Outlook

Re: Messages & Communications Doc. No. 38GL-26-2571 through 2577.

From Guam Legislature Clerks <clerks@guamlegislature.gov>
Date Tue 7/14/2026 11:16 AM
To 38th Committee On Rules <committeeonrules@guamlegislature.gov>

Håfa Adai,

Received, and thank you.

Elijah Untalan
Clerks Office
I Mina'trentai Ocho na Liheslaturan Guåhan
Guam Congress Building, 163 Chalan Santo Papa, *Hagåtña,* Guam 96910
Voice: (671) 472-3465/3460 Fax: (671) 472-3524
guamlegislature.gov

From: 38th Committee On Rules <committeeonrules@guamlegislature.gov>
Sent: Tuesday, July 14, 2026 10:38 AM
To: Guam Legislature Clerks <clerks@guamlegislature.gov>
Cc: Frank Blas Jr. <speakerblas@guamlegislature.gov>
Subject: Messages & Communications Doc. No. 38GL-26-2571 through 2577.

Håfa Adai Clerks Office,

Please see attached, **Messages & Communications Doc. No. 38GL-26-2571 through 2577** for processing:

√	**38GL-26-2571**	Department of Agriculture	FY2025 Citizen-Centric Report*
√	**38GL-26-2572**	Department of Public Health and Social Services	Prior Year Obligation to pay METRC in the total amount of $150,000.00*
√	**38GL-26-2573**	Guam Memorial Hospital Authority	FY2026 3rd Quarter Staffing Pattern.
√	**38GL-26-2574**	Department of Revenue and Taxation	Income Tax Refund Status Report for the Month Ending June 2026*
√	**38GL-26-2575**	Guam Land Use Commission	GLUC Zone Change Approval for Application No. 2025-21 from "H" to "M1" Zone, Lot 10185-4-2, in the Municipality of Tamuning*
	38GL-26-2576	Bureau of Budget and Management Research	American Rescue Plan Act of 2021 and Infrastructure Investment and Jobs Act Allocation Reports for period ending June 30, 2026*
√	**38GL-26-2577**	Office of Public Accountability - Guam	Guam Housing and Urban Renewal Authority FY2025 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*

Please retrieve Doc. No. 38GL-26-2573, 2575 and 2577 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

Messages and Communications 38GL-26-2577*

2 messages

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov> Mon, Jul 13, 2026 at 11:33 AM
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-26-2577

38GL-26-2577	Office of Public Accountability- Guam	Guam Housing and Urban Renewal Authority FY2025 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

Guam Congress Building, 163 Chalan Santo Papa, Hagatña

(671)969-6456
speakerblas@guamlegislature.gov

---------- Forwarded message ---------
From: **Office of Public Accountability - Guam** <admin@guamopa.com>
Date: Sun, Jul 12, 2026 at 8:00 AM
Subject: Transmittal: Guam Housing and Urban Renewal Authority FY 2025 Financial Audit Reports
To: 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>, Governor of Guam <governor@guam.gov>, Lt. Governor of Guam <joshua.tenorio@guam.gov>
Cc: Benjamin Cruz <bjcruz@guamopa.com>, Thomas Eladio Battung <tbattung@guamopa.com>, Leonanie Leon Guerrero <lleonguerrero@guamopa.com>

Håfa Adai,

The Office of Public Accountability has released the Guam Housing and Urban Renewal Authority's (GHURA) FY 2025 Financial Statements, Report on Internal Control Over Financial Reporting and On Compliance, Report on Compliance for Each Major Federal Program and Internal Control Over Compliance, Management Letter, and Auditor's Communication with Those Charged with Governance. You may visit our website at www.opaguam.org to download the reports.

6 attachments

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38th Committee On Rules <committeeonrules@guamlegislature.gov> Mon, Jul 13, 2026 at 11:35 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

[Quoted text hidden]

THE GUAM LEGISLATURE

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov>

Transmittal: Guam Housing and Urban Renewal Authority FY 2025 Financial Audit Reports

3 messages

Office of Public Accountability - Guam <admin@guamopa.com> Sun, Jul 12, 2026 at 8:00 AM
To: 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>, Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>
Cc: Benjamin Cruz <bjcruz@guamopa.com>, Thomas Eladio Battung <tbattung@guamopa.com>, Leonanie Leon Guerrero <lleonguerrero@guamopa.com>

Håfa Adai,

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Doc Type: 38GL-26-2577
OFFICE OF THE SPEAKER
FRANK F. BLAS, JR.
July 12, 2026
Time: 8:00 AM
Received: FB

Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov> Mon, Jul 13, 2026 at 8:29 AM
To: Office of Public Accountability - Guam <admin@guamopa.com>
Cc: 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>, Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>, Benjamin Cruz <bjcruz@guamopa.com>, Thomas Eladio Battung <tbattung@guamopa.com>, Leonanie Leon Guerrero <lleonguerrero@guamopa.com>

Håfa Adai,

Confirming receipt of your email.

Si Yu'os Ma'åse'

Bernice Rivera

Administrative Assistant

Office of Speaker Frank F. Blas, Jr.

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(671)969-6456
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[Quoted text hidden]

Office of Senator Shelly Calvo <officeofsenatorshellycalvo@guamlegislature.gov> Mon, Jul 13, 2026 at 9:33 AM

To: Office of Public Accountability - Guam <admin@guamopa.com>
Cc: Chris Barnett <malafunkshun@guamlegislature.gov>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, 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>, Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>, Benjamin Cruz <bjcruz@guamopa.com>, Thomas Eladio Battung <tbattung@guamopa.com>, Leonanie Leon Guerrero <lleonguerrero@guamopa.com>

Hafa adai,

Confirming receipt of your email. Thank you.

Respectfully,

Jacqueline Munoz

Office of the People | Senator Shelly V. Calvo

Majority Whip & Chairwoman

Committee on Child Welfare, Youth Affairs, Senior Citizens, Women's Affairs, Disability Services, the Arts, Culture, Historic Preservation & Hagåtña Restoration

38th Guam Legislature
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E officeofsenatorshellycalvo@guamlegislature.gov

On Sun, Jul 12, 2026 at 8:00 AM Office of Public Accountability - Guam <admin@guamopa.com> wrote:
[Quoted text hidden]

38GL-26-2577
Messages and Communications
RECEIVED
COMMITTEE ON RULES
July 13, 2026
11:33 a.m.
Marie Crisostomo

Financial Highlights
Guam Housing and Urban Renewal Authority Financial Audit
Fiscal Year 2025

July 12, 2026

The Guam Housing and Urban Renewal Authority (GHURA) received an unmodified (clean) opinion in its fiscal year (FY) 2025 financial statements from independent auditors Ernst & Young, LLP (EY). However, GHURA received qualified opinions on its Report on Compliance for Each Major Federal Program for four of its six major federal programs: the Community Development Block Grants Cluster (CDBG) – Entitlement/Special Purpose, HOME Investment Partnerships Program (HOME), Continuum of Care Program, and Public Housing Operating Fund. GHURA received an unmodified opinion on the Housing Voucher Cluster and Public Housing Capital Fund. EY also concluded that GHURA's Schedule of Expenditures of Federal Awards (SEFA) was fairly stated, in all material respects, in relation to the basic financial statements as a whole.

EY identified one material weakness in its report on internal control over financial reporting. Additionally, in its Report on Compliance for Each Major Federal Program, 11 material weaknesses and four significant deficiencies were identified.

GHURA closed FY 2025 with a net position of $22.4 million (M), a $2.4M increase from the prior year's net position of $20.0M.

Revenues and Expenditures
In FY 2025, GHURA's total revenues reached $77.6M, an increase of $3.4M from $74.2M in FY 2024. The increase was attributed to the increase in operating and capital grants of $2.6M, non-operating revenues of $1.6M, and a $260 thousand (K) increase in tenant rental revenue, partially offset by a $1.1M decrease in other operating revenues. Total expenses increased by $2.9M from $72.4M in FY 2024 to $75.3M in FY 2025. The increase was attributable to Housing Assistance Payments, which rose by $2.4M from $47.9M in FY 2024 to $50.3M in FY 2025 due to an increase in Section 8 Housing Choice Vouchers leased for the period and higher unit month leasing costs. Other operating expenses increased by $278K from $23.8M in FY 2024 to $24.0M in FY 2025.

Public Housing – Asset Management Properties (AMP)
In FY 2025, GHURA continued its mission to provide safe, decent, and affordable housing for low-income families, the elderly, and persons with disabilities, while strengthening efforts to promote resident self-sufficiency and community well-being. GHURA's 750 public housing units across the four AMPs remained a critical resource for Guam's most vulnerable households.

Overall, FY 2025 marked continued progress in stabilizing operations, modernizing aging units, strengthening resident services, and aligning GHURA's public housing program with federal requirements and long-term strategic goals. GHURA remains committed to preserving affordable housing opportunities for Guam's families while fostering pathways to self-sufficiency and community resilience.

Capital Fund Program (CFP)
GHURA develops an annual Capital Improvement Plan to ensure its public housing inventory is a safe and habitable source of affordable housing. Through the CFP, GHURA receives an annual formula grant of approximately $3.2M to implement this plan.

The U.S. Department of Housing and Urban Development (HUD) provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are primarily used to make physical improvements to buildings and dwelling units owned by GHURA. As of September 30, 2025, GHURA's Public Housing program maintained an adjusted occupancy rate of 97%, excluding units undergoing modernization. Vacant units requiring extensive rehabilitation beyond the scope of routine maintenance were deferred to modernization. At period end, approximately 47 units were under modernization.

In addition to its annual CFP allocation, GHURA received a $250K Emergency Safety and Security Grant (ESSG) and a $5M Housing-Related Hazards Capital Fund Program (HRHCFP) grant. The ESSG will fund the installation of high-definition security cameras and related equipment at AMP 1 sites with elevated crime rates. The HRHCFP grant will support activities to identify and address environmental hazards in public housing units, including education, training, testing, and mitigation related to radon, mold, and moisture.

Section 8 Housing Choice Voucher (HCV) Program
GHURA administers the federally-funded HCV Program, providing rental assistance to low-income families, the elderly, and disabled participants to help afford decent, safe, and sanitary housing in the private market.

GHURA administers a combined total of 2,762 voucher programs including:

- 2,128 regular Housing Choice Vouchers
- 112 Project-based Vouchers
- 30 Mainstream Vouchers
- 175 Non-elderly Disabled Vouchers
- 130 Family Unification Program Vouchers (FUP)
- 100 Veterans Affairs Supportive Housing (VASH) Vouchers
- 87 Emergency Housing Vouchers (66 remaining housed)

In FY 2025, voucher utilization averaged 96%, while housing assistance funding utilization reached 108%.

In January 2025, GHURA established a new waiting list for the HCV Program through a lottery system, resulting in approximately 1,800 applicants on the waitlist. Due to HUD budget constraints and cost-saving measures, GHURA was directed to suspend the issuance of new HCV vouchers effective May 2025, with the exception of VASH and Project-Based Voucher programs. As a result, by December 2025, only 14% of applicants on the waiting list had been served.

HCV participants continue to face challenges in securing affordable, decent, safe, and sanitary rental housing due to the limited availability of units in Guam's private rental market. Many families require more than the initial 60-day search period to locate suitable housing, while participants with disabilities often need additional time because of the limited supply of ADA-accessible units. Families also encounter financial barriers, including utility connection fees and security deposit requirements that are difficult to afford. In addition, ongoing HUD budget constraints and required cost-saving measures have limited GHURA's ability to issue new vouchers, further affecting the program's capacity to assist eligible families.

Family Self-Sufficiency (FSS) Program

The FSS provides support to both Section 8 HCV and Public Housing families to increase their earned income and reduce reliance on public assistance and rental subsidies. During FY 2025, the program served 140 households, including 113 HCV participants and 27 Public Housing residents.

Program activity included 21 new enrollments and 228 addendums to support participant goal progression. Escrow participation remained strong, with 70% of HCV households and 73% of Public Housing households maintaining active escrow accounts. The program achieved 11 completions and distributed $53K in escrow disbursements, averaging a $4.8K payout per household. Overall, the program demonstrated continued progress in employment, income growth, and financial stability.

Community Development Funds

GHURA continued expanding affordable housing opportunities through federally funded programs, including the HOME, HOME-American Rescue Plan (HOME-ARP), Housing Trust Fund (HTF), and CDBG programs. These programs support first-time homebuyers, affordable rental housing development, and services for vulnerable populations.

During FY 2025, the Renewal Affordable Homes Program reviewed 132 applications, completed five leveraged loans through USDA partnerships, maintained compliance for 34 HOME-assisted households, and continued renovation efforts for foreclosed HOME-assisted properties. The HOME Rental Program advanced the acquisition and renovation of affordable rental properties, including a four-unit property in Agana Heights and a 21-unit complex in Yigo, with additional acquisitions under consideration. Both properties completed the final phase for procurement, with renovations scheduled to commence during FY 2026.

HOME-ARP and HTF programs continued to support affordable rental housing initiatives through partnerships with community organizations, including WestCare Pacific Islands. HOME-ARP project planning was completed for an eight-unit development serving qualifying populations with a preference for veterans, while HTF funds will support renovations of newly acquired rental properties for households below 30% of area median income. CDBG-supported rental properties in Malesso and Talofofo remain fully occupied, with renovation efforts underway. GHURA also continued to address Urban Renewal matters and provided housing counseling services to five individuals during the fiscal year.

Community Development Block Grant – Disaster Recovery (CDBG-DR)

Following Typhoon Mawar, GHURA achieved a major milestone in 2025 by completing and receiving HUD approval of its CDBG-DR Action Plan, establishing the framework for administering approximately $500.8M in disaster recovery funds.

The plan was developed based on a comprehensive unmet needs and mitigation assessment and is designed to address critical recovery priorities, including housing, infrastructure, economic revitalization, and hazard mitigation, across all 19 municipalities identified as Most Impacted and Distressed areas.

GHURA also completed extensive public outreach, incorporated stakeholder feedback into program design, and established the policies, procedures, and operational structure necessary for program implementation. The agency recruited and trained staff to support compliance with federal requirements and effective delivery of recovery initiatives. These efforts represent a significant advancement in Guam's long-term recovery and resilience following Typhoon Mawar.

Schedule of Expenditures of Federal Awards

In FY 2025, GHURA administered 18 direct federal programs, with $90.5M in expenditures for direct federal awards and $90.8M overall, including one passed-through grant. Of the total expenditures, $4.2M was passed through to subrecipients. The five largest federal programs by expenditures were: (1) $51.8M on Section 8 HCV, (2) $11.3M on the CDBG Section 108 Loan Guarantees, (3) $7.2M on Public Housing Operating Fund, (4) $5.6M on HOME Investment Partnerships Program, and (5) $4.2M on Public Housing Capital Fund.

Schedule of Findings and Questioned Costs

EY identified 16 audit findings, consisting of 12 material weaknesses and four significant deficiencies. Of these, one finding was specific to the financial statements, while the remaining 15 pertained to federal awards totaling $2.1M in questioned costs. This represents an increase of 13 total findings from FY 2024, which had a total of three findings, all which were material weaknesses. Key findings included:

1. **<u>Financial Statement Finding (2025-001)</u>**
    a. Finding 25-001 identified that GHURA improperly recognized loan and land acquisition transactions associated with a $12.2M loan liability from the Department of Administration. The loan liability was not recorded in the accounting records, land acquisitions totaling $4.9M were not capitalized as assets, and $6.7M was incorrectly recognized as both revenue and expense rather than as a liability and/or asset. In addition, $665K was recorded as unearned revenue instead of as part of the loan payable.

2. **<u>Housing Voucher Cluster (2025-002 and 2025-003)</u>**
    a. Finding 2025-002 found GHURA did not ensure timely completion of biennial Housing Quality Standard inspections for 12 (or 0.4%) of 2,894 housing units, resulting in noncompliance. This finding led to questioned costs totaling $195K.
    b. Finding 2025-003 found GHURA did not consistently use appropriate comparable units when determining rent reasonableness for seven (9%) of 80 participants tested. Comparable units were selected from outside the same market area as the proposed units, which was not consistent with GHURA's administrative plan.

3. **<u>CDBG – Entitlement Grants Cluster (2025-004, 2025-005, and 2025-006)</u>**
    a. Finding 2025-004 noted that amounts reported in GHURA's CDBG financial summary reports did not agree with the underlying accounting records, resulting in inaccuracies in reported disbursements and affecting Public Service and Planning and Administration cap calculations. This was reported as a repeat finding (2024-001).
    b. Finding 2025-005 identified that GHURA did not comply with Federal Funding Accountability and Transparency Act reporting requirements for two of four

subawards tested totaling $2.4M, because they were not reported in the Federal Subaward Reporting System. This was reported as a repeat finding (2024-001).

c. Finding 2025-006 found that GHURA did not maintain adequate supporting documentation, specifically pre-rehabilitation inspection reports or assessment records, to substantiate procedures performed and support compliance with applicable CDBG recordkeeping requirements. $133K in questioned costs were identified.

4. **<u>HOME Investment Partnerships (HOME) Program (2025-007, 2025-008, 2025-009, and 2025-010)</u>**
   a. Finding 2025-007 found GHURA did not comply with its underwriting procedures for one of the four HOME-assisted mortgagees tested, resulting in an ineligible participant receiving a $113K subsidy. The participant's housing expenses exceeded the 33% income threshold established under GHURA's Renewal Affordable Homes Program policy.
   b. Finding 2025-008 found that all four (or 100%) new mortgages, totaling $701K in subsidies, did not have final on-site inspections performed to confirm the housing met the appropriate property standards.
   c. Finding 2025-009 determined that the HOME Program did not have an approved underwriting policy in effect during FY 2025, resulting in non-compliance with federal requirements under 24 CFR 92.254(g). This was due to delays in formal review, update, and approval of Home Program policies.
   d. Finding 2025-010 found that GHURA did not comply with the Davis-Bacon and Related Acts requirements for three contractual labor contracts totaling $301K. This was due to failing to include the required contract clauses and failing to obtain weekly certified payrolls from contractors.

5. **<u>Continuum of Care (2025-011, 2025-012, and 2025-013)</u>**
   a. Finding 2025-011 found that expenditures and manual adjustment transactions were charged to Continuum of Care federal awards outside their approved periods of performance. Specifically, expenditures were charged before grant start dates and after grant end dates due to inadequate monitoring controls resulting in $15.9K in questioned costs.
   b. Finding 2025-012 found five (or 71%) out of seven subawards lacked evidence of verification of suspension and debarment testing, resulting in questioned costs of $289K.
   c. Finding 2025-013 found that three (or 60%) of five subawards lacked evidence of the required 25% matching contribution, resulting in questioned costs of $99K.

6. **<u>Public Housing Operating Fund (2025-014, 2025-015, and 2025-016)</u>**
   a. Finding 2025-014 identified multiple deficiencies in eligibility determinations for 13 out of 40 (or 33%) Public Housing participants tested, which included missing or incomplete sex offender registry checks, untimely or unsupported Enterprise Income Verification reports, lack of asset verification and immigration documentation, and errors in rent and utility allowance calculations.
   b. Finding 2025-015 identified multiple procurement deficiencies involving 21 (or 72%) of 29 transactions tested, including the lack of documentation to support that GHURA performed procedures such as verifications of debarment, suspensions, or

exclusion for contracting parties, independent cost estimate procedures prior to solicitation, and to support procurement transactions being conducted to demonstrate full and open competition. These conditions resulted in questioned costs totaling $207K.

c. Finding 2025-016 found that eight (or 14%) of 56 key line reporting items in its Utility Expense Level Formula Reports were reported inconsistently from prior audited report submissions. The errors resulted from inadequate reconciliation and supervisory review procedures.

Based on the Summary Schedule of Prior Year Audit Findings, unresolved findings remain from FY 2024 (four findings), FY 2023 (seven findings), FY 2022 (seven findings), and FY 2021 (two findings).

GHURA requested that the following statement be included in the audit highlights:
"The Authority was not given adequate time to review and respond to audit findings with which it did not concur to meet the June 30, 2026 Audited Financial Data Schedule (FDS) submission deadline. Despite trying to respond under these conditions, Ernst & Young was unable to follow up on findings the Authority disagreed with. A thorough review would require two weeks, which would further delay the audited FDS submission. Therefore, Management agreed to issue the audited Financial Statements as proposed."

Management Letter
EY issued a Management Letter identifying two areas requiring GHURA's attention:

1. **Pension and Other Post-Employment Benefits (OPEB) Reconciliation:** GHURA's beginning net pension and OPEB balances did not align with the prior-year audited ending balances, resulting in unreconciled variances. The issue was corrected during the audit. It was recommended that management perform timely reconciliations of the beginning pension and OPEB balances.
2. **Monitoring of Capital Assets Subledger:** GHURA's capital assets subledger did not agree to the balances in the trial balance due to unrecorded depreciation expense and incorrect classification of some depreciable and non-depreciable assets during the year. Management furnished the adjusting entries for correction of the identified differences. GHURA was recommended to strengthen controls over the maintenance and reconciliation of the capital assets subledger by implementing a timely reconciliation process. In addition, GHURA should establish procedures to ensure depreciation expense is recorded accurately and consistently, maintain proper asset classifications, and perform regular reviews of capital asset records and related adjustments to promote the completeness, accuracy, and consistency of reported balances.

For additional information, refer to GHURA's FY 2025 Financial Statements, Report on Internal Control Over Financial Reporting and On Compliance, Report on Compliance for Each Major Federal Program and Internal Control Over Compliance, Management Letter, and Auditor's Communication with Those Charged with Governance at www.opaguam.org and GHURA's website.

Management Letter

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Year ended September 30, 2025

Ernst & Young LLP
231 Ypao Road
Suite 201 Ernst & Young Building
Tamuning, Guam 96913

Tel: +1 671 649 3700
Fax: +1 671 649 3920
ey.com

July 2, 2026

Ms. Elizabeth F. Napoli
Acting Executive Director
Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue
Sinajana, GU 96910

Dear Ms. Napoli:

In planning and performing our audit of the financial statements of the Guam Housing and Urban Renewal Authority (GHURA) as of and for the year ended September 30, 2025 (on which we have issued our report dated July 2, 2026), 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, we considered GHURA's internal control over financial reporting (internal control) 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 GHURA's internal control. Accordingly, we do not express an opinion on the effectiveness of GHURA'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 discussed below, we identified certain deficiencies that we wish to bring to your attention.

Guam Housing and Urban Renewal Authority
Management Letter

Pension and OPEB Reconciliation
(*Reiteration of Prior Year Comment*)

<u>Condition:</u>

As of September 30, 2025, GHURA's beginning net pension and OPEB balances did not agree to the prior-year audited ending balances resulting in unreconciled variances. Such was corrected during the audit.

<u>Recommendation:</u>

We recommend management perform timely reconciliations of the beginning pension and OPEB balances.

Monitoring of Capital Assets Subledger
(*Reiteration of Prior Year Comment*)

<u>Condition:</u>

During our audit, the team noted that the capital assets subledger did not agree to the balances in the trial balance. The differences are mainly due to unrecorded depreciation expense, incorrect classification of some depreciable and non-depreciable. The management provided the adjusting entries to correct the differences.

<u>Recommendation:</u>

We recommend that management strengthen controls over the reconciliation and maintenance of the capital assets subledger and its alignment with the trial balance. This may include implementing a formal and timely reconciliation process between the subledger and the general ledger, with documented review and approval. Additionally, management should enhance procedures to ensure depreciation expense is accurately and consistently recorded, and that capital assets are properly classified between depreciable and non-depreciable categories in accordance with applicable accounting standards. Periodic reviews of asset records and related adjustments will help ensure completeness, accuracy, and consistency of reported balances.

****

This communication is intended solely for the information and use of management and the Board of Commissioners of GHURA, others within the organization, and the Guam Office of Public Accountability, and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Ernst + Young LLP

Reports on Internal Control and Compliance

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Year Ended September 30, 2025

EY

Shape the future with confidence

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Reports on Internal Control and Compliance

Year Ended September 30, 2025

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Shape the future
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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*

Board of Commissioners
Guam Housing and Urban Renewal Authority

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 Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise GHURA's basic financial statements, and have issued our report thereon dated July 2, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered GHURA'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GHURA's internal control. Accordingly, we do not express an opinion on the effectiveness of GHURA'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 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified a deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GHURA's financial statements are free of 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*.

GHURA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on GHURA's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. GHURA'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

July 2, 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

Board of Commissioners
Guam Housing and Urban Renewal Authority:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Guam Housing and Urban Renewal Authority's (GHURA'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 each of GHURA's major federal programs for the year ended September 30, 2025. GHURA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Community Development Block Grants Cluster Entitlements/Special Purpose, ALN - 14.239 - Home Investment Partnerships Program, ALN 14.267 - Continuum of Care Program, and ALN - 14.850 Public Housing Operating Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, GHURA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Community Development Block Grants Cluster Entitlements/Special Purpose, ALN 14.239 - Home Investment Partnerships Program, ALN - 14.267 Continuum of Care Program, and ALN - 14.850 Public Housing Operating Fund for the year ended September 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, GHURA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2025.

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 GHURA 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 GHURA's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinions on the Community Development Block Grants Cluster Entitlements/Special Purpose, ALN - 14.239 Home Investment Partnerships Program, ALN - 14.267 Continuum of Care Program, and ALN - 14.850 Public Housing Operating Fund

As described in the accompanying schedule of findings and questioned costs, GHURA did not comply with the requirements regarding the following:

Finding No.	Assistance Listing No.	Program (or Cluster) Name	Compliance Requirement
2025-004	14.225	Community Development Block Grants Cluster Entitlements/Special Purpose	Reporting
2025-005	14.225	Community Development Block Grants Cluster Entitlements/Special Purpose	Reporting
2025-007	14.239	Home Investment Partnerships Program	Eligibility
2025-008	14.239	Home Investment Partnerships Program	Special Tests and Provisions
2025-009	14.239	Home Investment Partnerships Program	Special Tests and Provisions
2025-010	14.239	Home Investment Partnerships Program	Special Tests and Provisions
2025-011	14.267	Continuum of Care Program	Period of Performance
2025-012	14.267	Continuum of Care Program	Procurement and Suspension and Debarment
2025-013	14.267	Continuum of Care Program	Matching, Level of Effort, Earmarking
2025-014	14.850	Public Housing Operating Fund	Eligibility
2025-015	14.850	Public Housing Operating Fund	Procurement and Suspension and Debarment

Compliance with such requirements is necessary, in our opinion, for GHURA 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 GHURA'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 GHURA'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 GHURA'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 GHURA'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 GHURA'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 GHURA'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 the following:

Finding No.	Assistance Listing No.	Program (or Cluster) Name	Compliance Requirement
2025-002	14.871 14.EHV 14.879	Housing Voucher Cluster	Special Tests and Provisions
2025-003	14.871 14.EHV 14.879	Housing Voucher Cluster	Special Tests and Provisions
2025-006	14.225	Community Development Block Grants Cluster Entitlements/Special Purpose	Special Tests and Provisions
2025-016	14.850	Public Housing Operating Fund	Special Tests and Provisions

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 GHURA's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. GHURA'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.

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 2025-004, 2025-005, and 2025-007 through 2025-015 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 2025-002, 2025-003, 2025-006 and 2025-016 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 GHURA's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. GHURA'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.

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 GHURA as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise GHURA's basic financial statements. We have issued our report thereon dated July 2, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 other 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

July 2, 2026

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

Federal Grantor/Pas-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871			$ 51,885,049
Emergency Housing Voucher	14.EHV			1,549,890
Mainstream Vouchers	14.879			479,687
Housing Voucher Cluster total:				$ 53,914,626
CDBG - Entitlement/Special Purpose Grants Cluster:				
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225		$ 2,041,087	$ 4,156,481
COVID -19 Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225		386,913	429,662
CDBG - Entitlement/Special Purpose Grants Cluster Total			$ 2,428,000	$ 4,586,143
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii - CDBG Disaster Recovery	14.228			$ 1,141,314
Community Development Block Grants - Section 108 Loan Guarantees	14.248			11,313,827
Public Housing Operating Fund	14.850			7,235,689
Home Investment Partnerships Program	14.239		$ 764,495	5,621,916
Public Housing Capital Fund	14.872			4,187,850
Continuum of Care Program	14.267		862,715	1,053,179
Supportive Housing for the Elderly	14.157			623,030
Emergency Solutions Grant Program	14.231		166,031	455,384
COVID-19 Emergency Solutions Grant Program CARES Act	14.231			16,106
Family Self-Sufficiency Program	14.896			180,272
Resident Opportunity and Supportive Services - Service Coordinators	14.870			79,730
Multifamily Housing Service Coordinators	14.191			68,838
Housing Trust Fund	14.275			33,902
			$ 1,793,241	$ 32,011,037
Total U.S. Department of Housing and Urban Development			$ 4,221,241	$ 90,511,806
Passed-Through from Guam Department of Administration:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	CF#2024-22904		$ 245,283
Total Expenditures of Federal Awards			$ 4,221,241	$ 90,757,089

See accompanying notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

1. Scope of Audit

The Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam, was formed primarily to provide safe, decent, sanitary, and affordable housing for low- to moderate-income families and elderly families in the Territory of Guam. All operations of GHURA are included in the scope of the Single Audit. The U.S. Department of Housing and Urban Development is the oversight agency for GHURA's Single Audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of GHURA under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulati*ons 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 GHURA, it is not intended to and does not present the financial position, changes in net position or cash flows of GHURA.

3. Summary of Significant Accounting Policies

a. Basis of Accounting

For purposes of this Schedule, certain accounting procedures were followed, which help illustrate the expenditures of the individual programs. Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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. Disbursements made to subrecipients related to the grant agreements are reported as expenditures.

b. Subgrants

Certain program funds are passed through GHURA to subrecipient organizations. The Schedule of Expenditures of Federal Awards does not contain separate schedules disclosing how the subrecipients outside of GHURA's control utilized the funds.

3. Summary of Significant Accounting Policies, continued

c. Funds Received

GHURA received all the funds indicated on this Schedule in a direct capacity in Fiscal Year (FY) 2025 with the exception of ALN 21.027. GHURA also administers all the funds and is responsible for compliance with the laws and regulations.

d. Indirect Costs

GHURA does not have an indirect cost negotiation agreement and does not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance in accordance with 2 CFR §200.414.

4. Loan Funds

GHURA, on behalf of the Government of Guam, has been designated the responsibility of implementing and carrying out the objectives of the HOME Program. The program is designed to increase homeownership and affordable housing opportunities for low- and very low-income Americans. HOME loan applicants that have been determined to be eligible for financial assistance are required to comply with the terms and requirements. Balances and transactions relating to the HOME program are included in GHURA's financial statements. The balances of loans from previous years for which the federal government imposes continuing compliance requirements are included in the federal expenditures presented in the Schedule. As of September 30, 2025, the HOME and CDBG Program expenditures include $1,506,461 and $8,521,291 in current year disbursements and the beginning balance of HOME and CDBG loans of $3,914,858 and $199,887, with continuing compliance requirements, respectively. The balance of HOME Investment Partnerships and CDBG grant loans outstanding and recorded by GHURA on September 30, 2025 is $4,115,455 and $189,143, respectively.

In December 2020, GHURA entered into a $12M loan with the U.S. Department of Housing and Urban Development to provide a source of low-cost, long-term financing loan to The Learning Institute through the Section 108 Loan Guarantee Program to construct a public facility for use as a school. The facility will be leased to the iLearn Academy Charter School by The Learning Institute. As of September 30, 2025, the Section 108 expenditures include $895,827 in current year interest expense to GHURA from The Learning Institute. The balance of the Section 108 loan outstanding and recorded by GHURA as of September 30, 2025 is $10,418,000.

Schedule of Findings and Questioned Costs

Year Ended September 30, 2025

Section I - Summary of Auditors' 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?		**Yes**	X	**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:

Housing Voucher Cluster	Unmodified
Community Development Block Grants Cluster Entitlements/Special Purpose	Qualified
ALN - 14.850 Public Housing Operating Fund	Qualified
ALN - 14.239 Home Investment Partnerships Program	Qualified
ALN 14.872 Public Housing Capital Fund	Unmodified
ALN 14.267 Continuum of Care Program	Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X	**Yes**		**No**

Section I - Summary of Auditors' Results, continued

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	Housing Voucher Cluster:
14.871	Section 8 Housing Choice Vouchers
14.EHV	Emergency Housing Voucher
14.879	Mainstream Vouchers
	CDBG - Entitlement/Special Purpose Grants Cluster:
14.225	Community Development Block Grants/Special Purpose Grants/Insular Areas
14.225	COVID 19 – Community Development Block Grants/Special Purpose Grants/Insular Areas
14.239	Home Investment Partnerships Program
14.267	Continuum of Care Program
14.850	Public Housing Operating Fund
14.872	Public Housing Capital Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$2,722,712
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

Reference	Findings
2025-001	Improper Recognition of Loan and Land Acquisition Transactions

Schedule of Findings and Questioned Costs, continued

Section III - Federal Award Findings and Questioned Costs

Finding No.	ALN	Requirement	Questioned Cost
2025-002	14.871/14.EHV/14.879	Special Tests and Provisions	$194,763
2025-003	14.871/14.EHV/14.879	Special Tests and Provisions	-0-
2025-004	14.225	Reporting	-0-
2025-005	14.225	Reporting	-0-
2025-006	14.225	Special Tests and Provisions	133,052
2025-007	14.239	Eligibility	112,500
2025-008	14.239	Special Tests and Provisions	700,750
2025-009	14.239	Special Tests and Provisions	-0-
2025-010	14.239	Special Tests and Provisions	301,011
2025-011	14.267	Period of Performance	15,860
2025-012	14.267	Procurement and Suspension and Debarment	288,950
2025-013	14.267	Matching, Level of Effort, and Earmarking	99,485
2025-014	14.850	Eligibility	-0-
2025-015	14.850	Procurement and Suspension and Debarment	206,790
2025-016	14.850	Special Tests and Provisions	$-0-

Finding No.: **2025-001**

Improper Recognition of Loan and Land Acquisition Transactions

Criteria:

Management is responsible for designing and maintaining effective internal controls over financial reporting to ensure that significant transactions are timely identified, analyzed, recorded, and reported in accordance with accounting principles generally accepted in the United States of America.

Loan proceeds should be recorded as a liability. Land acquired or amounts paid in advance for the acquisition of land should be recorded as capital assets or other appropriate asset accounts.

Condition:

In December 2024, GHURA entered into a loan agreement with the Department of Administration (DOA), Government of Guam, providing a total facility of $12,500,000. As of September 30, 2025, GHURA had drawn down $12,220,087, which also represents the outstanding balance of the loan at year-end.

The loan proceeds were intended for the acquisition of land, with $4,901,787 attributable to land purchases and the remaining $7,318,300 allocated for future land acquisitions. However, testing disclosed the following:

- The loan liability of $12,220,087 was not recorded in the accounting records.
- Land acquisitions totaling $4,901,787 were not recorded as assets.
- Of the $7,318,300 recorded in the books:
    - $6,653,000 was improperly recognized as both revenue and expense rather than as a liability and/or asset (prepayment).
    - $665,300 was recorded as unearned revenue instead of as part of the loan payable.

A portion of the funds relates to land acquisitions completed subsequent to year-end (FY2026) and should have been recorded as a prepayment or other asset as of September 30, 2025.

Audit adjustments were proposed by the auditors and subsequently recorded by management to correct the financial statements.

Finding No.: 2025-001, continued

Cause:

The condition is attributed to deficiencies in GHURA's internal control over financial reporting, specifically a lack of sufficient review and technical accounting guidance to ensure proper identification, classification, and recording of complex financing and capital acquisition transactions.

Effect or Potential Effect:

Failure to properly record the loan and related land acquisition transactions resulted in material misstatements of liabilities, assets, revenues, and expenses in the financial statements.

Recommendation:

We recommend that GHURA strengthen its internal control over financial reporting by:

- Implementing formal procedures to ensure all financing arrangements and related transactions are timely and accurately recorded in accordance with U.S. GAAP (GASB standards).

- Requiring comprehensive review of significant or non-routine transactions, including loan agreements and capital acquisitions, by personnel with appropriate technical accounting expertise.

Views of Responsible Officials:

No response was provided by management regarding this finding.

Finding No.: **2025-002**

Identification of the federal program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	Housing Voucher Cluster
Federal Award No.:	GQ901AF0162, GQ901AF0163,GQ901AF0164, GQ901AF0165, GQ901AF0166, GQ901AF0167, GQ901AF0168,GQ901AFR125, GQ901AFR224, GQ901AFR324, GQ901AFR424, GQ901AFRU24, GQ901EF0008, GQ901EF0009, GQ901EF0010, GQ901EF0011, GQ901EH0011, GQ901EH0012, GQ901EH0013, GQ901EH0014, GQ901VO0265, GQ901VO0266, GQ901VO0267, GQ901VO0268, GQ901VO0269, GQ901VO0270,GQ901VO0271,GQ901VO0272, GQ901VO0273
Area:	Special Tests and Provisions – National Standards for the Physical Inspection of Real Estate (NSPIRE) / Housing Quality Standards Inspections

Criteria or specific requirement (including statutory, regulatory or other citation):

24 CFR 982.405(b), Periodic Inspections, states:

> *The Public Housing Authority (PHA) must inspect the unit at least biennially during assisted occupancy to ensure that the unit continues to meet the HQS, except that a small rural PHA, as defined in § 902.101 of this title, must inspect a unit once every three years during assisted occupancy to ensure that the unit continues to meet the HQS.*

Finding No.: 2025-002, continued

Condition:

Of 2,894 housing units assisted under the Section 8 Housing Choice Voucher Program, representing total housing assistance payments of $50,156,412, the inspection activity report identified 12 units (0.4%), aggregating $194,763, with deficiencies in meeting the biennial Housing Quality Standards (HQS) inspection requirement:

Item No.	Voucher Number	Last Passed HQS Inspection	Total Unallowed HAP	Questioned Costs
1	6-03-0198-2327	04/04/22	27,648	27,648
2	6-05-0005-42278	07/12/22	25,320	25,320
3	6-05-0145-47900	07/18/22	12,794	12,794
4	6-05-0241-46089	08/29/23	2,280	2,280
5	6-07-0028-2139	07/19/22	23,996	23,996
6	6-07-0289-52502	05/06/22	28,316	28,316
7	EHV0132	08/23/23	1,076	1,076
8	HCV0521	04/22/22	18,997	18,997
9	HCV1038	03/17/22	5,130	5,130
10	HCV1083	09/12/22	17,987	17,987
11	HCV2024	07/06/22	22,875	22,875
12	HCV2110	07/19/23	8,344	8,344
			Total Questioned Cost	$194,763

For items 1 through 12, the required inspections were not completed by the established biennial due dates.

Cause:

GHURA lacks effective monitoring controls over inspection scheduling and tracking, resulting in biennial HQS inspections not being completed timely.

Effect or potential effect:

GHURA is in noncompliance with applicable special tests and provisions for National Standards for the Physical Inspection of Real Estate (NSPIRE) / Housing Quality Standards Inspections requirements.

Finding No.: 2025-002, continued

Questioned costs: $194,763

Identification as a repeat finding: Not applicable.

Recommendation:

GHURA should strengthen internal controls over inspection monitoring by establishing and enforcing procedures that require periodic reconciliation of inspection activity reports to identify overdue inspections. Management should also implement controls to ensure timely scheduling and completion of biennial HQS inspections and verification of compliance.

Views of Responsible Officials:

Management disagrees with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-003

Identification of the federal program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	Housing Voucher Cluster
Federal Award No.:	GQ901AF0162, GQ901AF0163,GQ901AF0164, GQ901AF0165, GQ901AF0166, GQ901AF0167, GQ901AF0168,GQ901AFR125, GQ901AFR224, GQ901AFR324, GQ901AFR424, GQ901AFRU24, GQ901EF0008, GQ901EF0009, GQ901EF0010, GQ901EF0011, GQ901EH0011, GQ901EH0012, GQ901EH0013, GQ901EH0014, GQ901VO0265, GQ901VO0266, GQ901VO0267, GQ901VO0268, GQ901VO0269, GQ901VO0270,GQ901VO0271,GQ901VO0272, GQ901VO0273
Area:	Special Tests and Provisions – Reasonable Rent

Criteria or specific requirement (including statutory, regulatory or other citation):

24 CFR 982.507(a)(1) PHA determination states:

> *The PHA may not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent.*

24 CFR 982.507(b)(1)(2) Comparability states:

> *The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:*
>
> *(1) The location, quality, size, unit type, and age of the contract unit; and*
>
> *(2) Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.*

Condition:

For seven (9%) of 80 participants tested, GHURA did not consistently use appropriate comparable units when determining rent reasonableness and accepted higher proposed rents than reasonable comparable units. Specifically, comparable units selected for the analysis were not within the same market area as the proposed unit, which is inconsistent with GHURA's administrative plan.

Finding No.: 2025-003, continued

Cause:

GHURA did not effectively implement review controls to ensure that comparable units were selected from appropriate market area and in accordance with established rent reasonableness procedures.

Effect or potential effect:

GHURA is not in compliance with applicable special test and provisions requirements. The use of noncomparable units from different market areas may result in rent determinations that do not accurately reflect market conditions. The questioned costs associated with noncompliance for reasonable rents is undeterminable because the appropriate market data comparables cannot be reasonably quantified.

Questioned Costs: $0

Identification as a repeat finding: Not applicable.

Recommendation:

GHURA should incorporate a control step within the rent reasonableness process to ensure key factors, including market area, are verified prior to approval of proposed rents.

Views of Responsible Officials:

Management disagrees with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-004

Identification of the federal program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.225 CDBG - Entitlement Grants Cluster
Federal Award No.: B23ST660001, COVID-19 B20SW660001, B20ST660001
Area: Reporting - CDBG Financial Summary Report

Criteria or specific requirement (including statutory, regulatory or other citation):

Grantees are required to submit an accurate annual performance and evaluation report through the Integrated Disbursement and Information System.

Conditions:

1. For two (50%) of four key line items in the PR26 – CDBG Financial Summary Report, Program Year 2024, Grant No. B23ST660001, the reported amounts did not agree to the underlying accounting records. This resulted in differences in reported disbursements, total obligations, and credit activity, and led to understated Public Service (PS) cap calculations and Planning and Administration (PA) obligations exceeding the 20 percent limit.

Line Item	Reported Amount	Auditor Calculation Per GL Details	Over (Under) Reported Variance
36 Percent Funds Obligated for PS Activities	(2.05%)	9.84%	(11.89%)
46 Percent Funds Obligated for PA Activities Line	11.89%	25.06%	(13.17%)

2. For one (50%) of two key line items in the PR26 – CDBG-CV Financial Summary Report, Program Year 2024, Grant No. B20SW660001, the reported amounts do not agree with underlying accounting records. This resulted in differences between the reported disbursements and actual expenditures for Planning and Administration (PA) activities, resulting for inaccuracy of amounts reported to available cap calculations.

Line Item	Reported Amount	Auditor Calculation Per GL Details	Over (Under) Reported Variance
21 Percent of Funds Disbursed for PA Activities (Line 19/Line20)	4.82%	5.20%	(0.39%)

Finding No.: 2025-004, continued

Cause:

GHURA did not effectively implement monitoring controls over compliance that is primarily caused by the lack of timely reconciliation and end-user adjustments between IDIS and general ledger records.

Effect or potential effect:

The failure to effectively monitor and reconcile IDIS and general ledger records may result in inaccurate reporting of disbursements, obligations, and overall grant balances.

Questioned Costs: $0

Identification as a repeat finding: 2024-001

Recommendation:

Responsible personnel should strengthen monitoring controls over compliance with applicable reporting requirements. Responsible personnel should implement and enforce formal, periodic reconciliations between IDIS and the general ledger to ensure that reported disbursements, obligations, and available balances agree with underlying accounting records. These procedures should include timely end-user adjustments, supervisory review, and documented verification of totals prior to PR26 submissions. Prior to certifying IDIS reports, responsible personnel should examine and maintain underlying accounting records to determine the accuracy and completeness of reported data.

Views of Responsible Officials:

Management partially concurs with the findings. Refer to Management’s position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-005

Identification of the federal program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.225 CDBG - Entitlement Grants Cluster
Federal Award No.: B19ST660001, B20ST660001, B20SW660001, B21ST660001, B22ST660001, B23ST660001, B24ST660001
Area: Reporting - Federal Funding Accountability and Transparency Act

Criteria or specific requirement (including statutory, regulatory or other citation):

Per the Federal Funding Accountability and Transparency Act (FFATA), HUD requires PHAs to report each first-tier subaward of $30,000 or more in federal funds to the Federal Subaward Reporting System (FSRS) by the end of the month following the month in which the subaward was issued.

Condition:

For two (50%) of four subawards tested, aggregating $2,402,176 of $2,769,050, the subawards were not reported in the Federal Subaward Reporting System (FSRS) as follows:

Transactions Tested	Subaward Not Reported	Dollar Amount of Tested Transactions	Subaward Not Reported
2	2	$2,769,050	$2,402,176

Cause:

GHURA did not establish or consistently implement internal control policies and procedures relating to timely and accurate reporting of all first-tier subawards in the Federal Subaward Reporting System (FSRS).

Effect or potential effect:

GHURA is in noncompliance with applicable reporting requirements for FFATA reporting.

Questioned costs: $0

Identification as a repeat finding: 2024-001

Finding No.: 2025-005, continued

Recommendation:

Responsible personnel should establish, implement, and maintain effective internal controls over compliance with applicable FFATA reporting requirements. Specifically, such controls should address identifying, documenting, and timely reporting first-tier subawards to the Federal Subaward Reporting System (FSRS). GHURA should also implement monitoring controls for review and reconciliation of subawards to the FSRS.

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-006

Identification of the federal program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	14.225 CDBG - Entitlement Grants Cluster
Federal Award No.:	B19ST660001, B20ST660001, B21ST660001, B22ST660001, B23ST660001, B24ST660001
Area:	Special Tests and Provisions – Rehabilitation

Criteria or specific requirement (including statutory, regulatory or other citation):

24 CFR 570.506(a) states:

Each recipient shall establish and maintain sufficient records to enable the Secretary to determine whether the recipient has met the requirements of this part. At a minimum, the following records are needed:

> *(a) Records providing a full description of each activity assisted (or being assisted) with CDBG funds, including its location (if the activity has a geographical locus), the amount of CDBG funds budgeted, obligated and expended for the activity, and the provision in subpart C under which it is eligible.*

24 CFR 570.506(b)(10) states:

> *For each activity determined to aid in the prevention or elimination of slums or blight based on the elimination of specific conditions of blight or physical decay not located in a slum or blighted area:*
>
> > *(i) A description of the specific condition of blight or physical decay treated; and*
> > *(ii) For rehabilitation carried out under this category, a description of the specific conditions detrimental to public health and safety which were identified and the details and scope of the CDBG assisted rehabilitation by structure.*

Condition:

For one rehabilitation project tested, totaling $133,052, the recipient did not maintain adequate supporting documentation—such as pre-rehabilitation inspection reports or assessment records—to substantiate the procedures performed in identifying conditions of blight or physical decay. As a result, there was insufficient evidence to support the basis for determining the existence of such conditions or to demonstrate the completeness of the rehabilitation needs identified for the project structure, as required under applicable CDBG recordkeeping requirements.

Finding No.: 2025-006, continued

Cause:

GHURA does not have formal oversight controls for project documentation and assigned project personnel, including the absence of formal procedures requiring the preparation and retention of pre-rehabilitation inspection reports or assessment records.

Effect or potential effect:

GHURA is in noncompliance with applicable requirements.

Questioned Costs: $133,052

Identification as a repeat finding: Not applicable.

Recommendation:

Management should implement formal procedures to ensure pre-rehabilitation inspections are performed, documented, and retained to support the identified scope of work. Management should improve supervisory review controls to verify that project files contain adequate documentation demonstrating compliance with CDBG recordkeeping requirements prior to approval and funding.

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-007

Identification of Federal Program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	14.239 HOME Investment Partnerships (HOME) Program
Federal Award No.:	M17ST660202
Area:	Eligibility

Criteria or specific requirement (including statutory, regulatory or other citation):

GHURA's Renewal Affordable Homes Program Policy, Chapter 3, Part B states:

Housing expenses to include principal, interest, taxes and insurance (PITI) cannot exceed thirty-three percent (33%) to qualify for a loan.

Condition:

For one (25% amounting to $112,500) of four mortgagees tested (amounting to $700,750) of $2,230,031 in total HOME subsidies, a deficiency was noted as follows:

Item #	Application No.	HOME Subsidy Amount	Questioned Cost
1	RAHM-U-0035	$112,500	$112,500

For item # 1, the participant was ineligible to participate as the participant's housing expenses, including PITI, exceeded thirty-three percent (33%) of total income.

Cause:

There was lapse in adherence to established underwriting procedures, resulting in the approval of a participant whose PITI exceeded the allowable threshold.

Effect or potential effect:

GHURA is in noncompliance with the applicable requirement.

Questioned costs: $112,500

Identification as a repeat finding: Not applicable.

Finding No.: 2025-007, continued

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable maximum per-unit subsidy requirements. Specifically, supervisory personnel should be required to perform effective reviews of applicant files prior to approving HOME assistance to ensure that procedures are followed and calculations are accurate.

Views of Responsible Officials:

Management concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Finding No.: **2025-008**

Identification of the federal program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.239 HOME Investment Partnerships (HOME) Program
Federal Award No.: M17ST660202, M18ST660202
Area: Special Tests and Provisions – Housing Quality Standards

Criteria or specific requirement (including statutory, regulatory or other citation):

24 CFR 92.251states:

> *(a) New construction projects —*
>
> > *(2) Construction progress and final inspections. The participating jurisdiction must conduct on-site progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents. Before completing the project in the disbursement and information system established by HUD, the participating jurisdiction must perform an on-site inspection of the project to determine that all contracted work has been completed and that the project complies with the property standards and requirements in this paragraph (a). All inspections performed by the participating jurisdiction must be conducted in accordance with the participating jurisdiction's inspection procedures.*

Condition:

For all four (100%) new mortgages, aggregating $700,750 of $2,230,031 in total HOME subsidies, the HOME program did not perform final on-site inspections to confirm the housing meets appropriate property standards.

Cause:

The HOME program does not have formalized monitoring procedures, including detailed review checklists, to ensure that all required documentation is completed and adequately reviewed prior to the approval and disbursement of HOME subsidies.

Finding No.: 2025-008, continued

Effect or potential effect:

GHURA is in noncompliance with applicable special test and provisions requirements.

Questioned Costs: $700,750

Identification as a repeat finding: Not applicable.

Recommendation:

The HOME program should establish and implement a detailed standardized checklists with reviewer controls, to ensure that all required documentation—particularly evidence of final onsite inspections, is completed and reviewed prior to the approval and disbursement of HOME funds.

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

The condition relates to the support available for review for audit submission. We examined all new mortgagee files submitted on April 10, 2026. Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-009

Identification of the federal program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	14.239 HOME Investment Partnerships (HOME) Program
Federal Award No.:	M17ST660202, M18ST660202
Area:	Special Tests and Provisions – Underwriting

Criteria or specific requirement (including statutory, regulatory or other citation):

24 CFR 92.254(g) states:

Homebuyer program policies. *The participating jurisdiction must have and follow written policies for:*

(1) Underwriting standards for homeownership assistance to determine the amount of assistance necessary to achieve sustainable homeownership. These standards must evaluate the projected overall debt of the family after the purchase of the housing, the maximum amount that a participating jurisdiction may provide a family, the appropriateness of the amount of assistance, assets available to a family to acquire the housing, and financial resources to sustain homeownership. A participating jurisdiction may not provide a single, fixed amount of assistance to each homebuyer that participates in the participating jurisdiction's homebuyer program;
(2) Responsible lending, and
(3) Refinancing loans to which HOME loans are subordinated to require that the terms of the new loan are reasonable.

Condition:

The HOME Program did not have an approved policy effective in FY2025.

Cause:

The condition was primarily due to delays in the formal review, update, and approval of the HOME Program policies to align with applicable federal requirements under 24 CFR 92.254(g).

Finding No.: 2025-009, continued

Effect or potential effect:

GHURA is in noncompliance with applicable special test and provisions requirements.

Questioned Costs: $0. No questioned cost is presented as this non-compliance pertains to a lack of policy.

Identification as a repeat finding: Not applicable.

Recommendation:

GHURA should implement a written policy in compliance with the requirements of 24 CFR 92.254(g).

Views of Responsible Officials:

Management disagrees with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: **2025-010**

Identification of Federal Program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	14.239 HOME Investment Partnerships (HOME) Program
Federal Award No.:	M18ST660202, M21ST660202, M22ST660202, M23ST660202
Area:	Special Tests and Provisions – Wage Rate Determination

Criteria or specific requirement (including statutory, regulatory or other citation):

29 CFR 5.5 states:

(a) ***Required contract clauses.*** *The Agency head will cause or require the contracting officer to require the contracting officer to insert in full, or (for contracts covered by the Federal Acquisition Regulation (48 CFR chapter 1)) by reference, in any contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the laws referenced by § 5.1, the following clauses (or any modifications thereof to meet the particular needs of the agency, Provided, That such modifications are first approved by the Department of Labor).*

29 CFR 5.5(a)(3)(ii) states:

(ii) Certified payroll requirements —

(A) Frequency and method of submission. The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the [write in name of appropriate Federal agency] if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to the [write in name of agency]. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system.

Finding No.: 2025-010, continued

Condition:

Of the three contractual labor transactions tested, all (100%), totaling $301,011, did not include the required contract clause addressing compliance with the Davis-Bacon and Related Acts, including all applicable rulings and interpretations under 29 CFR Parts 1, 3, and 5. Additionally, for these same contracts, the entity did not enforce the requirement for contractors or subcontractors to submit certified payrolls on a weekly basis for each week in which Davis-Bacon or Related Acts-covered work was performed.

Item #	Purchase Order	Expenditures	Questioned Costs
1	241616	$ 99,611	$ 99,611
2	250207	55,400	55,400
3	250994	146,000	146,000
		$301,011	$301,011

Cause:

Management lacks a formalized process or checklist to ensure that (1) all federally required contract clauses, including those related to Davis-Bacon and Related Acts compliance under 29 CFR Parts 1, 3, and 5, are consistently incorporated into applicable contracts, and (2) contractors and subcontractors are monitored for compliance with certified payroll submission requirements on a weekly basis for all covered work performed.

Effect or potential effect:

GHURA is in noncompliance for entering into contractual labor without the effect of Compliance with Davis-Bacon and Related Act clauses and obtaining required certified payroll submissions.

Questioned costs: $301,011

Identification as a repeat finding: Not applicable.

Recommendation:

Management should strengthen review and oversight procedures within the A/E Division to ensure all required Federal contract clauses are consistently included in procurements, regardless of dollar threshold, prior to contract execution. This process should include a documented review of the scope of services to identify work of a labor nature and ensure inclusion of applicable Davis-Bacon Act (DBA) provisions where required.

Finding No.: 2025-010, continued

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

The finding remains as the condition relates to the support available for review for audit submission that is a draft copy with pending sections without sufficient evidence of effective approval. Management provided response for additional information on June 28, 2026. As we did not have sufficient time to corroborate and examine said additional documentation, our finding remains as there was insufficient evidence to determine compliance at the time of the audit.

Finding No.: 2025-011

Identification of Federal Program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.267 Continuum of Care Program
Federal Award No.: GU044L9C002300, GU00377L9C002302, GU0044L9C02300, GU0026L9C002305, GU0011L9C002314
Area: Period of Performance

Criteria or specific requirement (including statutory, regulatory or other citation):

A recipient may charge only allowable costs incurred during the approved budget period of a federal award's period of performance.

Conditions:

1. Out of eight expenditures tested totaling $15,536 from a population of $48,657 (out of total expenditures of $1,053,179), four items (50%) were charged to the federal award prior to the start of the approved period of performance.

Federal Award No.	Payroll Pay period Ended	Pay Check date	POP Start Date	Expenditures	Questioned Costs
GU0044L9C002300	11/16/24	11/22/24	12/01/24	$1,961	$1,961
GU0044L9C002300	11/02/24	11/08/24	12/01/24	1,697	1,697
GU0044L9C002300	11/02/24	11/08/24	12/01/24	4,072	4,072
GU0044L9C002300	10/19/24	10/25/24	12/01/24	3,455	3,455
				$11,185	$11,185

2. Out of 40 manual adjustment transactions tested totaling $56,036 from a population of $218,515 (out of total expenditures of $1,053,179), three items (8%) were manually transferred and charged to the federal award prior to the start of the approved period of performance.

Federal Award No.	Payroll Pay period Ended	Pay Check date	POP Start Date	Expenditures	Questioned Costs
GU0037L9C002302	10/19/24	10/25/24	01/01/25	$ 54	$ 54
GU0044L9C002300	11/16/24	11/22/24	12/01/24	824	824
GU0044L9C002300	10/05/24	10/11/24	12/01/24	2,917	2,917
				$3,795	$3,795

Finding No.: 2025-011, continued

Conditions, continued:

3. Out of 40 manual adjustment transactions tested totaling $56,036 from a population of $218,515 (out of total expenditures of $1,053,179), one item (3%) was manually transferred and charged to a federal award after the approved period of performance ended:

Federal Award No.	Payroll Pay period Ended	Pay Check date	POP End Date	Expenditures	Questioned Costs
GU0011L9C002314	10/16/24	08/01/25	09/30/23	$ 837	$ 837
				$ 837	$ 837

4. Out of 38 transactions tested totaling $294,156 from a population of $493,625 (out of total expenditures of $1,053,179), one item (3%) was charged to the federal award after the approved period of performance.

Federal Award No.	Payroll Pay period Ended	Pay Check date	POP End Date	Expenditures	Questioned Costs
GU0026L9C002305	06/14/25	06/20/25	12/31/24	$ 43	$ 43
				$ 43	$ 43

Cause:

The GHURA Community Planning Division did not implement adequate monitoring controls to ensure compliance with period of performance requirements. GHURA's internal control policies and procedures are not sufficiently designed to ensure the timely reclassification and liquidation of obligations within the budget period.

Effect or potential effect:

GHURA is in noncompliance with applicable period of performance requirements.

Questioned costs: $15,860

Identification as a repeat finding: Not applicable.

Finding No.: 2025-011, continued

Recommendation:

Responsible personnel should enforce monitoring controls to ensure compliance with period of performance requirements. The GHURA Community Planning Division should implement formal controls, including standardized timelines and a tracking system for payroll reclassifications and expenditure processing, to prevent the accumulation of unprocessed reimbursements.

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

The finding is sustained as the condition existed during the audit period and was only corrected after management identified the issue completed the corrective reclassification in the subsequent fiscal year.

Finding No.: 2025-012

Identification of Federal Program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.267 Continuum of Care Program
Federal Award No.: GU0018L9C002209, GU0026L9C002305, GU0028L9C002204, GU0037L9C002201, GU0031L9C002203
Area: Procurement and Suspension and Debarment

Criteria or specific requirement (including statutory, regulatory or other citation):

2 CFR 200.214 states:

> *Recipients and subrecipients are subject to the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, as well as 2 CFR part 180. The regulations in 2 CFR part 180 restrict making Federal awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.*

2 CFR 200.318(h) states:

> *(h) Responsible contractors. The recipient or subrecipient must award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of a proposed contract. The recipient or subrecipient must consider contractor integrity, public policy compliance, proper classification of employees (see the Fair Labor Standards Act, 29 U.S.C. 201, chapter 8), past performance record, and financial and technical resources when conducting a procurement transaction.*

Condition:

Of seven items tested, totaling $288,950 out of $1,053,179 in expenditures subject to suspension and debarment testing, five subawards (71%) lacked evidence of the required verification, as follows:

Item #	Federal Award No.	Vendor No.	Expenditures	Questioned Costs
1	GU0018L9C002209	LL00000078	$ 40,015	$ 40,015
2	GU0026L9C002305	LL00000078	43,917	43,917
3	GU0028L9C002204	VN000HAPP	118,418	118,418
4	GU0037L9C002201	VN00092963	59,368	59,368
5	GU0031L9C002203	VN00200326	27,232	27,232
			$288,950	$288,950

Finding No.: 2025-012, continued

Cause:

Management has not established formal procedures or documented guidelines requiring verification of vendor suspension/debarment status as part of the awarding process.

Effect or potential effect:

GHURA is in noncompliance with applicable suspension and debarment requirements.

Questioned costs: $288,950

Identification as a repeat finding: Not applicable.

Recommendation:

Responsible management should establish and consistently enforce formal procedures requiring the retention of all subaward-related documentation, including documented verification of entity eligibility (e.g., SAM.gov checks) and applicable certifications, within the subrecipient file.

Views of Responsible Officials:

Management concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Finding No.: 2025-013

Identification of Federal Program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.267 Continuum of Care Program
Federal Award No.: GU0011L9C002112, GU0011L9C002213, GU0031L9C002203, GU0037L9C002302
Area: Matching, Level of Effort, and Earmarking

Criteria or specific requirement (including statutory, regulatory or other citation):

The recipient or subrecipient must match all grant funds, except for leasing funds, with no less than 25 percent of cash or in-kind contributions from other sources. For CoC geographic areas in which there is more than one grant agreement, the 25 percent match must be provided on a grant-by-grant basis.

Condition:

Of five grant awards tested, aggregating $569,741 of $ 1,053,179 of expenditures subjected to matching and level of effort tests, three subawards (60%) did not evidence matching of awards from allowable sources as follows:

Item No.	Grant Award	Award Amount	FY25 Grant Expenditures	Grant Match Requirement	Match Amounts	Amounts Excess (Short)	Questioned Costs
1	GU0011L9C002112	$576,510	$1,762	$144,128	$89,109	$(55,019)	$1,762
2	GU0011L9C002213	576,510	6,359	144,128	-	(144,128)	6,359
3	GU0037L9C002302	211,987	91,364	22,841	-	(22,841)	91,364
					Total Questioned Costs		$99,485

Cause:

Management has not fully implemented formalized policies and procedures to ensure centralized tracking, periodic reconciliation, and supervisory review of matching contributions in accordance with established control expectations. Responsibilities for monitoring matching activity are decentralized with each planner. A periodic management review of cumulative matching, supporting documentation, and source allowability is not consistently performed.

Effect or potential effect:

GHURA is in noncompliance with applicable matching and level of effort requirements.

Questioned costs: $99,485

Finding No.: 2025-013, continued

Identification as a repeat finding: Not applicable.

Recommendation:

Management should establish and implement formal policies and procedures to ensure centralized tracking, timely submission, and periodic reconciliation of matching contributions.

Views of Responsible Officials:

Management concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Finding No.: **2025-014**

Identification of Federal Program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	14.850 Public Housing Operating Fund
Federal Award No.:	GQ00100000125D, GQ00100000225D, GQ00100000325D, GQ00100000425D
Area:	Eligibility

Criteria or specific requirement (including statutory, regulatory or other citation):

24 CFR 5.905(a)(1) states:

> *A PHA that administers a Section 8 or public housing program under an Annual Contributions Contract with HUD must carry out background checks necessary to determine whether a member of a household applying for admission to any federally assisted housing program is subject to a lifetime sex offender registration requirement under a State sex offender registration program. This check must be carried out with respect to the State in which the housing is located and with respect to States where members of the applicant household are known to have resided.*

Section 9 I.E, Other Considerations – Criminal Background Checks, of GHURA Admissions and Continued Occupancy Policy (ACOP) states:

> *Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.*
>
> *Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].*
>
> *At the annual reexamination, the PHA will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The PHA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.*

Finding No.: 2025-014, continued

Criteria or specific requirement (including statutory, regulatory or other citation), continued:

Section 3-II.E, EIV System Searches – EIV Income Report of GHURA Admissions and Continued Occupancy Policy (ACOP) states:

For each new admission, the PHA is required to review income information in EIV to confirm and validate family reported income within 120 days after the move-in information is transmitted to HUD. The PHA must print and maintain copies of the reports in the tenant file and resolve any discrepancies with the family EIV Income Report.

Section 7-I.E. Level 5 and 6 Verifications: Up-Front Income Verification (UIV) of GHURA Admissions and Continued Occupancy Policy (ACOP) states:

PHAs are required to obtain an EIV Income report for each family anytime the PHA conducts an annual reexamination. However, PHAs are not required to use the EIV Income report:

- *At annual reexamination if the PHA used Safe Harbor verification from another means-test federal assistance program to determine the family's income; or*
- *During any interim reexaminations.*

The EIV Income Report is also not available for program applicants at admission.

When required to use the EIV Income Report, in order for the report to be considered current, the PHA must pull the report within 120 days of the effective date of the annual reexamination.

24 CFR 5.618(b), Acceptable documentation; confidentiality, states:

(i) A PHA or owner may determine the net assets of a family based on a certification by the family that the net family assets (as defined in § 5.603) do not exceed $50,000, which amount will be adjusted annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, without taking additional steps to verify the accuracy of the declaration. The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.

(ii) A PHA or owner may determine compliance with paragraph (a)(1)(ii) of this section based on a certification by a family that certifies that such family does not have any present ownership interest in any real property at the time of the income determination or review.

Finding No.: 2025-014, continued

Criteria or specific requirement (including statutory, regulatory or other citation), continued:

Section 7-I.F. of GHURA's Admissions and Continued Occupancy Policy (ACOP) states:

When HUD requires third-party verification, self-certification, or "tenant declaration," is used as a last resort when the PHA is unable to obtain third-party verification. Self-certification, however, is an acceptable form of verification when:

1. *A source of income is fully excluded*
2. *Net family assets total $5,000 or less and the PHA has adopted a policy to accept self-certification at annual recertification, when applicable*
3. *The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income*

24 CFR 5.508(b)(2-3), Evidence of citizenship or eligible immigration status, states:

For noncitizens who are 62 years of age or older or who will be 62 years of age or older and receiving assistance under a Section 214 covered program on September 30, 1996 or applying for assistance on or after that date, the evidence consists of:

- *(i) A signed declaration of eligible immigration status; and*
- *(ii) Proof of age document*

For all other noncitizens, the evidence consists of:

- *(i) A signed declaration of eligible immigration status;*
- *(ii) One of the INS documents referred to in § 5.510; and*
- *(iii) A signed verification consent form.*

24 CFR 960.259(c)(1), PHA responsibility for reexamination and verification, states:

Except as provided in paragraph (c)(2) of this section, the PHA must obtain and document in the family file third-party verification of the following factors, or must document in the file why third-party verification was not available:

- *(i) Reported family annual income;*
- *(ii) The value of assets;*
- *(iii) Expenses related to deductions from annual income; and*
- *(iv) Other factors that affect the determination of adjusted income or income-based rent*

24 CFR 960.253(b) requires Public Housing Agencies (PHAs) to accurately calculate tenant rent by applying the appropriate rent formula based on verified family income and ensuring the tenant's rent share is correctly determined in accordance with HUD requirements.

Finding No.: 2025-014, continued

Criteria or specific requirement (including statutory, regulatory or other citation), continued:

24 CFR 908.101 requires PHAs to maintain complete, accurate, and current records to comply with HUD requirements. Specifically, PHAs must retain complete and accurate data for the most recent three years, including the HUD-50058 (Family Report) and all supporting documentation.

2 CFR 200.303 requires the implementation and monitoring of effective internal controls to provide reasonable assurance that data reported to HUD is accurate, complete, and compliant with Federal requirements.

Condition:

For thirteen (33%) of forty participants tested, deficiencies were noted, as follows:

Item No.	Unit	Certification Effective Date	Criminal History/Sex Offender Registry Search	Enterprise Income Verification (EIV) Report Date	Other Required PHA Forms	Variance (HUD-50058 - Tenant Register)	Utility Allowance Variance (HUD-50058 - Register)
1	ALC	05/01/25	Not in file	-	-	-	-
2	LTJ	02/01/25	Not in file	-	-	-	-
3	EM	09/01/25	10/18/25	-	-	-	-
4	GMM	05/22/25	-	03/19/26	-	-	-
5	MJA	10/16/24	-	05/30/25	-	-	-
6	POD	08/27/25	-	Not In File	-	-	-
7	SS	08/01/25	-	-	D-214 Form	-	-
8	SB	11/01/24	-	09/03/24	D-214 Form	-	-
9	KL	04/01/25	-	12/10/24	-	-	-
10	YR	06/01/24	-	05/04/24	-	-	-
11	SJL	07/01/25	-	04/04/25	-	36	-
12	GJA	07/01/25	-	03/11/25	-	(151)	151
13	RJ	04/01/25	Not signed	Not signed	Self-certification of Assets	49	(210)

Finding No.: 2025-014, continued

Condition, continued:

For item #s 1 and 2, no documentation was on file (e.g. sexual registry clearance form) to support if the PHA verified for lifetime sex offender registration requirements.

For item # 3, eligibility determinations were not adequately supported, as the required sex offender checks was not conducted at annual reexamination.

For item # 13, the sexual registry clearance form was not certified by the PHA, resulting in insufficient support for eligibility determination.

For item #s 4 and 5, the newly admitted participants' Enterprise Income Verification (EIV) report used to support income eligibility was not processed within 120 days after move in.

For item # 6, no documentation was on file to support that the PHA processed the participant's EIV report.

For item # 13, the participant's EIV report was not certified by the PHA, resulting in insufficient support for income eligibility determination.

For item #s 7 and 13, documentation indicating verification of assets (e.g. self-certification forms, tenant declaration, and third-party bank statements) were not on file to support eligibility determination.

For item #s 8 and 9, no documentation (e.g. declaration of eligible immigration status form) was on file to support whether non-citizen household members are eligible to receive housing assistance.

For item #s 10 through 13, discrepancies which affect eligibility determination and assistance amounts were identified. For item # 10, the tenant rent amount that was agreed to and documented in the lease agreement was lower than the amount calculated by the PHA before annual recertification.

For item #s 11 through 13, independently calculated tenant rent and utility allowance amounts differed from the amounts recorded in the PHA's system and received by participants.

Finding No.: 2025-014, continued

Condition, continued:

For item # 13, the participant's verified income was understated by the PHA when determining eligibility and calculating housing assistance amounts.

Cause:

GHURA did not effectively implement monitoring controls to ensure compliance with applicable eligibility requirements.

Effect or potential effect:

GHURA is in noncompliance with applicable eligibility requirements.

Questioned costs: $0

Identification as a repeat finding: Not applicable.

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable eligibility requirements. Specifically, procedures should be enforced requiring staff to obtain and properly document all required verification documentation prior to the recertification of benefits. In addition, supervisory personnel should perform periodic reviews to verify that these procedures are consistently followed and that all required verification activities have been completed and properly documented.

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: **2025-015**

Identification of Federal Program:

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
AL Program:	14.850 Public Housing Operating Fund
Federal Award No.:	GQ00100000125D, GQ00100000225D, GQ00100000325D, GQ00100000425D
Area:	Procurement and Suspension and Debarment

Criteria or specific requirement (including statutory, regulatory or other citation):

2 CFR 200.214 states:

Recipients and subrecipients are subject to the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, as well as 2 CFR part 180. The regulations in 2 CFR part 180 restrict making Federal awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.

GHURA Procurement Policy, Chapter VII further states:

For all purchases above the Petty Cash/Micro Purchase threshold, GHURA shall prepare an

Independent Cost Estimate (ICE) prior to solicitation. The level of detail shall be commensurate with the cost and complexity of the item to be purchased.

2 CFR 200.319(a) states:

All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with the standards of this section and § 200.320.

GHURA Procurement Policy, Chapter IV, Sealed Bids, Section D further states:

Noncompetitive–contracts: If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis and that GHURA obtains HUD approval for contracts exceeding the Simplified Acquisition Threshold or the GHURA's small purchase limit, whichever is less.

Finding No.: 2025-015, continued

Condition:

For twenty-one (72%) of twenty-nine items examined, aggregating $236,001 of $1,508,875, in total expenditures of $1,543,721 subjected to procurement, suspension and debarment tests, deficiencies were noted, as follows:

Item #	Project No.	Purchase Order No.	Expenditures	Questioned Costs
1	GQ001000003	PO250839	$ 55,700	$ 55,700
2	GQ001000001	PO250018	46,020	46,020
3	GQ001000002	PO250047	33,600	33,600
4	GQ001000001, GQ001000002 GQ001000003, GQ001000004	PO250373	26,371	26,371
5	GQ001000001	PO251763	12,316	12,316
6	GQ001000003	PO251249	2,761	2,761
7	GQ001000002	PO251207	2,730	2,730
8	GQ001000004	PO250955	2,562	2,562
9	GQ001000004	PO250153	2,365	2,365
10	GQ001000003	PO250104	2,123	2,123
11	GQ001000004	PO250572	1,230	1,230
12	GQ001000004	PO250156	1,100	1,100
13	GQ001000002	PO250111	914	914
14	GQ001000002	PO251224	672	672
15	GQ001000004	PO251679	651	651
16	GQ001000002	PO250753	560	560
17	GQ001000004	PO251266	542	542
18	GQ001000004	BPA250133	7,240	7,240
19	GQ001000002	BPA250008	3,500	3,500
20	GQ001000003	BPA250203	3,333	3,333
21	GQ001000002	BPA250025	500	500
			$ 206,790	$ 206,790

For item #s 1 through 4, there was no documentation on file to support that GHURA performed procedures to ensure contracting parties are not debarred, suspended, or excluded from receiving or participating in federal awards.

For item #s 1 through 21, there was no documentation on file to support that GHURA performed Independent Cost Estimate (ICE) procedures prior to solicitation.

For item # 8, there was no documentation on file to support that GHURA conducted the continued procurement of services beyond the contract extension in a manner that ensured adequate competition or proper justification.

Finding No.: 2025-015, continued

Condition, continued:

For item # 16 and item #s 20 and 21, there was no documentation (e.g. solicitations) on file to support the procurement transactions being conducted in a manner that provided for full and open competition. Specifically, there was no evidence of solicitations being issued or documentation on file to justify the use of noncompetitive procurement.

For item #s 19 through 21, there was no documentation (e.g. solicitations) on file to support the procurement transactions being conducted in a manner that provided for full and open competition. Specifically, the procurement file lacks evidence of minimum solicitation to support fair competition and does not demonstrate that blanket purchase orders for towing and advertisement services were awarded equally among multiple vendors.

Cause:

GHURA did not have adequate monitoring controls in place to ensure compliance with applicable procurement, suspension and debarment requirements. Specifically, policies and procedures were not established or enforced to ensure verification and documentation that contracting parties were not suspended or debarred. In addition, procurement personnel did not follow required policies and procedures requiring minimum solicitation and justification for noncompetitive procurement, and management review did not detect or prevent these deficiencies.

Effect or potential effect:

GHURA is in noncompliance with applicable procurement, suspension and debarment requirements.

Questioned costs: $206,790

Recommendation:

1. Responsible management should establish and consistently enforce formal procedures requiring the retention of documented verification of eligibility (e.g., SAM.gov checks) and applicable certifications within the procurement file. Additionally, management should ensure that, prior to the execution of contracts, all agreements include the required suspension and debarment clause to demonstrate compliance with suspension and debarment requirements.

2. Establish controls to ensure required documentation (Independent Cost Estimates, proper justification, etc.) is prepared, documented, and maintained in the procurement file prior to solicitation for all applicable procurements.

Finding No.: 2025-015, continued

Views of Responsible Officials:

Management partially concurs with the finding. Refer to Management's position as outlined in the Corrective Action Plan.

Conclusion:

Management submitted additional information on June 28, 2026; however, due to time constraints, we were unable to sufficiently corroborate and evaluate the documentation provided. Accordingly, the finding remains, as there was insufficient evidence to support a determination of compliance as of the audit date.

Finding No.: 2025-016

Identification of Federal Program:

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: 14.850 Public Housing Operating Fund
Federal Award No.: GQ00100000125D, GQ00100000225D, GQ00100000325D, GQ00100000425D
Area: Special Tests and Provisions – UEL (Utility Expense Level) Formula

Criteria or specific requirement (including statutory, regulatory or other citation):

GHURA is required to maintain and annually submit the Utility Expense Level (UEL) Formula Report (HUD Form 52722) for each project to HUD.

24 CFR 990.170(f)(1) states:

1. *Appropriate utility records, satisfactory to HUD, shall be developed and maintained, so that consumption and rate data can be determined.*

2 CFR 200.303 requires the implementation and monitoring of effective internal controls to provide reasonable assurance that data reported to HUD is accurate, complete, and compliant with Federal requirements.

Condition:

We examined the 4 reports required to be submitted during the fiscal year. For eight (14%) of total 56 key line reporting items required for testing within the Utility Expense Level (UEL) Formula Report (HUD Form 52722), the amounts were inconsistent from prior audited report submissions as follows:

Item No.	Project	Line No.	Utility Expense Level Formula Reported Utilities	Reported Amount	Per Audited Submission	Variance Over (Under) Reported	Variance Over (Under) Reported (%)
1	GQ001000001	03	Water and Sewer (Gal)	8,874	8,035	839	9%
2	GQ001000001	04	Water and Sewer (Gal)	5,647	6,486	(839)	15%
3	GQ001000002	03	Water and Sewer (Gal)	410,885	374,845	36,040	9%
4	GQ001000002	04	Water and Sewer (Gal)	383,707	419,747	(36,040)	9%
5	GQ001000003	03	Water and Sewer (Gal)	1,824,296	1,671,242	153,054	8%
6	GQ001000003	04	Water and Sewer (Gal)	2,719,307	2,872,361	(153,054)	6%
7	GQ001000003	03	Water and Sewer (Gal)	3,585,789	3,094,259	491,530	14%
8	GQ001000004	04	Water and Sewer (Gal)	2,663,490	3,155,020	(491,530)	18%

Finding No.: 2025-016, continued

Condition, continued:

For items #s 1 and 2, the Asset Management Project (AMP) 1 reported in excess of amounts for key line items in Rolling base year 2 - actual consumption (12- month period 7/1/2021 to 6/30/2022) for water and sewer gallon consumption, and underreported for Rolling base year 3 - actual consumption (12-month period 7/1/2020 to 6/30/2021) for water gallon consumption than prior year amounts as reported on HUD Form 5722, respectively.

For items #s 2 through 4, the Asset Management Project (AMP) 2 reported in excess of amounts for key line items in Rolling base year 2 - actual consumption (12- month period 7/1/2021 to 6/30/2022) for water and sewer gallon consumption, and underreported for Rolling base year 3 - actual consumption (12-month period 7/1/2020 to 6/30/2021) for water gallon consumption than prior year amounts as reported on HUD Form 5722, respectively.

For items #s 3 through 6, the Asset Management Project (AMP) 3 reported in excess of amounts for key line items in Rolling base year 2 - actual consumption (12- month period 7/1/2021 to 6/30/2022) for water and sewer gallon consumption, and underreported for Rolling base year 3 - actual consumption (12-month period 7/1/2020 to 6/30/2021) for water gallon consumption than prior year amounts as reported on HUD Form 5722, respectively.

For items #$ 7 and 8, the Asset Management Project (AMP) 4 reported in excess of amounts for key line items in Rolling base year 2 - actual consumption (12- month period 7/1/2021 to 6/30/2022) for water and sewer gallon consumption, and underreported for Rolling base year 3 - actual consumption (12-month period 7/1/2020 to 6/30/2021) for water gallon consumption than prior year amounts as reported on HUD Form 5722, respectively.

Cause:

Management did not implement adequate procedures to agree corrections on the Utility Expense Level (UEL) reporting submissions with underlying utility consumption and cost records prior to submission to HUD. In addition, supervisory review procedures were not sufficient to identify discrepancies, omissions, or reporting-period errors in the data accumulated for UEL reporting purposes.

Effect or potential effect:

GHURA is in noncompliance with applicable special tests and provisions for UEL Formula requirements.

Questioned costs: $0

Finding No.: 2025-016, continued

Identification as a repeat finding: Not applicable.

Recommendation:

Management should implement formal procedures to reconcile UEL reporting submissions to underlying utility consumption and cost records prior to submission to HUD. This should include preparing documented roll-forward reconciliations that ensure current-year reported amounts agree with prior submissions and are accurately carried forward. In addition, management should strengthen supervisory review controls by requiring an independent review of compiled UEL data to verify completeness, accuracy, and proper reporting period classification, with evidence of review retained.

Views of Responsible Officials:

Management did not provide a response to the finding. The finding was not included in management's corrective action plan.

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EQUAL HOUSING OPPORTUNITY

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Corrective Action Plan
September 30, 2025

Finding #2025-002 14.871 Section 8 Housing Choice Vouchers Special Tests and Provisions - National Standards for the Physical Inspection of Real Estate (NSPIRE)/Housing Quality Standards Inspection

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management respectfully disagrees with this finding. GHURA's HCV program remains committed to our biennial inspection requirements and are fully compliant with all applicable regulations.

When a unit fails inspection, we work quickly to resolve the issues and ensure housing standards are met, as outlined in 24 CFR Part 982. In accordance with 24 CFR 982.405(d), we provide both participants and landlords adequate time to correct deficiencies, which is documented in our system.

We remain compliant in our conduct and oversight of these requirements. Should there be a late HQS biennial inspection, this should not interrupt the HAP. Suspending these payments creates an undue burden for participants and strains our partnership with landlords. Unless a unit is deemed unsafe, HAP will continue. HAP abatement and reimbursement policies are in place should they need to be activated to retrieve HAP in instances where it was not entitled.

Explanation of Disagreement:
The list provided below is insufficient to claim any finding in HQS due to the following:

TOTAL: 32 entries (table provided to support explanation)
17 families ended their participation before the biennial inspection was due.
5 families were port-out participants before the biennial inspection was due.
5 units were recorded to have inspections completed before the biennial inspection due date and passed inspection.
1 unit inspection was completed on time, but failed on the first inspection.
1 unit inspection was completed on time, but was a no entry on the first attempted inspection.
1 family moved out of the unit before the biennial inspection.
1 family had incorrect dates in this list and was recorded to have met the biennial inspection and passed inspection.
1 family's inspection was late by 17 days, however, the inspection was completed and passed in that same month, which did not affect the HAP.

Voucher	Latest HQS Inspection Activity	Sum of Amount	Section 8 HCV Response
6-01-0105-926	09/28/23	$ 220.00	EOP: 1/31/25
6-01-0212-58183	04/13/23	$ 13,824.00	EOP: 3/31/25
6-03-0198-2327	4/4/2022 (should be 9/19/22)	$ 27,648.00	NOTE: Latest HQS Inspection Activity is 9/19/22 and inspection passed on 9/11/24. The 4/4/22 Inspection Date is for Voucher #6-04-0171-47367 (different tenant).
6-05-0005-42278	07/12/22	$ 25,320.00	NO ENTRY: 7/9/24 | PASSED: 8/21/24
6-05-0145-47900	07/18/22	$ 12,794.00	PASSED: 7/9/24
6-05-0241-46089	08/29/23	$ 2,280.00	OUTSEARCHING: 4/1/25
6-07-0028-2139	07/19/22	$ 23,996.00	FAILED: 7/17/24 | PASSED: 8/19/24
6-07-0115-1927	09/11/23	$ 6,278.00	EOP: 2/28/25
6-07-0289-52502	05/06/22	$ 28,316.00	PASSED: 5/6/24
EHV0132	08/23/23	$ 1,076.00	PORT-OUT: 10/31/24
FUP0156	08/21/23	$ 17,607.00	EOP: 5/31/2025
HCV0134	01/05/22	$ (402.65)	PORT-OUT: 6/30/22
HCV0521	04/22/22	$ 18,997.00	PASSED: 4/3/24
HCV0561	08/16/23	$ 14,409.00	EOP: 6/30/25
HCV0735	12/09/22	$ 1,227.00	EOP: 11/30/24
HCV0874	04/17/23	$ 4,383.00	EOP: 12/31/24
HCV1038	03/17/22	$ 5,130.00	PASSED: 1/17/24
HCV1083	9/12/2022 (should be 2/15/22)	$ 17,987.00	PASSED: 1/17/24
HCV1333	08/17/23	$ 4,686.00	EOP: 12/31/24
HCV1699	10/18/22	$ (90.40)	PORT-OUT: 8/10/23
HCV1704	09/12/23	$ 5,596.00	EOP: 1/31/25
HCV1811	08/31/23	$ 9,096.00	EOP: 3/31/25
HCV1873	07/11/23	$ 1,096.00	EOP: 11/30/24
HCV2024	07/06/22	$ 22,875.00	PASSED: 7/23/24 (LATE)
HCV2110	07/19/23	$ 8,344.00	PORT-OUT: 4/30/25

HCV2452	08/02/23	$	6,256.00	EOP: 1/31/25
HCV2457	07/13/23	$	(1,681.00)	PORT-OUT: 7/5/24
HCV2466	08/31/23	$	1,374.00	EOP: 6/30/25
MS0028	04/05/23	$	1,449.00	EOP: 10/31/24
MS0031	04/14/23	$	1,026.00	EOP: 4/30/25
NED0213	07/11/23	$	9,642.00	EOP: 3/31/25
VASH0149	08/03/23	$	6,272.00	EOP: 7/31/25

Corrective Actions:
Due to my explanation above, there are no corrective actions needed for Finding No.: 2025-001.
Due to my explanation above, there are no corrective actions needed for Finding No.: 2025-001.
Due to my explanation above, there are no corrective actions needed for Finding No.: 2025-001.

Responsible Party: Nicole Alejandro, Section 8 Administrator

Anticipated Date of Completion: Due to my explanation above, there are no corrective actions needed for Finding No.: 2025-001.

Finding #2025-003 14.871 Section 8 Housing Choice Vouchers Special Tests and Provisions – Reasonable Rent

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management respectfully disagrees with this finding. GHURA's HCV program remains committed the regulations 24 CFR 982.507 and is fully knowledgeable of the process when determining rent reasonableness with comparable units in the private market and properly document all comparables.

Before executing a HAP Contract, a rent reasonableness analysis is conducted for all units. This analysis includes assessing comparable unassisted units taking into account the location, size, type, and age of unit, as well as any amenities (such as septic, sewer, air conditioning, etc.), and utility responsibilities.

We have standard operating procedures and methodologies in place to conduct these analyses and certify that comparable rents are reasonable. Any identified errors are likely due to isolated oversights during the data entry process.

Explanation of Disagreement:
Listed below are the discrepancies with accompanying comments. Out of the seven (7) entries provided, one (1) was identified as a calculation error.
TOTAL: 07 entries (table provided to support explanation)

1. 4 Rent Reasonableness entries were completed correctly.
2. 2 Rent Reasonableness entries were system input errors.
3. 1 Rent Reasonableness analysis was an administrative error.

Voucher Number	Effective Date	Auditor Comment	Section 8 HCV Response
HCV2828	2/1/2025	Per examination of the Rent Reasonableness reports, it was noted the comparables are not within similar area locations. We noted that the unit is located in Yigo (Northern), while the comparable units used in the rent reasonableness determination were located in the Southern area. To properly check the unit comparisons, the rent reasonableness module was updated to reflect the correct location and the three highest scoring comparable units were selected based on the applicable comparison factors. From the revised analysis, the average rent of the comparable unassisted units were $1,924, which is less than the initial calculated average of $2,966.67.	SYSTEM INPUT ERROR: Location of the Proposed Unit was inputted as 'Southern' when the Yigo unit is a 'Northern' located unit. As a result, comparables for units located in the southern location were pulled. SOLUTION: All Section 8 assisted units in the system will be assessed to verify location accuracy based off of village and zip code.
NED0444	10/1/2024	The Authority did not rely on the comparable contract rents reflected in the Rent Reasonableness Determination Report (average $949.33), but instead recalculated contract rent using gross rent less a utility allowance, resulting in $1,000. This methodology is not directly supported by the market comparables presented in the report.	ADMINISTRATIVE ERROR: The amount of $949.33 should have been the contract rent amount. SOLUTION: Review discrepancy with team to ensure errors will not happen in the future.

HCV2796	1/1/2025	Per Mark McCormick on the Rent Reasonable Determination Report and Request for Tenancy Approval (RFTA), the documents indicate no comparable unassisted units were available in the proposed unit's area; however, a nearby unassisted unit in the RFTA is at Ladera Tower and appears reasonably comparable based on proximity. 12a. Owner's Certification 1. Ladera Towers Date rented: 9/1/24 Rental amount: 2,450 2. Washington Dr Date rented: 10/21/21 Rental amount: 1,850 3. Quichocho St Villa Date rented: 1/21/23 Rental amount: 1,850	RR DETERMINED CORRECTLY: (1) Rent Determination Documents has a note that the unassisted units are not on premises. (2) The units listed in the RFTA-12A were not located on the premises of the unit to be under HAP contract which is why it was not referenced. (3) The Ladera Towers may or may not be in the unassisted units database; is was not in the database at the time the comparables were made.
HCV2876	6/30/2025	The approved contract rent of $1,400 was calculated using the average column in the Rent Reasonableness Determination Report (exception); however, the three comparable unassisted units listed on the RFTA are each $1,200, which is lower than the approved amount. Owners Certification: 138 (#347) and 148 (#363) Chalan totche $1,200 132 Chalan Guihan #402 $1,200	RR DETERMINED CORRECTLY: RFTA lists LITHC properties. LITHC unit rates are not used in comparables.

6-05-0050-56262	9/1/2025	The owner proposed rent of $2,500 was determined to be rent reasonable based on the average comparable unassisted units of $3,774 and Fair Market value of $2,964. However, it was noted that the unit is located in Chalan Pago (Central), while one of the comparable units used in the rent reasonableness determination was located in the Northern area. To properly check the unit comparisons, the rent reasonableness module was updated to reflect the correct location and the three highest scoring comparable units were selected based on the applicable comparison factors. From the revised analysis, the average rent of the comparable unassisted units were $1,870, which is less than the initial calculated average of $3,774.	SYSTEM INPUT ERROR: Location of unassisted unit was labelled as 'Central' when the village and zip code indicates that unit is located in the 'Northern' area. SOLUTION: All Section 8 unassisted units in the system will be assessed to verify location accuracy based off of village and zip code.
6-08-0353-60378	1/1/2025	Per examination of the rent determination report, we noted the approved rent exceeds the rent reflected in the owner-certified lease for a comparable unit; however, no documentation was provided to support or justify the variance between the approved and contracted rent amounts.	RR DETERMINED CORRECTLY: Tenant exercised the rent burden rule for this contract. The $100 amount does not exceed the tenant's 40% of AMI.
NED0070	11/1/2024	Rent determination documentation indicates an approved amount of $940; however, the executed lease agreement (dated 10/29/2024) reflects a rent of $942 as requested by the landlord. No supporting documentation was provided to justify the variance between the approved rent and the amount charged.	RR DETERMINED CORRECTLY: Approved amount for the contract was $942; which aligns with landlord's request.

Corrective Actions:

(1) SYSTEM INPUT ERRORS: All Section 8 unassisted and assisted units in the system will be assessed to verify location accuracy based off of village and zip code.

(2) ADMINISTRATIVE ERRORS: Review discrepancy with team to identify the cause of this issue and ensure similar errors do not happen in the future.

Preventive Measures: Closely assess rent determination calculations to ensure accuracy and certified rental amounts are correct.

Responsible Party: Nicole Alejandro, Section 8 Administrator

Anticipated Date of Completion:

Timeline for Resolution:

(1) SYSTEM INPUT ERRORS:

- 6/18/2026: Request report from MIS to provide list of units with location in the systems.
- 6/22/2026: Received report from MIS, consisting of 4,922 units.
- 6/22-6/10/2026: Review report, identify deficiencies, and create plan to correct deficiencies.
- 6/13/2026: Assign staff to update system with accurate data to address any location deficiencies.
- 7/31/2026: Complete assignment.

Preventive Measures: Pull quarterly report for assisted and unassisted units in the system and review list of units and ensure location is accurate based off of village and zip code of unit.

(2) ADMINISTRATIVE ERRORS:

Review discrepancy with team to identify the cause of this issue and ensure similar errors do not happen in the future.

- 6/17/2026: Review and discuss discrepancy with HCV Inspection Supervisor
- 6/18/2026: Conduct Inspection Team Meeting to address discrepancy with HCV Inspection Team to identify the cause of the issue. Review SOP with team to ensure similar errors do not happen in the future
- 6/18/2026: Assignment completed.

Finding #2025-004 14.225 CDBG – Endtitlement Grants Cluster B23ST660001, COVID-19 B20SW660001, B20ST660001 Reporting - CDBG Financial Summary Report

Views of Responsible Officials and Planned Corrective Action

Management's Position:

Management partially concurs with the finding.

Management acknowledges that supporting documentation explaining differences between the PR26 – CDBG Financial Summary Report, PR26 – CDBG-CV Financial Summary Report, and the Authority's accounting records can be further strengthened. However, management does not concur that the identified differences resulted in noncompliance with CDBG expenditure requirements or applicable Public Service (PS) and Planning and Administration (PA) expenditure limitations.

Explanation of Disagreement:
Management notes that the PR26 report referenced in the finding is not the final CDBG Financial Summary Report submitted for Program Year 2024. Management requests that the PR26 report submitted in response to audit request #204 be considered for purposes of evaluating the reported CDBG financial activity.

Management also notes that the FY2025 expense detail does not represent the full amount of CDBG expenditures reflected in FY2025 draw activity. This is because certain payroll expenditures incurred during FY2024 were drawn during FY2025 and are therefore included in FY2025 cash activity reported through HUD.

Management notes that the purpose of the PR26 reports is to summarize CDBG and CDBG-CV financial activity and demonstrate compliance with applicable program expenditure limitations, including the Public Service and Planning and Administration caps. Management has reviewed these calculations and confirmed, in coordination with HUD representatives, that the applicable caps were not exceeded.

Management further notes that differences between the PR26 reports and the Authority's accounting records may occur due to differences in reporting methodologies. The PR26 reports are prepared based on cash activity reported through HUD, while the Authority's financial records are maintained on an accrual basis. As a result, differences may occur due to timing of draws, prior-period expenditures drawn during the current reporting period, and other applicable reconciling items.

Based on the above, management maintains that the identified differences are attributable to reporting basis and timing differences rather than noncompliance with CDBG expenditure requirements. The final CDBG Financial Summary Reports and supporting documentation have been provided for the auditor's consideration.

Corrective Actions:
Management will enhance existing PR26 preparation procedures by maintaining supporting documentation identifying significant reconciling items between HUD-reported activity and the Authority's accounting records. The purpose of this documentation will be to explain differences resulting from reporting methodology, timing of draws, prior-period expenditures drawn during the current reporting period, and other applicable reconciling items.

The RPE Accounting Department, will be responsible for maintaining supporting documentation for PR26 reporting and documenting significant reconciling items. Supervisory review will continue to be performed prior to submission of future PR26 reports to ensure reported information is supported and appropriately documented.

Responsible Party: Katherine Taitano, Chief Planner

Anticipated Date of Completion: The enhanced documentation procedures will be implemented beginning with the next PR26 reporting cycle.

Finding #2025-005 14.225 CDBG – Endtitlement Grants Cluster B19ST660001, B20ST660001, B20SW660001, B21ST660001, B22ST660001, B23ST660001, B24ST660001 Reporting - Federal Funding Accountability and Transparency Act

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management partially concurs with the finding.

Management acknowledges that documenting FFATA lagged in some instances during the earlier periods reviewed. In some instances, challenges with the reporting system complicated our ability to submit timely reports. This was discussed with the audit team. A review of additional requests by the auditor was not completed in time to be incorporated into this commentary.

Explanation of Disagreement:
FFATA submissions in FSRS are often complicated by limitations in the reporting system. For example, validation of an awardee's address was often an impediment to completing the FFATA submission. The result is the inability to complete the reporting process. Responsible staff would make multiple varied attempts to enter verified information that would be rejected. In an effort to comply, responsible staff make attempts to resolve this either through the funder or the reporting system.

Corrective Actions:
To strengthen FFATA reporting, management will review its established processes of pre-award through award documentation. Management will review assigned responsibilities to ensure confirmation of FFATA submission.

The RPE Division is responsible for FFATA reporting into SAM.gov. Specific responsibilities to oversee this process are assigned and necessary accesses assigned.

Responsible Party: Katherine Taitano, Chief Planner

Anticipated Date of Completion: Immediate. The processes of FFATA reporting are in place for all FFTA submissions. Personnel are assigned to ensure the FFTA process is executed and documented for all funded activities.

Finding #2025-006 14.225 CDBG – Endtitlement Grants Cluster B19ST660001, B20ST660001, B21ST660001, B22ST660001, B23ST660001, B24ST660001 Special Tests and Provisions - Rehabilitation

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management partially concurs with the finding.

Management acknowledges that documentation can be strengthened. However, management does not concur that controls for project documentation and assigned personnel are absent.

Explanation of Disagreement:
Pre-rehabilitation inspections are conducted by GHURA engineering personnel for all proposed acquisitions. The assessment process requires multiple visits while personnel build the details to develop the scope of the necessary rehab work. These assessments lead to the work writeups to address identified deficiencies (safety, structural, electrical, plumbing, HVAC, lead, radon, etcetera). Senior engineering personnel oversee this process from initial assessment to final writeup.

Corrective Actions:
Management will reassess current procedures and documentation of pre-rehab condition. This will include inclusion of a periodic review of these procedures. The purpose of this assessment is to augment compliance with rehab requirements and coordination between key divisions responsible for activity completion.

The A&E Division will remain responsible for the rehabilitation of CDBG-funded activities and to maintain appropriate documentation. The RPE Division will remain responsible for coordinating and ensuring compliance with CDBG requirements for the rehabilitation of funded activities and to maintain appropriate documentation.

Responsible Party: Katherine Taitano, Chief Planner

Anticipated Date of Completion: The enhanced documentation procedures will be implemented by or before the beginning of the next program year cycle.

Finding #2025-007 14.239 HOME Investment Partnerships (HOME) Program Eligibility

Views of Responsible Officials and Planned Corrective Action
Management's Position:
#1 Management concurs and acknowledges that approving the matter without a more thorough evaluation was an oversight.

#2 Management disagrees. HOME maximum subsidy per 3-bedroom unit is $338,419.00. Total HOME investment is $112,500.00.

Corrective Actions:
Corrective actions include strengthening internal controls and oversight. Management will implement a more comprehensive review process moving forward. This process will include additional supervisory review, verification of supporting documentation, confirmation of regulatory and policy compliance, and consultation with appropriate program and legal staff, when necessary, before approvals are granted. Management will also establish review checklists and documentation standards to ensure that all relevant factors are consistently evaluated and adequately documented.

Moving forward, the Community Development Division will undergo a more rigorous evaluation process standardized review checklists and documentation requirements will be implemented to promote consistency, accountability, and proper recordkeeping. Management will monitor compliance with these enhanced procedures to reduce the risk of future deficiencies, oversights and ensure approvals are supported by adequate due diligence.

Responsible Party: Jo Lyn Terlaje, Community Development Manager

Anticipated Date of Completion: Final approval checklists will be implemented by August 1, 2026.

Finding #2025-008 14.239 HOME Investment Partnerships (HOME) Program Special Tests and Provisions – Houisng Quality Standards

Views of Responsible Officials and Planned Corrective Action
Management's Position:
#1 Management concurs with the finding and acknowledges the deficiency identified. Corrective action has been initiated.

#2 Disagree, the inspection report was only requested for one of the units, submitted on March 12, 2026. Supporting documentation is available for review for the other units upon request.

Explanation of Disagreement:
For Item #2, GHURA completed onsite inspections for the two acquisition units reviewed. As these units required no rehabilitation, only one inspection was necessary. The remaining two units are new construction projects currently under development. GHURA has conducted ongoing progress inspections and maintained inspection reports prepared by a third-party inspector throughout the construction process. Units are scheduled to be completed 2nd quarter FY2027 at which time the final inspections will be conducted to ensure compliance with program requirements.

Corrective Actions:
Item #1 - Guam initiated HOME rental monitoring and technical assistance for the three rental developments currently within their compliance periods. Consistent with the schedule provided to HUD by GHURA, RPE conducted entrance meetings with the Subrecipient organization's deputy director and key staff on June 17, 2026. The Subrecipient was notified of physical inspections scheduled for June 22, 23, and 25, 2026, to be conducted by GHURA AE. One complex, containing more than ten (10) HOME-assisted units, will also undergo financial viability monitoring. File reviews, interviews, and document collection are currently underway.

Item #1 – RP&E has initiated this action and will continue as required moving forward.

Responsible Party: Jo Lyn Terlaje, Community Development Manager

Anticipated Date of Completion: Item #1 - The monitoring process will conclude within 30 days of the entrance meeting, on July 17, 2026, at which time a letter outlining the monitoring results will be issued.

Finding #2025-009 14.239 HOME Investment Partnerships (HOME) Program Special Tests and Provisions – Underwriting

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management respectfully disagrees with the finding of no approved policy effective FY2025. An approved policy addressing this requirement is in place and was submitted as requested on March 9, 2026.

Explanation of Disagreement:
The HOME Program has an approved and effective policy that documents underwriting standards used to determine the appropriate amount of homeownership assistance based on a household's debt, assets, and overall financial resources.

Corrective Actions:
GHURA Community Development Division continues to working closely with HUD to ensure program compliance and alignment with federal requirements, and is currently in the process of updating and amending its policies to reflect current market conditions and strengthen long-term program sustainability.

Responsible Party: Jo Lyn Terlaje, Community Development Manager

Anticipated Date of Completion: Ongoing effort and as training is made available

Finding #2025-010 14.239 HOME Investment Partnerships (HOME) Program Special Tests and Provisions – Wage Rate Determination

Views of Responsible Officials and Planned Corrective Action
Management's Position:
1. Purchase Order #241616 – Management concurs with the finding and acknowledges the need to strengthen internal controls.
2. Purchase Order #250207 – Management respectfully disagrees with this finding.
3. Purchase Order #250994 – Management respectfully disagrees with this finding.

Corrective Actions:

Purchase Order # 241616 Management continues to implement improved processes to ensure more consistent compliance monitoring and documentation. This file will be reviewed and corrected as necessary.

Management will maintain ongoing monitoring to ensure continuous improvement and sustained compliance. Periodic internal reviews and oversight checkpoints will be conducted throughout the project lifecycle to identify issues early, reinforce accountability, and support timely corrective action where needed.

Responsible Party: Jo Lyn Terlaje, Community Development Manager

Anticipated Date of Completion:
Management confirms that strengthened internal controls have been implemented to improve oversight, tracking, and compliance monitoring across program activities. These controls include enhanced documentation procedures, defined review and approval processes, and improved coordination among responsible divisions.

Finding #2025-011 14.267 Continuum of Care Period of Performance

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Condition 1, 2, & 4 Management concurs with the finding.

The questioned cost relates to a payroll charge that was initially assigned to a subsequent CoC Planning Grant during the payroll reimbursement process because funding was available under that grant after the prior funding source had been exhausted. During the drawdown review, management identified that the pay period occurred prior to the start of the grant's period of performance and therefore was not eligible to be charged to that federal award.

Upon identification of the issue, the payroll cost was excluded from the reimbursement request and was not included in a federal drawdown. The appropriate corrective action was to reclassify the expense from the CoC Planning Grant to a local funding source. However, at the time the issue was identified, the accounting staff responsible for overseeing payroll reimbursements and related accounting adjustments were in the process of transitioning responsibilities. As a result, while the ineligible cost was not reimbursed with federal funds, the required accounting reclassification was not completed until the subsequent fiscal year.

Corrective Actions:
Management has strengthened and formalized its payroll reimbursement review procedures to ensure that grant period-of-performance requirements are verified prior to classification of payroll expenses. Management has also established procedures for documenting and tracking identified exceptions to ensure that required accounting adjustments are completed timely and reviewed by supervisory personnel.

The RPE Accounting Department will be responsible for ensuring payroll reimbursement classifications are reviewed for compliance with applicable grant period-of-performance requirements. Accounting personnel responsible for payroll reimbursements and related accounting adjustments will maintain documentation of identified exceptions and ensure required adjustments are completed and reviewed by supervisory personnel.

Condition 3 Management does not concur with the finding.

Explanation of Disagreement:
The Manual Journal Voucher (MJV) referenced by the auditor reflects a reclassification of payroll costs between federal grants. While the payroll expenditure relates to a pay period ending June 14, 2025, the expenditure was not ultimately charged to the grant with a period of performance ending December 31, 2024.

The purpose of the MJV was to remove the payroll expenditure from the original grant and reclassify it to the appropriate federal grant. The corresponding entry within the same journal voucher charged the expenditure to a grant whose period of performance encompassed the payroll pay period. As a result, the payroll expenditure was not charged to a federal award outside of its period of performance.

Management believes the exception resulted from reviewing only one side of the reclassification entry rather than the complete transaction. The supporting MJV demonstrates that the expenditure was removed from the grant with the expired period of performance and reassigned to the appropriate federal award. Accordingly, management respectfully requests reconsideration of this exception.

Responsible Party: Katherine Taitano, Chief Planner

Anticipated Date of Completion: Condition 1, 2, & 4 The enhanced payroll reimbursement review procedures and exception tracking procedures have been implemented.

Finding #2025-012 14.267 Continuum of Care GU0018L9C002209, GU0026L9C002305, GU0028L9C002204, GU0037L9C002201, GU0031L9C002203 Procurement and Suspension and Debarment

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management concurs with the finding.

Management would like to clarify that verification of suspension and debarment status was performed through SAM.gov prior to the execution of subrecipient agreements. Historically, the process involved reviewing the entity's suspension and debarment status directly through SAM.gov, and maintaining an electronic copy of the verification was not established as a standard documentation practice because the information was available for verification through SAM.gov.

As changes have occurred to the availability and accessibility of historical SAM.gov records, management recognizes the importance of maintaining independent documentation of the verification performed. While the required verification was conducted, documentation evidencing the verification results was not consistently retained within the applicable procurement or subrecipient files. As a result, management was unable to provide sufficient supporting documentation during the audit to demonstrate completion of the required verification.

Corrective Actions:
Management will require retention of supporting documentation from SAM.gov verification, including the date of review and evidence of the verification results, within the applicable procurement or subrecipient file.

The responsible program personnel will ensure that suspension and debarment verification is completed and documented prior to execution of applicable subrecipient agreements. The applicable procurement and subrecipient files will include SAM.gov verification documentation to support compliance with federal suspension and debarment requirements.

Responsible Party: Katherine Taitano, Chief Planner

Anticipated Date of Completion: The updated procedures and documentation requirements have been implemented.

Finding #2025-013 14.267 Continuum of Care GU0011L9C002112, GU0011L9C002213, GU0011L9C002314, GU0037L9C002302, GU0031L9C002203 Matching, Level of Effort, and Earmarking

Views of Responsible Officials and Planned Corrective Action
Management's Position:
Management concurs with the finding.

Management has not fully implemented formalized policies and procedures to ensure centralized tracking, periodic reconciliation, and supervisory review of matching contributions in accordance with established control expectations. Responsibilities for monitoring matching activity are decentralized with each planner, and periodic management review of cumulative matching, supporting documentation, and source allowability is not consistently performed. As a result, matching balances may remain interim and not fully supported, increasing the risk of noncompliance with applicable matching, level of effort, and earmarking requirements at each time of reimbursement and not final until grant closeout.

Responsible Party: Katherine Taitano, Chief Planner

Anticipated Date of Completion: Ongoing effort and as training is made available

Finding #2025-014 14.850 Public Housing Operating Fund Eligibility

Views of Responsible Officials and Planned Corrective Action

AMP 1 Response:
We agree that it is essential for responsible personnel to enforce these monitoring controls effectively. Ensuring that staff obtain and properly document all necessary verification documentation before recertification is crucial for maintaining program integrity. In addition, supervisory personnel will perform periodic reviews to ensure that established procedures are consistently followed. Any deficiencies identified will be promptly corrected.

AMP 1 Response to Noted Items

- Item #1 - Criminal History/Sex Offender Registry Search
  We respectfully disagree with this finding. Documentation of the sex offender registry search was performed, verified, and included in the file. The documentation is attached to this response for your review.

- Item #4 - EIV Report Timeliness
  We agree with the finding. The EIV report was processed six and four months late. We acknowledge this issue and will ensure the timely completion of this report. Staff will be reminded of the required timeframes for all certifications.

- Item #8 - Declaration of Eligible Immigration Status
  We respectfully disagree with this finding. Documentation verifying the Head of Household's (HOH) eligible immigration status is included in the file. SAVE verification was conducted and documented at the time of admission to the program. The HOH is the only non-citizen in the household. The relevant documentation is attached for your review.

- Item #11 - Independently Calculated Tenant Rent

We respectfully disagree with this finding. After reviewing Form HUD-50058, we believe that the correct utility allowance for a 4-bedroom unit is ($498), and the corresponding tenant rent share is $43. These amounts differ from those mentioned in your summary. We have attached the source document for your review and confirmation.

AMP 2 Response:
We acknowledge the need to reinforce monitoring controls to ensure full compliance with eligibility and verification requirements. Effective immediately, staff will be required to obtain, review, and properly document all mandatory verification materials before completing any recertification of benefits. Recertifications will not be finalized unless the file contains complete and accurate documentation supporting the eligibility determination.

In addition, Property Site Managers (PSMs) will conduct periodic quality-control reviews to confirm that established procedures are consistently followed and that all required verification activities are fully documented. Any deficiencies identified during these reviews will be corrected promptly and addressed through additional training, procedural reinforcement, or other corrective measures, as appropriate.

AMP 2 Responses to Noted Items

• Item #5 – EIV Report Timeliness We agree with this finding. The EIV reports used to support income eligibility were processed six and four months late, respectively. We acknowledge this deficiency and will reinforce timeliness requirements with staff to ensure future compliance. Staff will be reminded that EIV reports must be obtained and reviewed within the required timeframe for all annual and interim reexaminations.
• Item #7 – Verification of Assets We respectfully disagree with this finding. Documentation verifying household assets was obtained and is included in the file. The source documents supporting asset verification are attached to this response for your review. Based on the documentation on record, the verification requirements were met.
• Item #9 – Eligible Immigration Status We also disagree with this finding. Verification of eligible immigration status was completed for the one non-citizen Head of Household. The SAVE verification was performed, confirmed, and is attached to this response as supporting documentation. The file contains the required evidence demonstrating eligibility for assistance.

• Item #12 – Rent Calculation and Form HUD-50058 We do not agree with this finding. A review of the Form HUD-50058 indicates that the correct utility allowance for a two-bedroom unit ($319) was recorded, along with the correct tenant rent share of $239. These amounts differ from those listed in your summary. The source document is attached for your review and confirmation.

<u>AMP 3 Response:</u>
Management agrees with the need to reinforce monitoring controls among responsible personnel to ensure compliance with eligibility processing requirements for admissions and recertifications. Management will enforce requirements for staff to obtain, review, and properly document all required verification documentation prior to recertification. Furthermore, Property Site Managers (PSMs) will conduct periodic quality control reviews to ensure proper procedures are followed in compliance with HUD requirements. Any identified deficiencies will be promptly corrected and addressed accordingly.

<u>AMP 4 Response:</u>
We acknowledge the vital need to reinforce internal monitoring controls to ensure full compliance with all eligibility and verification requirements. Enforcing these controls effectively is essential for maintaining program integrity and ensuring the accuracy of benefit determinations.

Property Site Managers (PSMs) will conduct regular, periodic quality control reviews to confirm that established procedures are being consistently followed across all files. Any deficiencies or errors identified during PSM reviews will be handled with immediate corrective action.

<u>AMP 4 Response to noted items:</u>
Sexual Registry Clearance Item #2 and #13. We agree with this finding. Sexual Registry clearance form was not completed by staff. Staff will make corrections to complete Sexual Registry clearance form. Moving forward all intake forms will be verified before finalizing certification.

Enterprise Income Verification Item #13. We agree with this finding. Staff oversight on certifying EIV report. Staff will be reminded that all documents requiring PHA staff certification must be completed prior to finalization of certification.
Verification of Assets

Item #13. We agree with tis finding. Staff failed to obtain third-party bank statement, self-certification, or tenant declaration of asset.

Calculated Tenant rent and Utility allowance Item #13. We disagree with this finding. Calculated tenant rent is correct based on income documentation submitted to PHA. Documentation for this finding submitted as attachment "Item 13"
Verified Income

Item #13. We disagree with this finding. Verified income was calculated and inputted in system. Documentation for this finding submitted as attachment "Item 13 Income".

Responsible Party: Asset Management Property Site Managers – Jeanna Blas, AMP 1 Acting, Gina Cura, AMP 2, Patrick Bamba, AMP 3, and Bernadette Tyquiengco, AMP 4

Anticipated Date of Completion: September 30, 2027

Guam Housing and Urban Renewal Authority
September 30, 2025
Corrective Action Plan

Finding #2025-015 14.850 Public Housing Operating Fund Procurement and Suspension and Debarment

Views of Responsible Officials and Planned Corrective Action

AMP 1 Response:
For Items #2 and #4, management concurs with the finding. Management acknowledges that required documentation verifying that contractors were not suspended, debarred, or excluded was not maintained in the files. Management will conduct a review of contracts to ensure required documentation is obtained and properly filed and will update internal policies to include a checklist to ensure compliance prior to contract execution.

- Documentation Review: We will conduct a thorough review of our contracts and ensure that all necessary debarment, suspension, or exclusion from receiving or participation in federal awards are obtained and properly filed.
- Policy Improvement: We will update our internal policies to include a checklist for all new contracts, which will ensure that documentation related to debarment, suspension, or exclusion is acquired before proceeding.

For Items #2, #4, and #5, management concurs with the finding related to Independent Cost Estimate documentation. Management acknowledges that documentation supporting cost estimates was not maintained prior to solicitation. Management will implement a standardized process for documenting Independent Cost Estimates and will conduct periodic reviews to ensure compliance. We acknowledge the lack of documentation on the Independent Cost Estimate (ICE) procedures prior to solicitation. GHURA is committed to maintaining a procurement system that is transparent, compliant, and fully aligned with federal and local requirements. Moving forward, we will implement measures to ensure that appropriate documentation is created and maintained for all cost estimates. This includes developing a standardized process for documenting ICE procedures and conducting regular reviews to ensure compliance.

For Item #15, management does not concur with the finding. Management states that documentation supporting the Independent Cost Estimate was included in Purchase Order No. PO251039. Management refers to the Small Procurement Abstract/Price Analysis Form, which documents prior pricing information used to support cost reasonableness. Small Procurement Abstract/Price Analysis Form that shows ICE information detailing the last price paid for Consumable Inventory.

AMP 2 Response:
We acknowledge the need to strengthen monitoring controls to ensure full compliance with applicable procurement, suspension, and debarment requirements. We recognize that verification of contractor eligibility and proper documentation of procurement actions are essential components of an effective internal control system.

We acknowledge that documentation of the required suspension and debarment verification was not included in the procurement file at the time of purchase. *Although this verification was completed after the fact, we have now confirmed through SAM.gov that the vendors involved were not suspended, debarred, or otherwise excluded from receiving federal funds.*

To prevent this issue going forward, we have implemented a strengthened control requiring staff to perform and document SAM.gov verification prior to every procurement action, including micro-purchases. Verification results will be printed or saved as PDF and filed with each procurement record to ensure full compliance with 2 CFR 200.214 and HUD procurement requirements.

These corrective measures will ensure that all future procurements include timely and complete documentation of suspension and debarment checks.

Corrective Actions Implemented

1. Suspension & Debarment Verification Controls Strengthened

Effective immediately, we have implemented enhanced procedures requiring Housing Administrative Officer personnel to verify all prospective contractors and vendors against the SAM.gov Exclusions Database prior to award.

2. Enforcement of Minimum Solicitation Requirements

AMP 2 has reinforced compliance with 5 GCA Chapter 5 and internal procurement SOPs requiring minimum solicitation thresholds:

- Three written quotes for small purchases above the micro-purchase threshold.
- Written justification for any noncompetitive procurement, including emergency, sole source, or inadequate competition.
- Staff have been retrained on documentation standards, including price reasonableness, vendor selection rationale, and procurement history requirements.

3. Strengthened Management Oversight and File Review

To prevent recurrence, AMP 2 will review all required documentation—including SAM verification, solicitation records, and justifications—is complete.

GHURA is committed to maintaining a procurement system that is transparent, compliant, and fully aligned with federal and local requirements. These corrective actions strengthen internal controls, ensure proper oversight, and prevent recurrence of the deficiencies identified.

AMP 3 Response:

For Items #6 (PO251249) and #10 (PO250104), management does not concur with the finding. Management explains that the purchase orders were structured similarly to indefinite delivery/indefinite quantity arrangements to support recurring and variable requirements throughout the fiscal year.

Management states that Housing Administrative Officers solicited pricing from multiple qualified vendors at the beginning of the fiscal year to establish competitively awarded pricing schedules. By securing pricing in advance, management was able to address anticipated needs efficiently without preparing separate Independent Cost Estimates for each task, while maintaining fair and reasonable pricing through competition.

For Item #22 (BPA250203), management concurs with the finding. Management noted that the blanket purchase agreement was established to support anticipated advertisement services related to the opening and closing of the AMP3 waitlist. At the time, management determined that only one vendor provided hard-copy print publication services locally and was uncertain whether electronic-only media outlets met program needs. Based on this determination, the agreement was executed. However, management acknowledges that the procurement file should have included documentation of market research performed. Management will ensure that future procurement files include adequate documentation of solicitations, market research, and any sole-source or limited-source justifications, as applicable.

AMP 4 Response:
AMP4 consistently adheres to all procurement policies and requirements prior to executing contracts, agreements, or purchases. Staff will continually ensure documentation is complete and concise with all procurement procedures.

AMP4 Response to items:
Item #8. We disagree with this finding. Documentation was completed to continue procurement services. See attached documentation labeled as “#8”.

Item #s 17, 19, and 20. We disagree with this finding. Documentation on file to support procurement transactions being conducted in a manner that provided for full and open competition. See attached documentation labeled as “#17, #19, #20”.

Item # 23. We disagree with this finding. Documentation on file to show evidence services were awarded equally among multiple vendors. See attached documentation labeled as “#23”.

Responsible Party: Asset Management Property Site Managers – Jeanna Blas, AMP 1 Acting, Gina Cura, AMP 2, Patrick Bamba, AMP 3, and Bernadette Tyquiengco, AMP 4

Anticipated Date of Completion: September 30, 2027

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Summary Schedule of Prior Year Audit Findings
Year Ended September 30, 2025

Audit Finding #

2024-001(1)	This finding is unresolved. Certain amounts reported in PR26 – CDBG Financial Summary Report, Program Year 2022 by GHURA, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.
2024-001(2)	This finding is unresolved. GHURA CDBG Subawards are not reported in FSRS.
2024-002	This finding is unresolved. Unaudited amounts reported in certain key line items in the FASS-PH for FY 2023 do not agree with underlying accounting records.
2024-003	This finding is unresolved. Beginning balances of equity, including any adjustments by GHURA, per the FY2023 Trial Balance (TB) did not agree with the audited ending balances per the FY2022 Single Audit Report (SAR).
2023-001(1)	This finding is unresolved. Certain amounts reported in PR26 – CDBG Financial Summary Report, Program Year 2022 by GHURA, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.
2023-001(2)	This finding is unresolved. Certain amounts reported in PR26 – CDBG-CV Financial Summary Report, Grant No. B20SW660001, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.
2023-001(3)	This finding is unresolved. Certain amounts reported in C04PR26 – CDBG Activity Summary by Selected Grant for Program Years, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.
2023-001(4)	This finding is unresolved. GHURA CDBG Subawards are not reported in FSRS.
2023-002	This finding is unresolved. GHURA Continuum of Care Program did not effectively monitor controls over compliance with applicable matching, level of effort, earmarking requirements with recipients or subrecipients.
2023-003	This finding is unresolved. Unaudited amounts reported in certain key line items in the FASS-PH for FY 2023 do not agree with underlying accounting records.

2023-004 This finding is unresolved. Beginning balances of equity, including any adjustments by GHURA, per the FY2023 Trial Balance (TB) did not agree with the audited ending balances per the FY2022 Single Audit Report (SAR).

2022-001(1) This finding is unresolved. Certain amounts reported in PR26 – CDBG Financial Summary Report, Program Year 2021 by GHURA, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.

2022-001(2) This finding is unresolved. Certain amounts reported in PR26 – CDBG-CV Financial Summary Report, Program Year 2021 by GHURA, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.

2022-001(3) This finding is unresolved. Certain amounts reported in C04PR26 – CDBG Activity Summary by Selected Grant for Program Years 2021 and 2020 by GHURA, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.

2022-001(4) This finding is unresolved. GHURA CDBG Subawards are not reported in FSRS. The Authority is seeking technical assistance from HUD.

2022-002 This finding is resolved. GHURA's Program subrecipients' payments were either three (3) or seven (7) days delayed after the allowable 30-day payment period.

2022-004 This finding is unresolved. GHURA reported unaudited amounts in certain key line items in the FASS-PH for FY 2022 that do not agree with underlying accounting records. A Request for Quotation is in process to contract an Independent Public Auditor to certify the Financial Data Schedule so that the Audited Financial Statements can be submitted to HUD via the FASS-PH.

2022-005 This finding is unresolved. Beginning balances of equity, including any adjustments by GHURA, per the FY2022 Trial Balance (TB) did not agree with the audited ending balances per the FY2021 Single Audit Report (SAR). A Request for Quotation is in process to contract an Independent Public Auditor to certify the Financial Data Schedule so that the Audited Financial Statements can be submitted to HUD via the FASS-PH.

2021-004 This finding is unresolved. GHURA has not submitted the required FY 2020 and FY 2021 unaudited and audited financial information in the FASS-PH. A Request for Quotation is in process to contract an Independent Public Auditor to certify the Financial Data Schedule so that the Audited Financial Statements can be submitted to HUD via the FASS-PH.

2021-005 This finding is unresolved. GHURA has not submitted the required FY 2020 and FY 2021 unaudited and audited financial information int the FASS-PH. A Request for Quotation is in process to contract an Independent Public Auditor to certify the Financial Data Schedule so that the Audited Financial Statements can be submitted to HUD via the FASS-PH.

The Auditor's Communication With Those Charged With Governance

Guam Housing and Urban Renewal Authority

(A Component Unit of the Government of Guam)

Year Ended September 30, 2025

Building a better working world

Ernst & Young LLP
231 Ypao Road
Suite 201 Ernst & Young Building
Tamuning, Guam 96913

Tel: +1 671 649 3700
Fax: +1 671 649 3920
ey.com

July 2, 2026

Board of Commissioners
Guam Housing and Urban Renewal Authority

We have performed an audit of the financial statements of the Guam Housing and Urban Renewal Authority (GHURA), as of and for the year ended September 30, 2025, 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, and have issued our report thereon dated June XX, 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 the Board of Commissioners with additional information regarding the scope and results of the audit that may assist the Board in overseeing the financial reporting and disclosure processes which the management of GHURA is responsible. We summarize these required communications as follows:

Overview of the planned scope and timing of the audit

Our audit scope and timing is consistent with the plan communicated in our engagement letter dated December 1, 2022 and at our audit planning meeting 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 information are the responsibility of GHURA'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 statements are free of material misstatement.

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 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.

We issued an unmodified opinion on GHURA's financial statements as of and for the year ended September 30, 2025.

Changes to the audit strategy, timing of the audit and significant risks identified

Our audit strategy is consistent with the plan communicated during the October 2025 meeting.

Changes to the terms of the audit with no reasonable justification for the change

None.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

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 GHURA'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**
- **Financial statement disclosures**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

A discussion of significant accounting policies and estimates has been included in Note 1 of the financial statements.

Related party relationships and transactions

We noted no significant matters regarding GHURA's relationships and transactions with related parties.

Significant unusual transactions

We are not aware of any significant unusual transactions executed by GHURA.

New accounting pronouncements

During the year ended September 30, 2025, GHURA implemented the following pronouncements:

- GASB Statement No. 101, Compensated Absences
- GASB Statement No. 102, Certain Risk Disclosures

GHURA is still assessing the impact of adopting the following GASB Statements:

- GASB Statement No. 103, Financial Reporting Model Improvements
- GASB Statement No. 104, Disclosure of Certain Capital Assets
- GASB Statement No. 105, Subsequent Events

We have not identified issues regarding management's planned application of new accounting pronouncements.

Independence matters

We are not aware of any matters that in our professional judgment would impair our independence.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the October 2025 meeting and at the update status meetings during the audit.

- Fraud and noncompliance with laws and regulations (illegal acts)
- Tips or complaints regarding GHURA's financial reporting
- Significant unusual transactions
- Subsequent events

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

None.

Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial

Refer to the "Management Representations Letter" in Appendix A.

Significant deficiencies and material weaknesses in internal control over financial reporting

A material weakness identified during the course of our audit has been included in 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 July 2, 2026.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

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 difficulties encountered in dealing with management in performing the audit.

Managements 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

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers.

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.

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 GHURA 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 perform services for EY in connection with the audit services.

Engagement team's involvement with preparation of the financial statements

Under GAS 2018 Revision, 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 individual understands 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 control 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 GHURA's trial balance with our understanding that GHURA's underlying books and records are maintained by GHURA's accounting department and that the final trial balance prepared by GHURA is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of GHURA.
- GHURA's Comptroller has the skill sets 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 the Board of Directors, 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

GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudat Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org

EQUAL HOUSING OPPORTUNITY

July 2, 2026

Ernst & Young LLP
Ernst & Young Building
231 Ypao Road, Suite 201
Tamuning, Guam 96913

In connection with your audits of the financial statements of Guam Housing and Urban Renewal Authority (GHURA) as of September 30, 2025 and 2024 and for the periods then ended we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position and changes in financial position and cash flows, where applicable, thereof, and the related notes (collectively referred to hereafter as the "basic financial statements"), 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 December 1, 2022, for the preparation and fair presentation of the financial statements in accordance with US GAAP applied on a basis consistent with that of the preceding period, except for the effects of adopting new accounting standards.

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

We acknowledge our responsibility for the design, implementation and maintenance of internal controls 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 GHURA 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 financial statements.

From August 15, 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 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 comprise 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 misstatements, summarized in the accompanying schedule (Appendix A), accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.

Financial reporting entity and net position

Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved. We properly recognized, in accordance with our policy, whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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 latest statement of net position date.

Minutes, contracts and internal audit reports

The dates of meetings of directors, committees of directors and important management committees from the beginning of the period covered by the basic financial statements to the date of this letter are as follows:

Date of Meeting	Type of Meeting	Date of Meeting	Type of Meeting
10/15/2024	Regular	8/26/2025	Regular
11/12/2024	Regular	9/30/2025	Regular
11/26/2024	Regular	10/21/2025	Regular
12/10/2024	Regular	11/18/2025	Regular
2/6/2025	Regular	11/26/2025	Regular
2/25/2025	Regular	12/11/2025	Regular
3/11/2025	Regular	1/13/2026	Regular
3/11/2025	Regular	1/27/2026	Regular
4/8/2025	Regular	2/10/2026	Regular
4/22/2025	Regular	3/17/2026	Regular
5/27/2025	Regular	4/7/2026	Regular
7/12/2025	Regular	4/28/2026	Regular
7/22/2025	Regular	5/12/2026	Regular
8/12/2025	Regular	5/26/2026	Regular
8/26/2025	Regular	6/9/2026	Regular

We have made available to you all minutes of the meetings of directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

We also have made available to you all significant agreements and contracts, including amendments, 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 basic financial statements.

We also have 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.

Effects of adopting new accounting standards

We have not completed the process of evaluating the effects that will result from adopting the amendments to the codification provided in Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements, *GASB Statement No. 104,* Disclosure of Certain Capital Assets *and GASB Statement No. 105,* Subsequent Events, *as discussed in Note 2. GHURA is therefore unable to disclose the effects that adopting the amendments in GASB Statement No. 103, 104 and 105 will have on its financial position and the changes in its financial position when such statement is adopted.*

Certain risk disclosures

There are no risks related to vulnerabilities due to material concentrations or constraints in accordance with the GASB Statement No. 102, *Certain Risk Disclosures*.

Ownership and pledging of assets

No security agreements have been executed 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 GHURA has satisfactory title appear on the statements of net position.

Receivables and revenues

Adequate provision has been made for any receivable as of the latest statement of net position dates that may not be collectible, including any losses, costs and expenses that may be incurred related to the collection of those receivables.

Deposit, investment securities, and investment derivative risk disclosures

Information about deposits, investment securities and derivative transactions are presented and disclosed in accordance with the GASB requirements. Those balances with credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk have been properly disclosed in the basic financial statements.

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 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.

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.

Prepayments

We believe that all material expenses for which recognition will be recognized in future periods are recoverable.

Capital assets including intangible assets

Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.

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.

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 and disclosures have been 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.

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 basic financial statements.

Contingencies and other 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 basic 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 basic 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 basic financial statements.

There are no other liabilities considered material, individually or in the aggregate, that are required to be accrued or disclosed, other than those accrued or disclosed in the basic financial statements.

There are also no other 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 basic financial statements, nor are there any accruals for loss contingencies included in the statements of net position or gain contingencies that are not in conformity with the provisions of GASB Statement No. 62—as amended.

We confirm that GHURA entered into a loan facility dated December 23, 2024, with the Department of Administration, Government of Guam, with a total authorized amount of $12,500,000, of which $12,220,087 had been drawn down and remains outstanding as of September 30, 2025. The loan bears interest at 1% per annum and is payable in a lump sum on December 31, 2026.

Oral or written guarantees

There are no oral or written guarantees, including guarantees of the debt of others.

Purchase commitments

As of the statement of net position date(s), GHURA had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at those dates.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at the statement of net position date(s) as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Compensated absences

The assumptions used in our compensated absence balance represent our best estimates as of the statement of net position dates. We have applied consistent and appropriate assumptions and evaluated the accuracy and completeness of the data used in making the accounting estimate.

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.

Classification and allocation of revenues and expenses

We have distinguished between operating and nonoperating revenues and expenses based on our policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, and we apply the policy consistently from period to period.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that GHURA's activities are conducted in accordance with laws, regulations, and provisions of contracts and grant agreements and that we are responsible for identifying and addressing any non-compliance with applicable laws, regulations, and provisions of contracts and grant agreements", including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls 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, regulations, and provisions of contracts and grant agreements 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 in GHURA'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") that could result in a misstatement of the financial statements or otherwise affect the financial reporting of GHURA.

Independence

We have communicated to you the names of GHURA's affiliates, as defined 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 GHURA.

We are not aware of any business relationship between GHURA 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 GHURA's audits.

Conflicts of interest

There are no instances where any director, officer or employee of GHURA has an interest in an entity with which GHURA does business that would be considered a "conflict of interest." Such an interest would be contrary to GHURA policy.

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the Management's Discussion and Analysis, the Schedule of Contributions and Proportionate Share of the Net Pension Liability and the Schedule of Proportionate Share of the Collective Total OPEB Liability, which have been measured and presented in accordance 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.

There are no significant assumptions or interpretations underlying the measurement or presentation of the information.

Supplementary information

We are responsible for the preparation and fair presentation of the Financial Data Schedules (the "supplementary information"). We believe the supplementary information, including its form and content, is fairly stated in all material respects in conformity with Uniform Financial Reporting Standards for Public Housing Authorities Rule Information

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.

Other matters

We have received a draft copy of our financial statements as of and for the year ended September 30, 2025 and 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 and as listed on Appendix A, have been approved by us, and
- 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 the latest statement of net position date, 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 GHURA'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, where applicable, cash flows of GHURA, except for a civil lawsuit subsequently filed against GHURA, which is disclosed in the notes to the basic financial statements. See Appendix B.

We understand that your audits were 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 were, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of GHURA 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,

Elizabeth F. Napoli, Executive Director

Frances T. Danieli, Controller

Appendix

A – Corrected Misstatements

B – Uncorrected Misstatements

C – Subsequent Events

A – Management Representations Letter, continued

APPENDIX A – Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Guam Housing and Urban Renewal Authority (GHURA) Period ended: 30-Sep-2025 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 02	PX1.01	To record the adjustment to pension amounts based on the September 30, 2025 audited pension schedules.								
		Net pension liability				2,391,570				
		Deferred outflows of resources from pensions		(1,137,747)						
		Deferred inflows of resources from pensions				(1,126,433)				
		Pension Expense							(127,390)	X
AJE 04	OPGN1.01	To record the adjustment to OPEB amounts based on the September 30, 2025 audited OPEB schedules.								
		Net OPEB liability				2,010,300				
		Deferred outflows of resources from OPEB		1,054,705						
		Deferred inflows of resources from OPEB				(3,845,659)				
		OPEB Expense							780,654	X
AJE 01	T.00	To tie up beginning balances of net position								
		Restricted net position					12,316			
		Other expense							4,464	X
		Net investment in capital assets					(15,164)			
		Unrestricted net position					(1,616)			
AJE 03	PX.01	To record other FY2025 pension benefits (COLA/SP) paid by DOA on behalf of GHURA.								
		Retiree healthcare costs							127,228	X
		Contributions from GovGuam for retiree benefits							(127,228)	X
AJE 05	OPGN.01	To record retiree healthcare costs paid by DOA on behalf of GHURA.								
		Retiree healthcare costs							370,910	X
		Contributions from GovGuam for retiree benefits							(370,910)	X
AJE 06	KG.00	To reclassify completed CIP to depreciable capital assets								
		Depreciable assets, net of accumulated depreciation		29,615						
		Non-depreciable assets		(39,189)						
		Other expense							9,574	X
AJE07	KG.00-M.00	To record loan payable to GovGuam and the acquisition of lands								
		HUD PHA Operating Grants							6,653,000	X
		Other administrative expenses							(6,653,000)	X
		Non-depreciable assets		4,901,787						
		Prepayments and other current assets	6,653,000							
		Loan payable				(12,220,087)				
		Unearned revenues			665,300					
Total of corrected misstatements before income tax			6,653,000	4,809,171	665,300	(12,790,309)	(4,464)	0	667,302	
Financial statement amounts			33,777,533	59,913,393	(5,607,751)	(65,719,847)	(22,363,328)		(7,353,488)	
Effect of corrected misstatements on F/S amounts			19.7%	8.0%	-11.9%	19.5%	0.0%		-28.4%	

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A – Management Representations Letter, continued

APPENDIX B – Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity: Guam Housing and Urban Renewal Authority (GHURA)   Period Ended: 30-Sep-2025   Currency: USD

Uncorrected misstatements No.	WP ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period Debit/(Credit)	Non taxable	Income statement effect of the prior period: Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
SAD 01	P.60	To reclassify GASB 87 lease liability to deferred inflow of resources										
		Unearned Revenues				424,241						
		Deferred Inflow of Resources				(424,241)						
SAD 02	100	To close the unreconciled balance of due to/from other fund										
		Due to other funds			241,055							
		Other income							(241,055)			
Total of uncorrected misstatements before income tax			0	0	241,055	0	0	0	(241,055)		0	
Total of uncorrected misstatements			0	0	241,055	0	0	0	(241,055)		0	
Financial statement amounts			33,777,533	59,913,393	(6,273,051)	(61,054,547)	(22,357,328)		(2,353,488)		(1,866,983)	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	-3.8%	0.0%	0.0%		10.2%		0.0%	

Memo: Total of non-taxable items (marked "X" above)		0		0
Uncorrected misstatements before income tax	10.2%	(241,055)		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	10.2%	(241,055)		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	10.2%	(241,055)		
Current year income before tax		(2,353,488)		
Current year income after tax		(2,353,488)		

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APPENDIX C – Subsequent Events

Guam Housing and Urban Renewal Authority
Subsequent Events Questionnaire
Coverage: For the period from October 1, 2025 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 grant revenue or expense that could affect accounting estimates (e.g., valuation of receivables, 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 any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants, if any, and compliance with them, or working capital, except as disclosed in the financial statements?	NO	
6	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	
7	Were there any significant unusual or non-recurring adjustments been recorded (or are necessary)?	NO	
8	Were there any communications, written or oral, occurred with the regulatory agencies (including Federal granting agencies and the Government of Guam or any of its agencies) with which the entity files financial statements or seeks federal assistance/grants form?	NO	
9	Have there been any changes in the entity's related parties? Have any significant new related party transactions occurred? (Put N/A if not applicable.)	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 GHURA 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 GHURA?	NO	
13	Have there been any changes in GHURA's related parties, or have any significant new related party transactions occurred?	NO	

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Financial Statements, Required Supplementary, and Supplementary Information

Guam Housing and Urban Renewal Authority

(A Component Unit of the Government of Guam)

Years Ended September 30, 2025 and 2024 with Report of Independent Auditors

Doc. No. 38GL-26-2577.*

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Financial Statements, Required Supplementary, and Supplementary Information

Years Ended September 30, 2025 and 2024

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Report of Independent Auditors

Board of Commissioners
Guam Housing and Urban Renewal Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise GHURA's basic financial statements as listed in the table of contents (collectively referred to as the "basic financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of GHURA at September 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 *(Government Auditing Standards)*. 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 GHURA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 of 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 GHURA'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 opinion. 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 GHURA'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 GHURA'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 well as the Schedules of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Proportionate Share of the Total OPEB Liability, the Schedule of OPEB Employer Contributions, and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 an opinion on the financial statements that collectively comprise GHURAS's basic financial statements. The Financial Data Schedule, on pages 77 through 84, 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, the Financial Data Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2026, on our consideration of GHURA'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 GHURA'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 GHURA's internal control over financial reporting and compliance.

Ernst + Young LLP

July 2, 2026

As the management of the Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam (GovGuam), we offer readers of this narrative overview and analysis of the financial activities of GHURA for the fiscal year ended September 30, 2025.

The annual financial report consists of four parts - management's discussion and analysis (this section), the basic financial statements, the accompanying footnotes, and the supplementary information.

PROFILE OF THE AUTHORITY

Our Mission

To assure the availability of quality housing for low-income persons, to promote the civic involvement and economic self-sufficiency of residents, and to further the expansion of affordable housing on Guam.

General Information

Created in 1962, GHURA's goal is to provide adequate housing and planning for those who live in our community and receive assistance through our various rental and home ownership programs. Our programs are designed to support our clients and enable them to fulfill goals for themselves and their families. Our goal is to create opportunities for our client's successful participation in the workforce and housing in the private/public sector.

GHURA's staff (of approximately 156 Full Time Equivalents) is committed to excellence in the foundation for facilitating our clients' goals. We aggressively pursue partnerships with public and/or private entities to allow for the implementation of programs beneficial to our clients.

Neighborhood by neighborhood, we are changing the definition of public housing. Public housing no longer means fencing off a property where no one from outside the "project" dares to wander in. Today, it means modernizing our developments that blend in and become part of the surrounding community.

At GHURA, we welcome constructive suggestions on how we can improve our services. We look forward to meeting the affordable housing needs for the island of Guam.

PROFILE OF THE AUTHORITY, continued

Overview of the Financial Statements

The management discussion and analysis is intended to serve as an introduction to GHURA's basic financial statements. GHURA's basic financial statements are comprised of two components: 1) authority-wide financial statements; and 2) notes to the financial statements.

Authority-Wide Financial Statements

GHURA-wide financial statements are designed to provide readers with a broad overview of GHURA's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of GHURA's assets and liabilities with the difference between the two reported as net position. The Statement of Net Position reports all financial and capital resources for GHURA. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as Net Assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "*Unrestricted Net Position*") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Investment in Capital Assets, Net of Related Debt: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets, Net of Related Debt", or "Restricted Net Position".

GHURA-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

PROFILE OF THE AUTHORITY, continued

Authority-Wide Financial Statements, continued

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the authority-wide financial statements.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types. 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. GHURA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. GHURA has only one fund type, namely an Enterprise fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

PUBLIC HOUSING – ASSET MANAGEMENT PROPERTIES

In FY2025, the Guam Housing and Urban Renewal Authority (GHURA) continued its mission to provide safe, decent, and affordable housing for low-income families, the elderly, and persons with disabilities, while strengthening efforts to promote resident self-sufficiency and community well-being. GHURA's 750 public housing units across the four Asset Management Properties (AMPs) remained a critical resource for Guam's most vulnerable households. The following reflects GHURA's progress toward its Goals and Objectives for the period of October 1, 2024 through September 30, 2025.

Goal 1: Maximize the Current Resources for Housing Programs

- Objective 1: Pursue funding to address the modernization of public housing units and other needed development projects.

PUBLIC HOUSING – ASSET MANAGEMENT PROPERTIES, continued

Throughout FY2025, GHURA focused on maximizing available resources, advancing modernization efforts, and improving operational performance. Property Site Managers continued to identify and submit units requiring substantial rehabilitation for inclusion in the Capital Fund Program. AMP maintenance teams and local contractors carried out essential repairs and upgrades in both vacant and occupied units. These combined efforts supported GHURA's ability to maintain a strong adjusted occupancy rate while addressing the challenges associated with aging housing stock and increasing resident needs.

- Objective 2: Maintain Occupancy at No Less Than 97% (Adjusted for Units in Modernization)

GHURA continued its efforts to maintain high occupancy levels across all AMPs. Despite ongoing challenges related to aging units and resident financial hardships, GHURA sustained a strong adjusted occupancy rate through active unit turnover, modernization coordination, and continued engagement with residents experiencing rental payment difficulties.

Goal 2: Improve the Public Housing Assessment System (PHAS) Score

- Objective 1: Strengthen internal processes across the PASS, FASS, MASS, and CFSS subsystems.

GHURA worked toward improving its PHAS performance by enhancing internal procedures and documentation across the Physical, Financial, Management, and Capital Fund subsystems. These efforts included improved tracking of work orders, enhanced financial reporting practices, and strengthened oversight of capital fund activities.

- Objective 2: Update policies to ensure compliance with federal requirements.

Policy updates remained a priority in FY2025 as GHURA continued implementing Housing Opportunity Through Modernization Act (HOTMA) requirements. The Admissions and Continued Occupancy Policy (ACOP) underwent further review to ensure alignment with evolving federal regulations and operational needs.

- Objective 3: Complete the Physical Needs Assessment and Energy Audit.

Work progressed on the Physical Needs Assessment and Energy Audit, with the contracted firm continuing its evaluation of building systems, unit conditions, and long-term capital requirements. These assessments will guide future modernization planning and resource allocation.

PUBLIC HOUSING – ASSET MANAGEMENT PROPERTIES, continued

Goal 3: Improve the Quality of Assisted Housing

- Objective 1: Advance modernization projects through the Capital Fund Program.

Through the Capital Fund Program, GHURA advanced multiple modernization projects to preserve the long-term viability of its public housing inventory. Modernization work included electrical upgrades, plumbing and sewer line replacements, kitchen and bathroom renovations, roof repairs, and the replacement of exterior doors and window shutters.

- Objective 2: Utilize competitive grants to enhance safety and address environmental hazards.

Competitive grants such as the Emergency Safety and Security Grant (ESSG) and the Housing-Related Hazards Capital Fund Program (HRHCFP) supported safety enhancements and environmental hazard mitigation. Activities included radon, mold, and moisture testing and remediation, strengthening the safety, durability, and liveability of GHURA's public housing developments.

Goal 4: Encourage Self-Sufficiency

- Objective 1: Strengthen partnerships to expand resident services.

Resident self-sufficiency remained a central focus in FY2025. GHURA expanded its Resident Services Program, strengthening partnerships with nonprofit organizations and government agencies to deliver educational workshops, financial literacy training, public health services, youth programs, and other wrap-around supports.

- Objective 2: Provide comprehensive services to support economic stability and quality of life.

The Resident Services Program continued to build a comprehensive network of services to meet the diverse needs of families across all AMPs. These efforts aimed to empower residents with the tools and opportunities needed to improve their economic stability and overall quality of life.

Summary

Overall, FY2025 marked continued progress in stabilizing operations, modernizing aging units, strengthening resident services, and aligning GHURA's public housing program with federal requirements and long-term strategic goals. GHURA remains committed to preserving affordable housing opportunities for Guam's families while fostering pathways to self-sufficiency and community resilience

CAPITAL FUND PROGRAM

In order to maintain its public housing inventory as a safe and habitable source of affordable housing, the Authority develops an annual Capital Improvement Plan. Through the Capital Fund Program (CFP), the Authority receives an annual formula grant of approximately $3.2 million (based on the most recent grant) to implement such plan.

HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority. The funds are used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority's dwelling units to keep them clean, safe, and in good condition. A portion of the funds may also be used to support operations and to make improvements in the management and operation of the Authority.

As of September 30, 2025, GHURA's Public Housing program maintained an occupancy rate of 97% (adjusted for units under modernization). Vacant units that are beyond the capabilities of maintenance and require extensive work were deferred to modernization. Such modernization work included upgrades to electrical panel boxes, bathroom, kitchen, replacing sewer lines and water lines, and replacing exterior doors with aluminum, to name a few. About 47 units are currently under MOD.

In addition, CFP supports additional projects such as Radon and Mold and Moisture testing, education and mitigation; Lead-Based Paint testing and abatement; upgrade of basketball courts; generator for AMP 4; upgrade of above ground drainage correction; obtaining Physical Needs Assessment (PNA) and Energy Audits for AMPs 1, 2, 3, & 4; roof coating and concrete roof repairs; priority replacement of window typhoon shutters; replacement of bollard and chain link fences; and the development of parking stalls.

GHURA applied for the first round of Emergency Safety and Security Grant (ESSG) and the Housing Related Hazards Capital Fund Program (HRHCFP). Both grants are part of the Public Housing Capital Fund Program.

* GHURA received $250,000 from the ESSG grant. CalPac, Inc. was awarded the contract to install high-definition/LPR cameras and equipment at AMP1 sites with high crime areas.

* GHURA received $5 million from the HRHCFP grant. Funds will address the education, training, testing, and mitigation of radon, mold, and moisture in GHURA's public housing units.

GHURA recently applied for the third round of ESSG for security cameras for AMPs 2, 3 & 4. The notification of award for this grant should be available within three to four months. GHURA is also in the process of applying for the Housing Related Hazard Lead Base Paint Grant for AMP 1. The notification of award for this grant should be available in another three to six months.

THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV)

The Guam Housing and Urban Renewal Authority administers the federally-funded Section 8 Housing Choice Voucher (HCV) Program. The program provides rental assistance to very low-income families, the elderly, and disabled participants to help them afford decent, safe, and sanitary housing in the private market. The HCV Program forged four-way partnerships between the U.S. Department of Housing and Urban Development (HUD), the Housing Authority, the owner, and the family to ensure consistency and smooth delivery of services. HUD is responsible for developing the rules and regulations of the program, allocating the funds for the PHA to administer the HCV program, providing technical assistance to the PHA, and monitoring and enforcing compliance.

The PHA is responsible for implementing the HCV Program by HUD regulations and the established Administrative Plan, processing and paying out the rental assistance on time, ensuring the family complies with program requirements, and ensuring the owner maintains the housing quality standards of the unit. The owner is responsible for screening and selecting the tenant, maintaining the assisted unit, and enforcing the lease agreement. The Section 8 participant is responsible for keeping their obligations as tenants and paying their share of the rent. In most cases, GHURA pays approximately 70 percent of rental assistance to the owner on behalf of the eligible family, and the participant pays 30 percent based on the family's monthly adjusted income.

GHURA administers a combined total of 2,762 HCV and special voucher programs; in 2025, the average utilization rate of vouchers is 96%, and the Housing Assistance funding utilization rate is 108%. GHURA administers the following vouchers:

- 2,128 regular Housing Choice Vouchers
- 112 Project-based Vouchers
- 30 Mainstream Vouchers
- 175 Non-elderly Disabled Vouchers
- 130 Family Unification Program Vouchers (FUP)
- 100 Veterans Affairs Supportive Housing Vouchers
- 87 Emergency Housing Vouchers (66 remain housed)

GHURA established a new waiting list for the HCV program in January 2025 using a lottery system resulting in 1,800 applicants on the waitlist. Due to HUD's budget constraints and implemented cost-saving measures GHURA was mandated to cease all voucher issuances in May 2025, excluding VASH and PBV programs. Therefore, as of December 2025, 14 percent of 1,800 applicants on the wait list were served. Families that were selected off the waitlist and issued vouchers at the beginning of 2025 where they did not find a unit by June 20, 2025, there voucher was suspended. The cessation of vouchers continued into 2026 until we receive direction from HUD to lift the suspension. Consequently, GHURA's lease-up rate continues downward leaving 2025 calendar year's lease-up rate at 92%.

THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV), continued

In accordance with GHURA's selection policy, we have selected families from our waiting lists based on voucher availability, specifically within the Project-Based Voucher (PBV) program serving Guam's elderly population.

In August 2025, we exhausted the PBV 2-bedroom unit waitlist after serving the final 34 individuals. To reestablish this list, we opened applications in September 2025 and received 121 applicants. Similarly, we exhausted the PBV 1-bedroom unit waitlist in November 2025 after serving the remaining 9 individuals. We subsequently opened a new waitlist in December 2025, which received 97 applicants. By the end of the year, we successfully selected 40% of applicants from the new PBV 2-bedroom unit waitlist and 20% from the PBV 1-bedroom unit waitlist.

Participant Demographics

The Section 8 Housing Choice Voucher (HCV) Program housed about 10,000 individuals. The demographic breakdown of those assisted in CY2025 is as follows:

- 2,422 families/households under the Section 8 HCV program o 1,912 families with female head of households o 510 families with male head of households

- Household Race Identifications
    - 2,217 Native Hawaiian or Pacific Islanders
    - 213 Asians
    - 33 White/Caucasian
    - 11 Black/African American

- Family Size Breakdown
    - 1,743 Families (3+ persons)
    - 342 Couples
    - 337 Single occupants
    - Households consist of 315 disabled family members and 375 elderly (62+) family members

- Age of Head of Households
    - Age 18-24: 44
    - Age 25-54: 1,751
    - Age 55-74: 551
    - Age 75+: 76

THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV), continued

Participant Demographics, continued

- Tenant Rent Breakdown:
  - Rent $0 to $100: 1,206
  - Rent $101 to $200: 229
  - Rent $201 to $300: 220
  - Rent $301 to $400: 176
  - Rent $400 and up: 591

- The average family income is $34,271.33

Voucher Leasing Challenges

Commonly, many Section 8 families looking for a decent, safe, and sanitary rental within the first 60 days had trouble due to the limited inventory of available units in the private market within Guam's jurisdiction. Individuals with a disability and single occupants take more than 60 days to find a unit. In CY2025, the rental breakdown per unit size is summarized below:

- 324 participants are renting a studio or one-bedroom units,
- 631 participants are renting two-bedroom units,
- 913 participants are renting three-bedroom units,
- 426 participants are renting four-bedroom units,
- 111 participants are renting five-bedroom units, and
- 17 participants are renting six-bedroom units

For a person with a disability, finding a unit to rent includes the limited number or lack of ADA-compliant units. Most require additional time of more than 120 days to find a unit to rent. Other challenges reported by the families searching for a unit included to pay the utility company's connection or re-connection fees on top of a deposit and monthly usage billing. Additionally, most landlords require a security deposit, which families do not have or cannot produce immediately. Some landlords who understand the plight of the families, often work out a plan for the families to pay the security deposit through installments on top of their monthly share.

In addition to the ongoing challenges faced by our voucher recipients, the program is currently experiencing difficulties in issuing new vouchers. Due to continued budget constraints and the cost-savings measures required by HUD, we are navigating significant limitations that affect our ability to issue vouchers throughout the year. We are working diligently to manage these financial requirements while striving to support our community effectively.

FAMILY SELF-SUFFICIENCY PROGRAM

Program Overview:

The Family Self-Sufficiency (FSS) Program serves participants in the Section 8 Housing Choice Voucher (HCV) and Public Housing programs with the goal of increasing earned income and reducing reliance on public assistance. Participation is voluntary and governed by a Contract of Participation (CoP), typically with an initial five-year term and eligibility for extension in accordance with program policy. The CoP establishes participant goals and program requirements and is supported by the Program Coordinating Committee (PCC) and partner agencies.

Program Design and Services:

Services are delivered through case management and financial coaching to support individualized employment and financial goals. Participants are connected to workforce development, education, and supportive services, including job readiness and career advancement resources.

The program includes an escrow savings component administered by the Public Housing Authority (PHA). Escrow funds accrue based on increases in earned income that result in higher tenant rent contributions. Funds are held in interest-bearing accounts and disbursed upon successful completion of CoP requirements.

Service Delivery and Engagement:

During the reporting period, services were delivered through a hybrid model of virtual and in-person engagement. Activities included enrollments, orientations, assessments, one-to-one coaching, and ongoing progress monitoring.

Outreach was conducted via phone, email, virtual appointments, and electronic newsletters to support engagement and continuity. Partnerships with workforce and training providers supported access to credentialing and employment opportunities.

Program Activity and Outcomes:

At the close of the reporting period, the program served approximately 140 households, including 113 HCV households and 27 Public Housing households, reflecting continued engagement across both program areas. Program activity included:

- 21 new enrollments, demonstrating ongoing outreach and participant interest
- 228 CoP addendums processed, supporting goal progression

FAMILY SELF-SUFFICIENCY PROGRAM, continued

Program Activity and Outcomes, continued:

Escrow participation remained stable, indicating sustained financial engagement among participants:

- 70% of HCV households maintained active escrow balances
- 73% of Public Housing households maintained active escrow balances

Cumulatively, HCV and Public Housing households continued strong asset accumulation through escrow savings:

- HCV households: $453,169 in escrow savings
- Public Housing households: $103,599 in escrow savings

Participant outcomes reflected continued progress toward self-sufficiency:

- 11 program completions, representing households successfully achieving their program goals
- $52,761 in total escrow disbursements, reflecting increased earnings and financial progress
- $4,796 average payout per household, highlighting the tangible financial impact of participation
- 64% of participating households increased their earned income during the reporting period, indicating improved financial stability

Employment outcomes continued to reflect participant progress toward economic mobility and self-sufficiency:

- 71% of enrolled HCV households were employed at the end of the reporting period
- 61% of Public Housing households were employed at the end of the reporting period
- 66% of all enrolled households maintained or improved employment status during the reporting period

Collectively, these outcomes reflect meaningful progress toward self-sufficiency and increased economic stability among participating households.

Performance Summary:

The FSS Program demonstrated sustained participation, consistent service delivery, and continued progress in earned income, employment, and asset development. These outcomes reflect ongoing advancement toward increased stability and reduced reliance on housing assistance.

SUPPORTIVE HOUSING FOR THE ELDERLY (Guma Trankilidat Project)

The Guma Trankilidat Project is an elderly housing rental program, consisting of 50 dwelling units (49 one-bedroom and 1 two-bedroom unit). Construction of Guma Trankilidat Project was financed through a loan from the U.S. Department of Agriculture Section 515 Rural Rental Housing Program for $2 Million and amortized for a 50-year period beginning March 26, 1980. Annual rental subsidies of approximately $700 thousand are provided through project-based vouchers through HUD's Multifamily Housing Program. These subsidies cover both the annual operating expenses and mortgage payments.

In compliance with Federal Regulations, a Capital Needs Assessment (CNA) and Section 504 Transition Plan was conducted in October 2013. An estimate of $2.6 Million was identified to address improvement in order to operate over the next 20 years. GHURA has identified funding in Project Reserves to address this requirement.

Of the 50 dwelling units, 28 units have been upgraded and completed to date for a total cost of $778,460. Phase VI is in process to renovate another (4) four units.

Phase I – 6 units completed on May 31, 2018; total cost $84,300
Phase II – 6 units completed on December 11, 2018; total cost $94,000
Phase III – 8 units completed on December 12, 2021; total cost $151,300
Phase IV – 8 units completed on February 18, 2022; total cost $210,800
Phase V – 8 units completed on March 29, 2024; total cost $238,060
Phase VI – 4 units were budgeted for Fiscal Year 2026; Upgrade to be completed in FY2027 total cost $211,005.33

COMMUNITY DEVELOPMENT FUNDS

Guam continues to expand access to affordable housing through initiatives that support homebuyer assistance and rental housing development. These efforts are funded through multiple federal sources, including the HOME Investment Partnerships Program (HOME), the Housing Trust Fund (HTF), and the HOME-American Rescue Plan (HOME-ARP).

Through these programs, Guam works to address housing needs across the continuum— from assisting first-time homebuyers to increasing the availability of safe and affordable rental units, and supporting vulnerable populations at risk of homelessness. The Territory actively collaborates with local lenders and a community-based nonprofit organization to implement these initiatives effectively. These partnerships enhance outreach, streamline access to financing, and deliver services.

COMMUNITY DEVELOPMENT FUNDS, continued

Guam reports the following for FY2025:

HOME Investment Partnerships Program (HOME)

- ***Renewal Affordable Homes - First Time Homebuyer Program***

  Rising housing market conditions have led to increased prices, placing many homes beyond the financial limits of the program. In response, Guam has met with local lenders to promote the program and discuss leverage funding designs to maintain access and affordability for eligible participants.

  This program implemented a web-based application process this period and reviewed 132 applications. A total of 10 households were referred to USDA for a loan leveraging program design. Five leveraged loans were closed with USDA for this period. Two for new construction and three for acquisition.

  Three HOME assisted units are being processed for renovation as a result of being foreclosed. Plans will be finalized this fiscal year for a complete renovation and sale next year.

  The program maintains an annual compliance certification process for all HOME assisted units, 34 households. This was completed in May 2025.

- ***Habitat for Humanity of Guam***

  Habitat for Humanity of Guam received HOME funding over the years. For reasons that remain unclear, the Guam chapter eventually closed. Guam was subsequently able to transfer the four remaining properties funded under the HOME Program. The units that had previously been foreclosed are now undergoing renovation and will be offered for sale upon completion.

- ***HOME Rental***

  HOME funds have been strategically leveraged to acquire a four-unit property in Agana Heights and a 21-unit complex in Yigo, contributing to the expansion of affordable rental housing. Both properties have completed the final procurement phase, with renovations scheduled to commence in FY2026.

  Additionally, a single-family unit has been acquired and is currently in the procurement planning stage for renovation. Efforts to acquire additional multi-family properties are underway to further increase the supply of affordable rental housing.

COMMUNITY DEVELOPMENT FUNDS, continued

HOME Investment Partnerships Program (HOME), continued

- ***HOME American Rescue Program (HOME-ARP)***

  Project planning has been completed and finalized. The development will be carried out in two phases. Phase I will consist of eight one-bedroom units, with final plans to be submitted for procurement processing. Construction for Phase I is anticipated to commence by the end of FY2026. The program has partnered with West Care Pacific Islands to provide an affordable rental program with Veterans as a preference for the qualifying populations.

Community Development Block Grant – Affordable Rental

- ***Renaissance Affordable Rental***

  The Program maintains units in Malesso and Talofofo which are fully occupied. Plans to renovate the Malesso units are underway. The newly acquired complexes will increase the affordable rental inventory under this program.

- ***Urban Renewal Oversight***

  Guam continues to address longstanding Urban Renewal challenges, particularly in the Asan area, where the effects of past development resulted in some developments to be unresolved. However, no funding has been made available to conduct a comprehensive review or assessment of the entire area. Reviews for resolution or completion are processed on demand.

Housing Trust Fund (HTF)

Guam is partnering with WestCare Pacific Islands in support of affordable rental. This funding will be utilized to renovate the newly acquired 4-plex and duplex in the Agana Heights area. This program will be open to households less than 30% of area median income. Plans have been finalized for the renovation of the complexes. Completion is targeted for next fiscal year.

Housing Counseling

Guam has provided this service to 5 individuals for this period.

RESEARCH PLANNING AND EVALUATION FUNDS

Hearth Emergency Solutions Grant (HESG)

The ESG Program is designed to assist individuals to regain the stability of permanent housing after experiencing homelessness. In Guam, ESG funds are used to support organizations providing rapid rehousing, homelessness prevention, and street outreach, and support services to eligible homeless persons and those whose income is at or below 30% of area median income, and for program administration.

Cares Act Funds (CDBG-CV)

At the advent of the Covid-19 pandemic in 2020, Congress provided for the Community Development Block Grant CARES Act (CDBG-CV) program which granted funds to states, insular areas, and local governments to prepare for, prevent, and respond to the spread of COVID-19. Covid activities were winding down in FY2025 in preparation for the conclusion of CDBG-CV funding in September 2026. In FY2025, CDBG-CV funds were used for shelter leasing, operations, case management related to Guam's funding of a non-congregate shelter for homeless persons. CDBG-CV funds were also used to support program administration activities.

Continuum of Care Grant Funds

HUD's CoC Program addresses community homelessness by providing funding to non-profit service providers, State and local governments to promote access by homeless individuals and families to mainstream programs, housing and supportive services. CoC funds are competitively awarded.

For FY2025, GHURA was awarded CoC funds for the following programs.

1. Anchor of Hope. Operated by the First Church of God, funds are used to provide rental assistance and support services to homeless individuals with disabilities fleeing domestic violence. "Domestic Violence" includes dating violence, sexual assault, stalking, and other dangerous or life-threatening conditions that relate to violence against the individual or family member that either takes place in, or him or her afraid to return to, their primary nighttime residence (including human trafficking).

RESEARCH PLANNING AND EVALUATION FUNDS, continued

Continuum of Care Grant Funds, continued

2. Coordinated Entry System. Operated by Catholic Social Services, funds are used to support the ongoing Coordinated Entry System utilizing the Homeless Management Information System (HMIS). Coordinated entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access to services, and are quickly identified, assessed for, referred, and connected to housing and assistance based on their needs and circumstances.

3. GU-500 CoC Planning Application FY2024. GHURA is designated to administer HUD CoC funds awarded to Guam CoC member organizations. GHURA as the designated Collaborative Applicant of the Guam CoC (the Guam Homeless Coalition), coordinates CoC activities, conducts monitoring for program performance and compliance, and provides guidance and technical assistance to address program needs.

4. Homeless Management Information System (HMIS). HMIS is the data repository to record the provision of services and track participants receiving assistance for homelessness. The service is intended as a tool to improve the provision of services by the numerous service providers.

5. Housing First Rental Assistance Program (HFRAP). Operated by GHURA, HFRAP provides for rental voucher assistance to homeless individuals who are also disabled by chronic alcohol or drug problems, serious mental illness, or other disabilities. In addition to receiving a rental subsidy, participants receive support services through agreements with local service agencies.

6. Manhali' Project. Operated by WCPI, Manhali' assists individuals to obtain and maintain permanent housing and supportive housing services to qualified individuals enrolled in WCPI homeless support services programs.

7. DV Harbors. Operated by the Division of Homeless Assistance and Poverty Prevention (DHAPP), under the Guam Department of Public Health and Social Services (DPHSS), this new program will provide rapid re-housing assistance and support services to homeless individuals fleeing domestic violence. "Domestic Violence" includes dating violence, sexual assault, stalking, and other dangerous or life-threatening conditions that relate to violence against the individual or family member that either takes place in, or him or her afraid to return to, their primary nighttime residence (including human trafficking).

RESEARCH PLANNING AND EVALUATION FUNDS, continued

Low-Income Housing Tax Credit Program

The Low-Income Housing Tax Credit (LIHTC) program subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for income-qualified (low- and moderate-income tenants). The LIHTC program was enacted as part of the 1986 Tax Reform Act. These housing tax credits support the construction or rehabilitation of affordable rental units. The federal government issues tax credits to State and Territories who then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service, investors can claim the housing credits for the next 10 years.

GHURA is the recognized housing credit allocating agency in Guam, authorized to allocate LIHTC program credits.

Since 2005, the LIHTC Program has been a primary tool in support of affordable rental housing development in Guam. The LIHTC Program has contributed to the construction of over 1,100 units of affordable housing in northern and central Guam.

No housing credits were issued in FY2025.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

In 2025, the Guam Housing and Urban Renewal Authority (GHURA) achieved a critical milestone in advancing the Community Development Block Grant–Disaster Recovery (CDBG-DR) grant, transitioning Guam's recovery effort from planning toward implementation readiness following Typhoon Mawar. GHURA successfully developed and refined its CDBG-DR Action Plan, establishing a comprehensive strategic framework for administering approximately $500.8 million in federal disaster recovery funding. This plan positions the agency to address Guam's most significant unmet needs across housing, infrastructure, economic revitalization, and hazard mitigation, while ensuring full alignment with U.S. Department of Housing and Urban Development (HUD) requirements. A key accomplishment in 2025 was the completion of a robust unmet needs and mitigation assessment, which quantified the scale of recovery challenges and informed a targeted allocation strategy. This data-driven approach enabled GHURA to prioritize investments that maximize impact and advance long-term resilience for communities across all nineteen municipalities, all of which qualify as Most Impacted and Distressed (MID) areas.

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY, continued

GHURA also demonstrated strong governance and stakeholder engagement throughout the planning process. The agency conducted structured public outreach from January through April 2025, incorporating community and stakeholder feedback into program design. This engagement ensured that the Action Plan reflects on-the-ground conditions, including housing affordability pressures, infrastructure constraints, and broader economic challenges affecting recovery. Importantly, GHURA established the operational foundation for program implementation. While the Action Plan defines high-level program categories, GHURA also developed policies, procedures, and implementation guidelines necessary to deliver recovery programs effectively and in compliance with federal requirements. GHURA recruited and trained program staff to meet capacity requirements to successfully implement the grant.

Collectively, GHURA's progress in 2025 represents a decisive step forward in Guam's disaster recovery efforts with HUD's official approval of the Action Plan having met all its submission deadlines.

AUTHORITY-WIDE FINANCIAL STATEMENTS

Statements of Net Position

The following summary presented below reflects the condensed 2023 to 2025 Statement of Net Position. GHURA is engaged only in Business-Type Activities.

GHURA's Net Position
As of September 30
Table 1

	2025	2024	$ Change FY2024 to FY2025	% Change FY2024 to FY2025	2023
Current and Other Assets	$ 49,222,843	$ 42,116,393	$ 7,106,450	16.87%	$ 43,861,314
Capital Assets	32,509,788	24,330,647	8,179,141	33.62%	18,989,486
Other Real Estate	2,185,663	2,254,969	(69,306)	-3.07%	2,462,887
Total Assets	**83,918,294**	**68,702,009**	**15,216,285**	**22.15%**	**65,313,687**
Deferred Outflows of Resources	**9,772,632**	**9,855,674**	**(83,042)**	**-0.84%**	**10,668,510**
	$ 93,690,926	**$ 78,557,683**	**$ 15,133,243**	**19.26%**	**$ 75,982,197**
Current and Other Liabilities	$ 36,993,081	$ 40,818,765	$ (3,825,684)	-9.37%	$ 38,533,047
Long-Term Debt	23,010,721	11,377,374	11,633,347	102.25%	11,948,705
Total Liabilities	**60,003,802**	**52,196,139**	**7,807,663**	**14.96%**	**50,481,752**
Deferred Inflows of Resources	**11,323,796**	**6,351,704**	**4,972,092**	**78.28%**	**7,377,598**
Net Position:					
Net Investment in Capital Assets	29,421,030	26,585,616	2,835,414	10.67%	22,021,078
Restricted	24,817,221	25,456,118	(638,897)	-2.51%	26,247,946
Unrestricted	(31,874,923)	(32,031,894)	156,971	-0.49%	(30,146,177)
Total Net Position	**22,363,328**	**20,009,840**	**2,353,488**	**11.76%**	**18,122,847**
	$ 93,690,926	**$ 78,557,683**	**$ 15,133,243**	**19.26%**	**$ 75,982,197**

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Statements of Net Position, continued

Total assets and deferred outflows of resources of GHURA as of September 30, 2025 amounted to $93,690,926 an increase of $15,133,243 or 19.26% as compared to $78,557,683 as of September 30, 2024. Cash and cash equivalents as of September 30, 2025 totaled $25,219,402 an increase of $913,350 or approximately 3.76% as compared to $24,306,052 as of September 30, 2024.

While the results of operations are a significant measure of GHURA's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

Table 2 presents details on the change in Unrestricted Net Position for the fiscal years ended September 30, 2024 to 2025. (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.

GHURA's Change in Unrestricted Net Position
Years Ended September 30
Table 2

	2025	2024	$ Change FY2024 to FY2025	% Change FY2024 to FY2025	2023
Unrestricted Net Position, Beginning	$ (32,031,894)	$ (30,146,177)	$ (1,885,717)	6.3%	$ (29,320,550)
Change in Net Position	2,353,488	1,886,993	466,495	24.7%	(2,844,536)
Adjustments:					
Depreciation	1,813,767	1,770,370	43,397	2.5%	1,527,106
Adjusted Change in Net Position	4,167,255	3,657,363	509,892	13.9%	(1,317,430)
Change in Restricted Net Position	638,897	791,828	(152,931)	-19.3%	3,497,784
Investment in Capital Assets, net	(4,548,441)	(6,239,577)	1,691,136	-27.1%	(2,916,588)
Repayment of Long-Term Debt	(100,740)	(95,331)	(5,409)	5.7%	(89,393)
Net Change	156,971	(1,885,717)	2,042,688	-108.3%	(825,627)
Unrestricted Net Position	**$ (31,874,923)**	**$ (32,031,894)**	**$ 156,971**	**-0.5%**	**$ (30,146,177)**

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Statements of Revenues, Expenses and Change in Net Position

The following summary presented below reflects the condensed 2023 to 2025 Statement of Revenues, Expenses and Changes in Net Position.

GHURA's Change in Net Position
Years Ended September 30
Table 3

	2025	2024	$ Change FY2024 to FY2025	% Change FY2024 to FY2025	2023
Revenues:					
Operating and Capital Grants	$ 72,731,277	$ 70,173,967	$ 2,557,310	3.64%	$ 62,334,117
Tenant Rental Revenue	2,007,835	1,746,851	260,984	14.94%	1,408,780
Other Operating Revenues	16,081	1,071,458	(1,055,377)	-98.50%	973,984
Non-Operating Revenues	2,878,331	1,251,926	1,626,405	129.91%	258,815
Total Revenues	**77,633,524**	**74,244,202**	**3,389,322**	**4.57%**	**64,975,696**
Expenses:					
Housing Assistance Payments	50,312,886	47,908,051	2,404,835	5.02%	46,674,141
Other Operating Expenses	24,045,094	23,767,433	277,661	1.17%	20,461,136
Non-Operating Expenses	922,056	681,725	240,331	35.25%	684,955
Total Expenses	**75,280,036**	**72,357,209**	**2,922,827**	**4.04%**	**67,820,232**
Change in Net Position	**$ 2,353,488**	**$ 1,886,993**	**$ 466,495**	**24.72%**	**$ (2,844,536)**

Table 3 presents the changes in GHURA's net position for the years ended September 30, 2023 to 2025. GHURA had total revenues of $77,633,524 in 2025 and $74,244,202 in 2024, an increase of $3,389,322 or 4.57% while total expenses were $75,280,036 in 2025 and $72,357,209 in 2024, an increase of $2,922,827 or 4.04%.

Tenant Revenue

Tenant revenue, which accounted for 2.59% of total current year revenues, increased by $260,984 or approximately 14.94% from $1,746,851 in 2024.

Other Revenue

Other income consists of program income, land sales, interest earned on cash equivalents, and other income.

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Statements of Revenues, Expenses and Change in Net Position

Expenses

Housing Assistance Payments

Housing assistance payments, which accounted for 66.83% of total current year expenses, increased by $2,404,835 or approximately 5.02% from $47,908,051 in 2024. The increase in the current year expenses is attributed to in Section 8 Housing Choice vouchers leased for the period and due to higher unit month leasing costs.

Other Operating Expenses

Other operating expenses, which accounted for 31.94% of total current year expenses, increased by $277,661 or approximately 1.17% from $23,767,433 in 2024.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, GHURA had $27,608,001 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (net of additions and depreciation) of $3,277,354, or approximately 13.47% from the end of last year.

GHURA's Capital Assets
As of September 30
Table 4

	2025	2024	2023
Depreciable Assets:			
Structures	$ 105,803,471	$ 103,507,321	$ 100,999,490
Furnitures, Fixtures, and Equipment	5,575,229	5,280,342	5,034,146
Leasehold Improvements	614,539	302,662	319,429
	111,993,239	109,090,325	106,353,065
Accumulated Depreciation	(95,372,778)	(93,888,444)	(92,195,464)
Total Depreciable Assets, Net	16,620,461	15,201,881	14,157,601
Nondepreciable Assedts:			
Land	8,577,669	3,675,882	3,780,831
Homes for Transfer to Persons	-	-	522,898
Contruction in Progress	7,311,658	5,452,884	528,156
Total Non-Depreciable Assets	15,889,327	9,128,766	4,831,885
Total Capital Assets, Net	**$ 32,509,788**	**$ 24,330,647**	**$ 18,989,486**

For additional information on GHURA's capital assets, please refer to Note 5 to the accompanying financial statements.

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Debt Administration

GHURA, in May 2021, obtained a $12M Community Development Block Grant Section 108 loan to assist The Learning Institute to construct a 70,000 square foot building intended to rent to the iLeam Academy Charter School. The funds for this loan were obtained from the U.S. Housing and Development (HUD). The Authority is a pass-through entity to facilitate payments made to the loan from The Learning Institute to HUD.

In 2025, GHURA executed a loan agreement with the Government of Guam totaling $12.2M to finance capital projects, including the acquisition of real property for the development of healthcare facilities and related community development initiatives in the Municipality of Mangilao, Guam. Upon completion, the healthcare facilities will be conveyed to the Government of Guam.

Economic Factors

U. S. Housing and Urban Development (HUD) Funding

GHURA receives the majority of its operating revenue from The U. S. Housing and Urban Development (HUD), GHURA and its financial operations are significantly affected by the federal government's annual appropriation to HUD.

GHURA has been proactive in assessing its financial condition and attempting to align its activities and the financial position of the agency so it can respond to new terms and conditions that may be incorporated. By incorporating its estimate of these possible changes and reductions into its budget for the current and future fiscal years, GHURA hopes to avoid any significant reductions in service levels or ongoing operations. The Authority is expecting budget cuts in Fiscal Year 2026 with the possibility of completely eliminating funding on certain programs.

GHURA locally administers certain programs of HUD. The funding source for all major programs is virtually 100% dependent on the U. S. Federal government, through HUD. Funding and funding related issues are therefore subject to Congressional approval on an annual basis. Major changes continue to occur in HUD program rules, regulations, and requirements, particularly as they relate to funding methodology, which will affect GHURA's future operations and administration of these federal programs.

Low-income families, veterans, senior citizens and disabled individuals waiting for assistance under the federal housing voucher program may have to wait longer as public housing agencies begin to cope with budget cuts.

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Economic Factors, continued

Inflation & Construction Costs

Guam's inflation rate for the calendar year 2025 averaged 3.4%. Local inflation is one of the factors in rising material costs coupled with labor shortages, increasing the expense of maintaining the Authority's buildings, renovating building acquisitions, and developing new housing units.

Local Real Estate Markets & Rent Inflation

Rising private-sector rents increase the cost of housing choice vouchers and diminish the inventory of affordable housing, putting pressure on families and the Authority.

Utility rates have been fluctuating. Utility costs must be factored into utility allowances for tenants, which increase the level of assistance provided in terms of utility allowances, which increases the costs of the housing programs in general.

Local Real Estate Markets & Rent Inflation, continued

Results from the 2009 Guam Comprehensive Housing Study show that Guam's housing market has become unaffordable for households looking to move to a new unit. Only 41.5% of households interested in buying a home had the resources to find an affordable unit while 49% of renters had sufficient income to move to a new rental unit.

Low- and moderate-income households represent 59.4% of households interested in buying a home. However, only 25.9% of the housing supply is within the affordable range for low- and moderate-income buyers.

Landlords are expected to maximize their rental income and are attracted to the subsidized military rental market rather than to the Housing Choice Voucher program, which provides subsidies to civilian households with incomes below 50% of area median income. In 2010, GHURA's payment standard provided a maximum rent of $1,633 for a 3-bedroom house to include utilities. Depending on rank, a military household could receive a housing allowance of $1,700 to $2,500. Developers are targeting the higher income housing market, which can demand rents of $2,000 or more.

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Economic Factors, continued

Tenant Income & Employment Levels

Guam's local economy is heavily dependent on the tourism industry, the source of which is from Asian markets. Guam's tourism struggled in 2025. Visitor numbers remained significantly below historic levels caused by the fluctuating exchange rates, unfavorable currency values in key Japanese and Korean markets, and souring fuel prices. Unlike most public housing authorities in the U. S. mainland, the local economy does not follow the U. S. national economic trends. Adverse economic conditions, compounded by the effects of ever-increasing worldwide prices of oil, are and will continue to affect residents, clients, and partners. The local government revenues have greatly reduced the amount of welfare assistance provided to those tenants of GHURA, who were or are welfare recipients.

Unemployment trends continue to affect resident incomes and therefore the amount of dwelling rental income GHURA is able to charge and collect. Guam's unemployment finished at 3.5% on September 2025, a .01% above the September 2024 figure of 3.4% and has affected those individuals with low to moderate income paying jobs, many of whom include the tenants in GHURA's housing programs. Tenants' reduced incomes result in lower dwelling rental income received by GHURA, and lower collection rates, which have affected operations.

Rental Assistance Demonstration

The HUD Rental Assistance Demonstration (RAD) Program is under continuing review by GHURA. GHURA's aim is to determine its applicability and benefit to the island's inventory of Public Housing. Participation in the RAD Program would see the conversion of Public Housing properties to a Section 8 Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) program. The RAD Program is a key component of the HUD Office of Public and Indian Housing's rental housing preservation strategy, working to preserve the nation's stock of deeply affordable rental housing, and to promote efficiency within and among HUD programs to build strong, stable communities.

Audit and Compliance

In order to ensure accountability for performance and results, the Executive Management is using a Management Scorecard. The Executive Management will use this scorecard to track how well departments are executing the management initiatives, and where they stand at a given point in time against the overall standards for success. Scores are based on standards established under the Public Housing Assessment System, Section Eight Management Assessment System, Voucher Management System, Rental Integrity Monitoring Reviews, and independent audits, to name a few. Over time, the scores should improve as departments correct the problems. The Executive Management will update this report twice a year and issue a mid-year report. We will hold ourselves responsible and report honestly, when progress is too slow.

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Systems, Controls, and Legal Compliance

Systems

Currently GHURA utilizes a commercially developed package that integrates all housing program areas under one common software umbrella. The software incorporates Section 8 Tenant & Landlords, Occupancy & Rent, Applications Waiting List, Receivables, General Ledger, Work Orders, Purchase Orders, Budgeting and Payroll as the main modules. All data entry is self-contained within this system and, ultimately feeds into the financials, where pay out, reporting, and tracking occurs. On average, the system generates approximately $4.25 million per month in payments to tenants, landlords, employees, and vendors. Data is available real-time and on-line.

The software exchanges data with HUD's web-based reporting requirements, and transmits and receives electronic banking payment (receivables) on a daily basis, as well as other various GovGuam agencies. All modules are accessible simultaneously by the approximate 90 staff via remote sites, designed to improve our customer service and support. These remote locations in Agat, Yona, Toto, Tumon, and Agana all access the main host server located in Sinajana via a common telecommunications media. Additionally, a second software is utilized to effectively track and forecast grant expenditures managed by CPD. These grants include CDBG, Home, ESG, and Continuum of Care programs. Data from both systems are exchanged and utilized in the reconciliation process, payment, and reporting requirements. Numerous controls, interface programs, and preventive measures have been developed, tested and implemented to ensure the integrity and accuracy of the data, to include quality control and discrepancy reports.

Controls

Management controls are the organization, policies, and procedures used to reasonably ensure that (1) programs achieve their intended results; (2) resources are used consistent with agency's mission; (3) programs and resources are protected from waste, fraud, and mismanagement; (4) laws and regulations are followed; and (5) reliable and timely information is obtained, maintained, reported and used for decision making.

Managers must take systematic and proactive measures to (1) develop and implement appropriate, cost-effective management controls for results-oriented management; (2) assess the adequacy of management controls in Federal programs and operations; (3) identify needed improvements; (4) take corresponding corrective action; and (5) report monthly, semi-annually, and annually on management controls.

Legal Compliance

GHURA is required to comply with a wide range of laws and regulations, including appropriations, employment, health and safety, and others. Responsibility for compliance primarily rests with agency management; compliance is addressed as part of agency financial statement audits.

AUTHORITY-WIDE FINANCIAL STATEMENTS, continued

Systems, Controls, and Legal Compliance, continued

Accountability

Management accountability is the expectation that "managers are responsible for the quality and timeliness of program performance, increasing productivity, controlling costs and mitigating adverse aspects of agency operations, and assuring that programs are managed with integrity and in compliance with applicable law."

Fraud, Waste, and Abuse

GHURA must maintain its credibility with applicant and participant families, owners, HUD, and the larger community by enforcing program requirements. When families, owners, or GHURA employees fail to adhere to program requirements, GHURA must take appropriate action. The action that is appropriate depends on the particular case or circumstances.

GHURA will address program errors, omissions, fraud, or abuse through both prevention and detection. Preventive measures are the most effective way to deter widespread program irregularities. Errors, omissions, fraud, and abuse will occur, and GHURA will have preventive measures in place so that any irregularity can be quickly detected and resolved as efficiently, professionally, and as fairly as possible. Because preventive monitoring measures are the most effective way to deter widespread program irregularities, they will be an integral part of daily operations.

Fraud, Waste, and Abuse, continued

GHURA must ensure it operates legally and with integrity. The central principle underlying the public ethics codes is the Conflict of Interest, more specifically, the conflict between a public official's individual self-interest and the public interest. We, as public officials, are held to a higher standard than individuals in the private sector are. Public officials are repositories of the public trust and as such have a duty to faithfully and honestly represent the interests of the public.

Financial Contact

Requests regarding any information contained in this report or any additional information or questions concerning the report should be addressed to Elizabeth F. Napoli, Executive Director, Guam Housing and Urban Renewal Authority, 117 Bien Venida Avenue, Sinajana, Guam 96910.

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Statements of Net Position

	September 30, 2025	September 30, 2024
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	$24,194,255	$23,280,905
Receivables, net:		
HUD	888,979	1,408,789
Notes receivable – current	840,768	813,868
Tenants	1,412,667	537,969
Other government	9,774	9,774
Accrued interest receivable	79,542	97,071
Miscellaneous	341,683	391,500
Allowance for doubtful accounts	(1,222,286)	(1,060,370)
Due from other funds	---	87,147
Prepayments and other current assets	6,774,565	349,980
Inventories	457,586	420,029
Total current assets	33,777,533	26,336,662
Noncurrent assets:		
Cash and cash equivalents – restricted	1,025,147	1,025,147
Notes receivable, net of current portion	14,031,477	14,343,654
Lease receivables	388,686	410,930
Capital assets:		
Depreciable assets, net of accumulated depreciation	16,620,461	15,201,881
Non-depreciable assets	15,889,327	9,128,766
Other real estate	2,185,663	2,254,969
Total noncurrent assets	50,140,761	42,365,347
Total assets	83,918,294	68,702,009
Deferred outflows of resources:		
Pension	3,959,096	5,096,843
OPEB	5,813,536	4,758,831
Total deferred outflows of resources	9,772,632	9,855,674
Total assets and deferred outflows of resources	$93,690,926	$78,557,683

See accompanying notes.

Statements of Net Position, continued

	September 30, 2025	September 30, 2024
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities:		
Accounts payable and other deposits	$ 599,135	$ 1,301,739
Due to HUD	16,755	16,755
Current portion of accrued compensated absences	59,192	67,796
Current portion of notes payable	602,000	586,800
Due to other funds	241,055	---
Accrued payroll and other liabilities	368,839	265,212
Unearned revenues	2,835,366	1,810,283
Security and escrow deposits	486,373	358,310
Other current liabilities	399,036	689,506
Total current liabilities	5,607,751	5,096,401
Accrued compensated absences, net of current portion	853,336	773,300
Notes payable, net of current portion	10,188,634	10,790,574
Loan payable	12,220,087	---
Net pension liability	15,239,487	17,631,057
Collective total OPEB liability	15,894,507	17,904,807
Total liabilities	60,003,802	52,196,139
Deferred inflows of resources:		
Pension	2,147,817	1,021,384
OPEB	9,175,979	5,330,320
Total deferred inflows of resources	11,323,796	6,351,704
Net position:		
Net investment in capital assets	29,421,030	26,585,616
Restricted for housing operations	24,817,221	25,456,118
Unrestricted	(31,874,923)	(32,031,894)
Total net position	22,363,328	20,009,840
Total liabilities, deferred inflows of resources and net position	$ 93,690,926	$78,557,683

See accompanying notes.

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Statements of Revenues, Expenses and Changes in Net Position

	Year ended September 30, 2025	2024
Operating revenues:		
HUD PHA Operating Grants	$ 70,645,513	$69,665,266
Tenant rental income	2,007,835	1,746,851
Other income	16,081	1,071,458
Total operating revenue	72,669,429	72,483,575
Less: Bad debts expense	188,340	614,785
Net operating revenue	72,481,089	71,868,790
Operating expenses:		
Housing assistance payments	50,312,886	47,908,051
Salaries and wages	7,151,873	6,483,595
Other administrative expenses	6,338,454	5,569,250
Employee benefits	3,597,828	3,683,047
Repairs and maintenance	2,160,265	2,584,621
Depreciation	1,813,767	1,770,370
Retiree healthcare costs	1,278,792	1,459,192
Utilities	663,762	619,622
Office expense	486,804	372,795
Advertising	105,944	80,903
Payments in lieu of taxes	98,380	86,401
Professional fees	70,388	97,158
Insurance	23,151	303,595
Travel	56,350	17,840
Protective services	10,996	24,259
Total operating expenses	74,169,640	71,060,699
Operating (loss) income	(1,688,551)	808,091
Nonoperating revenues (expenses):		
Other income, net	2,159,465	592,332
Contributions from GovGuam for retiree benefits	498,138	605,992
Fraud recovery	214,288	47,698
Interest income	6,440	5,904
Interest expense	(922,056)	(681,725)
Total nonoperating revenues, net	1,956,275	570,201
Income before capital grants and contributions	267,724	1,378,292
Capital grants and contributions:		
Federal grants	2,085,764	508,701
Change in net position	2,353,488	1,886,993
Net position at the beginning of the year	20,009,840	18,122,847
Net position at the end of the year	$ 22,363,328	$20,009,840

See accompanying notes.

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Statements of Cash Flows

	Year ended September 30, 2025	Year ended September 30, 2024
Cash flows from operating activities:		
Operating grants received	$70,645,513	$69,665,266
Receipts from tenants and customers	3,440,062	6,311,764
Payments to employees	(10,702,032)	(9,212,611)
Payments to suppliers for goods and services	(10,688,647)	(10,179,586)
Housing assistance paid	(50,312,886)	(47,908,051)
Net cash provided by operating activities	2,382,010	8,676,782
Cash flows from capital and related financing activities:		
Capital grants received	2,085,764	508,701
Proceeds from loan	12,220,087	---
Prepayment for land acquisition	(6,653,000)	---
Repayment of note payable	(586,740)	(571,331)
Interest paid	(922,056)	(681,725)
Acquisition of capital assets	(9,992,908)	(7,730,944)
Net cash used for capital and related financing activities	(3,848,853)	(8,475,299)
Cash flows from investing activities:		
Interest and other	2,380,193	637,500
Net change in cash	913,350	838,983
Cash and cash equivalents at beginning of year	24,306,052	23,467,069
Cash and cash equivalents at end of year	$25,219,402	$24,306,052
Cash and cash equivalents consist of the following:		
Unrestricted	$24,194,255	$23,280,905
Restricted	1,025,147	1,025,147
	$25,219,402	$24,306,052

See accompanying notes.

Statements of Cash Flows, continued

	Year ended September 30, 2025	Year ended September 30, 2024
Reconciliation of operating (loss) income to net cash provided by (used for) operating activities:		
Operating (loss) income	$(1,688,551)	$ 808,091
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:		
Noncash pension cost	2,310,524	3,187,760
Depreciation	1,813,767	1,770,370
Noncash OPEB cost	1,301,204	1,188,518
Sale of assets held for transfer to persons	---	627,847
Bad debts expense	188,340	614,785
Sale of other real estate	69,306	207,918
Changes in assets and liabilities:		
Receivables	(313,966)	1,733,383
Notes receivable	285,277	628,325
Due from/to other funds	328,202	(42,571)
Prepayments and other current assets	228,415	(314,514)
Inventories	(37,557)	(57,303)
Lease receivables	22,244	21,799
Accounts payable and other deposits	(702,604)	(452,996)
Accrued compensated absences	71,432	(116,580)
Accrued payroll and other liabilities	103,627	38,094
Unearned revenues	1,025,083	316,754
Security and escrow deposits	128,063	31,871
Collective total OPEB liability	(22,412)	270,674
Net pension liability	(2,437,914)	(2,155,243)
Other current liabilities	(290,470)	369,800
Net cash provided by operating activities	$2,382,010	$8,676,782

See accompanying notes.

1. Reporting Entity

The Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam (GovGuam), was created on December 18, 1962 by Government Code, Vol. II, Title XIV, Chapter X, 13902. The primary purpose of GHURA is to provide safe, decent, sanitary, and affordable housing for low to moderate-income families and elderly families in the Territory of Guam, and to operate its housing programs in accordance with federal and local laws and regulations. GHURA's federal programs are administered through the U.S. Department of Housing and Urban Development (HUD) under the provisions of the U.S. Housing Act of 1937, as amended.

The administration and operation of GHURA is under the control of a seven-member Board of Commissioners appointed by the Governor of Guam with the advice and consent of the Legislature with one of the seven members being a resident of the Public Housing program, elected by the residents and appointed by the Governor. GHURA has no component units required to be reported in accordance with the respective Governmental Accounting Standards Board (GASB) Statements.

2. Summary of Significant Accounting Policies

The accompanying financial statements of GHURA have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by GHURA.

GASB establishes financial reporting standards for governmental entities, which require that management's discussion and analysis of the financial activities be included with the basic financial statements and notes and modifies certain other financial statement disclosure requirements.

Organization and Program Descriptions

GHURA, formed to pursue an active community development program through urban renewal projects and to provide housing of low income, administers the following community programs:

Housing Assistance Payments Program:

HUD funds the Housing Choice Voucher Program. The principal purpose of the program is to enable lower income families to reside in existing privately owned housing. Assistance is calculated according to family needs and paid directly to the dwelling owner.

2. Summary of Significant Accounting Policies, continued

Organization and Program Descriptions, continued

Public Housing Capital Fund Program:

The Capital Fund Program Grant accounts for modernization funds received from HUD for capital improvements, major repairs, management improvements, operational costs and related planning costs to improve the physical quality of low-income housing. Upon completion of major capital improvement, the assets are transferred to the Low Income Housing Program.

Supportive Housing for the Elderly:

The Supportive Housing for the Elderly project is designed to provide housing accommodations for elderly residents of Guam. The project was built on land donated by GovGuam at an appraised value of $1,380,000. The project officially commenced operations in March 1980.

Low Income Housing Program:

Under this program, GHURA rents its own units to low-income households. The Low Income Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidies to enable GHURA to provide the housing at a rent that is based on 30 percent of household income. GHURA entered into an ACC that allowed them to develop and operate a Low-Income Housing Program.

HOME Investment Partnership Program:

This program is designed to increase homeownership and affordable housing opportunities for low-income and very low-income Americans. Program funds are used to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, among others.

Continuum of Care Program:

GHURA administers grant funds received through the HUD’s Continuum of Care Grant to serve the housing and service needs of homeless individuals with disabilities. GHURA acts as the collaborative applicant to submit for annual consideration a series of grants that are awarded to different island NGO’s providing services to their individual populations.

2. Summary of Significant Accounting Policies, continued

Organization and Program Descriptions, continued

Community Development Block Grants (CDBG):

These grants are used to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. All CDBG activities must meet one of the following national objectives: benefit low-income and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet certain community development needs having a particular urgency. Some of the activities that these funds can be used for includes the acquisition of real property; rehabilitation of residential and non-residential properties; provision of public facilities and improvements, such as water, sewer, streets, and community centers; clearance, demolition and removal of buildings and improvements; homeownership assistance; and assistance to for-profit businesses for economic development activities.

Emergency Solutions Grant Program:

This program provides grants to assist homeless and near-homeless individuals by providing rapid re-housing and homeless prevention services. The grants cover rental and utility assistance for persons and individuals who are homeless or on the verge of becoming homeless. Eligible households also can receive housing relocation and stabilization services such as counseling, case management and money management classes.

Resident Opportunity and Supportive Services:

This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Multifamily Housing Service Coordinator:

The purpose of this program is to link elderly, especially frail and disabled, or disabled non-elderly assisted housing and neighborhood residents to supportive services in the general community; to prevent premature and unnecessary institutionalization; and, to assess individual service needs, determine eligibility for public services and make resource allocation decisions, which enable residents to stay in the community longer.

2. Summary of Significant Accounting Policies, continued

Organization and Program Descriptions, continued

Economic, Social and Political Development of the Territories (Compact Impact):

This program is funded by the U.S. Department of the Interior to promote the economic, social and political development of the territories and freely associated states, leading toward greater self-government and self-sufficiency for each of them. In addition, Federal funding is provided for capital improvement programs and technical assistance to the insular areas including Guam.

Family Self-Sufficiency Program:

The objectives of the Family Self-Sufficiency program promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Neighborhood Stabilization Program – Recovery Act Fund:

The objectives of this program are to stabilize property values; arrest neighborhood decline; assist in preventing neighborhood blight; and stabilizing communities across America hardest hit by residential foreclosures and abandonment. These objectives are to be achieved through the purchase and redevelopment of foreclosed and abandoned homes and residential properties that will allow those properties to turn into useful, safe and sanitary housing.

Low-Income Housing Tax Credits (LIHTC) Program:

This program was created by the Tax Reform Act of 1986 and is intended to encourage the construction or rehabilitation of low-income rental units. The regulations governing this program are contained in Section 42 of the Internal Revenue Code (the "Code" or IRC). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project's units for low-income individuals or families.

Local Funds:

GHURA is charged with administrative oversight responsibility for a variety of community projects as established and funded by GovGuam through contributions and local grants-in-aid.

Revolving and Trust Funds:

These funds function primarily to facilitate cash management for all funds.

2. Summary of Significant Accounting Policies, continued

Organization and Program Descriptions, continued

Other Funds:

Other funds consist primarily of local projects that have been completed and have undergone a final close out audit. Such projects include Yona and Sinajana Urban Renewals, and neighborhood facilities constructed in Agat and Sinajana.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the financial statements. GHURA uses a proprietary fund type as its principle reporting. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The accounting objectives of its measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of GHURA are included in the statements of net position. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. GHURA accounts for those operations that are financed and operated in a manner similar to private business or where GHURA has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The principal operating revenues of GHURA are operating subsidies and administrative fees received from HUD and rental revenues received from residents. Grants and similar items are recognized as revenue as soon as all eligible requirements have been met.

Gains from sale of capital assets are included in non-operating revenues. Operating expenses of GHURA include the cost of operating housing units, cost of tenant services, protective services, general, administrative, maintenance, depreciation, and housing assistance payments.

Other expenses of GHURA include interest expense. Housing assistance payments from HUD are received by GHURA for each unit rented to qualified tenants in the public housing and Section 8 programs. HUD grants associated with capital acquisition and improvements are considered non-operating revenues and are separately presented as capital contributions in the accompanying statements of revenues, expenses and changes in net position.

2. Summary of Significant Accounting Policies, continued

Net Position

Net position represents the residual interest in GHURA's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of the following 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 may be designated for specific purposes through action by management or the Board of Commissioners or may otherwise be limited by contractual agreements with outside parties.

All of GHURA's restricted net position is expendable. When both restricted and unrestricted resources are available for use, generally it is GHURA's policy to use restricted resources first and the unrestricted resources when they are needed.

Use of 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 liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of net position and of cash flows, GHURA considers cash and cash equivalents to be cash on hand, cash in checking and savings account and time certificates of deposit with original maturities of less than three months.

2. Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents, continued

As of September 30, 2025 and 2024, bank deposits in the amount $250,000 were FDIC insured. In accordance with 5 GCA 21, *Investments and Deposits*, GHURA requires collateralization of deposits in excess of depository insurance limits at 100%. 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 or such other securities as may be approved by GHURA. As of September 30, 2025 and 2024, all of GHURA's bank deposits in excess of depository insurance limits are collateralized with securities held by the pledging financial institution but not in GHURA's name.

Receivables from HUD

Reimbursements due to GHURA for its expenditures on federally funded reimbursement and grant programs are reported as "receivables from HUD" in the accompanying financial statements.

Accounts Receivables - Tenants

GHURA recognizes bad debts using the allowance method and receivables are only written off after approval by management and subsequent reporting to the Board of Commissioners. The allowance for doubtful accounts is determined based on management estimates. While management believes the amount is adequate, the ultimate uncollectible balance may differ from the amounts provided.

Notes Receivable

Notes receivable are stated at the amount of unpaid principal. The allowance for doubtful accounts is established through a provision charged to expense. Notes are charged against the allowance when the principal due aged beyond 90 days.

Prepayments

Payments made to vendors for services that will benefit future periods are recorded as prepayments.

Lease receivable

Lease receivable represents the present value of lease payments expected to be received during the lease term. GHURA has adopted policies to assist in determining lease treatment in accordance with the requirements of GASB Statement No. 87, which include the following: (1) the 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.

2. Summary of Significant Accounting Policies, continued

Inventories

Inventories are stated at the lower of weighted average cost or market (net realizable value).

Capital Assets and Depreciation

All capital assets with a value greater than $5,000 and a useful life over one year are capitalized. Capital assets are stated at cost or at estimated historical cost if actual historical cost is not available except for certain parcels of land donated by GovGuam, which are recorded at the estimated fair market value at date of donation.

The cost of maintenance and repairs is charged to operations as incurred and improvements are capitalized. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets. Property and equipment for the Supportive Housing for the Elderly are stated at cost, while property that was donated or contributed is carried at the fair value on the date of donation or contribution.

Property and equipment for this project are depreciated utilizing straight-line method over their estimated useful lives. Capital assets are depreciated on a straight-line basis method over estimated useful lives as follows:

Category	Useful Life
Structures	15-40 years
Leasehold improvements	15 years
Furniture, fixtures and equipment	5-7 years

Upon retirement or other disposition of capital assets recorded, the cost and related accumulated depreciation are removed from the respective program or fund accounts and any gain or loss is included in the respective program or fund current operations. GHURA also has other assets, which consist primarily of property inventory under the Local Funds programs. Additionally, capital assets include deferred charges, developmental costs, management improvements, and dwelling and non-dwelling costs from other various projects.

GHURA evaluates events or changes in circumstances affecting long-lived assets, including intangible and capital assets, to determine whether an impairment of its assets has occurred. If GHURA determines that a long-lived asset is impaired, and that the impairment is significant and other-than temporary, then an impairment loss will be recorded in GHURA's financial statements. In 2025 and 2024, GHURA did not recognize any loss on impairment related to its long-lived assets.

2. Summary of Significant Accounting Policies, continued

Other Real Estate

Other real estate consists primarily of land transferred from GovGuam to GHURA to construct 500 single-family homes under the GHURA 500 Low Cost Housing Project. This property is recorded at the fair value less estimated selling cost. Management periodically performs valuations and property held for sale is carried at the lower of new cost basis or fair value less cost to sell. Impairment losses on property to be held and used are measured as the amount by which the carrying amount of the property exceeds its fair value. Costs of significant improvement are capitalized, whereas costs relating to holding property are expensed.

Deferred Outflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. GHURA has determined differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability, differences between projected and actual earnings on pension plan investments, changes of actuarial assumptions or other inputs, pension and OPEB contributions made subsequent to the measurement date, and changes in proportion and differences between GHURA pension and OPEB contributions and proportionate share of contributions qualify for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents 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. GHURA has determined differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and the OPEB liability, differences between projected and actual earnings on pension plan investments, changes of actuarial assumptions or other inputs, and changes in proportion and differences between GHURA pension and OPEB contributions and proportionate share of contributions qualify for reporting in this category.

2. Summary of Significant Accounting Policies, continued

Pensions

Pensions are required to be recognized and disclosed using the accrual basis of accounting. GHURA recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents GHURA's proportionate 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. The total pension liability also includes GHURA'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.

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 of 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 are 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.

Other Postemployment Benefits (OPEB)

OPEB is required to be recognized and disclosed using the accrual basis of accounting. GHURA recognizes a collective total OPEB liability for the defined benefit OPEB plan in which it participates, which represents GHURA's proportionate share of collective total OPEB liability - actuarially calculated - of a single-employer defined benefit plan, measured one year prior to fiscal year-end. 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.

Changes in the collective total 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 collective total OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes of 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.

2. Summary of Significant Accounting Policies, continued

Compensated Absences

Compensated absences are recognized as a liability as they are earned, to the extent that the leave is attributable to services already rendered and is more likely than not to be either used for time off or otherwise paid or settled. The liability is measured based on the pay rates in effect at the financial statement date, including applicable salary-related payments.

Annual leave expected to be paid within one year is classified as a current liability, with the remaining balance reported as noncurrent. The maximum accumulation of annual leave convertible to pay upon termination of employment is limited to 320 hours. Employees may carry forward annual leave in excess of 320 hours; however, such excess leave must be used prior to retirement or termination of service, and any unused leave in excess of the limit is forfeited upon retirement.

Members of the Defined Contribution Retirement System (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement.

Unearned Revenues

Unearned revenues arise when resources are received before GHURA has legal claim to them, such as when federal award money is received before eligible expenditure is made. In the subsequent period, when GHURA has a legal claim to the resources, the liability for unearned revenue is reduced and the revenue is recognized.

HUD Subsidies and Contributions

Subsidies and contributions from HUD are received periodically and represent the most significant source of revenues to GHURA. The terms of these subsidies are defined in various Consolidated Annual Contributions Contracts. HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are recorded as operating grant revenues. HUD contributions for project acquisition and development or modernization are recorded as capital contributions.

Tenant Rental Income

Revenue from rental charges to residents is recognized ratably over the terms of the lease agreements, which are generally on a month-to-month basis or 12-month period.

Administrative and General Expenses

Certain operating facilities and materials used by the programs are shared with other programs. Costs associated with these facilities and materials are accumulated and paid by a central disbursement fund, which allocates such costs to the various programs based on each program's pro rata share of payroll hours.

2. Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements

During the year ended September 30, 2025, GHURA implemented the following pronouncements:

- 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. The implementation of this Statement did not have a material effect on the accompanying financial statements.

- 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 certain 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 the government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact 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. The implementation of this Statement did not have a material effect on the accompanying financial statements.

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements

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 address 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. GASB Statement No. 103 will be effective for 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. 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. GASB Statement No. 104 will be effective for fiscal year ending September 30, 2026.

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

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. GASB Statement No. 105 will be effective for fiscal year ending September 30, 2027.

GHURA is currently evaluating the effects that the above upcoming accounting pronouncements, upon implementation, will have on the financial statements.

3. Deposits

Custodial credit risk is the risk that in the event of a bank failure, GHURA's deposits may not be returned to it. Such deposits are not covered by depositor insurance and are either uncollateralized or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. GHURA has an investment and deposit policy for custodial credit risk. For deposits, GHURA and the depository must execute a general depository agreement pursuant to HUD regulations. The depository bank must be a bank or financial institution whose deposits are insured by Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Corporation or the National Credit Union Administration and all deposits must be fully collateralized by U.S. securities.

As of September 30, 2025 and 2024, bank balances were $24,846,856 and $24,276,175, respectively, which are maintained in a financial institution subject to FDIC insurance.

4. Notes Receivable

Notes receivable consist primarily of first time homebuyer loans to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. The loans under GHURA's Down Payment and Closing Cost Assistance Program 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. Under the CDBG and HOME Investment Partnership Program, loans carry a 3% interest rate with a 30-year term.

On December 3, 2020, HUD entered into a $12 million loan facility with GHURA under the CDBG Section 108 Loan Guarantee Program (See Note 7). 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. Various drawdowns totaling $12 million were made against this facility. As of September 30, 2025 and 2024, note receivable from the subrecipient amounted to $10,418,000 and $10,904,000, respectively.

As of September 30, 2025 and 2024, these notes receivable are summarized as follows:

	2025	2024
Section 108 Loan Guarantee Program	$10,418,000	$10,904,000
CDBG and HOME Investment Partnerships Program	4,266,768	4,051,301
Down Payment and Closing Cost Assistance Program	187,477	202,221
	14,872,245	15,157,522
Less current portion	(840,768)	(813,868)
	$14,031,477	$14,343,654

Maturities of the principal balances subsequent to September 30, 2025, are as follows:

Year Ending September 30	
2026	$ 840,768
2027	650,058
2028	661,986
2029	677,396
2030	690,938
2031 through 2035	3,695,732
2036 through 2040	5,987,550
2041 through 2045	1,057,876
2046 through 2050	464,190
2051	145,751
	$14,872,245

4. Notes Receivable, continued

As of September 30, 2025 and 2024, the allowance for doubtful accounts on notes receivable amounted to $187,229 and $179,293, respectively.

5. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2025, is as follows:

	Balance October 1	Additions	Disposals	Transfers and Adjustments	Balance September 30
Depreciable assets:					
Structures	$103,507,321	$1,441,673	$ ---	$854,477	$105,803,471
Furniture, fixtures and equipment	5,280,342	654,722	(359,835)	---	5,575,229
Leasehold improvements	302,662	281,475	(1,575)	31,977	614,539
	109,090,325	2,377,870	(361,410)	886,454	111,993,239
Less accumulated depreciation and amortization	(93,888,444)	(1,813,767)	361,410	(31,977)	(95,372,778)
	15,201,881	564,103	---	854,477	16,620,461
Non-depreciable assets:					
Land	3,675,882	4,901,787	---	---	8,577,669
Construction in progress	5,452,884	2,713,251	---	(854,477)	7,311,658
	9,128,766	7,615,038	---	(854,477)	15,889,327
Total capital assets, net	$ 24,330,647	$8,179,141	$ ---	$ ---	$ 32,509,788

A summary of changes in capital assets for the year ended September 30, 2024, is as follows:

	Balance October 1	Additions	Disposals	Transfers and Adjustments	Balance September 30
Depreciable assets:					
Structures	$100,999,490	$2,017,434	$(77,390)	$567,787	$103,507,321
Furniture, fixtures and equipment	5,034,146	260,626	---	(14,430)	5,280,342
Leasehold improvements	319,429	---	---	(16,767)	302,662
	106,353,065	2,278,060	(77,390)	536,590	109,090,325
Less accumulated depreciation and amortization	(92,195,464)	(1,770,370)	---	---	(93,888,444)
	14,157,601	507,690	(77,390)	536,590	15,201,881
Non-depreciable assets:					
Land	3,780,831	---	---	(104,949)	3,675,882
Homes for transfer to persons	522,898	---	(627,847)	104,949	---
Construction in progress	528,156	5,452,884	---	(528,156)	5,452,884
	4,831,885	5,452,884	(627,847)	(528,156)	9,128,766
Total capital assets, net	$ 18,989,486	$5,960,574	$(705,237)	$ 8,434	$ 24,330,647

6. Other Real Estate

GovGuam transferred five parcels of land to GHURA to construct 500 single-family homes under the GHURA 500 Low Cost Housing Project. The estimated value per house, based on the development cost incurred, totaled $34,653. As of September 30, 2025 and 2024, GHURA had 61 and 63 lots, respectively, in its inventory with an estimated value of $2,113,833 and $2,183,139, respectively.

In addition, GHURA has five lots in the GovGuam Astumbo Housing Project with estimated per lot value of $14,366 for a total estimated value of $71,830 as of September 30, 2025 and 2024.

7. Notes Payable

Farmers Home Administration

On March 26, 1980, GHURA entered into a Section 515 Rural Rental Housing loan with the U.S. Department of Agriculture (USDA) Farmers Home Administration for $2,000,000 for the construction of elderly housing known as Guma Trankilidat. The loan bears interest at 6% per annum and is secured by a first mortgage and assignment of rental income and assessments. In the event that 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. Annual debt service requirements to maturity for principal and interest are as follows:

Year Ending September 30	Principal	Interest	Total Debt Service
2026	$107,000	$19,480	$126,480
2027	114,000	12,480	126,480
2028	121,000	5,480	126,480
2029	30,634	1,466	32,100
	$372,634	$38,906	$411,540

Loan Guarantee Program

On December 3, 2020, GHURA entered into a loan guaranty assistance 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 (See Note 4). Advances are made upon written request of GHURA and the approval of the HUD Secretary.

7. Notes Payable, continued

Loan Guarantee Program, continued

The loan bears variable interest based on the 3-month Treasury Auction Bill rate, is payable quarterly commencing August 1, 2021 with principal due annually.

Principal repayment based on the commitment schedule on the written request are as follows:

Year Ending September 30	Principal	Interest	Total Debt Service
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	535,000	378,640	913,640
2031 through 2035	2,843,000	1,520,257	4,363,257
2036 through 2040	4,999,000	874,801	5,873,801
	$10,418,000	$4,521,222	$14,939,222

Changes in notes payable for the year ended September 30, 2025, are as follows:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
Notes payable:					
Farmers Home Administration	$ 473,374	$ ---	$(100,740)	$ 372,634	$107,000
Loan Guarantee Program	10,904,000	---	(486,000)	10,418,000	495,000
	$11,377,374	$ ---	$(586,740)	$10,790,634	$602,000

Changes in notes payable for the year ended September 30, 2024, are as follows:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
Notes payable:					
Farmers Home Administration	$ 568,705	$ ---	$(95,331)	$ 473,374	$100,800
Loan Guarantee Program	11,380,000	---	(476,000)	10,904,000	486,000
	$11,948,705	$ ---	$(571,331)	$11,377,374	$586,800

8. Other Noncurrent Liabilities

The changes in other long-term liabilities for the year ended September 30, 2025, are as follows:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
Compensated absences	$ 841,095	$ 71,433	$ ---	$ 912,528	$59,192
Loan payable	---	12,220,087	---	12,220,087	---
Net pension liability	17,631,057	---	(2,391,570)	15,239,487	---
Collective total OPEB liability	17,904,807	---	(2,010,300)	15,894,507	---
	$36,376,959	$12,291,520	$(4,401,870)	$44,266,609	$59,192

The changes in other long-term liabilities for the year ended September 30, 2024, are as follows:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
Compensated absences	$ 957,666	$ ---	$(116,571)	$ 841,095	$67,796
Net pension liability	18,965,963	---	(1,334,906)	17,631,057	---
Collective total OPEB liability	14,471,126	3,433,681	---	17,904,807	---
	$34,394,755	$3,433,681	$(1,451,477)	$36,376,959	$67,796

Loan Payable to Government of Guam

In 2025, GHURA entered into a loan agreement with the Department of Administration (DOA), Government of Guam, dated December 23, 2024. The loan bears interest at one percent (1%) per annum on the outstanding principal balance. The principal and any accrued interest are due in a lump sum payment on December 31, 2026. As of September 30, 2025, the total amount borrowed and outstanding under the agreement is $12,220,087, which is reported as a noncurrent liability in the accompanying statement of net position.

9. Pensions

GHURA is statutorily responsible for providing pension benefits for GHURA 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.

9. Pensions, continued

A. General Information About the Pension Plans, continued:

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, which includes GHURA, 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 commences on or after October 1, 1995, and prior to January 1, 2018 are 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, 2024 are eligible to receive an annual ad hoc cost of living allowance (COLA).

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.

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.

9. Pensions, continued

A. General Information About the Pension Plans, continued:

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 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. Both 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 ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

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 is open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DC Plan and who make 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 GovGuam 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.

9. Pensions, continued

A. General Information About the Pension Plans, continued:

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 means 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 GHURA are established and may be amended by the GGRF.

GHURA's statutory contribution rate was 30.77% and 29.43%, respectively, for the years ended September 30, 2025 and 2024. Employees are required to contribute 9.50% of their annual pay for the years ended September 30, 2025 and 2024.

GHURA's contributions to the DB Plan for the years ended September 30, 2025 and 2024 were $2,488,828 and $2,032,592, respectively, which were equal to the required contributions for the respective years then ended.

GHURA's contributions for supplemental annuity benefit and COLA payments for the years ended September 30, 2025 and 2024 were $127,228 and $297,428, respectively, which were equal to the statutorily required contributions for the respective years ended.

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. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS.

Statutory employer contributions for the DCRS plan for the years ended September 30, 2025 and 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. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

9. Pensions, continued

A. General Information About the Pension Plans, continued:

GHURA's contributions to the DCRS Plan for the years ended September 30, 2025 and 2024 were $691,898 and $701,374, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts, $575,738 and $576,102 were contributed toward the unfunded liability of the DB Plan for the years ended September 30, 2025 and 2024, respectively.

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

Pension Liability: As of September 30, 2025 and 2024, GHURA reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2024 and 2023, which is comprised of the following:

	2025	2024
Defined Benefit Plan	$12,537,585	$15,149,072
Ad Hoc COLA/supplemental annuity Plan for DB retirees	1,928,366	1,627,602
Ad Hoc COLA Plan for DCRS retirees	773,536	854,383
	$15,239,487	$17,631,057

GHURA's proportion of the GovGuam net pension liabilities was based on GHURA's expected plan contributions relative to the total expected contributions received by the respective pension plans for GovGuam and GovGuam's component units. As of September 30, 2025 and 2024, GHURA's proportionate shares of the GovGuam net pension liabilities were as follows:

	2025	2024
Defined Benefit Plan	1.19%	1.08%
Ad Hoc COLA/supplemental annuity Plan for DB retirees	0.63%	0.61%
Ad Hoc COLA Plan for DCRS retirees	1.08%	1.09%

9. Pensions, continued

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

Pension Expense (Benefit): For the years ended September 30, 2025 and 2024, GHURA recognized pension expense (benefit) for its proportionate share of plan pension expense from the above pension plans as follows:

	2025	2024
Defined Benefit Plan	$2,186,208	$2,890,870
Ad Hoc COLA/supplemental annuity Plan for DB retirees	171,196	108,675
Ad Hoc COLA Plan for DCRS retirees	(46,880)	188,215
	$2,310,524	$3,187,760

Deferred Outflows and Inflows of Resources: As of September 30, 2025 and 2024, GHURA reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025					
	Defined Benefit Plan		Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees		Ad Hoc COLA Plan for DCRS Retirees	
	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	$ 16,778	$ 93,288	$ 93,296	$32,658	$ 80,973	$ 8,943
Net difference between projected and actual earnings on pension plan investments	---	1,587,287	---	---	---	---
Changes of assumptions	---	50,049	42,395		162,680	126,114
Contributions subsequent to the measurement date	2,488,828	---	122,628	---	4,600	---
Changes in proportion and difference between GHURA contributions and proportionate share of contributions	794,106	171,724	67,115	---	85,697	77,754
	$3,299,712	$1,902,348	$325,434	$32,658	$333,950	$212,811

9. Pensions, continued

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

	2024					
	Defined Benefit Plan		Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees		Ad Hoc COLA Plan for DCRS Retirees	
	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	$ 155,550	$170,403	$ ---	$ 65,919	$ 83,707	$ 10,992
Net difference between projected and actual earnings on pension plan investments	1,971,630	---	---	---	---	---
Changes of assumptions	---	91,422	24,935	82,923	165,409	151,255
Contributions subsequent to the measurement date	2,032,592	---	260,628	---	36,800	---
Changes in proportion and difference between GHURA contributions and proportionate share of contributions	217,173	343,447	33,401	16,842	115,018	88,181
	$4,376,945	$605,272	$318,964	$165,684	$400,934	$250,428

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as a 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, 2025 will be recognized in pension expense as follows:

Year Ending September 30	
2026	$(48,474)
2027	651,080
2028	(706,947)
2029	(752,110)
2030	2,264
Thereafter	49,410
	$(804,777)

9. Pensions, continued

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

Actuarial Assumptions: The actuarial assumptions used are based upon recommendations from the actuarial experience study for the period October 1, 2015 through September 30, 2020. A summary of actuarial assumptions applied to all periods included in the measurement is shown below.

Inflation:	2.50% per year
Investment rate of return:	7.0% per year
Payroll growth:	2.50% for Fiscal Year 2024, and thereafter
Salary increases:	6.0% per year in the first 5 years, 4.5% for years 6-10, 3.0% for years 11 to 15, and 3.0% for service after 15 years
Retirement age:	40% of employees assumed to retire when first eligible for unreduced retirement, 20% per year thereafter until age 75, at which time all remaining employees are assumed to retire
Mortality:	Based on the PUB-2010 General Employees Amount-Weighted and PUB-2010 General Healthy Retiree Amount-Weighted mortality table, set forward by 4 years for males and 2 years for females, respectively then increased by 30% for ages less than 80.

9. 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: GGRF 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 Allocation	Nominal Return	Component Return
U.S. Equities (large cap)	26.00%	7.83%	2.03%
U.S. Equities (small cap)	4.00%	9.32%	0.37%
Non-U.S. Equities	17.00%	10.12%	1.72%
Non-U.S. Equities (emerging markets)	3.00%	11.79%	0.35%
U.S. Fixed Income (aggregate)	22.00%	4.86%	1.07%
Risk Parity	8.00%	6.53%	0.52%
High Yield Bonds	8.00%	6.54%	0.52%
Global Real Estate (REITs)	2.50%	9.34%	0.23%
Global Equity	7.50%	8.59%	0.64%
Global Infrastructure	2.00%	8.42%	0.17%
Expected arithmetic mean (1 year)			7.64%
Expected geometric mean (30 years)			6.91%

Discount Rate: The discount rate used to measure the total pension liability for the DB Plan was 7.0%, 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 was 3.81% (4.09% at September 30, 2024), which is equal to the rate of return of a high quality bond index.

9. 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 net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to GHURA's proportionate share of the 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 6.0%	Current Discount Rate 7.0%	1% Increase in Discount Rate 8.0%
Net Pension Liability	$16,425,309	$12,537,585	$9,190,533

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:

	1% Decrease in Discount Rate 2.81%	Current Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
Net Pension Liability	$2,094,473	$1,928,366	$1,766,799

Ad Hoc COLA Plan for DCRS Retirees:

	1% Decrease in Discount Rate 2.81%	Current Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
Net Pension Liability	$865,425	$773,536	$691,317

10. Other Post-Employment Benefits (OPEB)

GHURA 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 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.

Benefits: GovGuam provides postemployment medical, dental and life insurance benefits to retirees, spouses, children and survivors. 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 may also pay a portion of the medical and dental insurance premiums, depending on the plan and coverage selected.

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.

B. Collective total OPEB Liability:

Collective total OPEB liability at the fiscal year presented for the OPEB Plan was measured on and was determined by actuarial valuations as of the following dates:

Reporting date:	September 30, 2025	September 30, 2024
Measurement date:	September 30, 2024	September 30, 2023
Valuation date:	September 30, 2024	September 30, 2022

Collective total OPEB liability as of September 30, 2025 and 2024 is $15,894,507 and $17,904,807, respectively.

Proportionate share of collective total OPEB liability at September 30, 2025 and 2024 is 0.73% and 0.65%, respectively.

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

B. Collective total OPEB Liability, continued:

Actuarial Assumptions: A summary of actuarial assumptions applied to all periods included in the measurement is shown below:

Inflation: 2.6% per year, based on current economic data, analyses from economists and other experts, and professional judgement. Previously, 2.5%

Discount rate: 3.81%, compounded annually, for the measurement as of September 30, 2024.

4.09%, compounded annually, for the measurement as of September 30, 2023.

The GASB 75 discount rate is based on a tax-exempt, high-quality municipal bond rate.

Amortization rate: Level dollar amount over 30 years on an open amortization period for pay-as-you-go funding.

Salary increases: 6.0% per year for the first 5 years of service, 4.5% for 6-10 years, 3% for over 10 years.

Healthcare cost trend rates:

Fiscal Year	Claims	Retiree Contributions	Medicare Premiums
2025	7.00%	0.00%	8.76%
2026	6.50%	0.00%	7.62%
2027	6.00%	0.00%	7.00%
2028	5.50%	0.00%	7.00%
2029	5.00%	0.00%	7.00%
2030	4.50%	0.00%	7.00%
2031-2034	4.10%	0.00%	7.00%
2035	4.10%	0.00%	6.50%
2036	4.10%	0.00%	6.00%
2037	4.10%	0.00%	5.50%
2038	4.10%	0.00%	5.00%
2039	4.10%	0.00%	4.50%
Ultimate	4.10%	0.00%	4.10%

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

B. Collective total OPEB Liability, continued:

Healthcare cost trend rates, continued:	Health care tend assumptions begin at current levels and grade down over a period of years to lower level equal to some real rate plus inflation. The principal components of health trend are medical inflation, deductible erosion, cost shifting, utilization, technology and catastrophic claims. The overall effect of these components is expected to decline year by year. Medical trend rates applied to projected claims costs. Previously, retiree contribution trend rates were the same as the trend rates shown for claims. Previously, Medicare premium trend rates were 4.25% per year in all years.
Dental trend rates:	For claims, 4.25% per year. For retiree contributions, 0% per year. These trend rates are based on a blend of historical retiree premium rate increases as well as observed U.S. national trends. The 0% retiree contribution increases reflect recent Guam plan experience.
Mortality rates:	Active employees: PUB-2010 General employees Headcount-Weighted Mortality Table, set forward 4 years and 2 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. Healthy retirees: PUB-2010 General Healthy Retiree Headcount-Weighted Mortality Table, set forward 4 years and 2 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. Disabled retirees: PUB-2010 General Disabled Retiree Headcount-Weighted Mortality Table. Set forward 4 years and 2 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020.

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

B. Collective total OPEB Liability, continued:

Mortality rates, continued:	Survivors: PUB-2010 General Contingent Survivor Headcount-Weighted Mortality Table, set forward 3 years and 4 years for males and females, respectively, with 130% of rates prior to age 80. Projected generationally using 50% of scale MP-2020. The actuarial valuation is performed using a mortality table used by Milliman, the current pension actuary, based on an actuarial experience study of the experience from 2016 to 2020 which justified the use of the current morality tables. The morality tables used by Milliman are weighted by amount (salary for active employees and benefit amount for those in payment status). For this retiree medical valuation, the headcount-weighted mortality tables are used, which are more appropriate for the measurement of obligations with benefit structures uncorrelated with income.
Participation rates:	Medical - 100% of active employees who are currently covered under a GovGuam medical plan are assumed to elect medical coverage at retirement. Dental - 100% of active employees who are currently covered under a GovGuam dental plan are assumed to elect dental coverage at retirement. Life - 100% of active employees are assumed to elect life coverage at retirement.
Medicare enrollment:	Based on current retiree data for individuals age 65 and older, a 65% Medicare enrollment rate is assumed for current and future retirees upon attainment of age 65. Individuals who enroll in Medicare are assumed to participate in the Retiree Supplemental Plan (RSP). The remaining 35% are assumed not to enroll in Medicare and therefore remain in their elected non-Medicare GovGuam plan. All employees who retired prior to September 28, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore are assumed to remain in the non-Medicare GovGuam plan.

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

B. Collective total OPEB Liability, continued:

Medicare enrollment, continued:	Previously, 55% of current and future retirees were assumed to enroll in Medicare upon attainment of age 65.
Dependent status:	Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee. Medical - 100% of spouses of active employees covered under a GovGuam medical plan will elect to participate at the active employee's retirement. Dental - 100% of spouses of active employees covered under a GovGuam dental plan will elect to participate at the active employee's retirement. Life - 100% of spouses of active employees will elect to participate at the active employee's retirement. For current retired employees, the actual census information is used.
Actuarial cost method:	Entry Age Normal. The costs of each employee’s post-employment benefits are allocated as a level basis over the earnings of the employee between the employee’s date of hire and the assumed exit ages.
Employee data:	Employee and retiree data as of September 30, 2024 were submitted by GovGuam. Reasonable adjustments for missing or invalid date were made.
Withdrawal rates:	15% for less than 1 year of service, decreasing by 2% at 1 year, at 2 years rate decreases by 3%, then decreases by 2% at 3 years. From 4-9 years it further decreases by 1% each year and then remains at 2% for service over 9 years. (Previously, rates were at 15% for less than 1 year of service, decreasing 1% for each additional year of service up to 10 years, further decreasing 0.5% for each additional year of service up to 15 years, and 2% for service over 15 years.)
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).

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

B. Collective total OPEB Liability, continued:

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.

Discount rate: The discount rate used to measure the collective total OPEB liability was 3.81% and 4.09% for the years ended September 30, 2025 and 2024, respectively. 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 tax-exempt, high quality municipal bond rate at each year was applied respectively to all periods to determine the collective total OPEB liability.

Sensitivity of the collective total OPEB liability to changes in the discount rate: The following presents the sensitivity of the collective total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to GHURA's proportionate share of the collective 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 2.81%	Current Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
Collective total OPEB Liability	$18,463,822	$15,894,507	$13,813,782

Sensitivity of the collective total OPEB liability to changes in the healthcare cost trend rates: The following presents the sensitivity of the collective total OPEB liability to changes in the healthcare cost trend rate. The sensitivity analysis shows the impact to GHURA's proportionate share of the collective 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
Collective total OPEB Liability	$13,561,847	$15,894,507	$18,875,840

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

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

For the years ended September 30, 2025 and 2024, GHURA reported total OPEB expense of $1,301,204 and $1,188,518, respectively, for its proportionate share of the GovGuam total OPEB expense. As of September 30, 2025 and 2024, GHURA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 895,066	$2,653,536	$ 605,020	$3,430,747
Difference between expected and actual experience	2,218,161	5,607,260	2,739,589	756,165
Contributions subsequent to the measurement date	370,911	---	308,564	---
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,329,398	915,183	1,105,658	1,143,408
	$5,813,536	$9,175,979	$4,758,831	$5,330,320

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

Year Ending September 30	
2026	$(679,745)
2027	(763,899)
2028	(934,667)
2029	(934,669)
2030	(19,518)
Thereafter	(400,856)
	$(3,733,354)

11. Risk Management

GHURA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; operational liability, errors and omissions, employee injuries and illnesses; employee health, dental and accident benefits and natural disasters. GHURA maintains commercial insurance to provide for claims arising from most of these risks except for typhoon insurance.

Beginning in fiscal year 2005, GHURA decided to stop carrying commercial insurance for typhoon coverage because it was cost-prohibitive. A typhoon insurance coverage waiver was granted by HUD provided that GHURA establish and maintain a separate typhoon coverage escrow account in which it will deposit $200,000 annually until the account balance reaches a minimum of balance of $1 million. HUD must approve each draw against the typhoon coverage escrow account. When funds are used to pay typhoon claims, GHURA must replenish the escrow account on an annual basis to maintain the $1 million minimum balance. As of September 30, 2025 and 2024, GHURA had deposited $1,025,147 into the typhoon coverage escrow restricted cash account.

There were no material losses sustained because of GHURA’s risk management practices.

12. Commitments and Contingencies

Federal Award Programs and HUD

GHURA participates in a number of federal award programs for specific purposes that are subject to review and audit by grantor agencies, namely the U.S. Department of Housing and Urban Development (HUD). Certain amounts of questioned costs exist as of September 30, 2025. The questioned costs will be resolved by the applicable grantor agency and due to GHURA’s inability to predict the ultimate outcome of this matter, no provision for any liability, if any that may result from this matter has been made in the accompanying financial statements.

Such questioned costs could lead to requests for reimbursements from the grantor agency for expenditures disallowed under the terms of the applicable grant.

Litigation

GHURA is subject to various claims, unlawful detainer complaints and other legal actions in the normal course of business. GHURA consults their legal counsel whenever there is a potential or asserted claim and relies on the advice of counsel for direction and for establishing reserves for potential unfavorable outcomes.

Construction Contracts

As of September 30, 2025, GHURA has outstanding commitments related to various construction contracts totaling approximately $5.6 million. During the year, GHURA incurred costs of approximately $1.6 million under these contracts. The remaining commitments represent future contractual obligations expected to be funded in subsequent periods as construction progresses.

Required Supplementary Information

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Schedule 1
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

Defined Benefit Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GHURA's proportionate share of the net pension liability	$ 12,537,585	$ 15,149,072	$ 16,805,140	$ 10,326,747	$ 12,797,806	$ 11,913,613	$ 10,897,784	$ 9,526,027	$ 11,293,296	$ 11,754,627
GHURA's proportion of the net pension liability	1.19%	1.08%	1.13%	1.07%	1.03%	0.98%	0.92%	0.83%	0.83%	0.82%
GHURA's covered-employee payroll**	$ 7,542,540	$ 6,442,553	$ 6,276,939	$ 5,706,641	$ 5,366,685	$ 4,998,061	$ 4,749,017	$ 4,239,078	$ 4,177,889	$ 4,183,506
GHURA's proportionate share of the net pension liability as percentage of its covered employee payroll	166.22%	235.14%	267.73%	180.96%	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%
Plan fiduciary net position as a percentage of the total pension liability	70.14%	70.14%	70.14%	70.14%	61.48%	62.25%	63.28%	60.63%	54.62%	52.32%

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Schedule 2
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GHURA's proportionate share of the net pension liability	$ 1,928,366	$ 1,627,602	$ 1,507,678	$ 1,863,441	$ 2,106,536	$ 2,212,240	$ 2,021,716	$ 1,952,207	$ 1,522,308	$ 1,485,317
GHURA's proportion of the net pension liability	0.63%	0.61%	0.59%	0.60%	0.65%	0.68%	0.70%	0.68%	0.66%	0.63%

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Schedule 3
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

Ad Hoc COLA Plan for DCRS Retirees

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GHURA's proportionate share of the net pension liability	$ 773,536	$ 854,383	$ 653,145	$ 824,432	$ 818,157	$ 779,407	$ 631,920	$ 834,630	$ 520,758	$ 434,878
GHURA's proportion of the net pension liability	1.08%	1.09%	1.09%	1.17%	1.23%	1.30%	1.28%	1.34%	0.84%	0.83%

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Schedule 4
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily determined contribution	$2,569,457	$2,052,372	$1,773,114	$1,544,126	$1,335,864	$ 1,244,540	$ 1,181,730	$ 1,040,659	$ 1,168,865	$ 1,134,630
Contribution in relation to the statutorily determined contribution	2,488,828	2,032,592	1,774,771	1,532,814	1,366,041	1,192,443	1,255,496	1,044,757	1,026,636	1,100,398
Contribution deficiency (excess)	$ 80,629	$ 19,780	$ (1,657)	$ 11,312	$ (30,177)	$ 52,097	$ (73,766)	$ (4,098)	$ 142,229	$ 34,232
GHURA's covered payroll *	$8,350,527	$6,973,741	$6,236,990	$6,276,939	$5,706,641	$ 5,366,685	$ 4,998,061	$ 4,749,017	$ 4,239,078	$ 4,177,889
Contribution as a percentage of covered payroll	29.80%	29.15%	28.46%	24.42%	23.94%	22.22%	25.12%	22.00%	24.22%	26.34%

* Covered payroll data from the actuarial valuation date with one-year lag.

Guam Housing and Urban Renewal Authority
(A Component Unit of the Government of Guam)

Schedule 5
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Collective Total OPEB Liability
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
GHURA's proportion of the total OPEB Liability	$ 15,894,507	$ 17,904,807	$ 14,471,126	$ 19,074,796	$ 16,920,540	$ 15,873,373	$ 11,630,596	$ 14,924,532	$ 15,314,916
GHURA's proportion of the total OPEB Liability	0.73%	0.65%	0.63%	0.69%	0.67%	0.62%	0.62%	0.61%	0.60%

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Schedule 6
Notes to Required Supplementary Information
(Unaudited)

Changes of Assumptions – Pension Plans

Amounts reported in the 2024 actuarial valuation reflected an assumption related to administrative expenses to increase to $7,402,000 per year.

Amounts reported in the 2023 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,798,000 per year.

Amounts reported in the 2022 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,565,000 per year.

Amounts reported in the 2021 actuarial valuation reflected an assumption related to administrative expenses to increase to $6,565,000 per year.

Amounts reported in the 2020 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,439,000 per year.

Amounts reported in the 2019 actuarial valuation reflected an assumption related to administrative expenses to decrease to $6,860,000 per year.

Amounts reported in the 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 of assumption for payroll growth to 2.75% rather than 3%. The mortality, retirement age and disability assumption were changed to more closely reflect actual experience. Assumption related to administrative expenses 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 the 2016 actuarial valuation reflect a change of assumption for administrative expenses to $6,078,000 per year rather than $5,806,000.

Amounts reported in the 2015 actuarial valuation reflect a change of assumption for payroll growth to 3% rather than 3.5% which was used to determine amounts reported prior to 2015.

Other Postemployment Benefit Plan

The information presented has no assets accumulated in a trust to pay related benefits.

Supplementary Information

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Balance Sheet Summary
Submission Type: Audited/Single Audit   Fiscal Year End: 09/30/2025

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.896 PIH Family Self-Sufficiency Program	2 State/Local	14.267 Continuum of Care Program	8 Other Federal Program 1	9 Other Federal Program 2	14.225 Community Development Block Grants/Special Purpose Grants/Insular Area	14.191 Multifamily Housing Service Coordinators	21.027 Coronavirus State and Local Fiscal Recovery Funds	15.875 Economic, Social, and Political Development of the Territories and the	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
111 Cash - Unrestricted	$ 10,345,064	$ -	$ -	$ -	$ 3,763,920	$ -	$ -	$ -	$ 906,866	$ -	$ -	$ -	$ 133,285	$ 1,583,884
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	1,148,112	136,648	-	-	255,167	-	-	-	-	-	966,692	-	-	-
114 Cash - Tenant Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	76,624	-	-	-	-	-	-	-	-	-
100 Total Cash	11,493,176	136,648	-	-	4,095,711	-	-	-	906,866	-	966,692	-	133,285	1,583,884
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	40,389	-	-	4,857	-	100,387	2,557	-	198,426	51,711	-	-	-	204,751
124 Accounts Receivable - Other Government	-	-	-	-	9,774	-	-	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	2,849	-	-	-	149,171	3,406	-	-	-	-	-	-	-	-
126 Accounts Receivable - Tenants	865,408	-	-	-	-	500	-	-	9,119	-	-	-	13,197	-
126.1 Allowance for Doubtful Accounts -Tenants	(430,420)	-	-	-	-	-	-	-	-	-	-	-	(13,197)	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	(179,890)	-	-	-	(594)	-	-	-	-	(9,889)
127 Notes, Loans, & Mortgages Receivable - Current	33,975	-	-	-	81,972	-	-	-	2,647	-	-	-	-	150,418
128 Fraud Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	512,201	-	-	4,857	61,027	104,293	2,557	-	209,598	51,711	-	-	-	345,280
131 Investments - Unrestricted	1,028,985	-	-	-	75,556	-	-	-	-	-	-	-	-	-
132 Investments - Restricted	185,807	-	-	-	-	-	-	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	52,743	-	-	-	68,822	-	-	-	-	-	6,653,000	-	-	-
143 Inventories	431,056	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144 Inter Program Due From	2,663,225	118,855	7,751	37,733	2,394,720	-	20,430	-	522	-	-	-	202,943	347,058
145 Assets Held for Sale	-	-	-	-	2,495,777	-	-	-	-	-	-	-	-	317,733
150 Total Current Assets	16,367,193	255,503	7,751	42,590	9,191,613	104,293	22,987	-	1,116,986	51,711	7,619,692	-	336,228	2,593,955
161 Land	2,130,777	-	-	-	165,105	-	-	-	-	-	4,901,787	-	-	-
162 Buildings	98,708,580	-	-	-	903,767	-	-	-	989,508	-	-	-	-	-
163 Furniture, Equipment & Machinery - Dwellings	2,112,952	-	-	-	-	-	-	-	-	-	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	1,459,240	-	-	-	300,977	-	-	-	72,762	-	-	-	-	111,583
165 Leasehold Improvements	24,008	-	-	-	-	-	-	-	150,000	-	-	-	-	-
166 Accumulated Depreciation	(90,374,948)	-	-	-	(692,236)	-	-	-	(252,579)	-	-	-	-	(17,164)
167 Construction in Progress	2,150,362	-	-	-	630,760	-	-	-	3,066,468	-	-	-	-	764,175
168 Infrastructure	1,083,111	-	-	-	-	-	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	17,294,082	-	-	-	1,308,373	-	-	-	4,026,159	-	4,901,787	-	-	858,594
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	383,460	-	-	-	78,978	-	-	-	-	4,034,725
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	17,294,082	-	-	-	1,691,833	-	-	-	4,105,137	-	-	-	-	4,893,319
200 Deferred Outflow of Resources	3,085,829	-	-	-	-	-	-	-	1,491,115	86,983	-	-	-	396,374
290 Total Assets and Deferred Outflow of Resources	36,747,104	255,503	7,751	42,590	10,883,446	104,293	22,987	-	6,713,238	138,694	12,521,479	-	336,228	7,883,648
311 Bank Overdraft	12,866	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	12,124	-	-	-	514,816	-	-	-	1,978	-	-	-	-	19
313 Accounts Payable >90 Days Past Due	295	-	-	-	-	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	119,690	-	-	4,857	3,280	706	-	-	4,928	1,758	1,018	-	-	6,690
322 Accrued Compensated Absences - Current Portion	18,913	-	-	2,002	-	-	-	-	8,057	82	-	-	-	1,890
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	210	-	-	-	13	-	-	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	291	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	107,073	-	-	-	3,173	-	-	-	7,754	-	-	-	-	6,275
342 Unearned Revenue	-	-	-	-	2,052,510	-	-	-	11,146	-	241,158	1,300	-	57
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenu	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	28,252	15,431	-	-	473,554	-	-	-	-	-	-	-	1,803	-
346 Accrued Liabilities - Other	15,367	-	-	-	409,193	-	-	-	-	-	-	-	-	-
347 Inter Program - Due To	449,577	90,972	7,149	-	1,910,362	174,898	-	148,142	1,183,977	48,559	58,936	600	245,600	1,172,104
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	764,367	106,403	7,149	6,859	5,366,901	175,604	-	148,142	1,217,840	50,399	301,112	1,900	247,694	1,187,035

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Balance Sheet Summary
Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2025

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.896 PIH Family Self-Sufficiency Program	2 State/Local	14.267 Continuum of Care Program	8 Other Federal Program 1	9 Other Federal Program 2	14.225 Community Development Block Grants/Special Purpose Grants/Insular Area	14.191 Multifamily Housing Service Coordinators	21.027 Coronavirus State and Local Fiscal Recovery Funds	15.875 Economic, Social, and Political Development of the Territories and the	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	-	-	12,220,087	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	97,587	-	-	-	-	-	-	-	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	312,444	-	-	25,987	-	-	-	-	72,848	1,259	-	-	-	17,088
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	9,143,745	-	-	-	-	-	-	-	4,774,417	244,810	-	-	-	1,269,150
350 Total Non-Current Liabilities	9,553,776	-	-	25,987	-	-	-	-	4,847,265	246,069	12,220,087	-	-	1,286,238
300 Total Liabilities	10,318,143	106,403	7,149	32,846	5,366,901	175,604	-	148,142	6,065,105	296,468	12,521,199	1,900	247,694	2,473,273
400 Deferred Inflow of Resources	3,862,897	-	-	-	392,314	-	-	-	1,608,982	93,329	-	-	-	427,704
508.4 Net Investment in Capital Assets	17,294,082	-	-	-	3,804,150	-	-	-	4,026,159	-	-	-	-	1,176,327
511.4 Restricted Net Position	15,192,795	149,100	602	9,744	-	-	22,987	-	-	53	280	-	88,534	5,106,824
512.4 Unrestricted Net Position	(9,920,813)	-	-	-	1,320,081	(71,311)	-	(148,142)	(4,987,008)	(251,156)	-	(1,900)	-	(1,300,480)
513 Total Equity - Net Assets / Position	22,566,064	149,100	602	9,744	5,124,231	(71,311)	22,987	(148,142)	(960,849)	(251,103)	280	(1,900)	88,534	4,982,671
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	36,747,104	255,503	7,751	42,590	10,883,446	104,293	22,987	-	6,713,238	138,694	12,521,479	-	336,228	7,883,648

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Balance Sheet Summary
Submission Type: Audited/Single Audit

	14.157 Supportive Housing for the Elderly	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.248 Community Development Block Grants_Section 108 Loan Guarantees	14.228 Community Development Block Grants/State's Program	14.HCC HCV CARES Act Funding	14.275 Housing Trust Fund	93.224 Community Health Centers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$ 193,806	$ 2,280,798	$ -	$ -	$ 365,096	$ -	$ 300	$ -	$ -	$ -	$ 214,957	$ 19,787,976	$ -	$ 19,787,976
112 Cash - Restricted - Modernization and Development	295,029	-	-	-	-	-	-	-	-	-	-	295,029	-	295,029
113 Cash - Other Restricted	-	638,128	-	-	-	-	-	-	-	-	8,908	3,153,655	-	3,153,655
114 Cash - Tenant Security Deposits	16,852	-	-	-	-	-	-	-	-	-	-	16,852	-	16,852
115 Cash - Restricted for Payment of Current Liabilities	-	567,654	-	-	-	-	-	-	-	-	129,896	774,174	-	774,174
100 Total Cash	505,687	3,486,580	-	-	365,096	-	300	-	-	-	353,761	24,027,686	-	24,027,686
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	279,104	2,510	10,349	-	-	252,150	-	-	-	20,740	1,167,931	-	1,167,931
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-	-	-	9,774	-	9,774
125 Accounts Receivable - Miscellaneous	96	128,465	6,445	-	6,921	-	390,711	-	-	-	21,177	709,241	-	709,241
126 Accounts Receivable - Tenants	-	-	-	-	178,137	-	-	-	-	-	-	1,066,361	-	1,066,361
126.1 Allowance for Doubtful Accounts -Tenants	(450)	-	-	-	(178,137)	-	-	-	-	-	-	(622,204)	-	(622,204)
126.2 Allowance for Doubtful Accounts - Other	-	(409,709)	-	-	-	-	-	-	-	-	-	(600,082)	-	(600,082)
127 Notes, Loans, & Mortgages Receivable - Current	1,310	-	-	-	-	495,000	-	-	-	-	-	765,322	-	765,322
128 Fraud Recovery	-	311,980	-	-	5,059	-	-	-	-	-	-	317,039	-	317,039
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	79,766	-	-	-	-	-	79,766	-	79,766
120 Total Receivables, Net of Allowances for Doubtful Accounts	956	309,840	8,955	10,349	11,980	574,766	642,861	-	-	-	41,917	2,893,148	-	2,893,148
131 Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	1,104,541	-	1,104,541
132 Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	185,807	-	185,807
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	-	-	-	-	6,774,565	-	6,774,565
143 Inventories	26,530	-	-	-	-	-	-	-	-	-	-	457,586	-	457,586
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144 Inter Program Due From	-	39,951	1,094	19,687	34,616	17,951	-	-	-	-	616,406	6,522,942	(6,471,304)	51,638
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	2,813,510	-	2,813,510
150 Total Current Assets	533,173	3,836,371	10,049	30,036	411,692	592,717	643,161	-	-	-	1,012,084	44,779,785	(6,471,304)	38,308,481
161 Land	1,380,000	-	-	-	-	-	-	-	-	-	-	8,577,669	-	8,577,669
162 Buildings	3,551,440	221,771	-	-	-	-	-	295,000	-	-	4,880	104,674,946	-	104,674,946
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	-	-	-	2,112,952	-	2,112,952
164 Furniture, Equipment & Machinery - Administration	226,669	830,053	-	-	-	-	-	5,009	-	-	448,434	3,454,727	-	3,454,727
165 Leasehold Improvements	-	159,055	-	-	-	-	281,475	-	-	-	-	614,538	-	614,538
166 Accumulated Depreciation	(2,930,958)	(911,778)	-	-	-	-	(1,947)	-	-	-	(268,398)	(95,450,008)	-	(95,450,008)
167 Construction in Progress	-	-	-	-	-	-	-	-	38,867	-	-	6,650,632	-	6,650,632
168 Infrastructure	-	-	-	-	-	-	-	-	-	-	-	1,083,111	-	1,083,111
160 Total Capital Assets, Net of Accumulated Depreciation	2,227,151	299,101	-	-	-	-	279,528	300,009	38,867	-	184,916	31,718,567	-	31,718,567
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	9,923,000	-	-	-	-	-	14,420,163	-	14,420,163
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	2,227,151	299,101	-	-	-	9,923,000	279,528	300,009	38,867	-	184,916	41,236,943	-	41,236,943
200 Deferred Outflow of Resources	162,857	2,488,916	29,470	-	1,877	-	-	-	-	-	2,043,411	9,786,832	-	9,786,832
290 Total Assets and Deferred Outflow of Resources	2,923,181	6,624,388	39,519	30,036	413,569	10,515,717	922,689	300,009	38,867	-	3,240,411	100,705,347	(6,471,304)	94,234,043
311 Bank Overdraft	-	-	-	-	-	-	-	-	-	-	85,766	98,632	-	98,632
312 Accounts Payable <= 90 Days	47,433	-	-	-	-	-	-	-	-	-	9,295	585,665	-	585,665
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	295	-	295
321 Accrued Wage/Payroll Taxes Payable	4,893	58,297	1,915	-	-	-	74,419	-	-	-	42,948	325,399	-	325,399
322 Accrued Compensated Absences - Current Portion	1,041	9,071	92	-	-	-	3,468	-	-	-	14,575	59,191	-	59,191
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	79,766	-	-	-	-	-	79,989	-	79,989
331 Accounts Payable - HUD PHA Programs	-	16,755	-	-	-	-	-	-	-	-	-	16,755	-	16,755
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	291	-	291
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	14,472	-	-	-	-	-	-	-	-	-	-	138,747	-	138,747
342 Unearned Revenue	-	-	322	-	-	-	-	-	-	-	131,713	2,438,206	-	2,438,206
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenu	107,000	-	-	-	-	495,000	-	-	-	-	-	602,000	-	602,000
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	246,342	-	-	123,222	-	-	-	-	-	-	888,604	-	888,604
346 Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	424,560	-	424,560
347 Inter Program - Due To	185,431	646,754	-	-	3,770	13,200	177,730	103,104	11,949	295	474	6,633,583	(6,471,304)	162,279
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	360,270	977,219	2,329	-	126,992	587,966	255,617	103,104	11,949	295	284,771	12,291,917	(6,471,304)	5,820,613

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	14.157 Supportive Housing for the Elderly	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.248 Community Development Block Grants_Section 108 Loan Guarantees	14.228 Community Development Block Grants/State's Program	14.HCC HCV CARES Act Funding	14.275 Housing Trust Fund	93.224 Community Health Centers	COCC	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	265,634	-	-	-	-	9,923,000	-	-	-	-	-	22,408,721	-	22,408,721
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	97,587	-	97,587
354 Accrued Compensated Absences - Non Current	31,384	167,163	1,425	-	-	-	54,612	-	-	-	169,125	853,335	-	853,335
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	482,384	8,612,806	88,561	-	4,445	-	-	-	-	-	6,914,334	31,534,652	-	31,534,652
350 Total Non-Current Liabilities	779,402	8,779,969	89,986	-	4,445	9,923,000	54,612	-	-	-	7,083,459	54,894,295	-	54,894,295
300 Total Liabilities	1,139,672	9,757,188	92,315	-	131,437	10,510,966	310,229	103,104	11,949	295	7,368,230	67,186,212	(6,471,304)	60,714,908
400 Deferred Inflow of Resources	196,341	2,412,733	51,308	-	1,554	-	445,681	-	-	-	2,257,961	11,750,804	-	11,750,804
508.4 Net Investment in Capital Assets	1,854,517	299,101	-	-	-	-	279,528	300,009	38,867	-	184,916	29,257,656	-	29,257,656
511.4 Restricted Net Position	248,519	2,691,989	-	30,036	281,197	4,751	-	-	-	-	558,188	24,385,599	-	24,385,599
512.4 Unrestricted Net Position	(515,868)	(8,536,623)	(104,104)	-	(619)	-	(112,749)	(103,104)	(11,949)	(295)	(7,128,884)	(31,874,924)	-	(31,874,924)
513 Total Equity - Net Assets / Position	1,587,168	(5,545,533)	(104,104)	30,036	280,578	4,751	166,779	196,905	26,918	(295)	(6,385,780)	21,768,331	-	21,768,331
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	2,923,181	6,624,388	39,519	30,036	413,569	10,515,717	922,689	300,009	38,867	-	3,240,411	100,705,347	(6,471,304)	94,234,043

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2025

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.896 PIH Family Self-Sufficiency Program	2 State/Local	14.267 Continuum of Care Program	8 Other Federal Program 1	9 Other Federal Program 2	14.225 Community Development Block Grants/Special Purpose Grants/Insular Area	14.191 Multifamily Housing Service Coordinators	21.027 Coronavirus State and Local Fiscal Recovery Funds	15.875 Economic, Social, and Political Development of the Territories and the	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.157 Supportive Housing for the Elderly
70300 Net Tenant Rental Revenue	1,786,339	-	-	-	-	-	-	-	-	-	-	-	-	-	153,281
70400 Tenant Revenue - Other	230,634	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70500 Total Tenant Revenue	2,016,973	-	-	-	-	-	-	-	-	-	-	-	-	-	153,281
70600 HUD PHA Operating Grants	5,743,991	-	-	183,780	-	1,111,363	406,381	-	3,737,465	70,936	-	-	540,523	625,325	711,506
70610 Capital Grants	3,770,585	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-	247,067	-	-	-	-
71100 Investment Income - Unrestricted	4,064	-	-	-	8,875	-	-	-	-	-	245	-	-	-	-
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	113,902	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	5,000	-	-	-	-	-	-	-	-	6,411	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	20,879	121,821	-	-	2,567,374	-	-	-	82,712	-	36	-	-	367,042	3,111
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	39	-	-	-	-	-	-	-	-	-	-	-	-	-
70000 Total Revenue	11,556,492	121,860	-	183,780	2,581,249	1,111,363	406,381	-	3,820,177	70,936	247,348	-	540,523	1,112,680	867,898
91100 Administrative Salaries	1,283,193	-	-	-	262,273	135,589	30,441	11,460	520,231	-	95,673	-	-	198,020	90,747
91200 Auditing Fees	36,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91300 Management Fee	682,473	-	-	-	-	-	-	-	-	-	-	-	9,090	-	45,084
91310 Book-keeping Fee	64,111	-	-	-	-	-	-	-	-	-	-	-	2,430	-	6,897
91400 Advertising and Marketing	22,465	-	-	-	16,496	-	-	-	15,101	-	9,374	-	-	4,719	3,886
91500 Employee Benefit contributions - Administrative	634,586	-	-	-	116,128	54,282	12,308	4,646	292,765	4,049	39,721	-	-	106,288	41,638
91600 Office Expenses	244,651	-	-	-	4,194	-	-	-	1,343	897	259	-	-	505	26,979
91700 Legal Expense	104	-	-	-	35,991	-	-	-	-	-	-	-	-	-	26
91800 Travel	11,824	-	-	-	12,031	13,171	-	-	(6,407)	1,314	2,176	-	-	-	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900 Other	97,079	-	-	-	110,067	849,544	386,913	5,401	3,077,469	(18)	53,313	-	491	785,351	20,518
91000 Total Operating - Administrative	3,076,786	-	-	-	557,180	1,052,586	429,662	21,507	3,900,502	6,242	200,516	-	12,011	1,094,883	235,775
92000 Asset Management Fee	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92100 Tenant Services - Salaries	655,857	-	-	124,501	-	-	-	-	-	43,693	-	-	-	-	-
92200 Relocation Costs	5,916	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	339,019	-	-	55,234	-	-	-	-	-	21,805	-	-	-	-	-
92400 Tenant Services - Other	13,499	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92500 Total Tenant Services	1,014,291	-	-	179,735	-	-	-	-	-	65,498	-	-	-	-	-
93100 Water	170,712	-	-	-	-	-	-	-	759	-	-	-	-	22,411	54,048
93200 Electricity	140,846	-	-	-	-	-	-	-	13,753	-	-	-	-	14,497	159,463
93300 Gas	-	-	-	-	-	57	-	-	3,223	-	-	-	-	486	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93000 Total Utilities	311,558	-	-	-	-	57	-	-	17,735	-	-	-	-	37,394	213,511
94100 Ordinary Maintenance and Operations - Labor	1,383,489	-	-	-	6,452	-	-	-	531	-	-	-	-	-	54,184
94200 Ordinary Maintenance and Operations - Materials and Other	385,115	-	-	-	3,571	-	-	-	-	-	-	-	-	-	9,454
94300 Ordinary Maintenance and Operations Contracts	237,628	-	-	-	51,284	-	-	-	11,676	-	-	-	-	1,798	44,297
94500 Employee Benefit Contributions - Ordinary Maintenance	708,403	-	-	-	-	-	-	-	-	-	-	-	-	-	30,435
94000 Total Maintenance	2,714,635	-	-	-	61,307	-	-	-	12,207	-	-	-	-	1,798	138,370
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	10,996	-	-	-	-	-	-	-	-	-	-	-	-	-	10,117
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	10,996	-	-	-	-	-	-	-	-	-	-	-	-	-	10,117
96110 Property Insurance	100	-	-	-	-	-	-	-	(1,313)	-	-	-	-	(350)	4
96120 Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130 Workmen's Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96140 All Other Insurance	11,672	-	-	-	-	-	-	-	1,644	-	-	-	-	438	-
96100 Total insurance Premiums	11,772	-	-	-	-	-	-	-	331	-	-	-	-	88	4
96200 Other General Expenses	263,462	-	-	-	488,453	536	-	-	29,335	-	44,768	-	-	11,198	10,695
96210 Compensated Absences	29,505	-	-	536	-	-	-	-	(14,239)	503	-	-	-	(3,340)	(1,666)

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Single Audit   Fiscal Year End: 09/30/2025

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.896 PIH Family Self-Sufficiency Program	2 State/Local	14.267 Continuum of Care Program	8 Other Federal Program 1	9 Other Federal Program 2	14.225 Community Development Block Grants/Special Purpose Grants/Insular Area	14.191 Multifamily Housing Service Coordinators	21.027 Coronavirus State and Local Fiscal Recovery Funds	15.875 Economic, Social, and Political Development of the Territories and the	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.157 Supportive Housing for the Elderly
96300 Payments in Lieu of Taxes	98,380	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400 Bad debt - Tenant Rents	179,865	-	-	-	-	-	-	-	144	-	-	-	-	-	395
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	1,511	-
96600 Bad debt - Other	-	-	-	-	6,425	-	-	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-		-	-	-	-
96000 Total Other General Expenses	571,212	-	-	536	494,878	536	-	-	15,240	503	44,768	-	-	9,369	9,424
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	308	-	-	-	-	-	-	-	-	-	-	-	-	-	25,740
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	308	-	-	-	-	-	-	-	-	-	-	-	-	-	25,740
96900 Total Operating Expenses	7,801,558	-	-	180,271	1,113,365	1,053,179	429,662	21,507	3,946,015	72,243	245,284	-	12,011	1,143,532	632,941
97000 Excess of Operating Revenue over Operating Expenses	3,754,934	121,860	-	3,509	1,467,884	58,184	(23,281)	(21,507)	(125,838)	(1,307)	2,064	-	528,512	(30,852)	234,957
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	467,675	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400 Depreciation Expense	1,576,976	-	-	-	10,258	-	-	-	37,787	-	-	-	-	(4,048)	100,905
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90000 Total Expenses	9,378,534	-	-	180,271	1,123,623	1,053,179	429,662	21,507	3,983,802	72,243	245,284	-	479,686	1,139,484	733,846
10010 Operating Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10020 Operating transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	2,177,958	121,860	-	3,509	1,457,626	58,184	(23,281)	(21,507)	(163,625)	(1,307)	2,064	-	60,837	(26,804)	134,052
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030 Beginning Equity	20,985,377	27,240	602	67,860	3,674,047	(130,494)	46,268	(126,635)	(527,359)	225,606	(1,784)	(1,900)	366,519	5,082,677	1,482,755
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(597,271)	-	-	(61,625)	(7,442)	999	-	-	(269,865)	(475,402)	-	-	(338,822)	(73,202)	(29,639)
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	8,737	-	-	-	-	-	-	-	-	-	-	-	450	-	633
11210 Number of Unit Months Leased	8,285	-	-	-	-	-	-	-	-	-	-	-	406	-	623
11270 Excess Cash	13,171,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	1,181,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	410,286	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	55,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Single Audit

	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.248 Community Development Block Grants_Section 108 Loan Guarantees	14.228 Community Development Block Grants/State's Program	14.HCC HCV CARES Act Funding	14.275 Housing Trust Fund	93.224 Community Health Centers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-	-	1,939,620	-	1,939,620
70400 Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	-	230,634	-	230,634
70500 Total Tenant Revenue	-	-	-	-	-	-	-	-	-	-	2,170,254	-	2,170,254
70600 HUD PHA Operating Grants	51,883,020	81,118	212,925	1,601,257	-	1,365,009	-	26,918	-	591,011	68,892,528	-	68,892,528
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-	3,770,585	-	3,770,585
70710 Management Fee	-	-	-	-	-	-	-	-	-	1,501,230	1,501,230	(1,501,230)	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	90,000	90,000	(90,000)	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-	308,532	308,532	(308,534)	(2)
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-	1,899,762	1,899,762	(1,899,764)	(2)
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-	247,067	-	247,067
71100 Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	1,927	15,111	-	15,111
71200 Mortgage Interest Income	-	-	-	-	895,827	-	-	-	-	-	1,009,729	-	1,009,729
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	11,411	-	11,411
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	207,442	-	-	6,847	-	-	-	-	-	-	214,289	-	214,289
71500 Other Revenue	7,301	-	-	292	-	-	-	-	-	-	3,170,568	-	3,170,568
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	39	-	39
70000 Total Revenue	52,097,763	81,118	212,925	1,608,396	895,827	1,365,009	-	26,918	-	2,492,700	81,401,343	(1,899,764)	79,501,579
91100 Administrative Salaries	1,490,317	-	27,683	2,100	-	547,530	-	(3,437)	-	1,540,893	6,232,713	-	6,232,713
91200 Auditing Fees	-	-	-	-	-	-	-	-	-	(3,000)	33,300	-	33,300
91300 Management Fee	738,693	-	-	25,890	-	-	-	-	-	-	1,501,230	(1,501,230)	-
91310 Book-keeping Fee	228,983	-	-	6,113	-	-	-	-	-	-	308,534	(308,534)	-
91400 Advertising and Marketing	11,248	-	1,245	-	-	23,604	-	-	-	(164)	107,974	-	107,974
91500 Employee Benefit contributions - Administrative	776,018	3,580	10,425	92	-	290,828	-	(1,528)	-	740,065	3,125,891	-	3,125,891
91600 Office Expenses	180,509	929	-	-	-	9,014	-	-	-	39,489	508,769	-	508,769
91700 Legal Expense	29	-	-	-	-	-	-	-	-	26	36,176	-	36,176
91800 Travel	816	-	-	-	-	12,790	-	-	-	8,636	56,351	-	56,351
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900 Other	56,924	6,165	166,031	5,635	-	253,437	-	-	-	1,778,519	7,652,839	-	7,652,839
91000 Total Operating - Administrative	3,483,537	10,674	205,384	39,830	-	1,137,203	-	(4,965)	-	4,104,464	19,563,777	(1,809,764)	17,754,013
92000 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	90,000	(90,000)	-
92100 Tenant Services - Salaries	-	45,931	-	-	-	-	-	-	-	-	869,982	-	869,982
92200 Relocation Costs	-	-	-	-	-	-	-	-	-	-	5,916	-	5,916
92300 Employee Benefit Contributions - Tenant Services	-	26,265	-	-	-	-	-	-	-	-	442,323	-	442,323
92400 Tenant Services - Other	-	-	-	-	-	-	-	-	-	-	13,499	-	13,499
92500 Total Tenant Services	-	72,196	-	-	-	-	-	-	-	-	1,331,720	-	1,331,720
93100 Water	2,126	-	-	-	-	-	-	-	-	2,301	252,357	-	252,357
93200 Electricity	38,587	-	-	1,029	-	1,000	-	-	-	41,869	411,044	-	411,044
93300 Gas	-	-	-	-	-	-	-	-	-	-	3,766	-	3,766
93400 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
93000 Total Utilities	40,713	-	-	1,029	-	1,000	-	-	-	44,170	667,167	-	667,167
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	-	-	-	1,444,656	-	1,444,656
94200 Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-	-	-	-	-	398,140	-	398,140
94300 Ordinary Maintenance and Operations Contracts	22,854	-	-	-	-	-	-	-	-	22,783	392,320	-	392,320
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-	-	738,838	-	738,838
94000 Total Maintenance	22,854	-	-	-	-	-	-	-	-	22,783	2,973,954	-	2,973,954
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-	-	21,113	-	21,113
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-	21,113	-	21,113
96110 Property Insurance	-	-	-	-	-	-	-	-	-	6,514	4,955	-	4,955
96120 Liability Insurance	-	-	-	-	-	-	-	-	-	(202)	(202)	-	(202)
96130 Workmen's Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
96140 All Other Insurance	4,231	-	-	-	-	-	-	-	-	413	18,398	-	18,398
96100 Total insurance Premiums	4,231	-	-	-	-	-	-	-	-	6,725	23,151	-	23,151
96200 Other General Expenses	115,032	-	-	1,653	-	-	-	-	-	6,871	972,003	-	972,003
96210 Compensated Absences	(447)	440	-	-	-	58,080	-	-	-	2,061	71,433	-	71,433

Guam Housing & Urban Renewal Authority (GQ001)
SINAJANA, GU
Entity Wide Revenue and Expense Summary
Submission Type: Audited/Single Audit

	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.231 Emergency Shelter Grants Program	14.EHV Emergency Housing Voucher	14.248 Community Development Block Grants_Section 108 Loan Guarantees	14.228 Community Development Block Grants/State's Program	14.HCC HCV CARES Act Funding	14.275 Housing Trust Fund	93.224 Community Health Centers	COCC	Subtotal	ELIM	Total
96300 Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	98,380	-	98,380
96400 Bad debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	180,404	-	180,404
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-	1,511	-	1,511
96600 Bad debt - Other	-	-	-	-	-	-	-	-	-	-	6,425	-	6,425
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	114,585	440	-	1,653	-	58,080	-	-	-	8,932	1,330,156	-	1,330,156
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	180	-	-	-	895,827	-	-	-	-	-	922,055	-	922,055
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	180	-	-	-	895,827	-	-	-	-	-	922,055	-	922,055
96900 Total Operating Expenses	3,666,100	83,310	205,384	42,512	895,827	1,196,283	-	(4,965)	-	4,187,074	26,923,093	(1,899,764)	25,023,329
97000 Excess of Operating Revenue over Operating Expenses	48,431,663	(2,192)	7,541	1,565,884	-	168,726	-	31,883	-	(1,694,374)	54,478,250	-	54,478,250
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	48,338,031	-	-	1,507,378	-	-	-	-	-	-	50,313,084	-	50,313,084
97350 HAP Portability-In	(198)	-	-	-	-	-	-	-	-	-	(198)	-	(198)
97400 Depreciation Expense	74,734	-	-	-	-	1,947	-	-	-	15,209	1,813,768	-	1,813,768
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
90000 Total Expenses	52,078,667	83,310	205,384	1,549,890	895,827	1,198,230	-	(4,965)	-	4,202,283	79,049,747	(1,899,764)	77,149,983
10010 Operating Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-
10020 Operating transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	19,096	(2,192)	7,541	58,506	-	166,779	-	31,883	-	(1,709,583)	2,351,596	-	2,351,596
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
11030 Beginning Equity	(5,266,299)	(88,554)	59,268	221,862	(92,545)	-	196,905	-	(295)	(4,672,150)	21,528,971	-	21,528,971
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(298,330)	(13,358)	(36,773)	210	97,296	-	-	(4,965)	-	(4,047)	(2,112,236)	-	(2,112,236)
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	1,621,226	-	-	-	-	-	-	-	-	-	1,621,226	-	1,621,226
11180 Housing Assistance Payments Equity	(7,166,759)	-	-	-	-	-	-	-	-	-	(7,166,759)	-	(7,166,759)
11190 Unit Months Available	39,015	-	-	1,305	-	-	-	-	-	-	50,140	-	50,140
11210 Number of Unit Months Leased	38,047	-	-	1,132	-	-	-	-	-	-	48,493	-	48,493
11270 Excess Cash	-	-	-	-	-	-	-	-	-	-	13,171,932	-	13,171,932
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	-	-	-	-	-	-	-	-	1,181,960	-	1,181,960
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	144,826	555,112	-	555,112
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	55,700	-	55,700
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-