costs:	$113,143

Views of Responsible Officials:

The Federal and Compliance section will establish a Standard Operating Procedure for drawdowns. As well as, conducting drawdowns daily to minimize the time between the drawdowns of federal funds and the disbursement for federal program purposes.

Finding No.:	2024-037
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Federal Award No.:	Various
Area:	Equipment and Real Property Management
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with 2 CFR 200.313(b), a State must use, manage and dispose of equipment acquired under a Federal award in accordance with State laws and procedures.

2 CFR 200.313(d) states that regardless of whether equipment is acquired in part or its entirety under the Federal award, the recipient must manage equipment (including replacement equipment) utilizing procedures that meet the following requirements:

(1) Property records must include a description of the property, a serial number or another identification number, the source of funding for the property (including the FAIN), the title holder, the acquisition date, the cost of the property, the percentage of the Federal agency contribution towards the original purchase, the location, use and condition of the property, and any disposition data including the date of disposal and sale price of the property. The recipient and subrecipient are responsible for maintaining and updating property records when there is a change in the status of the property.

(2) A physical inventory of the property must be conducted, and the results must be reconciled with the property records at least once every two years.

(3) A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.

(4) Regular maintenance procedures must be in place to ensure the property is in proper working condition.

(5) If the recipient or subrecipient is authorized or required to sell the property, proper sales procedures must be in place to ensure the highest possible return.

Furthermore, 2 CFR 200.303(a) states that the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the COSO.

Finding No.:	2024-037, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Federal Award No.:	Various
Area:	Equipment and Real Property Management
Questioned Costs:	$ Undeterminable

Conditions:

1. Department of Public Health and Social Services (DPHSS) lacks adequate internal policies and procedures over compliance with the applicable federal property rules and regulations.

2. DPHSS's capital asset records do not meet the criteria above and certain sources of funding for the property (including the FAIN) information are missing. Furthermore, some assets purchased in prior years (e.g., 2020 through 2023) are tagged as "New".

3. DPHSS's most recent comprehensive physical inventory of its property was in January 2016; however, the required reconciliation was not completed. As of September 30, 2024, the required biannual physical inventory and reconciliation were not performed.

4. As capital asset records are not effectively maintained, it does not appear that DPHSS has effectively developed means to adequately safeguard capital assets from loss, damage, or theft, or to reasonably investigate such occurrences.

We are unable to assess the overall cumulative monetary value of these deficiencies. However, the table below summarizes total capital outlays over the past five years.

2024 Purchases	2023 Purchases	2022 Purchases	2021 Purchases	2020 Purchases
$459,897	$511,089	$303,998	$179,061	$86,277

Cause:

The processes over inventory, maintenance and reconciliation of capital assets are not routine. DPHSS requires more funding and human resources to fully implement and develop a useful capital asset management system.

Effect:

GovGuam is in noncompliance with applicable equipment and real property management requirements. The underlying capital outlays are not considered questioned costs, as we are unable to quantify the extent of noncompliance.

Finding No.:	2024-037, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Federal Award No.:	Various
Area:	Equipment and Real Property Management
Questioned Costs:	$ Undeterminable

Identification as a Repeat Finding: 2023-026

Recommendation:

DPHSS should complete the required biannual physical inventory and reconciliations and should consider developing a more detailed corrective action plan with timetables for completing planned actions, such as processing required reconciliations and reports, training personnel and coordinating with other governmental units on property management requirements.

Views of Responsible Officials:

Implementation of a Fixed Assets Module as part of the new FMIS system that will help automate the tracking and reporting of Capital assets, is near completion with final testing in progress. DOA will update the SOP for the Fixed Assets for capital asset reporting accordingly. Review of Assets acquired in FY2024 was completed, with FY2025 in progress. As noted previously, the process is hampered by difficulties in recruiting personnel.

Finding No.: 2024-038
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area: Period of Performance
Questioned Costs: $16,668

Criteria:

In accordance with applicable period of performance (POP) requirements, a State may only charge allowable costs incurred during a federal award's period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Conditions:

1. For four (or 67%) of six items, aggregating $24,122 of $44,823 of expenditures subjected to period of performance test, compliance with period of performance could not be determined as supporting documents (e.g., time logs, check payment, etc.) were not made available for examination:

Federal Award No.	Transaction Date	Voucher	Description	Amount	Questioned Costs
1NU51CK000377-01-00	09/30/2024	LABOR000000661	LABOR100524	$ 3,270	$ 3,270
1NU51CK000377-01-00	09/30/2024	LABOR000000661	LABOR100524	1,353	1,353
1NU51CK000377-01-00	09/25/2024	LABOR000000440	LABOR0921	8,665	8,665
1NU51CK000377-01-00	09/25/2024	LABOR000000440	LABOR0921	3,380	3,380
				$16,668	$16,668

2. Underlying grant agreements related to the following federal award# were subsequently provided and compliance with period of performance of expenditures could not be determined:

Federal Award No.	Expenditure Amount
1NU50CK000531-01-00	$ 2,260
5NU50CK000531-03-00	24,051
5NU50CK000531-04-00	482,692
6NU50CK000531-02-06	12,108
6NU50CK000531-02-12	30,495
6NU50CK000531-03-01	513,705
6NU50CK000531-05-00	423,031
	$1,488,342

Finding No.:	2024-038, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area:	Period of Performance
Questioned Costs:	$16,668

Cause:

The Department of Administration (DOA) had limited staffing and resources during the review period that may have hindered the ability to obtain and compile documentation from DPHSS, resulting in incomplete audit submissions.

Effect:

GovGuam is in noncompliance with applicable period of performance requirements. The reportable questioned cost is $16,668 based on the items identified in Condition #1 above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable period of performance requirements, specifically, ensuring all supporting documentation is on file.

Views of Responsible Officials:

DPHSS ELC Program disagrees with the findings.

Condition 1: The questioned labor costs of $16,668 align with payment of Core funded staff during that approved budget period for BP01. The PPE coincides with two draws for the ending and beginning of those fiscal years. Supporting documents were submitted twice, once on February 9, 2026, and February 20, 2026, including the Notice of Award (NOA) for this grant with issue date of July 9, 2024.

Condition 2: The question of compliance with period of performance was justified through supporting documentations as reflected in the NOAs and extensions of NOAs which were provided twice February 9, 2026 and February 23, 2026. Program also noted that core funds have expanded authority to be utilized in subsequent budget periods throughout the 5-year cycle of the Cooperative Agreement. Upon auditor's review, a correspondence email noted that the documents were received and findings were removed for all but on expense. Although all supporting NOAs were submitted for every expenditure amount, a follow up email with the last NOA for 6NU50CK000561-05-00 was provided again as an attachment.

Finding No.:	2024-038, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area:	Period of Performance
Questioned Costs:	$16,668

Auditor's Response:

Condition1: Our finding remains because documents subsequently received by auditors on February 10, 2026 from DOA were insufficient or incomplete to substantiate compliance with period of performance.

Condition 2: Although grant agreements were subsequently provided, our finding remains based on the agreed timeline with DOA. We were unable to proceed or perform further testing on the expenditures related to federal awards cited in the condition above. Therefore, we were unable to determine compliance with applicable requirements.

Finding No.: 2024-039
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area: Procurement and Suspension and Debarment
Questioned Costs: $980,252

Criteria:

2 CFR 180.300 requires entities entering into a covered transaction with another person at the next lower tier to verify that the person with whom they intend to do business is not excluded or disqualified. Such verification can be made by (a) checking SAM.gov Exclusions, or (b) collecting a certification from that person; or (c) adding a clause or condition to the covered transaction with that person.

2 CFR 180.220 (b) (1) states that a contract for goods and services is a covered transaction if the contract is awarded by a participant in a nonprocurement transaction covered under 2 CFR 180.210, and the contract amount is expected to equal or exceed $25,000.

2 CFR 200.302 states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Moreover, the recipient's and subrecipient's financial management system must provide for maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest.

Conditions:

1. For thirteen (or 62%) of twenty-one items, aggregating $1,042,567 of $1,799,849 of expenditures subjected to procurement and suspension and debarment test, we noted the following:

Item No.	Federal Award No.	PO / Transaction Date	PO / Voucher No.	Questioned Costs
1	Undeterminable	10/24/2023	P246A00342	$ 459,897
2	Undeterminable	02/19/2024	PO0000031	224,226
3	Undeterminable	03/26/2024	PO0000438	158,460
4	Undeterminable	03/26/2024	PO0000439	131,745

Finding No.: 2024-039, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area: Procurement and Suspension and Debarment
Questioned Costs: $980,252

Conditions, continued:

Item No.	Federal Award No.	PO / Transaction Date	PO / Voucher No.	Questioned Costs
5	6NU50CK000531-01-05	05/21/2024	IJE0031299	547
6	6NU50CK000531-02-08	08/30/2024	IJE0059276	1,759
7	6NU50CK000531-02-08	07/23/2024	IJE0049404	1,759
8	6NU50CK000531-03-02	04/04/2024	IJE0017947	95
9	6NU50CK000531-05-06	07/19/2024	IJE0045113	608
10	6NU50CK000531-05-06	09/03/2024	IJE0056430	600
11	6NU50CK000531-01-05	01/03/2024	GNJL00018990	549
12	6NU50CK000531-02-10	03/31/2024	FUEL000000469	3
13	6NU50CK000531-02-10	01/31/2024	FUEL000000377	4
				$980,252

For item #s 1 through 4, the General Services Agency (GSA) represented that it performed verification of suspension or debarment from SAM.gov. However, no formal documentation is kept on file to demonstrate compliance at the time of procurement.

For items #s 5 through 13, we noted noncompliance with applicable procurement policies and procedures due to various reasons, such as expired procurement contracts, unclear procurement method followed, and lack of rationale for vendor selection.

2. Three initially tested samples were later determined to be procured in prior years and are not procurements during fiscal year 2024. Consequently, remaining samples tested were insufficient to satisfy the minimum number of items to test.

Cause:

DOA's new financial management system implemented during the fiscal year has no capability to generate a report of all expenditures procured during the fiscal year and expenditure information from the old financial management system are not completely evident from the migrated expenditure information in the new financial management system, hence, there was difficulty in establishing population that will be subjected to procurement and suspension and debarment test. As there was no efficient alternative way of identifying whether or not costs charged to the program were procured during the fiscal year, and due to the timing of the audit and lack of staffing resources, DOA was unable to provide the procurement files of selected transactions by the agreed audit timeline.

Finding No.:	2024-039, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$980,252

Cause, continued:

This limitation necessitated repeated replacement of sample selections to meet the minimum sample size required for testing.

DOA also does not have a formal policy requiring documentation of procedures performed to verify that the person in a covered transaction with whom they intend to do business is not excluded or disqualified.

Effect:

GovGuam is in noncompliance with applicable procurement and suspension and debarment requirements. The reportable questioned cost is $980,252 based on the items identified in Condition #1 above.

Identification as a Repeat Finding: 2023-027

Recommendation:

DOA management should ensure that financial management system in place permits the preparation of report of all expenditures procured during the fiscal year.

Responsible personnel should ensure that documentation is adequate to comply with the applicable procurement requirements. Specifically, documentation should indicate the history of procurement, including the solicitation process and rationale for contractors or vendor selection.

DOA management should establish formal policy requiring retaining documentation of procedures performed to verify that the person in a covered transaction with whom they intend to do business is not excluded or disqualified

Views of Responsible Officials:

GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

GSA has revised IFB templates to include the required debarment and suspension certification language in accordance with 2 CFR 200.214. Effective immediately, all new contracts will include this clause prior to execution.

Finding No.:	2024-039, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Area:	Procurement and Suspension and Debarment
Questioned Costs:	$980,252

Views of Responsible Officials, continued:

For local vendors that may not appear in federal systems, GSA will require a debarment and suspension certification as part of the contracting process and maintain this documentation within the procurement record.

Finding No.: 2024-040
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Area: Activities Allowed or Unallowed
Area: Allowable Cost/Cost Principles
Questioned Costs: $3,005

Criteria:

In accordance with the applicable activities allowed or unallowed requirements, institutions must demonstrate that costs incurred are allowable under the relevant program legislation, federal awarding agency regulations, and the terms and conditions of the award and consistent with the purpose of the grant.

2 CFR 200.403(a) states that federal program expenditures should be necessary and reasonable for the performance of the Federal award in accordance with allowable costs/cost principles requirements and 2 CFR 200.403(g) states that costs should be adequately documented.

Condition:

For four (or 11%) of thirty-eight items, aggregating $45,527 of $32,818,949 in total non-payroll expenditures, deficiencies were noted, as follows:

Item No.	Federal Award No.	Account Name	Journal/ Other Reference No.	Expense Amount	Questioned Cost
1	2101GUCCDF	Miscellaneous	00050564 ; GNJL00022474	$ 640	$ 640
2	2101GUCCDF	Miscellaneous	00050427 ; GNJL00022337	575	575
3	2101GUCCDF	Miscellaneous	00048729 ; GNJL00020626	450	450
4	2301GUCCDD	Miscellaneous	00127127 ; D2417CC04529	1,340	1,340
				$3,005	$3,005

For item #s 1 through 3, these pertain to transactions migrated from AS400 to D365 system. We were unable to determine whether such expenditures were allowable cost of the underlying grants. We were unable to trace the selected sample to the supporting documents since selected samples could not be traced to AS400 due to insufficient identifier in the migrated information.

For item # 4, there was no vendor invoice or other supporting documents on file to substantiate whether such expenditure was allowable costs of the underlying grant.

Finding No.:	2024-040, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Area:	Activities Allowed or Unallowed
Area:	Allowable Cost/Cost Principles
Questioned Costs:	$3,005

Cause:

The Department of Administration (DOA) did not enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions and ensuring expenditures are necessary and reasonable for the performance of the Federal award. Additionally, migrated information from AS400 to D355 was incomplete.

Effect:

GovGuam is in noncompliance with activities allowed or unallowed and allowable costs/cost principles requirements. The reportable questioned cost is $3,005 based on the items identified in Condition above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions.

Views of Responsible Officials:

The Bureau of Child Care Services (BCCS) disagrees with this finding. The questioned transactions relate to a major system migration from the AS400 to the D365 system, which temporarily impacted the traceability of certain records. During this transition, some data identifiers were reformatted to fit the new system's structure. However, this was a synchronization issue rather than a lack of oversight, and BCCS maintains that all costs are allowable, necessary, and reasonable under CCDF requirements. Supporting documents exist and were provided after a subsequent request on February 9, 2026, via One Drive link.

Auditor's Response:

Our finding remains because we were unable to determine compliance with applicable requirements. We did not receive subsequent submissions or other documentations to resolve findings cited in the condition above.

Finding No.:	2024-041
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Eligibility
Questioned Costs:	$638,831

Criteria:

45 CFR 98.20(a) states that to be eligible for services under 45 CFR 98.50, a child shall, at the time of eligibility determination or redetermination:

(1)
- (i) Be under 13 years of age; or,
- (ii) At the option of the Lead Agency, be under age 19 and physically or mentally incapable of caring for himself or herself, or under court supervision;

(2)
- (i) Reside with a family whose income does not exceed 85 percent of the State's median income (SMI), which must be based on the most recent SMI data that is published by the Bureau of the Census, for a family of the same size; and
- (ii) Whose family assets do not exceed $1,000,000 (as certified by such family member); and

(3)
- (i) Reside with a parent or parents who are working or attending a job training or educational program; or
- (ii) Receive, or need to receive, protective services, which may include specific populations of vulnerable children as identified by the Lead Agency, and reside with a parent or parents other than the parent(s) described in paragraph (a)(3)(i) of this section.

45 CFR 98.68(c) states that Lead Agencies must describe in their Plan the procedures that are in place for documenting and verifying that children receiving assistance under this part meet eligibility criteria at the time of eligibility determination and redetermination.

Child Care and Development Plan for Guam 2022-2024 states that:

1) Guam requires identity verification of each applicant. Acceptable documentary evidence may include, but is not limited to, drivers' license, work or school ID, birth certificate, passport, social security card or permanent residency card.
2) Guam requires verification of the applicant's relationship to the child. Acceptable documentary evidence of relationship may include, but is not limited to, birth certificate or legal document establishing power of attorney, and guardianship or in loco parentis.
3) Guam requires a child to be a U.S. citizen or child of a qualified alien. Acceptable documentary evidence may include, but is not limited to, birth certificate, US Passport, US Naturalization Papers, Permanent Residency Card, INS Form 151 or I-551, INS Form I-94, and social security card.

Finding No.:	2024-041, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Eligibility
Questioned Costs:	$638,831

Criteria, continued:

4) Guam verifies family income by checking documentary evidence of income of all members of the household unit which may include, but is not limited to, employment check stubs from the previous two months, tax statements, and by checking online income resources.
5) Guam verifies household composition by checking documentary evidence which may include, but is not limited to, Mayor's verification and Guam Housing and Urban Renewal Authority documentation.
6) Guam will verify work as the qualifying activity by checking documentary evidence which may include, but is not limited to, employment check stubs from the previous two months, tax statements, JOBS Works or employer verification.
7) Guam verifies job training or educational program by checking documentary evidence which may include, but is not limited to training or education verification, class schedule, job or education training enrollment forms.

45 CFR 98.45(a) states that the Lead Agency shall certify that the payment rates for the provision of child care services under this part are sufficient to ensure equal access, for eligible families in the area served by the Lead Agency, to child care services comparable to those provided to families not eligible to receive CCDF assistance or child care assistance under any other Federal, State, or tribal programs.

In accordance with the conditions and requirements for the Early Childhood Workforce Retention Grant, applicants from Child Care Development Fund Childcare Facility must be on the latest staffing pattern submitted to the Bureau of Child Care Services. Additionally, in accordance with Early Childhood Workforce Retention Grant Fact Sheet, applicants from private school institutions must be accredited by private school.

Pub. L. No. 117–2 Section 2202(a)(2)(B) states that eligible child care provider means a child care provider that is licensed, regulated, or registered in the State, territory, or Indian Tribe on the date of enactment of this Act and meets applicable State and local health and safety requirements.

In accordance with Child Care and Development Plan for Guam 2022-2024, as part of the health and safety standards and other requirements prior to the receipt of any CCDF funds, child care providers must meet the minimum 15 hours of ongoing training required annually.

Finding No.: 2024-041, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Federal Award No.: 2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area: Eligibility
Questioned Costs: $638,831

Criteria, continued:

Pub. L. No. 117–2 Section 2202(d)(2)(D)(i)(II) states that the lead agency shall make available on the lead agency's website an application for qualified child care providers that includes certifications that, for the duration of the subgrant, for each employee, the provider will pay not less than the full compensation, including any benefits, that was provided to the employee as of the date of submission of the application for the subgrant (referred to in this subclause as "full compensation"), and will not take any action that reduces the weekly amount of the employee's compensation below the weekly amount of full compensation, or that reduces the employee's rate of compensation below the rate of full compensation, including the involuntary furloughing of any employee employed on the date of submission of the application for the subgrant.

Conditions:

For fifty-two (or 37%) of one hundred forty-one items, aggregating $2,846,246 of $32,484,704 in total participant benefits, deficiencies were noted, as follows:

1. Eligibility for Individuals

    a. Eligibility for Children Receiving CCDF Subsidies

Item No.	Certification No.	Date	Expense Amount	Questioned Cost
1	2023102057	11/28/2023	$ 1,560	$ 1,560
2	2023080554	11/1/2023	1,240	1,240
3	2023100875	11/9/2023	800	800
4	2023091591	11/1/2023	770	770
5	2023100905	11/17/2023	710	710
6	2023091995	11/30/2023	700	700
7	2023100388	11/17/2023	675	675
8	2023110508	12/13/2023	630	630
9	2024050881	6/6/2024	620	620
10	2023100776	11/30/2023	575	575
11	2023091127	10/4/2023	1,350	1,350
12	2024040048	5/3/2024	800	800
13	2023110148	1/4/2024	2,695	2,695
14	2023100303	12/5/2023	380	380
15	2024080208	9/11/2024	775	775

Finding No.: 2024-041, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Federal Award No.: 2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area: Eligibility
Questioned Costs: $638,831

Conditions, continued:

Item No.	Certification No.	Date	Expense Amount	Questioned Cost
16	2023090824	10/23/2023	400	400
17	2023062007	2/2/2024	650	650
18	2024042031	5/17/2024	765	765
19	2023120502	4/5/2024	450	450
20	2024042290	5/23/2024	650	650
21	2024082597	9/19/2024	2,400	1,200
22	2024071785	8/16/2024	700	100
23	2024082597	9/19/2024	431	131
			$20,726	$18,626

For item #s 1 through 10, no case folder was maintained on file to support eligibility determination.

For item #s 11 and 21 through 23, the benefit paid exceeded the maximum cost per child care directory for licensed childcare providers.

For item #s 13 through 15 and 17 through 20, documentation that substantiates the relationship of the applicant to the child was not on file.

For item # 15, documentation of applicant's identification was not on file.

For item #s 13 through 15 and 17 through 18, documentation that determines whether the child is a U.S. citizen or a child of a qualified alien was not on file.

For item #s 11 through 12, documentation to support whether the applicant met the income eligibility requirement and documentation to support applicant's household size were not on file.

For item # 11, documentation to support applicant's need for childcare was not on file.

For item #s 11 and 13 through 16, the Notice of Action and Child Care Certificate were not provided to substantiate the certification period of the claimant.

Finding No.: 2024-041, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Federal Award No.: 2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area: Eligibility
Questioned Costs: $638,831

Conditions, continued:

b. Eligibility for Other Beneficiaries Receiving CCDF Subsidies Determined by Guam Economic Development Authority

Item No.	Federal Award No.	Invoice No.	Date	Expense Amount	Questioned Cost
24	2101GUCDC6	EWR-281	09/06/24	$ 2,500	$ 2,500
25	2101GUCDC6	EWR-841	09/30/24	1,000	1,000
26	2101GUCDC6	EWR-574	09/30/24	5,000	5,000
27	2101GUCDC6	EWR-550	09/06/24	5,000	5,000
28	2101GUCDC6	EWR-335	09/06/24	2,500	2,500
29	2101GUCDC6	EWR-067	09/06/24	5,000	5,000
30	2101GUCDC6	EWR-434	09/05/24	1,000	1,000
31	2101GUCDC6	EWR-126	09/06/24	5,000	5,000
32	2101GUCDC6	EWR-220	09/26/24	5,000	5,000
33	2101GUCDC6	EWR-485	09/26/24	1,000	1,000
34	2101GUCDC6	EWR-423	09/26/24	2,500	2,500
35	2101GUCDC6	EWR-294	09/06/24	5,000	5,000
36	2101GUCDC6	EWR-187	09/06/24	5,000	5,000
37	2101GUCDC6	EWR-131	09/05/24	5,000	5,000
38	2101GUCDC6	EWR-171	09/26/24	2,500	2,500
39	2101GUCDC6	EWR-511	09/06/24	1,000	1,000
40	2101GUCDC6	EWR-710	09/26/24	5,000	5,000
				$59,000	$59,000

For item #s 24 through 40, beneficiaries were not included in the staffing pattern submitted to the Bureau of Child Care Services. Additionally, for those employed in private schools, there were no documentation provided to support that beneficiaries were accredited by private school.

Finding No.: 2024-041, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Federal Award No.: 2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area: Eligibility
Questioned Costs: $638,831

Conditions, continued:

c. Eligibility for Child Care Providers Receiving CCDF ARP Act Stabilization Funds

Item No.	Federal Award No.	Reference No.	Expense Amount	Questioned Cost
41	2101GUCSC6	D241760195	$ 500	$ 500
42	2101GUCSC6	D241760198	500	500
43	2101GUCSC6	D240660CV172	234,500	234,500
44	2101GUCSC6	D241760107	3,500	3,500
45	2101GUCSC6	D240660CV172	16,000	16,000
46	2101GUCSC6	D241760199	500	500
47	2101GUCSC6	D241760197	500	500
48	2101GUCSC6	D240660CV172	11,500	11,500
49	2101GUCSC6	D240660CV172	282,500	282,500
50	2101GUCSC6	D241760200	500	500
51	2101GUCSC6	J241732202	10,205	10,205
52	2101GUCSC6	D241760196	500	500
			$561,205	$561,205

For item #s 41 through 52, child care provider's application did not include certification that the child care provider will pay at least the same amount in weekly wages and maintain the same benefits for the duration of the stabilization funding.

For item #s 43, 45, and 49, documentation that determines whether participant has met the 15-hour health and safety training requirement was not on file.

For item #s 41 through 44, 46 through 47, and 49 through 52, either incomplete or no supporting documentation was on file to support eligibility determination.

Cause:

The Department of Public Health and Social Services (DPHSS) did not enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Finding No.:	2024-041, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Eligibility
Questioned Costs:	$638,831

Effect:

GovGuam is in noncompliance with applicable eligibility requirements. The reportable questioned cost is $638,831 based on the items identified in Conditions above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Views of Responsible Officials:

The Bureau of Child Care Services (BCCS) disagrees with this finding. Eligibility determinations were conducted in accordance with federal and local requirements. The exceptions noted are due to a subsequent request received by BCCS on January 20, 2026, and consequently responded to on January 29, 2026. Additional supporting documents were provided on February 9, 2026. Certain payment variances reflect allowable program exceptions.

Auditor's Response:

Our finding remains because documents subsequently received by auditors on February 10, 2026 from DOA through the EY portal are insufficient or incomplete to substantiate compliance with eligibility.

Finding No.: 2024-042
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Area: Matching, Level of Effort, Earmarking
Questioned Costs: $1,828,343

Criteria:

45 CFR 98.50(b) states that of the aggregate amount of funds expended by a State or Territory (i.e., Discretionary, Mandatory, and Federal and State share of Matching funds):

(1) No less than nine percent shall be used for activities designed to improve the quality of child care services and increase parental options for, and access to, high-quality child care as described at 45 CFR 98.53; and

(2) No less than three percent shall be used to carry out activities at 45 CFR 98.53(a)(4) as such activities relate to the quality of care for infants and toddlers.

45 CFR 98.50(d) states that of the aggregate amount of funds expended (*i.e.,* Discretionary, Mandatory, and Federal and State share of Matching Funds), no more than five percent may be used for administrative activities as described at 45 CFR 98.54.

45 CFR 98.50(e) states that not less than seventy percent of the State and Territory Mandatory and Federal and State share of State Matching Funds shall be used to meet the child care needs of families who:

(1) Are receiving assistance under a State program under Part A of title IV of the Social Security Act;
(2) Are attempting through work activities to transition off such assistance program; and
(3) Are at risk of becoming dependent on such assistance program.

Conditions:

1. For the quarter ended 09/30/2024, Department of Public Health and Social Services (DPHSS) did not meet the minimum spending for activities designed to improve the quality of child care services and increase parental options for, and access to, high-quality child care as described at 45 CFR 98.53:

	Federal Award Nos. 2401GUCCDD 2401GUCCDT
ALN 93.575 Total Expenditures	$1,467,333
ALN 93.596 Total Expenditures	4,034,938
Total Expenditures	5,502,271
Quality Spending Earmark Rate	9%
Minimum Required Quality Earmark	495,204
Actual Quality Spending	222,647
Deficient Quality Spending	$ 272,557

Finding No.: 2024-042, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Area: Matching, Level of Effort, Earmarking
Questioned Costs: $1,828,343

Conditions, continued:

2. For the quarter ended 09/30/2024, DPHSS did not meet the minimum spending for activities related to the quality of care for infants and toddlers as follows:

	Federal Award No. 2101GUCCDF	Federal Award Nos. 2201GUCCDD 2201GUCCDF
ALN 93.575 Total Expenditures	$10,763,484	$4,179,606
ALN 93.596 Total Expenditures	-	1,432,852
Total Expenditures	10,763,484	5,612,458
Quality Spending Earmark Rate	3%	3%
Minimum Required Quality Earmark	322,905	168,374
Actual Quality Spending	5,735	900
Deficient Quality Spending	$ 317,170	$ 167,474

	Federal Award Nos. 2301GUCCDD 2301GUCCDF	Federal Award Nos. 2401GUCCDD 2401GUCCDT
ALN 93.575 Total Expenditures	$11,441,033	$1,467,333
ALN 93.596 Total Expenditures	249,463	4,034,938
Total Expenditures	11,690,496	5,502,271
Quality Spending Earmark Rate	3%	3%
Minimum Required Quality Earmark	350,715	165,068
Actual Quality Spending	-	-
Deficient Quality Spending	$ 350,715	$ 165,068

3. For the quarter ended 09/30/2024, DPHSS expended more than five percent for administrative activities as follows:

	Federal Award Nos. 2201GUCCDD 2201GUCCDF	Federal Award Nos. 2301GUCCDD 2301GUCCDF
ALN 93.575 Total Expenditures	$4,179,606	$11,441,033
ALN 93.596 Total Expenditures	1,432,852	249,463
Total Expenditures	5,612,458	11,690,496
Administrative Spending Earmark Rate	5%	5%
Maximum Administrative Spending Earmark	280,623	584,525
Actual Administrative Spending	575,300	670,583
Excess Administrative Spending	$ 294,677	$ 86,058

Finding No.: 2024-042, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Area: Matching, Level of Effort, Earmarking
Questioned Costs: $1,828,343

Conditions, continued:

4. For the quarter ended 09/30/2024, DPHSS did not meet the minimum spending to meet the child care needs of families mentioned in the above criteria:

	Federal Award No. 2301GUCCDF
ALN 93.596 Total Expenditures	$249,463
Direct Spending Earmark Rate	70%
Minimum Required Direct Spending Earmark	174,624
Actual Quality Spending	-
Deficient Quality Spending	$174,624

Cause:

DPHSS did not effectively monitor compliance with applicable earmarking requirements.

Effect:

GovGuam is in noncompliance with applicable earmarking requirements. The reportable questioned cost is $1,828,343 based on the items identified in Conditions above.

Identification as a Repeat Finding: 2023-028

Recommendation:

DPHSS management should strengthen monitoring controls over compliance with applicable earmarking requirements.

Views of Responsible Officials:

The Bureau of Child Care Services (BCCS) disagrees with this finding and maintains that it has enhanced monitoring controls to ensure compliance with all applicable earmarking requirements. BCCS reports expenditures on a cumulative basis until the grant's liquidation end date. This reporting structure provides the necessary flexibility to reconsolidate cost categories, ensuring that final totals align with mandated spending thresholds by the end of the grant period.

Finding No.:	2024-042, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$1,828,343

Views of Responsible Officials, continued:

Furthermore, BCCS maintains that Quality Rating and Improvement System (QRIS) initiatives and other quality-enhancing activities were actively conducted throughout the performance period. To ensure a thorough reconciliation of these expenditures, BCCS formally requests the supporting documentation and specific sample set used by the auditors to conclude that these activities were not sufficiently documented or performed. We are prepared to provide evidence of these programmatic activities to demonstrate compliance with earmarking requirements.

Auditor's Response:

Our finding remains. The amount of total expenditures and actual spending reflected in the cited conditions above are obtained from auditee's internally prepared ACF-696, Child Care and Development Fund Financial Reports.

Finding No.: 2024-043
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Federal Award No.: 2001GUCCDF
Area: Reporting
Questioned Costs: $0

Criteria:

In accordance with applicable reporting requirements, GovGuam is required to submit quarterly ACF-696, Child Care and Development Fund Financial Report (OMB No. 0970-0510). These reports are required instead of the SF-425, Federal Financial Report. Each fiscal year's expenditure report must be separate; therefore, multiple reports are required if awards from more than one fiscal year are expended in a given quarter.

Condition:

We noted variances between the expenditures reported in ACF-696 against the underlying accounting records as summarized below:

	Reporting for Quarter Ended 03/31/2024	Reporting for Quarter Ended 06/30/2024
Expenditures per ACF-696	$6,461,743	$6,476,793
Expenditures per accounting records	7,961,743	8,298,623
Variance	1,500,000	1,821,830
Reconciled variance which was due to timing difference	-	321,830
Unreconciled variance	$1,500,000	$1,500,000

Cause:

The Department of Public Health and Social Services (DPHSS) did not ensure accurate data entry to comply with applicable reporting requirements.

Effect:

GovGuam is in noncompliance with applicable reporting requirements. No questioned cost is reported because we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: Finding 2023-030

Recommendation:

DPHSS management should enforce monitoring controls over compliance with reporting requirements. Responsible personnel should review underlying accounting records and perform reconciliation of the required reports.

Finding No.:	2024-043, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF
Area:	Reporting
Questioned Costs:	$0

Views of Responsible Officials:

The Bureau of Child Care Services (BCCS) disagrees with this finding. BCCS maintains that it enforces strict monitoring controls over compliance with reporting requirements and that the variances noted are not a result of inaccurate data entry but that is due to the cumulative reporting until the end of the grant period. BCCS' ACF-696 quarterly reports are reported cumulatively through the grant's liquidation end date, and any quarterly reported variances are reconciled by the end of the grant period. During a Reporting Walkthrough meeting with Ernst & Young Senior Auditor, on November 17, 2025, BCCS discussed detailed reporting requirements, processes, and procedures. During this meeting, the agency communicated how responsible personnel review accounting records and perform the reconciliation of
required reports.

Auditor's Response:

Our finding remains because there was no evidence provided during the time of the audit to support that the unreconciled variance, cited in the condition above, was due to timing difference or cumulative reporting.

Finding No.:	2024-044
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Special Tests and Provisions - Health and Safety Requirements
Questioned Costs:	$3,726,391

Criteria:

45 CFR 98.41(a) states that each Lead Agency shall certify that there are in effect, within the State (or other area served by the Lead Agency), under State, local or tribal law, requirements that are designed, implemented, and enforced to protect the health and safety of children. Such requirements must be applicable to childcare providers of services for which assistance is provided under this part. Such requirements, which are subject to monitoring pursuant to 45 CFR 98.42, shall:

(1) Include health and safety topics; and

(2) Include minimum health and safety training on the topics above, as described in 45 CFR 98.44.

In accordance with the Child Care Development Fund (CCDF) State Plan, Section 5.3 Health and Safety Standards and Training for CCDF Providers, all licensed and license-exempt child care providers must be able to demonstrate compliance with Guam Public Law 31-73, which outlines certain home/facility conditions, as part of the health and safety standards and other requirements prior to the receipt of any CCDF funds. Validations of these requirements are made by Guam DPHSS Licensing Office and DPHSS-Division of Environmental Health (DEH) during quarterly facility inspections and monitoring. A certification of compliance report of the Job-Site Inspection is issued by Division of Environmental Health and provided to Guam's CCDF Program Office and Bureau of Social Services Administration (BOSSA) – Licensing Office.

Condition:

For forty-two (or 91%) of forty-six items, aggregating $4,513,648 of $19,184,317 in total program benefits paid to child care providers during the year, deficiencies were noted, as follows:

Item No.	Vendor No.	Amount
1	D0017040	$ 138,525
2	G0016751	131,795
3	S0017619	514,390
4	B0097755	209,940
5	T0037155	130,100
6	8S920921	3,360
7	8D666373	840

Finding No.: 2024-044, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.575/93.596 CCDF Cluster
Federal Award No.: 2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area: Special Tests and Provisions - Health and Safety Requirements
Questioned Costs: $3,726,391

Condition, continued:

Item No.	Vendor No.	Amount
8	R0014869	23,000
9	S0017827	3,780
10	L0015931	16,210
11	8M783835	16,480
12	G0016504	4,900
13	8C632950	24,040
14	8M392909	4,530
15	C0013122	11,115
16	Y0071392	15,125
17	B0012882	12,765
18	M0017649	6,025
19	G0017334	33,070
20	8C620291	3,960
21	I0012108	11,880
22	S0017817	8,700
23	I0012394	38,360
24	S0017667	4,815
25	S0017670	16,680
26	M0017417	5,040
27	B0012385	4,200
28	T0037229	1,150
29	H0044485	9,100
30	L0015207	301,810
31	H0096833	221,350
32	M2506001	235,921
33	8H111592	10,920
34	8S645550	2,300
35	C0012883	8,435
36	H0096843	13,090
37	A9296001	602,860
38	8T671552	117,955
39	8A721080	14,710
40	A0098230	402,255
41	L0092765	386,010
42	R0014872	4,900
		$3,726,391

Finding No.:	2024-044, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Special Tests and Provisions - Health and Safety Requirements
Questioned Costs:	$3,726,391

Condition, continued:

For item # 5, FY2024 Licensed Child Care Inspection Summary Report/License-Exempt Relative Care Validation Checklist from the Bureau of Child Care Services (BCCS) was not provided. Hence, we were unable to ascertain compliance.

For item #s 33 through 36 and 38 through 39, FY2024 Licensed Child Care Inspection Summary Report/License-Exempt Relative Care Validation Checklist from BCCS, FY2024 Inspection Report from the Division of Environmental Health (DEH), and FY2024 Certification for Assurance for Child Care Facility License were not provided. Hence, we were unable to ascertain compliance.

For item #s 6 through 26, and 42, FY2024 Inspection Report from DEH and FY2024 Certification for Assurance for Child Care Facility License were not provided. Hence, we were unable to ascertain compliance.

For item #s 27 through 29, FY2024 Inspection Report from DEH and FY2024 Certification for Assurance for Child Care Facility License were not provided. Hence, we were unable to ascertain compliance. Furthermore, there were several non-compliances indicated in BCCS checklist, however, there were no BCCS Corrective Action Plan or supporting document to show re-inspection was conducted to demonstrate compliance.

For item #s 1 through 4, 30 through 32, 37, and 40 through 41, these items were noted to have demerits in their FY2024 DEH Inspection Report and there were no supporting documents provided to demonstrate that the demerits were corrected to demonstrate compliance.

Cause:

The Department of Public Health and Social Services (DPHSS) management did not enforce monitoring controls over compliance with applicable special tests and provisions for health and safety requirements. Also, there were no formal internal control policies and procedures in place to ensure compliance with applicable special tests and provisions for health and safety requirements.

Finding No.:	2024-044, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Special Tests and Provisions - Health and Safety Requirements
Questioned Costs:	$3,726,391

Effect:

GovGuam is in noncompliance with applicable special tests and provisions for health and safety requirements. The reportable questioned cost is $3,726,391 based on the items identified in Condition above.

Identification as a Repeat Finding: 2023-032

Recommendation:

DPHSS management should strengthen monitoring controls over compliance with applicable special tests and provisions for health and safety requirements. Responsible personnel should retain required inspections summary report/ license, or certification to support compliance.

Views of Responsible Officials:

The Bureau of Child Care Services (BCCS) disagrees with this finding. All applicable providers were monitored and met necessary health and safety requirements. All supporting inspection reports and certifications exist and were provided to the auditors via a OneDrive link on February 9, 2026, following a subsequent request for information.

Additionally, in accordance with the Rules and Regulations Governing Child Care Facilities Section 1.5.00 (a), Relative Care facilities are exempt from Sanitary Permits.

BCCS requests a detailed breakdown of the $3,726,391 valuation to clarify if the audit team applied a total disallowance of payments or a weighted penalty for perceived documentation gaps. We maintain that this dollar amount is fundamentally inaccurate if the assessment did not properly factor in the specific regulatory exemptions applicable to these providers. Furthermore, BCCS questions the rationale used to assign such a substantial fiscal impact to an administrative-heavy finding, especially where the core program requirements and services were successfully fulfilled.

Finding No.:	2024-044, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.575/93.596 CCDF Cluster
Federal Award No.:	2001GUCCDF, 2101GUCCDF, 2101GUCCC5, 2201GUCCDD, 2301GUCCDD, 2401GUCCDD, 2301GUCCDF, 2401GUCCDT
Area:	Special Tests and Provisions - Health and Safety Requirements
Questioned Costs:	$3,726,391

Auditor's Response:

Our finding remains because documents subsequently received by auditors on February 9, 2026 were insufficient or incomplete to substantiate compliance with special tests and provisions – health and safety requirements.

Our finding does not mention matters regarding Sanitary Permit requirement.

The amount presented as questioned costs in the condition above pertains to total program benefits paid to child care providers with identified deficiencies. There are no weighted penalty assigned to each cost being tested.

As defined in 2 CFR Part 200 Subpart A, "*Questioned cost means an amount, expended or received from a Federal award, that in the auditor's judgment:*
(i) Is noncompliant or suspected noncompliant with Federal statutes, regulations, or the terms and conditions of the Federal award;
(ii) At the time of the audit, lacked adequate documentation to support compliance; or
(iii) Appeared unreasonable and did not reflect the actions a prudent person would take in the circumstances.
(2) The questioned cost amount under (1)(ii) is calculated as if the portion of a transaction that lacked adequate documentation were confirmed noncompliant.
(6) Questioned costs are not improper payments until reviewed and confirmed to be improper payments as defined in OMB Circular A-123 Appendix C."

Finding No.: 2024-045
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.767 Children's Health Insurance Program
Federal Award No.: 2405GQ5021
Area: Eligibility
Questioned Costs: $1,970,002

Criteria:

42 CFR 457.965(b)(1)(iii) states that a State plan must provide that the State will maintain or supervise the maintenance of the records necessary for the proper and efficient operation of the plan. The records must include all individual records on each applicant and enrollee that contain the date of, basis for, and all documents or other evidence to support any determination, denial, or other adverse action, including decisions made at application, renewal, and a result of a change in circumstance, taken with respect to the applicant or enrollee, including all information provided by the applicant or enrollee, and all information obtained electronically or otherwise by the State from third-party sources.

42 CFR 457.965(d)(1) states that the agency must maintain the records described in 42 CFR 457.965(b) in an electronic format.

42 CFR 457.340(e) states that the State must provide each applicant or enrollee with timely and adequate written notice of any decision affecting his or her eligibility, including an approval, denial or termination, or suspension of eligibility.

42 CFR 457.340(d)(2) states that in applying timeliness standards, the State must define "date of application" and must count each calendar day from the date of application to the day the agency provides notice of its eligibility decision.

42 CFR 435.912(c)(3) states that except as provided in 42 CFR 435.912(e), the determination of eligibility for any applicant or individual whose account was transferred from another insurance affordability program may not exceed: (i) 90 calendar days for applicants who apply for Medicaid on the basis of disability; and (ii) 45 calendar days for all other applicants.

Condition:

For thirty-seven (or 56%) of sixty-six items, aggregating $1,974,989 of $32,045,067 in total participant benefits, deficiencies were noted, as follows:

Item No.	Claim No.	Case No.	Amount
1	2309211900101	20130275904	$ 83
2	2407168800321	20180324310	3,349
3	2309138800329	20160251605	55
4	2405168700601	20220277002	80
5	2309081900377	20160235604	123

Finding No.: 2024-045, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.767 Children's Health Insurance Program
Federal Award No.: 2405GQ5021
Area: Eligibility
Questioned Costs: $1,970,002

Condition, continued:

Item No.	Claim No.	Case No.	Amount
6	2405138800865	20120355402	5
7	2407038700106	33005259307	103
8	2402290600050	33002811402	209
9	2309138800352	20230021803	21
10	2406064300018	33008061804	17
11	2402288700054	33008097102	316,618
12	2405068801514	33007906404	31
13	2309158801649	20200384405	21
14	2402234000003	20220071706	467,323
15	2310020700001	20200075602	253,755
16	2309228800661	33008079703	8
17	2309218700237	20150026204	111
18	2309078800587	33007293006	145
19	2404308700498	33009071405	335
20	2402239100050	20170090704	113
21	2307318700250	20120312106	124
22	2308038700261	20160025005	1,153
23	2402014200033	20230402702	667
24	2307281900093	33007872005	107
25	2401248700327	20140279404	66
26	2403228801402	20210256601	206
27	2310168700027	20120118406	208
28	2402288700349	20230401603	236
29	2401164000010	20180018105	398,533
30	2311161200024	20170131305	293,921
31	2407081200013	20180221402	231,158
32	2310131900136	20230134203	59
33	2408088801464	20130305402	145
34	2309068700210	20210198502	14
35	2310128700356	33007889602	785
36	2308171900043	20160236303	94
37	2402138801629	20140043304	21
			$1,970,002

Finding No.: 2024-045, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.767 Children's Health Insurance Program
Federal Award No.: 2405GQ5021
Area: Eligibility
Questioned Costs: $1,970,002

Condition, continued:

For item #s 1 through 3, 9, and 22 through 31, eligibility determination exceeded the 45-day requirement.

For item # 32, benefit payment was for medical service not within the certified period of eligibility.

For item # 37, documentation of applicant's identification was not on file.

For item #s 22, supporting documentation (e.g. identification card) to support whether the child met the age requirement and whether the child is a U.S. citizen or qualified noncitizen (alien) was not on file. Also, documentation of applicant's identification was not on file.

For item #s 4 and 6, documentation (e.g. mayor's verification document) to support applicant's household size were not on file.

For item #s 4, 6 through 7, and 9 through 15, documentation to support whether the applicant met the income eligibility requirement was not on file.

For item #s 4 through 5, 8, 10 through 11, and 32 through 36, we were unable to verify whether eligibility was determined within 45 days upon application as the Notice of Action and/or the application were not in the case file.

For item #s 16 through 21, and 37, the applicant did not meet the income eligibility requirement.

Cause:

Department of Public Health and Social Services (DPHSS) did not enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Finding No.: 2024-045, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.767 Children's Health Insurance Program
Federal Award No.: 2405GQ5021
Area: Eligibility
Questioned Costs: $1,970,002

Effect:

GovGuam is in noncompliance with applicable eligibility requirements. The reportable questioned cost is $1,970,002 based on the items identified in Condition above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable eligibility requirements, specifically, retaining sufficient documentation to support eligibility determination.

Views of Responsible Officials:

DPHSS agrees with this finding. The Bureau of Economic Security (BES) recognized the finding as an issue and in response, held a bureau-wide training for both front desk personnel and eligibility specialists on December 22 - 23, 2025. This training focused on application handling including the timeliness of eligibility determinations and proper documentation maintenance procedures. The training reinforced use of a standardized application checklist that was developed to support application completeness. Staff were also trained in the correct method for uploading documents into the OnBase system, the bureau's digital record archive, for secure storage and efficient retrieval.

In January 2026, BES conducted a Customer Email Standard Operating Procedure (SOP) training to reinforce staff compliance with documentation requirements, including the use of document imaging process (DIP) to ensure customer documentation received via email is uploaded into the OnBase system within two business days. In addition, DPHSS is preparing additional training sessions, which are currently being developed, on topics such as Medicaid Basics 101, Customer Service, and Medicaid Eligibility.

To assess compliance with the training, Eligibility Specialist Supervisors were tasked with periodically reviewing random samples of applications across all three centers to verify application completeness, including required documents. BES will further reinforce timeliness compliance by incorporating 45-day timeliness checks and targeted reviews of higher-risk cases into supervisory case reviews. Findings from these reviews will be used to inform corrective action and retraining as needed. DPHSS is also revising the document verification list in the Public Application form to help clients clearly identify required documentation needed to support eligibility determination and reduce the risk of missing or incomplete case files.

Finding No.: 2024-046
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.767 Children's Health Insurance Program
Federal Award No.: 2405GQ5R21
Area: Period of Performance
Questioned Costs: $76,203

Criteria:

In accordance with applicable period of performance (POP) requirements, a State may only charge allowable costs incurred during a federal award's period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Condition:

For twenty-one (or 53%) of forty items, aggregating $163,214 of $1,253,556 of expenditures subjected to period of performance test, the Department of Public Health and Social Services (DPHSS) charged costs to a federal award prior to the period of performance:

Invoice No.	POP Begin Date	Claim Receipt Date	Check Date	Amount	Questioned Costs
PH1148617	10/01/23	08/16/2023	12/06/2023	$ 672	$ 672
PH1148586	10/01/23	07/17/2023	12/06/2023	1,335	1,335
PH1148491	10/01/23	07/18/2023	11/28/2023	57	57
PH1148457	10/01/23	09/22/2023	11/28/2023	115	115
PH1148475	10/01/23	09/19/2023	11/28/2023	1,565	1,565
PH1148486	10/01/23	09/12/2023	11/28/2023	2,585	2,585
PH1148158	10/01/23	08/16/2023	11/20/2023	12	12
PH1148118	10/01/23	08/16/2023	11/20/2023	223	223
PH1148177	10/01/23	06/19/2023	11/20/2023	257	257
PH1148146	10/01/23	09/30/2023	11/20/2023	2,007	2,007
PH1148130	10/01/23	08/02/2023	11/20/2023	2,684	2,684
PH1148159	10/01/23	06/23/2023	11/20/2023	2,791	2,791
PH1148138	10/01/23	09/29/2023	11/20/2023	23,158	1,282
PH1147818	10/01/23	09/29/2023	11/15/2023	15	15
PH1147835	10/01/23	09/12/2023	11/15/2023	311	311
PH1147788	10/01/23	07/11/2023	11/15/2023	320	320
PH1147830	10/01/23	08/01/2023	11/15/2023	335	335
PH1147823	10/01/23	07/07/2023	11/15/2023	455	455
PH1147810	10/01/23	09/01/2023	11/15/2023	849	720
PH1147803	10/01/23	09/12/2023	11/15/2023	8,794	8,794
PH1147813	10/01/23	09/26/2023	11/15/2023	49,668	49,668
				$98,208	$76,203

Finding No.:	2024-046, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.767 Children's Health Insurance Program
Federal Award No.:	2405GQ5R21
Area:	Period of Performance
Questioned Costs:	$76,203

Cause:

DPHSS did not enforce monitoring controls over compliance with applicable period of performance requirements relating to charging costs to a federal award within the period of performance.

Effect:

GovGuam is in noncompliance with applicable period of performance requirements. The reportable questioned cost is $76,203 based on the item identified in Condition above.

Recommendation:

Prior to charging costs to a federal award, responsible personnel should verify that such costs are within the period of performance.

Views of Responsible Officials:

DPHSS disagrees with this finding and provided documentation of grantor approval to use the FY 2024 award to pay prior year obligations. The enclosed communication from Linda Gee, CMS, dated July 1, 2021, provides more information. 45 CFR 95.7 (https://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.95&rgn=div5#se45.1.95_17) provides that a state Medicaid agency (i.e. Guam Medicaid Agency) has up to two years to file for a claim that it made.

DPHSS welcomes the opportunity to discuss and collaboratively identify the relevant information and guidance during an entrance conference for each year's audit.

Auditor's Response:

Our finding remains because the condition cited above pertains costs charged to a federal award prior to the period of performance and does not pertain to the period up to when a charge can be made (i.e. liquidation period).

Finding No.:	2024-047
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.767 Children's Health Insurance Program
Federal Award No.:	2405GQ5021
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Questioned Costs:	$1,562,177

Criteria:

42 CFR 455.412 states that the State Medicaid Agency must have a method for verifying that any provider purporting to be licensed in accordance with the laws of any State is licensed by such State. Also, State Medicaid Agency must confirm that the provider's license has not expired and that there are no current limitations on the provider's license.

42 CFR 455.432 states that the State Medicaid agency must conduct pre-enrollment and post-enrollment site visits of providers who are designated as "moderate" or "high" categorical risks to the Medicaid program. Also, the State Medicaid agency must require any enrolled provider to permit CMS, its agents, its designated contractors, or the Medicaid agency to conduct unannounced on-site inspection of any and all provider locations.

42 CFR 455.434(a) states that the State Medicaid agency, as a condition of enrollment, must require providers to consent to a criminal background checks including fingerprinting when required to do so under State law or by the level of screening based on risk of fraud, waste or abuse as determined for that category of provider.

42 CFR 455.434(b) states that the State Medicaid agency must establish categorical risk levels for providers and provider categories who pose an increased financial risk of fraud, waste or abuse to the Medicaid program.

42 CFR 455.450 states that a State Medicaid agency must screen all initial applications, including applications for a new practice location, and any applications received in response to a re-enrollment or revalidation of enrollment request based on a categorical risk level of "limited," "moderate," or "high." If a provider could fit within more than one risk level described in this section, the highest level of screening is applicable.

Finding No.:	2024-047, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.767 Children's Health Insurance Program
Federal Award No.:	2405GQ5021
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Questioned Costs:	$1,562,177

Criteria, continued:

42 CFR 455.460 states that beginning on or after March 25, 2011, States must collect the applicable application fee prior to executing a provider agreement from a prospective or re-enrolling provider other than either of the following:

(1) Individual physicians or nonphysician practitioners.
(2)
  (i) Providers who are enrolled in either of the following:
    (A) Title XVIII of the Act.
    (B) Another State's title XIX or XXI plan.
  (ii) Providers that have paid the applicable application fee to -
    (A) A Medicare contractor; or
    (B) Another State.

42 CFR 455.104 states that the Medicaid agency must require that disclosing entities, fiscal agents, and managed care entities provide the following disclosures:

(1)
  (i) The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.
  (ii) Date of birth and Social Security Number (in the case of an individual).
  (iii) Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) or in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest.

(2) Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling.

Finding No.:	2024-047, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.767 Children's Health Insurance Program
Federal Award No.:	2405GQ5021
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Questioned Costs:	$1,562,177

Criteria, continued:

(3) The name of any other disclosing entity (or fiscal agent or managed care entity) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.

(4) The name, address, date of birth, and Social Security Number of any managing employee of the disclosing entity (or fiscal agent or managed care entity).

Furthermore, 2 CFR 200.303(a) states that the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the COSO.

Conditions:

1. The Department of Public Health and Social Services (DPHSS) lacks adequate internal policies and procedures over compliance with the applicable special tests and provisions for provider eligibility (screening and enrollment).

2. For twenty-four (or 100%) of twenty-four items, aggregating $1,562,177 of $32,045,067 of expenditures, deficiencies were noted, as follows:

Item No.	Provider ID	Expense Amount	Questioned Costs
1	GQA	$ 4,722	$ 4,722
2	944	1,003	1,003
3	1116	241	241
4	252	45,877	45,877
5	283A	3,811	3,811
6	236	5,940	5,940
7	FYB	54,532	54,532
8	1026	77,266	77,266
9	631A	71	71
10	239	2,909	2,909

Finding No.: 2024-047, continued
Federal Agency: U.S. Department of Health and Human Service
AL Program: 93.767 Children's Health Insurance Program
Federal Award No.: 2405GQ5021
Area: Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Questioned Costs: $1,562,177

Conditions, continued:

Item No.	Provider ID	Expense Amount	Questioned Costs
11	245	7,606	7,606
12	1021	1,043	1,043
13	1047	1,417	1,417
14	562	259,256	259,256
15	197	54,763	54,763
16	652	19,151	19,151
17	635	85,715	85,715
18	214	2,516	2,516
19	1049	25,300	25,300
20	1053	1,646	1,646
21	576	43,868	43,868
22	408	830,766	830,766
23	568	25,921	25,921
24	ECF	6,837	6,837
		$1,562,177	$1,562,177

DPHSS did not establish categorical risk levels for providers and provider categories who pose an increased financial risk of fraud, waste or abuse to the Medicaid program, hence, for all items, we are unable to determine whether screening and enrollment requirements (e.g., pre-enrollment and post-enrollment site visits and consent to a criminal background checks) were performed accordingly based on the categorical risk level of providers.

For all items, DPHSS was unable to provide supporting documentation that could demonstrate the basis of not collecting the applicable application fee prior to executing a provider agreement.

For items # 8 through 22, the Guam Medicaid and Medically Indigent Program (MIP) Provider Enrollment Disclosure of Ownership and Control Interest Statement form was not on file.

For items # 18 through 22, provider's license or business license was not on file.

Finding No.:	2024-047, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.767 Children's Health Insurance Program
Federal Award No.:	2405GQ5021
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Questioned Costs:	$1,562,177

Cause:

DPHSS lacks adequate internal policies and procedures over compliance with the applicable special tests and provisions for provider eligibility (screening and enrollment). Responsible personnel managing the program attended off-island trainings during the fiscal year, however, standard operating procedures that specifically address the applicable compliance requirements have not yet been established.

Effect:

GovGuam is in noncompliance with applicable special tests and provisions for provider eligibility (screening and enrollment). The reportable questioned cost is $1,562,177 based on the items identified in Conditions above.

Recommendation:

DPHSS management should prioritize to establish internal policies and procedures over compliance with applicable special tests and provisions for provider eligibility (screening and enrollment).

Views of Responsible Officials:

DPHSS agrees with this finding. DPHSS is aware that deficiencies exist with the Medicaid provider enrolment process. DPHSS's response to this deficiency is addressed in its modernization plan, which will automate certain provider enrolment functions.

In March 2024, DPHSS performed site visits for 21 providers, and since then has continued to perform site visits year-round. Memorandums regarding provider compliance topics have also been communicated to providers and published on the provider portal, including information regarding criminal background checks. DPHSS is currently contracted with a consultant that is assisting in the implementation of compliant provider enrolment operations, which includes policy revisions, updates to provider applications and disclosure forms, development of standard operating procedures, and training for both staff and providers.

Finding No.:	2024-047, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.767 Children's Health Insurance Program
Federal Award No.:	2405GQ5021
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Questioned Costs:	$1,562,177

Views of Responsible Officials, continued:

In addition, DPHSS is currently in the process of establishing a Medicaid Program Integrity Unit (PI Unit) with a mission to conduct independent and objective Medicaid program integrity functions adherent to federal and local laws. The PI Unit will also assist DPHSS in addressing and managing Medicaid related Corrective Action Plans.

Finding No.:	2024-048
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.778 Medical Assistance Program
Federal Award No.:	75X0512
Area:	Eligibility for Individuals
Area:	Special Tests and Provisions - Utilization Control
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Area:	Special Tests and Provisions - Provider Health and Safety Standards
Questioned Costs:	$ Undeterminable

Criteria:

2 CFR 200.302 states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. Moreover, the recipient's and subrecipient's financial management system must provide for maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest.

Condition:

A reconciled medical claims schedule for the fiscal year could not be provided. Specifically, total amount of medical claims per medical claims schedule ($186 million) did not agree with the claims expenditure per financial records ($189 million).

Cause:

There is a lack of reconciliation process between Department of Public Health and Social Services (DPHSS) and Department of Administration (DOA).

Effect:

We are unable to establish a complete and accurate population from which to draw our selection of transactions in order to provide sufficient appropriate audit evidence to support an opinion on compliance. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Finding No.:	2024-048, continued
Federal Agency:	U.S. Department of Health and Human Service
AL Program:	93.778 Medical Assistance Program
Federal Award No.:	75X0512
Area:	Eligibility for Individuals
Area:	Special Tests and Provisions - Utilization Control
Area:	Special Tests and Provisions - Provider Eligibility (Screening and Enrollment)
Area:	Special Tests and Provisions - Provider Health and Safety Standards
Questioned Costs:	$ Undeterminable

Recommendation:

Reconciliation process between DPHSS and DOA should take place to ensure that claims expenditure per financial record is supported by underlying medical claims schedule.

Views of Responsible Officials:

DPHSS agrees with this finding. To address the recommendation for a reconciliation process, DPHSS is in the process of forming a multi-agency technology initiative which will include:

• Establishment of an Inter-Agency Data Hub: DPHSS, in collaboration with the Office of Technology (OTECH) and the Department of Administration (DOA), aims to establish a centralized Data Hub. This hub will facilitate real-time or scheduled data synchronization between the DPHSS medical management systems and DOA's financial accounting records, which are managed in the Guam Financial Management Information System (GFMIS). The data hub is intended to ensure all claims paid are automatically after proper approvals and are then reconciled with the general ledger.

• Inter-Agency Agreement and Coordination: DPHSS acknowledges that successful implementation of this Data Hub requires a unified commitment. DPHSS leadership is coordinating with the Director of DOA to discuss the technical requirements and administrative protocols. A formal Memorandum of Agreement (MOA) or a joint standard procedure will be sought, subject to the concurrence and approval by both Agency Directors.

• Manual Interim Reconciliation: Until the Data Hub is fully operational, DPHSS will work with DOA to implement a monthly manual reconciliation process. This will involve a "crosswalk" review of claim batch totals against financial system postings to identify and resolve variances (such as voided checks or manual adjustments) in a timely manner.

• Engagement with OTECH: Once the two directors agree on the framework, DPHSS will engage OTECH to design the data architecture necessary to ensure data integrity, security, and compliance with federal reporting standards.

Estimated implementation timeframe: March 31, 2027

Finding No.:	2024-049
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Area:	Activities Allowed or Unallowed
Area:	Allowable Costs/Cost Principles
Questioned Costs:	$65,621

Criteria:

In accordance with the applicable activities allowed or unallowed requirements, institutions must demonstrate that costs incurred are allowable under the relevant program legislation, federal awarding agency regulations, and the terms and conditions of the award and consistent with the purpose of the grant.

2 CFR 200.403(a) states that federal program expenditures should be necessary and reasonable for the performance of the Federal award in accordance with allowable costs/cost principles requirements and 2 CFR 200.403(g) states that costs should be adequately documented.

Furthermore, 2 CFR 200.431(c) states that the cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 CFR 200.447); pension plan costs; and other similar benefits are allowable, provided such benefits are permitted under established written policies. The recipient or subrecipient must allocate fringe benefits to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities and charged as direct or indirect costs following the recipient's or subrecipient's accounting practices.

Conditions:

1. For one (or 8%) of twelve items, aggregating $900,119 of $1,109,001 in total non-payroll expenditures, there were no supporting documents (e.g. contracts, vendor invoice, payment advice) on file to substantiate whether expenditure amounting to $61,799 related to federal award no. PA09GU4495PW00061-54 and with voucher no. IJE0027179, was allowable cost of the underlying grant.

Finding No.: 2024-049, continued
Federal Agency: U.S. Department of Homeland Security
AL Program: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Area: Activities Allowed or Unallowed
Area: Allowable Costs/Cost Principles
Questioned Costs: $65,621

Conditions, continued:

2. For three (or 33%) of nine items, aggregating $13,103 of $833,788 in total payroll expenditures, deficiencies were noted, as follows:

Item No.	Federal Award No.	Account Name	Job Order No.	Employee No.	Expense Amount	Questioned Cost
1	PA-09-GU-4715-PW-00027	Regular salary	028023101	10218	$1,913	$1,913
2	PA09GU4495PW00014-58	Regular salary	028023104	10000258	861	861
3	PA09GU4495PW00014-58	Fringe	028023104	25084	1,048	1,048
					$3,822	$3,822

For item # 1, personnel action file was not on file.

For item #s 2 through 3, there were no supporting documents (e.g. timesheet, payroll register, personnel action file) on file to substantiate whether expenditure was allowable cost of the underlying grant.

Cause:

The Department of Administration (DOA) did not enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions and ensuring expenditures are necessary and reasonable for the performance of the Federal award.

Effect:

GovGuam is in noncompliance with activities allowed or unallowed and allowable costs/cost principles requirements. The reportable questioned cost is $65,621 based on the items identified in Conditions above.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable activities allowed or unallowed and allowable costs/cost principles requirements, specifically, retaining sufficient documentation to support transactions.

Finding No.:	2024-049, continued
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Area:	Activities Allowed or Unallowed
Area:	Allowable Costs/Cost Principles
Questioned Costs:	$65,621

Views of Responsible Officials:

Guam Homeland Security (GHS) will make sure that proper supporting documentation is available. GHS will also identify department personnel responsible.

Finding No.:	2024-050
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.:	Various
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with 44 CFR 206.65, the Federal share for assistance provided shall not be less than 75 percent of the eligible costs. Per applicable matching requirement, the accountability for meeting the matching requirement resides with the recipient and is determined at the time of project accounting as part of project closeout (i.e., the nonfederal share does not have to be met until the end of the project).

In accordance with FEMA Recovery Policy 104-11-2 (B)(2)(a), FEMA provides contribution for management costs based on actual costs incurred up to 7 percent of the total award amount for the disaster or emergency, excluding subrecipient management costs.

Furthermore, 2 CFR 200.303(a) states that the recipient must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the COSO.

Conditions:

1. Required non-federal share of matching could not be determined as underlying grant agreements were not made available.

2. Guam Homeland Security (GHS) was unable to demonstrate and provide evidence of compliance with the aforementioned earmarking requirement.

3. GHS lacks adequate internal policies and procedures over compliance with the applicable matching and earmarking requirements.

Cause:

GHS management did not monitor compliance with applicable matching and earmarking requirements.

Finding No.:	2024-050, continued
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.:	Various
Area:	Matching, Level of Effort, Earmarking
Questioned Costs:	$ Undeterminable

Effect:

We are unable to verify compliance with the requirements for matching. Furthermore, GovGuam is in noncompliance with applicable earmarking requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

GHS management should establish internal policies and procedures over compliance with applicable matching and earmarking requirements. Also, GHS management should clearly identify department/ personnel responsible for program's compliance.

Views of responsible officials:

GHS will create a Standard Operating Procedure (SOP) to establish internal policies and procedures with applicable matching and earmarking requirements. GHS will also identify department personnel responsible.

Finding No.:	2024-051
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Area:	Period of Performance
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with applicable period of performance (POP) requirements, a State may only charge allowable costs incurred during a federal award's period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Condition:

Compliance with period of performance of expenditures related to the following federal award could not be determined as underlying grant agreements were not made available:

Federal Award No.	Expenditure Amount
PA09GU4495PW00014	$ 31,444
PA09GU4495PW00014-58	635,848
PA09GU4495PW00024	15,993
PA09GU4495PW00031	71,555
PA09GU4495PW00057	882,740
PA09GU4495PW00061-54	61,799
PA-09-GU-4715-PW-00027	216,015
PA09GU4715PW00159	25,664
	$1,941,058

Cause:

Guam Homeland Security (GHS) was unable to provide copy of underlying grant agreements.

Effect:

GovGuam is in noncompliance with applicable period of performance requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

GHS management should establish internal policies and procedures over compliance with applicable period of performance requirements. Furthermore, GHS management should implement adequate internal control policies and procedures requiring retention of all grant agreements.

Finding No.:	2024-051, continued
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Area:	Period of Performance
Questioned Costs:	$ Undeterminable

Views of Responsible Officials:

GHS will create a Standard Operating Procedure (SOP) to establish internal policies and procedures over compliance with applicable period of Performance requirements, as well as retention of all grant agreements. GHS will also identify department personnel responsible.

Finding No.:	2024-052
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.:	Various
Area:	Reporting
Questioned Costs:	$0

Criteria:

2 CFR 200.302(a) states that each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.

2 CFR 300.302(b) states that recipient's financial management system must provide for the following:

1) Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.

2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements in 2 CFR 200.328 and 200.329.

3) Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

2 CFR 200.328(c) states that recipient must submit financial reports as required by the Federal award.

Conditions:

1. We are unable to establish a complete list of financial reports required to be submitted during the fiscal year as Guam Homeland Security (GHS) was unable to provide copies of each grant award. GHS was unable to demonstrate that the financial reports submitted to our audit team consisted of all the required reports.

Finding No.: 2024-052, continued
Federal Agency: U.S. Department of Homeland Security
AL Program: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.: Various
Area: Reporting
Questioned Costs: $0

Conditions, continued:

2. From the list of reports submitted to our audit team, for eight (or 100%) of eight reports tested, records that accumulate and summarize reported data such as 1) cash receipts; 2) cash disbursements; and 3) federal share of expenditures, were not provided for the following:

Item No.	Identifying No. Assigned by Federal Agency	Reporting Period End Date
1	FEMA-4224-DR-GU	03/31/2024
2	FEMA-4224-DR-GU	09/30/2024
3	FEMA-4398-DR-GU	06/30/2024
4	FEMA-4398-DR-GU	09/30/2024
5	FEMA-4433-DR-GU	12/31/2023
6	FEMA-4433-DR-GU	03/31/2024
7	FEMA-4495-DR-GU	12/31/2023
8	FEMA-4495-DR-GU	09/30/2024

Cause:

Department of Administration (DOA) assigned GHS as the agency responsible for providing required audit documentation, however, GHS did not provide timely responses to the audit team's requests. GHS could not identify the personnel responsible for compliance with applicable reporting requirements.

Effect:

We are unable to determine compliance with applicable reporting requirements. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

GHS management should enforce monitoring controls over compliance with applicable reporting requirements. Responsible personnel should maintain a monitoring of financial reports required to be submitted for each grant award effective during the fiscal year.

Finding No.:	2024-052, continued
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.:	Various
Area:	Reporting
Questioned Costs:	$0

Views of Responsible Officials:

GHS will work with DOA to make sure reports are submitted on time. GHS will also retain documentation of submitted reports.

Finding No.:	2024-053
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.:	Various
Area:	Special Tests and Provisions – Project Accounting
Questioned Costs:	$ Undeterminable

Criteria:

In accordance with 44 CFR 206.205(b)(1), for large projects, the recipient shall make an accounting to the Regional Administrator of eligible costs for each approved large project. In submitting the accounting the recipient shall certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA-State Agreement, and that payments for that project have been made in accordance with 2 CFR 200.305. Each large project shall be submitted as soon as practicable after the subrecipient has completed the approved work and requested payment.

Condition:

Guam Homeland Security (GHS) did not provide a listing of ongoing and completed large projects during the audit period.

Cause:

Department of Administration (DOA) assigned GHS as the agency responsible for providing required audit documentation, however, GHS did not provide timely responses to the audit team's requests. GHS could not identify the personnel responsible for compliance with applicable special tests and provision requirements.

Effect:

We are unable to verify compliance with the requirements for special tests and provisions – project accounting. Specifically, we are unable to ascertain if (1) for ongoing large projects, costs submitted for reimbursement were in compliance with the requirements for eligible work under the applicable Project; and (2) for completed large projects, entity's files document the total costs as allowable costs and if the costs are for allowable activities under the applicable Project. No questioned cost is presented as we are unable to quantify the extent of noncompliance.

Recommendation:

GHS management should establish internal policies and procedures over compliance with applicable special tests and provisions requirements. Also, GHS management should clearly identify department/ personnel responsible for program's compliance.

Finding No.:	2024-053, continued
Federal Agency:	U.S. Department of Homeland Security
AL Program:	97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Award No.:	Various
Area:	Special Tests and Provisions – Project Accounting
Questioned Costs:	$ Undeterminable

Views of responsible officials:

GHS will create a Standard Operating Procedure (SOP) to establish internal policies and procedures in compliance with applicable special tests and provision requirements. GHS will also identify department personnel responsible.

EDWARD M. BIRN
Director (Direktot)
Rena K. Borja
Deputy Director (Sigundo Direktot)

DEPARTMENT OF ADMINISTRATION
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LOURDES A. LEON GUERRERO
Governor (Maga'hâga)
JOSHUA F. TENORIO
Lt. Governor (Sigundo Maga'lâhi)

April 6,2026

Ernst & Young LLP
231 Ypao Road Suite 201
Tamuning, GU 96931

Set forth below is the Government of Guam's Corrective Action Plan for findings to be noted on Government of Guam's Single Audit Report for Year Ending September 30,2024.

The difficulty in recruiting and training accounting personnel is a global concern to governments, businesses, and those providing audit services. The government is working on a recruitment and retention process.

Finding No.: 2024-001 **General Ledger Reconciliation and SEFA Reconciliation**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

In FY2024 part of the year was processed in the new FMIS Microsoft 365 accounting system, which the auditor was granted access. Supporting documents are embedded into the accounting records. The necessary controls will be strengthened when the updated modules of the FMIS are fully implemented.

Finding No.: 2024-002 **OPEB Census Data and OPEB Liability**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

In FY2024 OPEB report the Mortality Rates Assumption is the same that GGRF's Actuary uses and is industry standard for public entities. This report is a rollover report and census differences originating in FY2023 will not be adjusted. Census corrections will be made in FY2025. Liability is reported in the Government-wide statements only and does not impact governmental or federal funds.

Finding No.: 2024-003 **Tax Receivables**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

DOA relies on data provided by DRT to update the tax receivable accounts. GovGuam mirrors the U.S. Tax Code and DRT is charged with enforcement of the Guam Territorial Income Tax pursuant to the Organic Act of Guam, as amended, and 11 GCA Chapter 1. The IRS Safeguard Rules limits the amount of information that is accessible outside the taxing authorities. Going forward DOA will work collaboratively with DRT to obtain and post-tax receivables.

Finding No.: 2023-004 **Special Revenue Fund Deficits**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

The GovGuam Budget process appropriates to each fund an authority to expend funds pursuant to the annual appropriations law. The power to appropriate is Organically bestowed on the Guam Legislature. The root cause of the deficits is attributed to the inherent difference between the appropriate funds and revenues collected by each Special Revenue Fund. DOA will continue to monitor the interfund activities and will propose permanent transfers as necessary pursuant to GASB 34.

Finding No.: 2024-005 **Capital Assets**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

Implementation of a Fixed Assets Module as part of the new FMIS system that will help automate the tracking and reporting of Capital assets, is near completion with final testing in progress. DOA will update the SOP for the Fixed Assets for capital asset reporting accordingly. Review of Assets acquired in FY2024 was completed, with FY2025 in progress. As noted previously, the process is hampered by difficulties in recruiting personnel.

Finding No.: 2024-006 **Compliance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

Required information is obtained from the GGRF's Actuarial Valuation report and the subsequent Independent Auditor's Report on the Pensions. Historically, the Actuarial report for FY2024 was issued

in May 2025 and FY2023 was issued in June 2024. Until the GGRF Actuary report is available timely, DOA will not be able to complete GASB 68 and 73 requirements within the audited year.

Finding No.: 2024-007 **Compliance with GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA)**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

DOA has updated Year End closing procedures with additional resource identified (GAAFR) to ensure appropriate recording of GASB 96 transactions.

Finding No.: 2024-008 **Reconciliation of Unearned Revenues**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

Similar to response in Finding 2024-003, DOA relies on DRT to provide the necessary information. However, DOA has identified where the data is located and has worked with DRT to generate the proper report to properly account and report the tax credits. DOA has incorporated this task into year-end closing process.

Finding No.: 2024-009 **Medical and Dental Self-Insured Claims Liabilities**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

DOA has identified the required report to update the medical and dental self-insurance claims liabilities and have incorporated this into our fiscal year end closing checklist.

Finding No.: 2024-010 **Cash Management**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Federal and Compliance section will establish a Standard Operating Procedure for draw downs. As well as, conducting drawdowns daily to minimize the time between the drawdowns of federal funds and the disbursement for federal program purposes.

Finding No.: 2024-011 **Period of Performance**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director (DPHSS)

The DPHSS WIC Program disagrees with the findings. All supporting documents related to the findings were provided promptly on March 3,2026 when request was received on February 26,2026.

In accordance with WIC FY 2024 Closeout Guidance and the requirements under 2 CFR 200.344, the WIC Program is allowed 90 days after the end of the period of performance to submit all final financial reports, as well as 90 days to liquidate all obligations incurred during the period of performance. For FY 2024, the closeout timeline required that all obligations be liquidated no later than January 31, 2025.

The program adhered to these federal requirements. All obligations were liquidated prior to the close of the fiscal year grant, and obligations were reported in the fiscal year in which they occurred, consistent with 7 CFR 246.17. Furthermore, the final closeout report was submitted within 120 days after the end of the fiscal year, fully complying with WIC closeout procedures.

Based on the timely submission of all supporting documentation and adherence to federal closeout regulations, the DPHSS WIC Program maintains that the questioned costs were appropriately obligated, liquidated, and reported.

Finding No.: 2024-012 **Procurement, Suspension, and Debarment**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director (DOA)

GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

GSA has revised IFB templates to include the required debarment and suspension certification language in accordance with 2 CFR 200.214. Effective immediately, all new contracts will include this clause prior to execution.

For local vendors that may not appear in federal systems, GSA will require a debarment and suspension certification as part of the contracting process and maintain this documentation within the procurement record.

Finding No.: 2024-013 **Allowable Costs/Cost Principles: Procurement, Suspension, and Debarment**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

Agency disagrees with 2 out of the 3 findings.

- Condition 1 regarding the Authorization To Proceed (ATP), as per the Grant and Cooperative Agreement and the Grant Terms and Conditions, it did not state that an ATP is required to begin work on the grant for D20AP00048 and D21AP10145.The Government complies with ATP requirements for grants which mandate such compliance. If the grant is silent, no ATP is required..

- Condition 2 GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

- Condition 3 The necessary controls will be strengthened when the updated Federal Grant module is fully implemented.

Finding No.: 2024-014 **Equipment and Real Property Management**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

Implementation of a Fixed Assets Module as part of the new FMIS system that will help automate the tracking and reporting of Capital assets, is near completion with final testing in progress. DOA will update the SOP for the Fixed Assets for capital asset reporting accordingly. Review of Assets acquired in FY2024 was completed, with FY2025 in progress. As noted previously, the process is hampered by difficulties in recruiting personnel.

Finding No.: 2024-015 **Reporting**

Responding Agency: Bureau of Budget and Management Research (BBMR)

Responsible Personnel: Lester Carlson, Director

BBMR will work with DOA to keep soft copies of submitted and approved Federal Financial Reports (FFR) on hand.

Finding No.: 2024-016 **Subrecipient Monitoring**

Responding Agency: Bureau of Budget and Management Research (BBMR)

Responsible Personnel: Lester Carlson, Director

BBMR will create Standard Operating Procedures as well as a checklist, to assist in the monitoring of subrecipient compliance.

Finding No.: 2024-017 **Eligibility**

Responding Agency: Department of Labor (DOL)

Responsible Personnel: David M. Dell'Isola

In June 2024, GDOL established a policy workgroup to modernize internal procedures. Consequently, the AJC-024-Selective Service Registration policy was updated and formally approved on August 12, 2024. This updated guidance was distributed to all American Job Center (AJC) staff and case managers on August 15, 2024, to ensure future consistency in documentation and eligibility overrides.

Finding No.: 2024-018 **Eligibility**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency is reviewing the management of Federal Grants to ensure robust handover and succession plans are in place for future programs. The sudden passing of the ERA Program Coordinator directly impacted overall management of the program.

Finding No.: 2024-019 **Matching, Level of Effort, Earmarking**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency is reviewing the management of Federal Grants to ensure robust handover and succession plans are in place for future programs. The sudden passing of the ERA Program Coordinator directly impacted overall management of the program.

Finding No.: 2024-020 **Reporting**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024

Finding No.: 2024-021 **Activities Allowed or Unallowed: Allowable Costs/Cost Principles**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Finding No.: 2024-022 **Eligibility**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency is reviewing its federal grants management to ensure robust handover and succession plans are in place of future programs.

Finding No.: 2024-023 **Matching, Level of Effort, Earmarking**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency is reviewing its federal grants management to ensure robust handover and succession plans are in place of future programs.

Finding No.: 2024-024 **Reporting**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency is reviewing its federal grants management to ensure robust handover and succession plans are in place of future programs.

Finding No.: 2024-025 **Activities Allowed or Unallowed: Allowable Costs/Cost Principles**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Finding No.: 2024-026 **Matching, Level of Effort, Earmarking**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Finding No.: 2024-027 **Procurement, Suspension, and Debarment**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

GSA has revised IFB templates to include the required debarment and suspension certification language in accordance with 2 CFR 200.214. Effective immediately, all new contracts will include this clause prior to execution.

For local vendors that may not appear in federal systems, GSA will require a debarment and suspension certification as part of the contracting process and maintain this documentation within the procurement record.

Finding No.: 2024-028 **Subrecipient Monitoring**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Finding No.: 2024-029 **Matching, Level of Effort, Earmarking**

Responding Agency: Bureau of Budget and Management Research (BBMR)

Responsible Personnel: Lester Carlson, Director

The Agency disagrees with this finding. Please refer to a letter dated March 31, 2026, regarding Reports on Compliance September 30, 2024.

Finding No.: 2024-030 **Reporting**

Responding Agency: Bureau of Budget and Management Research (BBMR)

Responsible Personnel: Lester Carlson, Director

BBMR will work with DOA to make sure reports are submitted on time. BBMR will also retain documentation of submitted reports.

Finding No.: 2024-031 **Subrecipient Monitoring**

Responding Agency: Bureau of Budget and Management Research (BBMR)

Responsible Personnel: Lester Carlson, Director

BBMR will create Standard Operating Procedures as well as a checklist, to assist in the monitoring of subrecipient compliance.

Finding No.: 2024-032 **Activities Allowed or Unallowed: Allowable Costs/Cost Principles**

Responding Agency: Guam Environmental Protection Agency (GEPA)

Responsible Personnel: Michelle Lastimoza, Director

Request to DOA will require immediate collaboration between Guam EPA and DOA to gather, reconcile, and provide all documentation supporting compliance of allowable costs incurred during the federal award period of performance as specified in the terms and conditions of the federal award or in the approved extension.

Finding No.: 2024-033 **Cash Management**

Responding Agency: Guam Environmental Protection Agency (GEPA)

Responsible Personnel: Michelle Lastimoza, Director

Request to DOA will require immediate collaboration between Guam EPA and DOA, as all Guam EPA reimbursement requests are accompanied by the FGIA balance report and, currently, the GFMIS expenditure reports.

Finding No.: 2024-034 **Period of Performance**

Responding Agency: Guam Environmental Protection Agency (GEPA)

Responsible Personnel: Michelle Lastimoza, Director

Request to DOA will require immediate collaboration between Guam EPA and DOA to gather, reconcile, and provide all supporting documentation to support compliance with the period of performance in question.

Finding No.: 2024-035 **Program Income**

Responding Agency: Guam Environmental Protection Agency (GEPA)

Responsible Personnel: Michelle Lastimoza, Director

Guam EPA has implemented processes relevant to the monitoring and reconciliation of program income. As part of our Correction Action for the FY2023 audit, which is a repeat finding in FY2024, Guam EPA is attaching a sample report of all program income collected through the Transaction Processing System (TPS) to include external payments received by DOA. Also, variances not captured by this report, consisting of payments/transactions submitted directly to DOA via electronic method of payments, are being reconciled by our staff and DOA.

Finding No.: 2024-036 **Cash Management**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

The Federal and Compliance section will establish a Standard Operating Procedure for drawdowns. As well as, conducting drawdowns daily to minimize the time between the drawdowns of federal funds and the disbursement for federal program purposes.

Finding No.: 2024-037 **Equipment and Real Property Management**

Responding Agency: Department of Administration (DOA)

Responsible Personnel: Edward M. Birn, Director

Implementation of a Fixed Assets Module as part of the new FMIS system that will help automate the tracking and reporting of Capital assets, is near completion with final testing in progress. DOA will update the SOP for the Fixed Assets for capital asset reporting accordingly. Review of Assets acquired in FY2024 was completed, with FY2025 in progress. As noted previously, the process is hampered by difficulties in recruiting personnel.

Finding No.: 2024-038 **Period of Performance**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

DPHSS ELC Program disagrees with the findings.

Condition 1: The questioned labor costs of $16,668 align with payment of Core funded staff during that approved budget period for BP01. The PPE coincides with two draws for the ending and beginning of those fiscal years. Supporting documents were submitted twice, once on February 9, 2026, and February 20, 2026, including the Notice of Award (NOA) for this grant with issue date of July 9, 2024.

Condition 2: The question of compliance with period of performance was justified through supporting documentations as reflected in the NOAs and extensions of NOAs which were provided twice February 9, 20206 and February 23, 2026. Program also noted that core funds have expanded authority to be utilized in subsequent budget periods throughout the 5-year cycle of the Cooperative Agreement. Upon auditor's review, a correspondence email noted that the documents were received and findings were removed for all but on expense. Although all supporting NOAs were submitted for every expenditure amount, a follow up email with the last NOA for 6NU50CK000561-05-00 was provided again as an attachment.

Finding No.: 2024-039 **Procurement, Suspension, and Debarment**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director (DPHSS)

GSA will continue to verify vendor eligibility through SAM.gov prior to contract award. Documentation of the verification will be retained in the procurement file for each transaction.

GSA has revised IFB templates to include the required debarment and suspension certification language in accordance with 2 CFR 200.214. Effective immediately, all new contracts will include this clause prior to execution.

For local vendors that may not appear in federal systems, GSA will require a debarment and suspension certification as part of the contracting process and maintain this documentation within the procurement record.

Finding No.: 2024-040 **Activities Allowed or Unallowed: Allowable Costs/Cost Principles**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

The Bureau of Child Care Services (BCCS) disagrees with this finding. The questioned transactions relate to a major system migration from the AS400 to the D365 system, which temporarily impacted the traceability of certain records. During this transition, some data identifiers were reformatted to fit the new system's structure. However, this was a synchronization issue rather than a lack of oversight, and BCCS maintains that all costs are allowable, necessary, and reasonable under CCDF requirements. Supporting documents exist and were provided after a subsequent request on February 9, 2026, via One Drive link.

Finding No.: 2024-041 **Eligibility**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

The Bureau of Child Care Services (BCCS) disagrees with this finding. Eligibility determinations were conducted in accordance with federal and local requirements. The exceptions noted are due to a subsequent request received by BCCS on January 20, 2026, and consequently responded to on January 29, 2026. Additional supporting documents were provided on February 9, 2026. Certain payment variances reflect allowable program exceptions.

Finding No.: 2024-042 **Matching, Level of Effort, Earmarking**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

The Bureau of Child Care Services (BCCS) disagrees with this finding and maintains that it has enhanced monitoring controls to ensure compliance with all applicable earmarking requirements. BCCS reports expenditures on a cumulative basis until the grant's liquidation end date. This reporting structure provides the necessary flexibility to reconsolidate cost categories, ensuring that final totals align with mandated spending thresholds by the end of the grant period.

Furthermore, BCCS maintains that Quality Rating and Improvement System (QRIS) initiatives and other quality-enhancing activities were actively conducted throughout the performance period. To ensure a

thorough reconciliation of these expenditures, BCCS formally requests the supporting documentation and specific sample set used by the auditors to conclude that these activities were not sufficiently documented or performed. We are prepared to provide evidence of these programmatic activities to demonstrate compliance with earmarking requirements.

Finding No.: 2024-043 **Reporting**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director (DPHSS)

The Bureau of Child Care Services (BCCS) disagrees with this finding. BCCS maintains that it enforces strict monitoring controls over compliance with reporting requirements and that the variances noted are not a result of inaccurate data entry but that is due to the cumulative reporting until the end of the grant period. BCCS' ACF-696 quarterly reports are reported cumulatively through the grant's liquidation end date, and any quarterly reported variances are reconciled by the end of the grant period. During a Reporting Walkthrough meeting with Ernst & Young Senior Auditor, on November 17, 2025, BCCS discussed detailed reporting requirements, processes, and procedures. During this meeting, the agency communicated how responsible personnel review accounting records and perform the reconciliation of required reports.

Finding No.: 2024-044 **Special Test and Provisions**
Health and Safety Requirements

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

The Bureau of Child Care Services (BCCS) disagrees with this finding. All applicable providers were monitored and met necessary health and safety requirements. All supporting inspection reports and certifications exist and were provided to the auditors via a OneDrive link on February 9, 2026, following a subsequent request for information.

Additionally, in accordance with the Rules and Regulations Governing Child Care Facilities Section 1.5.00 (a), Relative Care facilities are exempt from Sanitary Permits.

BCCS requests a detailed breakdown of the $3,726,391 valuation to clarify if the audit team applied a total disallowance of payments or a weighted penalty for perceived documentation gaps. We maintain that this dollar amount is fundamentally inaccurate if the assessment did not properly factor in the specific regulatory exemptions applicable to these providers. Furthermore, BCCS questions the rationale used to assign such a substantial fiscal impact to an administrative-heavy finding, especially where the core program requirements and services were successfully fulfilled.

Finding No.: 2024-045 **Eligibility**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

DPHSS agrees with this finding. The Bureau of Economic Security (BES) recognized the finding as an issue and in response, held a bureau-wide training for both front desk personnel and eligibility specialists on December 22 - 23, 2025. This training focused on application handling including the timeliness of eligibility determinations and proper documentation maintenance procedures. The training reinforced use of a standardized application checklist that was developed to support application completeness. Staff were also trained in the correct method for uploading documents into the OnBase system, the bureau's digital record archive, for secure storage and efficient retrieval.

In January 2026, BES conducted a Customer Email Standard Operating Procedure (SOP) training to reinforce staff compliance with documentation requirements, including the use of document imaging process (DIP) to ensure customer documentation received via email is uploaded into the OnBase system within two business days. In addition, DPHSS is preparing additional training sessions, which are currently being developed, on topics such as Medicaid Basics 101, Customer Service, and Medicaid Eligibility.

To assess compliance with the training, Eligibility Specialist Supervisors were tasked with periodically reviewing random samples of applications across all three centers to verify application completeness, including required documents. BES will further reinforce timeliness compliance by incorporating 45-day timeliness checks and targeted reviews of higher-risk cases into supervisory case reviews. Findings from these reviews will be used to inform corrective action and retraining as needed. DPHSS is also revising the document verification list in the Public Application form to help clients clearly identify required documentation needed to support eligibility determination and reduce the risk of missing or incomplete case files.

Finding No.: 2024-046 **Period of Performance**

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

DPHSS disagrees with this finding and provided documentation of grantor approval to use the FY 2024 award to pay prior year obligations. The enclosed communication from Linda Gee, CMS, dated July 1, 2021, provides more information. **45 CFR 95.7** (https://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.95&rgn=div5#se45.1.95_17) provides that a state Medicaid agency (i.e. Guam Medicaid Agency) has up to two years to file for a claim that it made.

DPHSS welcomes the opportunity to discuss and collaboratively identify the relevant information and guidance during an entrance conference for each year's audit.

Finding No.: 2024-047 **Special Test and Provisions**
Provider Eligibility (Screening and Enrolment)

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

DPHSS agrees with this finding. DPHSS is aware that deficiencies exist with the Medicaid provider enrolment process. DPHSS's response to this deficiency is addressed in its modernization plan, which will automate certain provider enrolment functions.

In March 2024, DPHSS performed site visits for 21 providers, and since then has continued to perform site visits year-round. Memorandums regarding provider compliance topics have also been communicated to providers and published on the provider portal, including information regarding criminal background checks. DPHSS is currently contracted with a consultant that is assisting in the implementation of compliant provider enrolment operations, which includes policy revisions, updates to provider applications and disclosure forms, development of standard operating procedures, and training for both staff and providers.

In addition, DPHSS is currently in the process of establishing a Medicaid Program Integrity Unit (PI Unit) with a mission to conduct independent and objective Medicaid program integrity functions adherent to federal and local laws. The PI Unit will also assist DPHSS in addressing and managing Medicaid related Corrective Action Plans.

Finding No.: 2024-048 **Eligibility**
Special Test and Provisions-
Utilization Control
Provider Eligibility (Screening and Enrolment)
Provider Health and Safety Standards

Responding Agency: Department of Public Health and Social Services (DPHSS)

Responsible Personnel: Theresa Arriola, Director

DPHSS agrees with this finding. To address the recommendation for a reconciliation process, DPHSS is in the process of forming a multi-agency technology initiative which will include:

- **Establishment of an Inter-Agency Data Hub:** DPHSS, in collaboration with the Office of Technology (OTECH) and the Department of Administration (DOA), aims to establish a centralized Data Hub. This hub will facilitate real-time or scheduled data synchronization between the DPHSS medical management systems and DOA's financial accounting records, which are managed in the Guam Financial Management Information System (GFMIS). The data hub is intended to ensure all claims paid are automatically after proper approvals and are then reconciled with the general ledger.

- **Inter-Agency Agreement and Coordination:** DPHSS acknowledges that successful implementation of this Data Hub requires a unified commitment. DPHSS leadership is coordinating with the Director of DOA to discuss the technical requirements and administrative protocols. A formal Memorandum of Agreement (MOA) or a joint standard procedure will be sought, subject to the concurrence and approval by both Agency Directors.

- **Manual Interim Reconciliation:** Until the Data Hub is fully operational, DPHSS will work with DOA to implement a monthly manual reconciliation process. This will involve a "crosswalk" review of claim batch totals against financial system postings to identify and resolve variances (such as voided checks or manual adjustments) in a timely manner.

- **Engagement with OTECH:** Once the two directors agree on the framework, DPHSS will engage OTECH to design the data architecture necessary to ensure data integrity, security, and compliance with federal reporting standards.

Estimated implementation timeframe: March 31, 2027

Finding No.: 2024-049 **Activities Allowed or Unallowed: Allowable Costs/Cost Principles**

Responding Agency: Guam Homeland Security (GHS)

Responsible Personnel: Esther Aguigui, Director

Guam Homeland Security (GHS) will make sure that proper supporting documentation is available. GHS will also identify department personnel responsible.

Finding No.: 2024-050 **Matching, Level of Effort, Earmarking**

Responding Agency: Guam Homeland Security (GHS)

Responsible Personnel: Esther Aguigui, Director

GHS will create a Standard Operating Procedure (SOP) to establish internal policies and procedures with applicable matching and earmarking requirements. GHS will also identify department personnel responsible.

Finding No.: 2024-051 **Period of Performance**

Responding Agency: Guam Homeland Security (GHS)

Responsible Personnel: Esther Aguigui, Director

GHS will create a Standard Operating Procedure (SOP) to establish internal policies and procedures over compliance with applicable period of Performance requirements, as well as retention of all grant agreements. GHS will also identify department personnel responsible.

Finding No.: 2024-052 **Reporting**

Responding Agency: Guam Homeland Security (GHS)

Responsible Personnel: Esther Aguigui, Director

GHS will work with DOA to make sure reports are submitted on time. GHS will also retain documentation of submitted reports.

Finding No.: 2024-053 **Special Test and Provisions – Project Accounting**

Responding Agency: Guam Homeland Security (GHS)

Responsible Personnel: Esther Aguigui, Director

GHS will create a Standard Operating Procedure (SOP) to establish internal policies and procedures in compliance with applicable special tests and provision requirements. GHS will also identify department personnel responsible.

Senseramente,

Edward M. Birn

Attachments

Copy: Public Auditor, OPA
Director, BBMR
Director, DOL
Director, DPHSS
Director, GHS
Director, GEPA

EDWARD M. BIRN
Director (Direktot)
RENA K.BORJA
Deputy Director (Sigundo Direktot)

DEPARTMENT OF ADMINISTRATION
DIPATTAMENTON ATMENESTRASION
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LOURDES A. LEON GUERRERO
Governor (Maga'hâga)
JOSHUA F. TENORIO
Lt. Governor (Sigundo Maga'lâhi)

March 25,2026

Mary Jane Dela Cruz
Ernst & Young LLP
231 Ypao Road Suite
201 Tamuning, GU
96913

SUBJECT: FY23 Single Audit Reports – Schedule of Prior Years Single Audit Findings

Hafa Adai Ms. Dela Cruz:

Department of Administration is actively pursuing resolutions to matters reported on the Schedule of Findings and Questioned Costs for the year ended September 30, 2023. Department of Administration notes that some of the findings are generally repeated from FY2018 to FY2022. This is the result of reporting these findings for the previous year to clost the end of the following financial year. These findings are the subject of ongoing resolutions.

Enclosed with this memorandum are our responses to the audit findings for FY2023 and prior.

If you should have any questions or concerns, please do not hesitate to call DOA/Accounting-Federal section. Si Yu'os Ma'as.

Senseramente,

Edward M. Birn
Director
Department of Administration

Enclosures

AUDIT FINDINGS
FISCAL YEAR 2018

AUDIT FINDING NO.	STATUS
2018-001	Resolved in the current year
2018-002	For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.
2018-003	For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.
2018-004	Department of Administration In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly. On-going

AUDIT FINDINGS
FISCAL YEAR 2019

AUDIT FINDING NO.	STATUS
2019-001	**Department of Public Health & Social Services** DPHSS to improve their training on the responsibilities of all Eligibility Specialists Supervisors (ESSs) to effectively review ES eligibility determinations for completeness prior to case finalization. **On-going**
2019-002	**Department of Public Health & Social Services** For missing documents, the mandatory scanning of documents will be imposed upon checking of clients at the front desk area. Any additional documents provided by the clients during the interview will be scanned by the eligibility specialists. This will ensure that there will be no delay in the scanning of documents. Recruit clerical personnel to support the supervisors of the program. Mandate 100% supervisory reviews will prevent errors from occurring. DPHSS will submit Standard Operating Procedures (SOP) to address each condition noted on report and submit to DOA/Accounting no later than the end of FY20 to enforce management of case files and to monitor eligibility determinations for compliance of program requirements. DPHSS must complete the following items by end of September 30, 2023: • Administrator of the program must identify and correct weaknesses found with the PHPro system and to ensure that responsible are trained to report any system related issues they come upon. • Complete an inventory of current case files that are in the Eligibility Verification System and submit a record of survey for any case files not found if any. • Responsible personnel will develop a checklist and immediately conduct a review of current case files for completeness utilizing checklist requirements and correct all deficiencies found.

- Must conduct improved initial/ annual/refresher training for staff responsible for intake and posting of information to IEVS to document training received.

On-going

2019-003 **For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**

2019-004 **For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**

2019-005 **Department of Public Health and Social Services**

DPHSS will submit Standard Operating Procedures (SOP) to address each condition noted on report and submit to DOA/Accounting no later than the end of FY20 to enforce management of case files and to monitor eligibility determinations for compliance of program requirements.

DPHSS must complete the following items by end of September 30, 2020:

- Administrator of the program must identify and correct weaknesses found with the PHPro system and to ensure that responsible are trained to report any system related issues they come upon.
- Complete an inventory of current case files that are in the Eligibility Verification System and submit a record of survey for any case files not found if any.
- Responsible personnel will develop a checklist and immediately conduct a review of current case files for completeness utilizing checklist requirements and correct all deficiencies found.
- Must conduct improved initial/ annual/refresher training for staff responsible for intake and posting of information to IEVS to document training received.

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On-going

2019-007 **Department of Administration**

The present accounting system does not permit automatic reconciliation of the subsidiary federal ledger. In particular, subsidiary ledgers do not update the general ledger when journal entries or postings from outside sources are made to the subsidiary ledgers. The necessary controls will be strengthened when an updated FMIS is implemented with processes which will ensure that these ledgers

reconcile with the general ledger on a perpetual basis. Management will conduct additional training to staff assigned in SEFA preparation .

On-going

2019-008 **Department of Administration**

In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly.

On-going

AUDIT FINDINGS
FISCAL YEAR 2020

AUDIT FINDING NO.	STATUS
2020-001	**Resolved in the current year**
2020-002	**Department of Administration** The present accounting system does not permit automatic reconciliation of the subsidiary federal ledger. In particular, subsidiary ledgers do not update the general ledger when journal entries or postings from outside sources are made to the subsidiary ledgers. The necessary controls will be strengthened when an updated FMIS is implemented with processes, which will ensure that these ledgers reconcile with the general ledger on a perpetual basis. **On-going**
2020-003	**Department of Administration** In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly. **On-going**
2020-004	**Department of Labor** Department of Labor has worked with their vendor. All ineligible benefit payments have been established as an overpayment and collection efforts have been initiated. GDOL will advise DOA monthly of the amount subject to offset so it may be posted in the financial system. **On going**
2020-005	**For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**
2020-006/ 2020-008	**Department of Administration** Procurement process was followed based off GAC Title 5 Chapter 5 §5213. **On-going**

2020-007 **Department of Administration**

GovGuam will require all units and departments, which issue SF-425 reports to clear these reports with DOA/Division of Accounts before submission to federal granting agencies.

On-going

2020-011 **Department of Administration**

1. The absorption of credit card fees by GovGuam was not primarily driven by expected collection enhancements, which would be susceptible to justification by metrics, although some acceleration of collections was noted. The primary goal is to permit and encourage payments to GovGuam remotely by citizens especially using website access. This was designed to minimize contact between GovGuam workers and potential COVID positive Guamanians, especially when government offices were closed and movement outside homes discouraged. Even with infection rates under control, safe practices necessitate continuation of this benefit.

2. Procurement of quarantine and isolation facilities was necessarily done without the benefit of significant data on expected travellers and infections. Because of the health risk, potential bidders were hesitant to price services without a significant commitment to defray their fixed and variable costs. This translated into contacts containing room minimums. In the event, quarantine facility minimums were generally exceeded whereas isolation facilities are generally not full, due to the successful infection containment measures in place. Future commitments will take into consideration data gathered by the usage over the last few months.

As per notice received on January 31, 2026, Condition 1 is ongoing, where as condition 2 is now resolved and can be closed.

2020-012 **Department of Administration**

Quarterly reports are submitted to U.S. Treasury through the CRF portal.

On-going

2020-013 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

AUDIT FINDINGS
FISCAL YEAR 2021

AUDIT FINDING NO.	STATUS
2021-001	**Resolved in the current year**
2021-002	**Department of Administration** The present accounting system does not permit automatic reconciliation of the subsidiary federal ledger. In particular, subsidiary ledgers do not update the general ledger when journal entries or postings from outside sources are made to the subsidiary ledgers. The necessary controls will be strengthened when an updated FMIS is implemented with processes, which will ensure that these ledgers reconcile with the general ledger on a perpetual basis. **On-going**
2021-003	**Department of Administration** In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly. **On-going**
2021-004	**Resolved in the current year.**
2021-005	**For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**
2021-006	**Department of Administration** DPHSS Division of Public Welfare will work with DMR and FIS to ensure reports include accurate reporting of expungements. **On-going**
2021-007/ 2021-009/ 2021-020/ 2021-029	**Department of Administration** Procurement process was followed based off GAC Title 5 Chapter 5 §5213. **On-going**
2021-008	**For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**

2021-010 **Department of Administration**

Program coordinators will ensure that ATPs are received prior to approving program cost.

On-going

2021-014 **Department of Administration**

1. The absorption of credit card fees by GovGuam was not primarily driven by expected collection enhancements, which would be susceptible to justification by metrics, although some acceleration of collections was noted. The primary goal is to permit and encourage payments to GovGuam remotely by citizens especially using website access. This was designed to minimize contact between GovGuam workers and potential COVID positive Guamanians, especially when government offices were closed and movement outside homes discouraged. Even with infection rates under control, safe practices necessitate continuation of this benefit.

2. Procurement of quarantine and isolation facilities was necessarily done without the benefit of significant data on expected travellers and infections. Because of the health risk, potential bidders were hesitant to price services without a significant commitment to defray their fixed and variable costs. This translated into contacts containing room minimums. In the event, quarantine facility minimums were generally exceeded whereas isolation facilities are generally not full, due to the successful infection containment measures in place. Future commitments will take into consideration data gathered by the usage over the last few months.

As per notice received on January 31, 2026, Condition 1 is ongoing, where as condition 2 is now resolved and can be closed.

2021-015/ 2021-018 **Department of Administration**

Quarterly Reports are submitted to U.S. Treasury throught CRF Portal.

On-going

2021-016 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

2021-017 **Department of Administration**

All filles have been provided to auditors for verification.

On-going

2021-019 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

2021-021 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

2021-028 **Department of Administration**

DPHSS will create a Standing Operating Procedure (SOP) on the effective handling of revalidating providers' enrollments regardless of provider type at least every five (5) years.

On-going

2021-030 **Department of Administration**

GDOL has a worked with their vendor. All ineligible benefits payments have been established as an overpayment, and collection efforts have been initiated. GDOL will advise DOA monthly of the amount subject to offset so it may be posted to the financial system.

On-going. DOL is currently working on it with FEMA.

AUDIT FINDINGS
FISCAL YEAR 2022

AUDIT FINDING NO.	STATUS
2022-001	**Resolved in the current year**
2022-002	**Department of Administration** The present account system does not permit automatic reconciliation of the subsidairy federal ledger. In particular, subsidiary ledgers do not update the general ledger when journal entries or postings from outside sources are made to the subsidiary ledgers. The necessary controls will be strengthened when an updated FMIS is implemented with the processes, which will ensure that these ledgers reconcile with the general ledger on a perpetual basis. **On-going**
2022-003	**Resolved in the current year**
2022-004	**Department of Administration** GovGuam Division of accounts will develop monitoring procedures for financial reporting purposes with timely recognition of grant related transactions. **On-going**
2022-005	**Department of Administration** Department of Administration will request the autonomous agencies to submit a certification statement with printed name, signature, and date attesting the census data records submitted is complete and accurate. Additionally, the DOA will conduct its own random sampling of census data to ensure the accuracy and completeness. Internal sampling will test the enrollment plans, enrollment class, and demographic data. It is through this dual-approach that DOA will mitigate the collection of inaccurate or incomplete census data. **To be removed not related to Federal Compliance.**

2022-006 **Department of Administration**

In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly.

On-going

2022-007 **Department of Administration**

GovGuam Division of Accounts will monitor and record prior to the year closing.

On-going

2022-008 **Department of Administration**

In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly.

On-going

2022-009 **For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**

2022-010 **For closure per UG 2 CFR Part 200.511, there has been no follow up from granting agency.**

2022-011 **Department of Public Health and Social Services**

The Bureau of Economic Security, Division of Public Welfare Supervisors are verifying documents making sure it is complete and uploaded into the system. A checklist will be created to ensure all vital documents are completeda nd uploaded.

On-going

2022-013/ 2022-022 **Department of Administration**

Procurement process was followed based off GAC Title 5 Chapter 5 §5213.

On-going

2022-015 **As per notice provided on May 17, 2024 this finding is now considered correct and will be closed.**

2022-016 **Department of Administration**

Agency does not agree with the questioned cost. The file in question does not match amounts in the said file. Additional, ERA did not have a cost threshold in the cycle by the case number. The amount of the claimant's income was below the 30% threshold as per their documents submitted, therefore, qualified for the program. Furthermore, any review and approval will have the program manager's signature as required by ERA's SOP.

On-going

2022-017/ 2022-020 **Department of Administration**

Timing of required reporting by US Treasury may not align with reported AS400 expenditures after reporting has been posted. There is no provision in quarterly ERA reporting for adjustments of previously reported values. Moving forward all reporting will be reviewed and approved by the Federal and Compliance Section.

On-going

2022-018 **Department of Administration**

We disagree with this finding. Funds were properly deposited in the Federal account, which was subsequently moved to a different bank account to make sure the funds were not being comingled with other federal funds. We maintained identification for said funds, and moving forward will make sure that reconciliation is done in a timely manner.

On-going

2022-019 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

2022-021 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

2022-023 **As per notice received on January 31, 2026, Finding is resolved and will be closed.**

2022-024 **Department of Administration**

GETC will contact OPA and EY to start their Uniform Guidance Single Audit.

On-going

2022-025 **Department of Public Health and Social Services**

Agency agrees with the first condition advising moving forward they will create an SOP to ensure that the Byrd Anti-Lobbying Certification is included. The other 2 conditions they disagree with citing that all documentation wasere submitted to EY.

On-going

2022-026 **Department of Public Health and Social Services**

Agency agrees with the findings. Moving forward they will develop SOP to make sure all proper documentation is in place prior to the approval of cases.

On-going

2022-027 **Department of Public Health and Social Services**

Agency agrees with the findings. Moving forward, DPHSS will develop an SOP and evaluation to ensure that the minimum requirements are met for references for family foster homes, and that they can be easily identified.

On-going

2022-028 **Department of Public Health and Social Services**

Agency disagrees with the findings. The agency provided how the calculations were established by each priority to determine the amount that is allowed not to exceed $400k.

On-going

2022-029 **Department of Public Health and Social Services**

Agency disagrees with the findings. The grant eligbility criteria in questions are the CAPS21 Grant. All grantees demonstrated compliance with the eligibility criteria in the attached GY21 GU ARPA Stabilization Notice of Award Supplemental Terms and Conditions on page 6 item 2 that was provided to EY.

On-going

2022-030 **Department of Public Health and Social Services**

Agency disagrees with the findings. DCW is compliant with reporting requirements, however, unable to provide copies of report as requested

due to lack of access. Requests have been made to the federal counterparts to obtain copies and will be provided. Moving forward agencies will also submit a copy to the Division of Accounts.

On-going

2022-031 Department of Public Health and Social Services

Agency agrees with the findings. Moving forward, DPHSS will develop an SOP and checklist to ensure that all applicants submit the proper documentation within a certain number of days.

On going

2022-032 Department of Public Health and Social Services

Agency agrees with the findings. Currently in Fiscal Year 2023, DPHSS and DOA have reviewed the CMS 64 reports prior to the submission to the grantor.

On going

2022-033 Department of Public Health and Social Services

The agency (DPHSS) agrees with the findings. Moving forward, DPHSS will develop an SOP and provide Overpayment letters to providers of the offset amount towards positive claims. If there are no positive claims, DPHSS will provide a letter to providers with a due date for the payment for those cases that were overpaid.

On going

AUDIT FINDINGS
FISCAL YEAR 2023

AUDIT FINDING NO.	STATUS
2023-001	**Resolved in the current year**
2023-002	**Department of Admnisitration** FY2024 part of the year was processed in the new FMIS Microsoft 365 accounting system, which the auditor have been granted access. Supporting documents are embedded into the accounting records. The legacy system operational in FY2023 does not permit automatic reconciliation of the subsidiary Federal ledger. Subsidiary ledgers do not update the General ledger when journal entries or postings from outside sources are made to the subsidiary ledgers. The necessary controls will be strengthened when the updated modules of the FMIS are fully implemented which includes an automated reconciliation tool that will ensure these balances reconcile with the general ledger on a perpetual basis. **On-going**
2023-003	**Department of Administration** An adjustment was made in FY24 to record the grant revenues. Division of Accounts will update monitoring procedures for financial reporting with timely recognition of grant-related transactions. This will include a quarterly review of revenue accounts as part of the reconciliation process. **On-going**
2023-004	**Department of Administration** The auditor's conclusion regarding Mortality Rate Assumption is unclear. On April 26, 2024, the agency Actuary wrote to the auditor seeking information, however, no response was received. The Government has adopted a different process for collecting census data for FY 2024 audit using data available from enrolment in the Government Self-Funded Plan. The result of the liability does not impact the Governmental Funds balance or cost reported under federal grants. **To be removed not related to Federal Compliance.**
2023-005	**Department of Administration** The Government agrees that such information should be available for purposes of compiling information for the Notes in the financial statements.

There is no impact on the General Fund balance since the receivable is considered uncollectible and only taxes collected are recognized as revenues. The agreement between DOA and DRT signed in 2024 which facilitated the correction indicated above will be updated to include specific actions between DOA and DRT to mitigate and improve management of Tax Receivables and overall Tax Accounting going forward.

To be removed not related to Federal Compliance.

2023-006 **Department of Administration**

Previously the Government followed a practice of adjusting deficits in Special Revenue Fund balances at the year end reconciliation process. At the recommendation of the auditor the Government will make such adjustments as are necessary, quarterly.

To be removed not related to Federal Compliance.

2023-007/ 2023-011/ 2023-012/ 2023-026 **Department of Administration**

In the new FMIS there will be a Fixed Assets module that should help automate the tracking and report of the leases. Prior to the system going live, DOA will continue to monitor, track, and reconcile all leases quarterly.

On-going

2023-008 **Department of Public Health and Social Services**

We agree with this finding. Due to the overwhelming volume of applications, it was difficult to determine and review 100% of applications. The current application does not specify, whether the applicant or a household member is a government employee. The goal was to service as many people as possible in a very short time frame.

Our corrective action plan is as follows:

1. It was indicated in the Post Disaster report under Lessons Learned about revising the DSNAP application. The application will include a question or checkbox that will ask if the applicant or any household member is a government employee. Our target date is January 2026.

   The application will be routed to the Supervisory D-SNAP team who will conduct the reviews on government employees. Our target date is November 2025.

On-going

2023-009 Department of Public Health and Social Services

Agency disagrees with the finding. [Case Numbers 600020362, 300075627 and 300073890] Documentation was provided to auditor electronically on 09/03/2024. Additional documentation was provided in person on 11/15/2024 because the files were too large to send via email. [Case Number 201301439] The additional documentation related to the "processing of the household size of the applicant, resulting in an overpayment" was included in the files provided on 11/15/2024 to dispute this finding. Additional information was provided to explain.

201301439 -benefit amount is for a household size of 8 based on the renewal and change reports submitted during the certification period 3/1/2024-02/29/2024. Benefit amount indicated on the audit report says $312, which was not what was issued. Screenshots of this process was provided.

600020362 – The notice of action was provided and all other documents for this case.
Details of corrective actions and target dates are set forth in GovGuam's Corrective Action Plan.

On-going

2023-010 Department of Administration

The subrecipients were not listed in the FFATA Subaward Reporting System (FSRS). We apologize for the oversight and have corrected this action. The FSRS was updated to include the subrecipients to the Guam Department of Administration Guam Broadband Infrastructure Program (Federal Award ID Number 66-08-I2208). Moving forward, we will ensure to report first-tier subawards of $30,000 or more to the Federal funding Accountability and Transparency Act Subaward Reporting System.

On-going

2023-013/ 2023-014/ 2023-016/ 2023-023/ 2023-030/	**Department of Administration** The Agency disagrees with the finding of non-compliance as we have complied to submit the reporting in a timely manner to the federal agency. Due to the timing of required reporting, it may not align with reported AS400 expenditures after reporting has been posted. There is no provision in the reporting for adjustments of previously reported values. Moving forward all reporting will be reviewed and approved by the Federal and Compliance Section. Implementation of the Federal Module anticipated to be fully functional by end of FY2025 will automate and improve this process. **On-going**
2023-015	**Department of Administration** All documents were provided to HAF for client's eligibility for the program. However, due to a move, file was misplaced. Records Management SOPs will be updated to have all documentation stored electronically. **On-going**
2023-017/ 2023-021	**Department of Administration** Procurement process was followed based off GAC Title 5 Chapter 5 §5213. Condition 3, $3.35 mil are not a cost in our books, as these costs are captured in GMHA's audit expenditures. **On-going**
2023-018	**As per notice received on January 31, 2026, Finding is resolved and will be closed.**
2023-019	**Department of Administration** An awardee could not report the required information in FSRS unless the federal awarding agency has registered the award. The US Treasury has not advised the Government that they have registered the Capital Projects Fund award. **On-going**
2023-020/ 2023-025	**Department of Administration** The agency followed the criteria stated in the finding. Improvements to monitoring controls have been implemented. Prior to the creating of any

subrecipient account a copy of the FFATA report be attached, as well as, creating a check list of subrecipient monitoring requirements prior to any payments being made.

On-going

2023-022 Guam Environmental Protection Agency

Agency disagrees with the findings. The program income is not tied to assist or supplement the federal awards. The program income is used to supplement the special revenue funds handle by the department.

On-going

2023-024 Guam State Clearing House

Agency agrees with the finding and will apply the recommendations moving forward.

On-going

2023-027 Department of Administration

- Condition 1 the procurement processed was followed based off GAC Title 5 Chapter 5 §5213.
- Condition 2, the lease was procured by DOA.
- Condition 3, auditor to provide clarification regarding insufficiency of documentation.

On-going

2023-028 Department of Public Health and Social Services

The agency agrees with the finding and will apply the recommendations moving forward. However, the Matching Level of Effort (MOE) earmarking is not a requirement in accordance with the Supplemental Terms and Conditions for the Child Care Mandatory and Matching Funds of the Child Care & Development Fund's Cost Sharing or Matching (Non-Federal Share) of Program Funding, page 2. Item 6 identifies that a state match is not required while Item 8 identifies that the MOE threshold applies to states only.

On-going

2023-029 **Department of Public Health and Social Services**

The agency agrees with the finding and will apply the recommendations moving forward.

On-going

2023-031 **Department of Public Health and Social Services**

The Agency disagrees with these findings. As per the Information Memorandum ARP Act Child Care Stabilization Funds under the Qualified and Eligible Child Care Providers, Provider Reporting and Monitoring, the ARP Act does not include specific reporting requirements for childcare providers receiving subgrants and any subgrant reporting requirements are at the discretion of the lead agency, page 21. Additionally, Lead Agencies that use other governmental or non-governmental subrecipients to administer the program must have written agreements in place outlining roles and responsibilities for meeting CCDF requirements. The contents of the written agreement may vary based on the role the subrecipient is asked to assume or the type of product undertaken, but must include, at a minimum, tasks to be performed, a schedule for completing tasks, a budget which itemizes categorical expenditures, and indicators or measures to assess performance. The Lead Agency has fulfilled this requirement in accordance with 45 CFR section 98.1.

On-going

2023-032 **Department of Public Health and Social Services**

The agency has issued notices of noncompliance to those unresponsive. Moving forward, the bureau will hold providers accountable by issuing a Letter of Warning (LOW) and a Correction Action Plan (CAP) from the Social Service Licensing Officer or Child Care Compliance Officer to ensure compliance with the standards.

The Agency disagrees with Condition 1. License-exempt childcare providers will not have an annual DEH inspection since they are not required to obtain a sanitary permit.

On-going

2023-033 **Department of Public Health and Social Services**

Updating the existing Standard Operating Procedure (SOP) 2023-01, which governs interactions between the Department of Public Health and Social Services (DPHSS) and DOA/Division of Accounts. Since November 2024, we have been collaborating with DOA to revise this SOP with the goal of reconciling Medicaid and CHIP expenditures, as well as aligning

reports from CMS-64 with the new Guam Financial Management Information System (GFMIS). Currently, PMS staff is in the process in finalizing the DRAFT SOP. We intend to have the DRAFT SOP completed and forwarded to DOA by Friday, January 31, 2025. If there are no changes to the SOP, we will work to have the SOP signed by all parties no later than February 14, 2025.

On-going

2023-034 Department of Public Health and Social Services

Standard Operating Procedure (SOP), 2024-005, for the Intake and Processing of Overpayment Checks. This new SOP addresses a gap in our process for tracking overpayment checks and refunding the Federal Share of Medicaid Overpayments to Providers. Furthermore, we are also in the process of updating SOP 2023-03, which focuses on Public Health Professional (PHPro) Entry for Provider Overpayment Checks and Recoupments, to improve our tracking and monitoring of overpayment checks and recoupment reconciliations. Currently, we are still addressing updates to this SOP and require additional time to work with BHCFA staff(s) to gather more information in finalizing the SOP. We intend to complete this SOP no later than February 28, 2025.

On-going

Management Letter

Government of Guam

Year ended September 30, 2024

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Shape the future with confidence

April 23, 2026

Management and Those Charged with Governance
Government of Guam

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Government of Guam (GovGuam) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GovGuam's internal control. Accordingly, we do not express an opinion on the effectiveness of GovGuam's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we noted the following deficiencies in internal control (as described above) and other matters:

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A. DIVISION OF ACCOUNTS

Improve Financial Statement Closing Process

Observations:

Comment: 1: Opening fund balances were not reconciled with the prior year ending fund balances for the following separately audited financial statements. Details are as follows:

Fund Description	Balance per General Ledger	Per Separately Audited Financial Statements	Variance
Tourist Attraction Fund (206)	$ ---	$ 980,068	$(980,068)
Chamorro Land Trust Operations Fund (624)	1,823,623	2,050,052	(226,429)
Guam Ancestral Lands Operations	15,964,951	16,234,634	(269,693)

Comment 2: A significant number of post-closing adjusting entries were recorded by the Division of Accounts management after provision of the initial unadjusted trial balance.

Comment 3: School financed purchase obligation balances were overstated by $9.6 million.

Comment 4: At September 30, 2024, General Fund prepayments included $4.9 million relating to prior year lease payments should be recorded as expenditures. Such is included in the communication schedule of uncorrected misstatements.

Comment 5: At September 30, 2024, General Fund bank reconciliations included $2.2 million of unreleased checks and $2.7 million of stale-dated checks. An audit reclassification was proposed to correct the understatement of cash and related accounts payable. In addition, a General Fund bank reconciliation included unrecorded cash collections of $4.1 million, which was corrected through a post-closing adjustment.

Comment 6: At September 30, 2024, Other Governmental Fund bank reconciliations included unrecorded cash collections of $2.5 million relating to real property taxes, which was corrected through a post-closing adjustment.

Comment 7: At September 30, 2024, long-term bond obligation liability accounts were not adjusted to reflect current year's debt service principal repayments of $34.7 million. An audit adjustment was proposed to correct this misstatement.

Comment 8: At September 30, 2024, the trial balance provided by the Division of Accounts was not adjusted to report current year balances of certain GovGuam line agencies including the Guam Ancestral Land Commission and the Chamorro Land Trust Commission.

A. DIVISION OF ACCOUNTS, continued

Improve Financial Statement Closing Process, continued

Observations, continued:

Comment 9: At September 30, 2024, the trial balance provided by the Division of Accounts was not adjusted to report current year balances of certain Special Revenue Funds including the respective separately audited financial statements of the Tourist Attraction Fund (Fund 206) and the Solid Waste Operations Fund (Fund 416).

Comment 10: Unusual balances were noted related to the internal accounts (X-Accounts and Z-Accounts used for monitoring purposes such as advanced funding or reimbursables and work requests.

Comment 11: At September 30, 2024, the trial balance provided by the Division of Accounts was not adjusted to report current year balances of non-appropriated funds from the Municipality of Chalan Pago-Ordot.

Recommendation:

We recommend GovGuam management develop and implement a Gantt chart for financial reporting purposes that includes the reconciliation of general ledger accounts with corresponding subsidiary ledgers at least monthly or quarterly. Furthermore, the Division of Accounts should perform periodic reconciliation of its accounts with other line agencies to ensure an accurate and complete financial reporting.

Long Outstanding Receivables from Legislature

Observation:

GovGuam's General Fund recorded an advance of $0.7 million due from the Guam Legislature since 2015.

Recommendation:

We recommend GovGuam management pursue collection from the Guam Legislature and consider such through offset of future General Fund budget appropriations.

A. DIVISION OF ACCOUNTS, continued

Reconciliation of Receivables and Payables with Component Units

Observation:

GASB Statement No. 14, *The Financial Reporting Entity* , requires that financial statements include proper recognition and reconciliation of inter-entity receivables and payables to ensure accurate reporting of amounts due from and to component units.

During our audit, we noted a difference between the Guam Memorial Hospital Authority (GMHA) receivable balance and the amount confirmed by GMHA, which related primarily to the timing in recording of Medicaid reimbursement payments and medical and dental premium payments. At September 30, 2024, an adjustment of $1.4 million relating to medical and dental premium payments was corrected through a post-closing adjustment. In addition, we noted a difference of $0.4 million between the A.B. Won Pat International Airport Authority (ABWPIAA) liability balance and the amount reported by ABWPIAA, which related to the recording of aviation fuel taxes. As the amount was considered immaterial to the financial statements, no audit adjustment was proposed.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures requiring reconciliation of receivables from and payables to component units.

Recognition of GASB 87 Lease Transactions

Observation:

GASB Statement No. 87, *Leases*, requires that leases be recognized by recording the lease liabilities and corresponding right-of-use asset at the commencement of the lease term, with subsequent recognition of amortization and lease payments over the lease term.

During our audit, we noted that the GASB 87 lease inventory was not updated for current year's new leases together with subsequent amortization and payments related to GASB 87 leases. An audit adjustment was proposed to correct the understatement of lease assets, lease liabilities, and amortization expense by $8.3 million, $2.4 million, and $10.2 million, respectively.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures requiring GASB 87 leases be correctly recorded, including the initial recognition of right-of-use assets and lease liabilities for new leases.

A. DIVISION OF ACCOUNTS, continued

Completeness of Liabilities

Observations:

Comment 1: At September 30, 2024, $1.9 million of claims liabilities related to 2018 legal cases were not recognized. Such is included in the communication schedule of uncorrected misstatements.

Comment 2: At September 30, 2024, $4.3 million of General Fund liabilities were not recognized. Such is included in the communication schedule of uncorrected misstatements.

Comment 3: At September 30, 2024, $0.1 million of ARPA Fund liabilities were not recognized. Such is included in the communication schedule of uncorrected misstatements.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures requiring reconciliation with significant vendors be performed on a periodic basis. Management should consider checking subsequent payments if any liabilities were related to the current fiscal year before closing.

Validity of the Long Outstanding Liabilities

Observations:

Comment 1: At September 30, 2024, $9.3 million of unclaimed checks were not escheated to the General Fund. Such is included in the communication schedule of uncorrected misstatements.

Comment 2: At September 30, 2024, $28.9 million of General Fund liabilities and $1.8 million of Other Governmental Fund liabilities were over five years old, which was corrected through post-closing adjustments.

Comment 3: At September 30, 2024, $3.4 million of General Fund deposits and other liabilities represented collections not recorded as revenues.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures over monitoring of liabilities to ascertain the validity for those accounts that are long outstanding and for those that have no movement from year-to-year.

A. DIVISION OF ACCOUNTS, continued

Medically Indigent Program (MIP) and Medicaid Accruals

Observation:

At September 30, 2024, GovGuam did not assess the impact of potential liabilities for MIP and Medicaid transactions. An assessment was subsequently performed, indicating a $16.7 million understatement in unrecorded liabilities, which was corrected through a post-closing adjustment.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures for determining and estimation methodology for unrecorded MIP and Medicaid liabilities.

Recognition of GASB 18 Transactions

Observation:

GASB Statement No. 18. *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* requires the recognition of estimated liability for closure and postclosure care costs based on landfill capacity used to date and the estimates should include any potential changes due to inflation or deflation or applicable laws or regulations.

During our audit, we noted that GovGuam did not reassess the estimated landfill liability for Layon and Ordot postclosure care costs resulting in a $5.2 million understatement of the recorded liability. An audit adjustment was proposed to correct this misstatement.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures requiring the periodic assessment of the estimated landfill liability in compliance with requirements of GASB 18.

B. PUBLIC DEFENDER SERVICE CORPORATION (PDSC)

General Ledger Reconciliations

Observation:

Opening fund balances were not reconciled with the prior year ending fund balances for the PDSC Operations Fund and the PDSC Alternate Public Defender Fund. An audit adjustment was proposed to correct this misstatement.

B. PUBLIC DEFENDER SERVICE CORPORATION (PDSC), continued

General Ledger Reconciliations, continued

Recommendation:

We recommend GovGuam management establish internal control policies and procedures requiring the reconciliation of opening fund balances to prior year ending fund balances and ensuring that adjustments are recorded in a timely manner.

C. UNIFIED COURTS

Monitoring of Probation Accounts

Observation:

The status of probation cases should be timely monitored to allow for the issuance of official court orders for the closure and write-off of uncollectible accounts. The related allowance is $5.3M, which includes expired probation cases that have had no movement for more than ten years. The non-collection has minimal impact on GovGuam operations as most of the recorded balance is payable to associated victims.

Recommendation:

We recommend the status of probation cases be monitored to allow for legal and timely write-off of expired probation cases.

D. CHILD SUPPORT ENFORCEMENT DIVISION (CSED)

Unclaimed Checks for Child Support

Observation:

Based on the Collaborative Action Plan dated December 2011, continuing efforts and communications between DOA and CSED are on-going regarding the reconciliation between the AS400/D365 and the APASI system to support unclaimed checks and reconcile aged balances, which date back more than 20 years. At September 30, 2024, a $2.3 million unreconciled difference between the D365 and APASI exists.

D. CHILD SUPPORT ENFORCEMENT DIVISION (CSED), continued

Unclaimed Checks for Child Support, continued

Recommendation:

We recommend GovGuam management continue to address the Collaborative Action Plan, which entails the following:

1. Inquiry from the bank to obtain copies of all associated records, (cash collections and checks/EFT payments) during the period the child support accounts were held.

2. Seek legislation to establish a period after which unclaimed child support payments will escheat to the Government. Since bank records are incomplete or are unavailable for two financial institutions prior to 2004, DOA and CSED are seeking legislation to waive the diligent effort requirements before unclaimed child support payments can be escheated for the period prior to 2004.

E. Reporting

ALN 21.026 Homeowner Assistance Fund

Observation:

Expenditures reported in the quarterly report differ from amounts per underlying accounting records and no reconciliation was provided to explain the identified variances, as follows:

Reporting Period Ended	Per Report	Per Accounting Records	Over Reported
6/30/2024	$ 13,139,249	$ 13,111,757	($27,492)

As represented by the General Accounting Supervisor, the responsible personnel for submitting required reports is no longer employed with the Division of Accounts and the related program is no longer active; therefore, we are unable to obtain any support to certify established internal controls relative to applicable reporting requirements.

Recommendation:

We recommend GovGuam management establish internal control policies and procedures over retention of grant-related documents after period of performance for a period specified by the grant terms and conditions. Responsible personnel should review underlying accounting records and perform reconciliation of the required reports.

E. Reporting, continued

93.575/93.596 CCDF Cluster

Observation:

Expenditures reported in the ACF-696 differ from amounts per underlying accounting records and no reconciliation was provided to explain the identified variances, as follows:

	Reporting for Quarter Ended 06/30/2024 2401GUCCDT	Reporting for Quarter Ended 06/30/2024 2301GUCCDF
Expenditures per ACF-696	$2,664,611	$ 93,281
Expenditures per accounting records	2,634,847	288,143
Unreconciled variance	$ 29,764	$(194,862)

	Reporting for Quarter Ended 03/31/2024 2301GUCCDF	Reporting for Quarter Ended 06/30/2024 2201GUCCDF
Expenditures per ACF-696	$ 93,281	$ 251,903
Expenditures per accounting records	298,094	1,432,852
Unreconciled variance	$(204,813)	$(1,180,949)

	Reporting for Quarter Ended 06/30/2024 2201GUCCDD	Reporting for Quarter Ended 12/31/2023 2201GUCCDF
Expenditures per ACF-696	$ 4,199,561	$ 251,903
Expenditures per accounting records	4,402,059	1,432,852
Unreconciled variance	$(202,498)	$(1,180,949)

	Reporting for Quarter Ended 06/30/2024 2101GUCCC5
Expenditures per ACF-696	$ 16,612,360
Expenditures per accounting records	16,640,750
Unreconciled variance	$(28,390)

Recommendation:

We recommend GovGuam management through the Department of Public Health and Social Services (DPHSS) establish internal control policies and procedures over monitoring controls related to compliance with reporting requirements. Responsible personnel should review underlying accounting records and perform reconciliation of the required reports.

E. Reporting, continued

93.778 Medicaid Cluster

Observation:

Expenditures reported in the CMS-64 differ from amounts per underlying accounting records and no reconciliation was provided to explain the identified variances, as follows:

	Reporting for Quarter Ended 12/31/2023 Federal Award No. 75X0512		
	Federal	Local	Total
Expenditures per CMS-64	$ 40,289,715	$ 6,420,431	$ 46,710,146
Expenditures per accounting records	42,811,624	6,720,074	49,531,698
Unreconciled variance	$(2,521,909)	$(299,643)	$(2,821,552)

	Reporting for Quarter Ended 06/30/2024 Federal Award No. 75X0512		
	Federal	Local	Total
Expenditures per CMS-64	$22,367,261	$ 4,177,658	$26,544,919
Expenditures per accounting records	22,297,253	4,210,763	26,508,016
Unreconciled variance	$ 70,008	$(33,105)	$ 36,903

Recommendation:

We recommend GovGuam management through DPHSS establish internal control policies and procedures over monitoring controls related to compliance with reporting requirements. Responsible personnel should review underlying accounting records and perform reconciliation of the required reports.

ALN 17.225 Unemployment Insurance

Observation:

For the quarter ended 12/31/2023 reporting, we noted a variance of $181,693 between the cash receipts reported in ETA 9130 against the underlying Budget-To-Actual (BTA) report due to clerical errors made on the BTA.

Recommendation:

We recommend GovGuam management through the Department of Labor establish internal control policies and procedures over monitoring controls related to compliance with reporting requirements. Responsible personnel should review underlying accounting records and perform reconciliation of the required reports.

F. Procurement

Observation:

GovGuam lacks formal policies and procedures regarding procurement of utilities.

Recommendation:

We recommend that GovGuam formally document policies and procedures regarding procurement of utilities.

G. Period of Performance

ALN 15.875 Economic, Social, and Political Development of the Territories

Observation:

During our audit, we noted that the Bureau of Budget and Management Research (BBMR) does not maintain a summary of federal grant awards that are effective during the fiscal year.

Recommendation:

We recommend GovGuam management through BBMR establish internal policies and procedures over preparation of summary of federal grant awards to enable effective monitoring and efficient identification of awards for purposes of period of performance compliance requirements.

ALN 66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support

Observation:

During our audit, we noted that the Guam Environmental Protection Agency (GEPA) charged costs to a federal award after the period of performance as follows:

G. Period of Performance, continued

ALN 66.600 Environmental Protection Consolidated Grants for the Insular Areas - Program Support, continued

Federal Award No.	Transaction Date	Voucher	Description	Amount
M009063190-0	10/31/23	GNJL00007763	EFT_112823	$ 307
M009063190-0	05/10/24	LABOR000000274	LABOR050424	1,613
M009063190-0	05/10/24	LABOR000000274	LABOR050424	498
M009063190-0	05/10/24	LABOR000000274	LABOR050424	13
M009063190-0	09/27/24	LABOR000000602	Payroll Object Class 111	94
M009063190-0	09/27/24	LABOR000000602	Payroll Object Class 113	39
M009063190-0	08/30/24	LABOR000000592	Payroll Object Class 111	127
M009063190-0	08/30/24	LABOR000000592	Payroll Object Class 113	60
M009063190-0	08/16/24	LABOR000000560	Payroll Object Class 111	254
M009063190-0	08/16/24	LABOR000000560	Payroll Object Class 113	71
M009063190-0	05/31/24	LABOR000000293	LABOR051824	2,751
M009063190-0	05/31/24	LABOR000000293	LABOR051824	40
M009063190-0	05/10/24	LABOR000000274	LABOR050424	2,276
M009063190-0	05/10/24	LABOR000000274	LABOR050424	703
M009063190-0	03/29/24	LABOR000000188	LABOR032324	1,150
M009063190-0	03/29/24	LABOR000000188	LABOR032324	359
M009063190-0	03/29/24	LABOR000000188	LABOR032324	460
M009063190-0	03/21/24	LABOR000000176	LABOR030924	2,904
M009063190-0	03/21/24	LABOR000000176	LABOR030924	897
M009063190-0	03/21/24	LABOR000000176	LABOR030924	36
M009063190-0	12/15/23	GNJL00010175	LABOR1202	768
M009063190-0	12/15/23	GNJL00010174	LABOR1202	2,488
M009063190-0	12/06/23	GNJL00008692	EFT_121123	6,489
M009063190-0	12/06/23	GNJL00008691	EFT_121123	64
M009063190-0	11/07/23	GNJL00014284	LABOR1104	106
M009063190-0	11/07/23	GNJL00014258	LABOR1104	53
M009063190-0	10/31/23	GNJL00007761	EFT_112823	200
M009063190-0	10/25/23	GNJL00006871	LABOR1021	2,709
M009063190-0	10/25/23	GNJL00006745	LABOR1021	1,306
M009063190-0	10/18/23	GNJL00005605	EFT_111623	3,376
M009063190-0	10/16/23	GNJL00004925	J24TRL0013	(200)
M009063190-0	12/01/23	GNJL00007818	LABOR1118	2,370
M009063190-0	12/01/23	GNJL00007817	LABOR1118	7,676
M009063190-0	11/07/23	GNJL00014239	LABOR1104	27
M009063190-0	11/07/23	GNJL00014227	LABOR1104	9
M009063190-0	10/25/23	GNJL00006827	LABOR1021	2,089
M009063190-0	10/25/23	GNJL00006709	LABOR1021	1,027
				$ 45,209

Recommendation:

We recommend GovGuam management through GEPA establish internal policies and procedures over the monitoring of compliance with period of performance compliance requirements.

H. ALN 93.778 Medical Assistance Program: Special Tests and Provisions - ADP Risk Analysis and System Security Review

Observation:

During our audit, we noted that the DPHSS and Office of Technology (OTECH) 2023 ADP Risk Analysis and System Security Review, dated May 03, 2024, did not explicitly specify the frequency, timing, scope and results/conclusions of the ADP risk analysis and system security review performed. Furthermore, the report is not independently reviewed outside of OTECH.

Recommendation:

We recommend OTECH explicitly specify in its ADP Risk Analysis and System Security Review Report the frequency, timing, scope and result/ conclusion of the ADP risk analyses and system security review. Also, we recommend the report be independently reviewed by another party/ organization outside of OTECH.

I. Federal Grants-in-Aid (FGIA) Module

Observation:

During our audit, we noted that the FMIS Federal Grants-in-Aid (FGIA) module does not contain grant information such as document numbers and grant periods related to grant amendments. Additionally, we noted inconsistencies in the reflected grant award numbers, grant start date and end dates between the FGIA module and grant award documents.

Recommendation:

We recommend GovGuam management implement enhanced internal control, and validation checks to ensure that all grant-related information, including document numbers, grant periods, grant award numbers, grant start date and end dates, are accurately captured and maintained. Furthermore, grant information should be regularly updated to reflect any amendments or changes to the terms of the award.

J. Cash Management

Observation:

During our audit, we noted that a cash management policy over federal programs not covered under the Treasury State Agreement and funded under the reimbursement method has not been formally documented.

Recommendation:

We recommend GovGuam management establish written cash management policies and procedures over federal programs that are funded under the reimbursement method.

****

This communication is intended solely for the information and use of GovGuam management, others within the organization, and the Office of Public Accountability - Guam, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

At this time, we would like to thank all the staff and management of GovGuam for their cooperation extended to us during the course of our audit. We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Very truly yours,

Ernst & Young LLP