

Re: Messages & Communications Doc. No. 38GL-26-2915 and 2916.

From Guam Legislature Clerks <clerks@guamlegislature.gov>
Date Wed 9/30/2026 10:17 AM
To 38th Committee On Rules <committeeronrules@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

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Thank you

From: 38th Committee On Rules <committeeronrules@guamlegislature.gov>
Sent: Wednesday, September 30, 2026 10:10 AM
To: Guam Legislature Clerks <clerks@guamlegislature.gov>
Cc: Frank Blas Jr. <speakerblas@guamlegislature.gov>
Subject: Messages & Communications Doc. No. 38GL-26-2915 and 2916.

Håfa Adai Clerks Office,
Please see attached, **Messages & Communications Doc. No. 38GL-26-2915 and 2916** for processing:

✓	38GL-26-2915	Department of Public Health and Social Services	Prior Year Obligation to pay Ran Care, Inc. DBA: Express Med Pharmacy in the total amount of \$6,322.80*
✓	38GL-26-2916	Office of Public Accountability - Guam	Chamorro Land Trust Commission (CLTC) FY2024 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*

Kindly reply to this email.



Si Yu'os ma'åse',
Marie Crisostomo
Committee on Rules Assistant
COMMITTEE ON RULES
Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

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Messages and Communications 38GL-26-2916*

2 messages

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

Tue, Sep 29, 2026 at 11:26 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-26-2916

38GL-26-2916	Office of Public Accountability	Chamorro Land Trust Commission (CLTC) FY2024 Financial Statements, Reports on Compliance and Internal Controls, Management Letter and the Auditor's Communication with Those Charged with Governance*
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*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

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----- Forwarded message -----

From: **Office of Public Accountability - Guam** <admin@guamopa.com>

Date: Mon, Sep 28, 2026 at 4:00 PM

Subject: Transmittal: Chamorro Land Trust Commission FY 2024 Financial Statements

To: Governor of Guam <governor@guam.gov>, Lt. Governor of Guam <joshua.tenorio@guam.gov>, Chris Barnett <malafunkshun@guamlegislature.gov>, Senator Telo T. Taitague <senatortelot@gmail.com>, Shelly Vargas Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, William Parkinson <senator.parkinson@guamlegislature.gov>, Eulogio Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, Senator Sabina F. Perez <office.senatorperez@guamlegislature.gov>, Vincent Borja <vince.borja@guamlegislature.gov>, Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Jesse Lujan <senator.lujan@guamlegislature.gov>, Therese Terlaje <senatorterlajeguam@gmail.com>, Christopher Dueñas <senator.duenas@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>, Joe S. San Agustín <senatorjoessanagustin@gmail.com>, V. Anthony Ada <vicespeakertonyada@guamlegislature.gov>, Office of Senator Frank Blas, Jr. <speakerblas@guamlegislature.gov>, Attorney General Douglas Moylan <dbmoylan@oagguam.org>, Danielle Rosete <drosete@guamcourts.gov>, Edward M. Birn <edward.birn@doa.guam.gov>, Dr. Judith T. Won Pat (Superintendent) <jtwonpat@gdoe.net>, <judithguthertz@gmail.com>, Lester Carlson <lester.carlson@bbmr.guam.gov> Cc: Benjamin Cruz <bjcruz@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Thomas Quichocho <tquichocho@guamopa.com>, Joy Esperanza <jesperanza@guamopa.com>

Håfa adai:

The Office of Public Accountability has released the Chamorro Land Trust Commission FY 2024 Financial Statements. You may visit our website at www.opaguam.org to download the report.

*Si Yu'os ma'åse'***5 attachments** **CLTC FY 2024 Financial Highlights.pdf**
77K **4._cltc_fy24_ management_letter.pdf**
261K **2._cltc_fy24_fs.pdf**
450K **3._cltc_fy24_arc.pdf**
2830K **38GL-26-2916.pdf**
1615K**38th Committee On Rules** <committeeonrules@guamlegislature.gov>

Tue, Sep 29, 2026 at 1:52 PM

To: "Speaker Frank Blas Jr." <speakerblas@guamlegislature.gov>

Håfa Adai,

Received, and thank you.



Si Yu'os ma'āse',

Marie Crisostomo

Committee on Rules Assistant

COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson

I Mina'trentai Ocho Na Liheslaturan Guāhan

38th Guam Legislature

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[Quoted text hidden]



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

Transmittal: Chamorro Land Trust Commission FY 2024 Financial Statements

4 messages

Office of Public Accountability - Guam <admin@guamopa.com>

Mon, Sep 28, 2026 at 4:00 PM

To: Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>, Chris Barnett <malafunkshun@guamlegislature.gov>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, Shelly Vargas Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, William Parkinson <senator.parkinson@guamlegislature.gov>, Eulogio Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, "Senator Sabina F. Perez" <office.senatorperez@guamlegislature.gov>, Vincent Borja <vince.borja@guamlegislature.gov>, Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Jesse Lujan <senator.lujan@guamlegislature.gov>, Therese Terlaje <senatorterlajeguam@gmail.com>, Christopher Dueñas <senator.duenas@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>, "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, "Office of Senator Frank Blas, Jr." <speakerblas@guamlegislature.gov>, Attorney General Douglas Moylan <dbmoylan@oaggguam.org>, Danielle Rosete <drosete@guamcourts.gov>, "Edward M. Birn" <edward.birn@doa.guam.gov>, "Dr. Judith T. Won Pat (Superintendent)" <jtwpnpat@gdoe.net>, judithguthertz@gmail.com, Lester Carlson <lester.carlson@bbmr.guam.gov>
Cc: Benjamin Cruz <bjcruz@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Thomas Quichocho <tquichocho@guamopa.com>, Joy Esperanza <jesperanza@guamopa.com>

Håfa adai:

The Office of Public Accountability has released the Chamorro Land Trust Commission FY 2024 Financial Statements. You may visit our website at www.opaguam.org to download the report.

Si Yu'os ma'åse'

4 attachments

CLTC FY 2024 Financial Highlights.pdf
77K

4._cltc_fy24_management_letter.pdf
261K

2._cltc_fy24_fs.pdf
450K

3._cltc_fy24_arc.pdf
2830K

Doc Type: 38GL-26-2916
OFFICE OF THE SPEAKER
FRANK F. BLAS, JR.

September 28, 2026

Time: 4:00 PM

Received:

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

Mon, Sep 28, 2026 at 4:13 PM

To: Office of Public Accountability - Guam <admin@guamopa.com>

Cc: Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>, Chris Barnett <malafunkshun@guamlegislature.gov>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, Shelly Vargas Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, William Parkinson <senator.parkinson@guamlegislature.gov>, Eulogio Shawn Gumataotao <office.senatorshawn@guamlegislature.gov>, "Senator Sabina F. Perez" <office.senatorperez@guamlegislature.gov>, Vincent Borja <vince.borja@guamlegislature.gov>, Tina Muna Barnes <senator.munabarnes@guamlegislature.gov>, Jesse Lujan <senator.lujan@guamlegislature.gov>, Therese Terlaje <senatorterlajeguam@gmail.com>, Christopher Dueñas <senator.duenas@guamlegislature.gov>, Sabrina Salas Matanane <office.senatorbri@guamlegislature.gov>, "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, "V. Anthony Ada" <vicespeakertonyada@guamlegislature.gov>, Attorney General Douglas Moylan <dbmoylan@oaggguam.org>, Danielle Rosete <drosete@guamcourts.gov>, "Edward M. Birn" <edward.birn@doa.guam.gov>, "Dr. Judith T. Won Pat (Superintendent)" <jtwpnpat@gdoe.net>, judithguthertz@gmail.com, Lester Carlson <lester.carlson@bbmr.guam.gov>, Benjamin Cruz <bjcruz@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Thomas Quichocho <tquichocho@guamopa.com>, Joy Esperanza <jesperanza@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.

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

Guam Congress Building, 163 Chalan Santo Papa, Hagatña

(671)969-6456

speakerblas@guamlegislature.gov

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[Quoted text hidden]

judi guthertz <judithguthertz@gmail.com>

Tue, Sep 29, 2026 at 8:22 AM

To: "Frank Blas Speaker Jr." <speakerblas@guamlegislature.gov>

received. thankyou. judi guthertz
Sent from my iPhone

On Sep 28, 2026, at 4:13 PM, Speaker Frank Blas Jr. <speakerblas@guamlegislature.gov> wrote:

[Quoted text hidden]

Office of Senator Shelly Calvo <officeofsenatorshellycalvo@guamlegislature.gov>

Tue, Sep 29, 2026 at
8:30 AM

To: Office of Public Accountability - Guam <admin@guamopa.com>

Cc: Governor of Guam <governor@guam.gov>, "Lt. Governor of Guam" <joshua.tenorio@guam.gov>, Chris Barnett <malafunkshun@guamlegislature.gov>, "Senator Telo T. Taitague" <senatortelot@gmail.com>, 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>, Attorney General Douglas Moylan <dbmoylan@oagguam.org>, Danielle Rosete <drosete@guamcourts.gov>, "Edward M. Birn" <edward.birn@doa.guam.gov>, "Dr. Judith T. Won Pat (Superintendent)" <jtwpnpat@gdoe.net>, judithguthertz@gmail.com, Lester Carlson <lester.carlson@bbmr.guam.gov>, Benjamin Cruz <bjcruz@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Thomas Quichocho <tquichocho@guamopa.com>, Joy Esperanza <jesperanza@guamopa.com>

Hafa adai,

Acknowledged 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

163 Chalan Santo Papa, Hagåtña, Guam 96910

T +1 (671) 989-5682

E officeofsenatorshellycalvo@guamlegislature.gov

On Mon, Sep 28, 2026 at 4:00 PM Office of Public Accountability - Guam <admin@guamopa.com> wrote:

[Quoted text hidden]



38GL-26-2916
Messages and Communications

RECEIVED
COMMITTEE ON RULES
September 29, 2026

11:26 a.m.

Marie Crisostomo

Financial Highlights

Chamorro Land Trust Commission Financial Audit

Fiscal Year 2024

September 28, 2026

The Chamorro Land Trust Commission (CLTC) continued to improve its financial position in fiscal year (FY) 2024, with revenues up 18% and a fund balance increase of 20% from \$3.7 million (M) in FY 2023 to \$4.5 million (M) in FY 2024. However, CLTC continued to report longstanding operational constraints. CLTC reported no new agricultural or residential leases during FY 2024, while challenges involving lease processing, property surveys, and infrastructure continued. Outstanding home loan guarantees increased from \$10.3M to \$12.9M. Ernst & Young, LLP (EY) issued an unmodified (or clean) opinion and did not identify material weaknesses or reportable noncompliance.

Operating Results

Total revenues increased by \$258 thousand (K) (or 18%) to \$1.7M in FY 2024 from \$1.4M in FY 2023. The increase was primarily attributable to higher lease rentals, Government of Guam (GovGuam) appropriations, payments in lieu of property taxes, Land for the Landless collections, and land trust application fees. Lease rental revenues increased by \$91K, while GovGuam appropriations increased by \$138K.

Total expenditures increased by \$32K (or 4%), from \$893K in FY 2023 to \$925K in FY 2024. The increase was primarily attributable to higher contractual services, supplies, and miscellaneous expenditures. Salaries, wages, and benefits decreased by approximately \$20K.

As a result, CLTC recorded a \$753K increase in fund balance in FY 2024, compared to a \$527K increase during FY 2023.

Balance Sheet Structure

Total assets were approximately \$8.9M, a decrease of \$88K (or 1%) from FY 2023. Cash increased by approximately \$985K to \$3.0M, while lease receivables decreased by approximately \$719K to \$4.6M. Amounts due from GovGuam decreased by approximately \$423K to \$318K.

Restricted assets totaled approximately \$873K and consisted of restricted cash and time certificates of deposit. Deferred inflows of resources decreased by approximately \$798K to \$4.4M, primarily due to the amortization of earned lease revenue.

Loan Guarantee Program

CLTC reported 15 new loan guarantees during FY 2024 following Typhoon Mawar. Outstanding guaranteed loans increased to approximately \$12.9M, compared to \$10.3M in FY 2023.

Management reported no guaranteed home-loan foreclosures due to nonpayment during FY 2024 and concluded that no material exposure required recognition as a liability existed. Accordingly, no liability for the outstanding guarantees was recorded.

Report on Internal Control and Compliance and Management Letter

EY did not identify any deficiencies in internal control that were considered material weaknesses. EY also reported no instances of noncompliance or other matters required to be reported under Government Accounting Standards. However, auditors identified certain internal control matters for management consideration:

1. **Long Outstanding Commercial Lease Receivables:** As of September 30, 2024, 93% of CLTC's \$1.1M in commercial lease receivables were delinquent. Although an allowance for uncollectible accounts was established, auditors recommended that management strengthen efforts to collect past-due lease receivables, which may include taking legal action.
2. **Commercial Lease Revenue:** CLTC continued to bill and collect payments for 10 different properties with expired commercial leases without formal extensions. Auditors recommended that CLTC establish internal controls requiring new or extended commercial lease agreements for expired leasing arrangements.

Operational Challenges

CLTC continued to report challenges involving lease processing, infrastructure, and property surveys. CLTC issued no new agricultural or residential leases during FY 2024, as it maintained a moratorium on leases considered null and void while necessary legislative amendments remained unresolved.

CLTC also reported continued difficulty identifying adequate funding for property surveys and essential infrastructure on leased properties, resulting in lessees bearing certain survey and utility connection costs.

Three-Year Trend

CLTC's operating results continued to improve in FY 2024. Fund balance increased consistently from \$3.2M in FY 2022, to \$3.7M in FY 2023, to \$4.5M in FY 2024. In addition, revenues also increased consistently from \$832K in FY 2022, to \$1.4M in FY 2023, to \$1.7M in FY 2024, while expenditures increased more moderately from approximately \$833K to \$893K and \$925K over the same period.

Over the past three fiscal years, CLTC's revenues and fund balance have increased substantially. However, the operational constraints identified by management, including lease processing, infrastructure, and survey funding, have persisted despite the improved financial position.

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

*Financial Statements, Required Supplementary
Information, Supplementary Information, and
Report on Internal Control and Compliance*

Chamorro Land Trust Commission

(A Governmental Fund of the Government of Guam)

*Years ended September 30, 2024 and 2023
with Report of Independent Auditors*



**Shape the future
with confidence**

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Financial Statements, Required Supplementary
Information, Supplementary Information, and
Report on Internal Control and Compliance

Years ended September 30, 2024 and 2023

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Report of Independent Auditors

The Board of Commissioners
Chamorro Land Trust Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Chamorro Land Trust Commission (CLTC), a governmental fund of the Government of Guam (GovGuam), as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise CLTC'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 CLTC at September 30, 2024 and 2023, and the changes in financial position 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 CLTC, 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.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above present only CLTC, and do not purport to, and do not present fairly the financial position of the Government of Guam as of September 30, 2024 and 2023, and its changes in its financial position for the years then ended in accordance with the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CLTC's ability to continue as a going concern for 12 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 CLTC'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 CLTC'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 on pages 5 through 10 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 CLTC's basic financial statements. The accompanying supplementary information of the Combining Balance Sheets included on pages 24 and 25, the Combining Statements of Revenues, Expenditures and Changes in Fund Balance included on pages 26 and 27, and the comparative supplemental schedule of employees and salaries included on page 28, are presented for purposes of additional analysis and are 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 supplementary information 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 September 25, 2026, on our consideration of CLTC'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 CLTC's internal control over financing reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CLTC's internal control over financial reporting and compliance.

Ernst + Young LLP

September 25, 2026

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

INTRODUCTION

Chamoru Land Trust Commission (CLTC) is a governmental fund of the Government of Guam (GovGuam), currently located at 590 South Marine Corps Drive, Ste. 222, ITC Building, Tamuning, Guam 96913.

CLTC was created through Public Law (PL) 12-226 and enacted as Chapter 75 of Title 21, Guam Code Annotated. CLTC's primary mission was to lease Chamorro Homelands to native Chamorro as defined by the Organic Act. Although, the enactment of Public Law 35-112 and created of Chapter 75A of Title 21, Guam Code Annotated CLTC programs have been clearly distinguished as a land restoration program meant to rectify the unjust taking of Chamorro homelands by the United States federal government between 1898 and 1968.

On October 6, 2011, the Governor of Guam issued Reorganization Advisory No. 5, which was later superseded by Advisory No. 9, whereby CLTC was merged into GovGuam's Department of Land Management (DLM) along with the Guam Ancestral Lands Commission. On January 16, 2019, the Governor of Guam issued Executive Order (EO) 2019-01 re-establishing CLTC as a separate agency from DLM and the re-establishment of its Administrative Director position.

CLTC's Management's Discussion and Analysis (MD&A) provides an overview of CLTC's financial activities for the fiscal year ended September 30, 2024 in comparison to September 30, 2023 and 2022. The information enclosed in the MD&A has been prepared by management and it should be read in conjunction with the financial statements and notes which follow this section.

1. Financial Highlights

- Total assets exceeded total liabilities and deferred inflows of resources by \$4,484,245 at September 30, 2024 as compared to \$3,731,624 at the end of the prior year.
- Total assets on September 30, 2024 decreased by \$87,998 (or 1%) as compared to September 30, 2023.
- Total liabilities and deferred inflows of resources on September 30, 2024 decreased by \$840,619 (or 16%) as compared to September 30, 2023.
- Total fund balance on September 30, 2024 increased by \$752,621 (or 20%) as compared to September 30, 2023.
- Total revenues of \$1,677,550 for the year ended September 30, 2024 increased by \$258,176 (or 18%) as compared to \$1,419,374 from the prior year. Total expenditures of \$924,929 for the year ended September 30, 2023 increased by \$32,304 (or 4%) as compared to \$892,625 for the prior year. This resulted in an increase in the fund balance of \$752,621 for the year ended September 30, 2024 as compared to an increase of \$526,749 in the prior year.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

2. Overview of the Financial Statements

CLTC's financial statements include all of the activities of the Chamorro Land Trust Operations Fund, the Chamorro Loan Guarantee Fund, and Chamorro Land Trust Survey and Infrastructure Fund. The financial statements include a Balance Sheets as of September 30, 2024 and 2023 and Statements of Revenues, Expenditures, and Changes in Fund Balance for the years then ended. Notes to the financial statements are additional information needed to provide further understanding of the basic financial statements.

3. Financial Statement Analysis

Management's Discussion and Analysis for the year ended September 30, 2023 is set forth in CLTC's report on the audit of financial statements, which is dated January 29, 2026. That Management Discussion and Analysis explains the major factors impacting the 2023 financial statements and may be obtained from the information below.

CLTC's Balance Sheets

The balance sheet discloses information on CLTC's assets, liabilities and deferred inflows of resources, and fund balance at year-end. The condensed summary of CLTC's balance sheets shown below as of September 30, 2024 as compared as of September 30, 2023 and 2022 follows:

Summary Balance Sheets					
As of September 30					
	2024	2023	\$ Change 2024-2023	% Change 2024-2023	2022
Assets:					
Cash and cash equivalents	\$ 2,990,705	\$ 2,006,049	\$ 984,656	49.1%	\$ 2,338,826
Receivables, net	153,055	84,773	68,282	80.5%	72,454
Leases receivable	4,580,445	5,299,001	(718,556)	(13.6)%	5,610,292
Due from GovGuam	317,992	740,715	(422,723)	(57.1)%	18,944
Restricted assets	<u>873,122</u>	<u>872,779</u>	<u>343</u>	0.0%	<u>872,609</u>
Total assets	<u>8,915,319</u>	<u>9,003,317</u>	<u>(87,998)</u>	(1.0)%	<u>8,913,125</u>
Liabilities:					
Accounts payable and other	<u>16,133</u>	<u>58,273</u>	<u>(42,140)</u>	(72.3)%	<u>25,662</u>
Deferred inflows of resources	<u>4,414,941</u>	<u>5,213,420</u>	<u>(798,479)</u>	(15.3)%	<u>5,682,588</u>
Fund balance:					
Restricted	873,122	872,779	343	0.0%	872,609
Committed	3,611,123	2,858,845	752,278	26.3%	2,302,969
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	0.0%	<u>29,297</u>
Total fund balance	<u>\$ 4,484,245</u>	<u>\$ 3,731,624</u>	<u>\$ 752,621</u>	20.2%	<u>\$ 3,204,875</u>

Chamorro Land Trust Commission
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Management's Discussion and Analysis, continued

3. Financial Statement Analysis, continued

CLTC's Balance Sheets, continued

Total assets decreased by \$87,998 (or 1%) in 2024 compared to 2023 primarily due to the decrease in Due from GovGuam and GASB 87 lease receivables, offset by an increase in Cash, commercial receivables and restricted assets. Due from GovGuam decreased primarily due to collection of appropriations.

Total liabilities and deferred inflows of resources decreased by \$840,619 (or 16%) in 2024 compared to 2023 primarily due to the decrease in accounts payable, deferred inflow of resources from leases, and accrued payroll and other liabilities offset by an increase of deferred revenues. The decrease in deferred inflows from leases is primarily due to the amortization of earned lease revenue.

Total fund balance increased by \$752,621 (or 20%) in 2024 compared to 2023 due to the difference between 2024 revenues earned and expenditures incurred compared to 2023.

CLTC's Statements of Revenues, Expenditures and Changes in Fund Balances

The statement of revenues, expenditures and changes in fund balance discloses information on CLTC's revenues and expenditures for the year. The condensed summary of CLTC's revenues and expenditures shown below for the year ended September 30, 2024 as compared with the years ended September 30, 2023 and 2022 follows:

Summary Statements of Revenues, Expenditures and Changes in Fund Balance
Years ended September 30

	2024	2023	\$ Change 2024-2023	% Change 2024-2023	2022
Revenues:					
Lease rentals	\$ 1,008,777	\$ 917,668	\$ 91,109	9.9%	\$ 633,992
Real property taxes	222,892	180,045	42,847	23.8%	165,473
Interest earned	141,730	161,974	(20,244)	(12.5)%	25,598
Other	304,151	159,687	144,464	90.5%	7,238
Total revenues	<u>1,677,550</u>	<u>1,419,374</u>	<u>258,176</u>	18.2%	<u>832,301</u>
Expenditures:					
Salaries, wages and benefits	701,440	721,309	(19,869)	(2.8)%	572,162
Building rent	124,390	124,390	-	0.0%	124,390
Other	99,099	46,926	52,173	111.2%	136,102
	<u>924,929</u>	<u>892,625</u>	<u>32,304</u>	3.6%	<u>832,654</u>
Net change in fund balance	752,621	526,749	225,872	42.9%	(353)
Fund balance - beginning	<u>3,731,624</u>	<u>3,204,875</u>	<u>526,749</u>	16.4%	<u>3,205,228</u>
Fund balance - ending	<u>\$ 4,484,245</u>	<u>\$ 3,731,624</u>	<u>\$ 752,621</u>	20.2%	<u>\$ 3,204,875</u>

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Management's Discussion and Analysis, continued

3. Financial Statement Analysis, continued

CLTC's Statements of Revenues, Expenditures and Changes in Fund Balances, continued

Total revenues increased by \$258,176 (or 18%) from \$1,419,374 in 2023 to \$1,677,550 in 2024. The increase in revenues for 2024 was primarily due to the increase in lease rentals, payment in lieu of taxes, GovGuam appropriations, collections from Land for the Landless program, and land trust application fees offset by the decrease in interest income. Lease rentals increased by \$91,109 (or 10%). Payment in lieu of taxes increased by \$42,847 (or 24%). Collections from Land for the Landless program increased by \$5,575 (or 1097%). Land trust application fees increased by \$970 (or 121%). GovGuam appropriations increased by \$137,919 (or 87%). GovGuam appropriation revenues are a result of increase in CLTC's FY2024 Budget Appropriation from the General Fund.

Total expenditures increased by \$32,304 (or 4%) from \$892,625 in 2023 to \$924,929 in 2024. The increase in expenditures for 2024 was primarily due to an increase in CLTC contractual services, supplies and miscellaneous expenses.

4. Challenges and Accomplishments

The "Settlement Agreement between the United States of America and the Government of Guam," signed by the Governor of Guam and CLTC on May 29, 2020, is a pivotal document. It underscores CLTC program's role as a land restoration program, aimed at rectifying the unjust taking of CHamoru homelands by the United States federal government between 1898 to 1968. This agreement expands the program's eligible beneficiaries to include individuals and their descendants who owned land or ranches, farmed, or otherwise occupied the land taken. In essence, the settlement agreement has amended, modified, and revised specific classifications, added specific sections, and changed the eligibility requirements. It's important to note that any lease application that has not been processed and approved for a lease award prior to January 1, 2021 must now adhere to the eligibility requirements set forth in 21 GCA 75A to be an eligible beneficiary for CLTC's residential or agricultural programs.

CLTC administers about 33% of GovGuam property, which was transferred to CLTC through an administrative transfer in 1995. On September 30, 2023, CLTC's land inventory totaled 11,666.88. Of the total amount, 4,153.48 acres are in the south, 1,601.45 are in the central, and 5,911.95 are in the north. Furthermore, 3,274.98 acres of CLTC inventory is unregistered property. CLTC, by law, is prohibited from issuing any lease on unregistered property until a title of ownership is established through judicial land registration.

Chamorro Land Trust Commission
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Management's Discussion and Analysis, continued

4. Challenges and Accomplishments, continued

As of September 30, 2024, the Chamorro Land Trust Commission (CLTC) has leased a total of 3,047.80 acres, a slight decrease from 3,048.35 acres in FY2023 for its residential and agricultural programs. This decrease was due to the voluntary termination of an agriculture lessee. However, the organization continues to face operational challenges. In fiscal year 2024, CLTC maintained a moratorium on adjudicating all leases deemed null and void, based on a legal opinion issued by the Office of the Attorney General on May 11, 2018. The necessary amendments to address past actions, which have stalled the processing of lease applications, have not yet been completed as of September 30, 2024, and no new agriculture or residential leases were issued.

Additionally, CLTC continues to struggle with installing basic infrastructure and providing property surveys. As of September 30, 2024, the commission was unable to identify adequate funding sources for conducting surveys and installing essential utilities within its leased properties. As a result, CLTC lessees have been left to bear the high costs associated with surveying and utility connection fees.

In FY2024, due to Typhoon Mawar, CLTC issued fifteen (15) new loan guarantees. This was made possible by the transfer of four million dollars (\$4,000,000.00) authorized by Governor Leon Guerrero, along with a one-million-dollar (\$1,000,000.00) appropriation through Public Law 37-42. Unfortunately, the transfer of funds did not occur by September 30, 2024. As a consequence, if a natural disaster were to occur, CLTC would be unable to issue any new loan guarantees. By year-end on September 30, 2024, the contingent liability for CLTC Home Loan Guarantee Program had increased to \$12,862,159, compared to \$10,270,091 in FY2023. Additionally, during FY2024, no guaranteed home loans were foreclosed due to nonpayment.

At year-end September 30, 2024, CLTC Board composed of three (3) members. The organization had a staffing level of eight (8) classified employees and one (1) limited-term appointment employee to support its mission, mandates, and daily operations. Additionally, the position of Administrative Director at CLTC was filled by a classified employee who was serving in an acting capacity.

5. Outlook

CLTC Board of Commissioners, alongside the Acting Administrative Director, is committed to collaborating with the Administration to secure federal grant assistance for essential infrastructure installation at leased properties. Furthermore, the Board and the Administrative Director will actively pursue legislation to rectify past actions that were not compliant with the law. This proactive approach will not only expedite the lease award process for residential and agricultural programs but also address and resolve the legal uncertainties surrounding existing leases, ultimately fostering a more robust and compliant leasing environment.

Chamorro Land Trust Commission
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Management's Discussion and Analysis, continued

6. Contacting the Chamoru Land Trust Commission Financial Management

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of CLTC's finances and to show CLTC's accountability and transparency for the money it receives. Questions concerning any of the information provided in this report or request for additional information should contact Angela M. Camacho., Acting Administrative Director at (671) 300-3296 or email angela.camacho@cltc.guam.gov.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Balance Sheets

	September 30,	
	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 2,990,705	\$ 2,006,049
Receivables, net	153,055	84,773
Leases receivable	4,580,445	5,299,001
Due from GovGuam	317,992	740,715
Restricted assets:		
Cash	573,122	572,779
Time certificates of deposit	<u>300,000</u>	<u>300,000</u>
Total assets	<u>\$ 8,915,319</u>	<u>\$ 9,003,317</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ ---	\$ 32,475
Accrued payroll and other liabilities	<u>16,133</u>	<u>25,798</u>
Total liabilities	<u>16,133</u>	<u>58,273</u>
Deferred inflows of resources:		
Leases	4,289,077	5,147,763
Deferred revenues	<u>125,864</u>	<u>65,657</u>
Total deferred inflows of resources	<u>4,414,941</u>	<u>5,213,420</u>
Commitment and contingency		
Fund balance:		
Restricted	873,122	872,779
Committed	<u>3,611,123</u>	<u>2,858,845</u>
Total fund balance	<u>4,484,245</u>	<u>3,731,624</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 8,915,319</u>	<u>\$ 9,003,317</u>

See accompanying notes.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Statements of Revenues, Expenditures, and Changes in Fund Balance

	Year ended September 30,	
	<u>2024</u>	<u>2023</u>
Revenues:		
Lease rentals	\$ 1,008,777	\$ 917,668
GovGuam appropriation	296,298	158,379
Payment in lieu of property taxes	222,892	180,045
Interest income	141,730	161,974
Collections from Land for the Landless program	6,083	508
Land trust application fees	<u>1,770</u>	<u>800</u>
Total revenues	<u>1,677,550</u>	<u>1,419,374</u>
Expenditures:		
Salaries and wages - regular	494,603	515,276
Salaries and wages - fringe benefits	206,837	206,033
Building rent	124,390	124,390
Contractual services	64,235	15,262
Supplies	7,778	1,099
Communications	4,336	4,335
Capital outlays	---	13,675
Miscellaneous	<u>22,750</u>	<u>12,555</u>
Total expenditures	<u>924,929</u>	<u>892,625</u>
Change in fund balance	752,621	526,749
Fund balance - beginning	<u>3,731,624</u>	<u>3,204,875</u>
Fund balance - ending	<u>\$ 4,484,245</u>	<u>\$ 3,731,624</u>

See accompanying notes.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements

Years ended September 30, 2024 and 2023

1. Organization

The Chamorro Land Trust Commission (CLTC), a governmental fund of the Government of Guam (GovGuam), was established by the Chamorro Land Trust Act of 1975 (Public Law 12-226) for the purpose of protecting and ensuring trust lands are awarded to eligible beneficiaries through residential, agricultural, and commercial leases. CLTC is responsible for the disposition of Chamorro Homelands pursuant to mandates to advance the social, cultural and economic development and well-being of the Chamorro people.

The accompanying financial statements relate solely to those accounting records maintained by CLTC, and do not incorporate any accounts related to other departments or agencies within GovGuam.

CLTC is governed by a five-member Board of Commissioners appointed by the Governor of Guam. Two of the Commissioner positions were vacant for the year ended September 30, 2023.

In 2011, the Governor of Guam issued Reorganization Advisory No. 5, which was later superseded by Advisory No. 9, whereby CLTC was merged into the GovGuam Department of Land Management along with the Guam Ancestral Lands Commission. In 2019, the Governor of Guam issued Executive Order 2019-01 re-establishing CLTC as a separate agency from DLM and the re-establishment of CLTC Administrative Director position.

2. Summary of Significant Accounting Policies

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

Measurement Focus and Basis of Accounting

CLTC reports its financial position and the results of operations in governmental funds. A fund is a separate accounting entity with a self-balancing set of accounts. They are concerned only with the measurement of financial position and are not involved with measurement of results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds).

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Measurement Focus and Basis of Accounting, continued

The special revenue funds currently reported by CLTC are as follows:

- The Chamorro Land Trust Operations Fund - this fund was created for the purpose of accounting for the receipt of all land use permits, monetary contributions and fees and for the payment of operational expenses associated with CLTC.
- The Chamorro Loan Guarantee Fund - this fund was created for the purpose of accounting for applicable taxes on Chamorro Homelands collected by the GovGuam Department of Revenue and Taxation earmarked for loan guarantees issued by governmental agencies or lending institutions to eligible borrowers holding leases or licenses of Chamorro Homelands. During the years ended September 30, 2024 and 2023, the GovGuam Department of Revenue and Taxation collected \$222,892 and \$180,045, respectively, in real property taxes associated with Chamorro Homelands.
- The Chamorro Land Trust Survey and Infrastructure Fund - this fund was created for the purpose of accounting for the receipt of all proceeds from the sale of bull cart trails and land remnants and proceeds from the sale of land under the *Land for the Landless* program that will be used solely for the surveying of CLTC land and for the operational needs in support thereof. In 2015, CLTC commenced collection of outstanding receivables from the Land for the Landless program as stipulated by Public Law 33-104. The law requires funds collected shall be deposited into the Chamorro Land Trust Survey and Infrastructure Fund. During the years ended September 30, 2024 and 2023, CLTC collected \$6,083 and \$508, respectively, including interest charged, from the outstanding balances.

Basis of Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included in the balance sheets. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, CLTC considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Basis of Presentation, continued

Significant revenues susceptible to accrual include revenue received from residential, agricultural, and commercial leases. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred.

Cash and Time Certificates of Deposit

CLTC has the power and authority to invest and re-invest any of the money in any of its funds, not otherwise immediately needed for the purposes of the funds in such bonds and securities authorized in 5 GCA Chapter 21, Investments and Deposits. Custodial credit risk is the risk that in the event of a bank failure, CLTC's deposits may not be returned to it. Such deposits are not covered by depository 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. CLTC does not have a deposit policy for custodial credit risk.

For the purposes of the balance sheets, cash is defined as cash in checking and savings accounts. Deposits maintained in time certificates of deposit with original maturity dates greater than three months are separately classified on the balance sheets. As of September 30, 2024 and 2023, the carrying amount and corresponding bank balances of CLTC's cash and time certificates of deposit were \$3,863,827 and \$2,878,828, respectively. Bank balances are maintained in financial institutions subject to Federal Deposit Insurance Corporation (DIC) insurance. As of September 30, 2024 and 2023, bank deposits in the amount of \$250,000 were FDIC insured.

In accordance with 5 GCA 28, Investments and Deposits, CLTC requires collateralization of deposits more than depository insurance limits in an amount in value at least ten percent more than the amount of monies deposited with the financial institution. Such collateralization shall be in securities in U.S. treasury notes or bonds or in U.S. government agencies for which the faith and credit of the United States are pledged for the payment of principal and interest; evidence of indebtedness of GovGuam; investment certificates of the Federal Home Loan Bank; or such other securities as may be approved by the Director of Administration and the Governor of Guam. As of September 30, 2024 and 2023, CLTC's bank deposits in excess of depository insurance limits are collateralized with securities held by the pledging financial institution but not in CLTC's name.

Receivables

Receivables are due from individuals and businesses residing on the island of Guam and are uncollateralized and non-interest bearing. The allowance for doubtful accounts is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Receivables, continued

Management determines the adequacy of the allowance for uncollectible accounts based upon review of the aged accounts receivable. The allowance is established through a provision for bad debts charged to revenues. Bad debts are written off against the allowance on the specific identification method.

Leases Receivable

CLTC acts as a lessor of various licenses for the use of trust lands. Leases with maximum terms of more than twelve months are recognized as lease receivables and deferred inflows from leases. Lease receivables are recorded as the present value of the future lease payments expected to be received from the lessee during the lease term, net of any estimated uncollectible amounts.

Interfund Receivables/Payables

During CLTC operations, the GovGuam General Fund records transactions between individual funds for goods provided or services rendered. These balances result from the time lag between the dates where 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made and are scheduled to be collected in the subsequent year. As of September 30, 2024 and 2023, CLTC has recognized receivable amounts of \$317,992 and \$740,715, respectively, for payments made by GovGuam's General Fund on behalf of CLTC for goods provided or services rendered.

Deferred Inflows of Resources

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

Fund Balance

Governmental fund balances are classified as follows:

- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and do not lapse at year-end.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Fund Balance, continued

- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed.

Restricted/committed amounts are spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit CLTC from doing this. In addition, committed, then assigned amounts of unrestricted fund balance are expended in that order. A formal minimum fund balance policy has not been adopted.

Management 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 expenditures during the reporting period. Actual results could differ from those estimates.

Encumbrances

CLTC utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. As of September 30, 2024 and 2023, CLTC has encumbrances of \$54,207.

Recently Adopted Accounting Pronouncements

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

- GASB Statement No. 99, *Omnibus 2022*, which contains guidance for the following:
 - 1) GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, bring all guarantees under the same financial reporting requirements and disclosures.
 - 2) GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, classification and reporting of derivative instruments within the scope of this statement.

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

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncements, continued

- GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, which enhances accounting and financial reporting requirements for accounting changes and error corrections and requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. Requirements applicable to changes in accounting principles apply to the implementation of a new pronouncement if there is no specific transition guidance in the new pronouncement. The Statement also requires that aggregate amounts of adjustments to, and restatements of, beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. The implementation of this statement did not have a material effect on the accompanying financial statements.

Upcoming Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, which better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. GASB Statement No. 101 will be effective for fiscal years ending September 30, 2025.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, which provides users of 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 a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. GASB Statement No. 102 will be effective for fiscal years ending September 30, 2025.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

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

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which provides 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 years ending September 30, 2026.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

In December 2025, GASB issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by enhancing consistency in their application and better meeting the information needs of users of governmental financial statements. 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. The Statement clarifies that financial statements are available to be issued when they are complete in a form and format that complies with generally accepted accounting principles and all necessary approvals for issuance have been obtained. This Statement also clarifies the distinction between recognized and nonrecognized subsequent events. Recognized subsequent events provide additional evidence about conditions that existed as of the financial statement date and therefore require adjustment of the financial statements. Nonrecognized subsequent events relate to conditions that arose after the financial statement date and generally do not result in financial statement adjustments; however, disclosure may be required if the event is significant. In addition, this Statement requires governments to disclose the date through which subsequent events have been evaluated. For significant nonrecognized subsequent events, governments are required to disclose the nature of the event and an estimate of its financial effect, if determinable, or a statement that such an estimate cannot be made. GASB Statement No. 105 will be effective for fiscal year ending September 30, 2027.

Management is evaluating the effect that these Statements, upon implementation, will have on the financial statements.

3. Risk Management

CLTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of CLTC not to purchase commercial insurance for the risks of loss to which it is exposed. Instead, CLTC management believes it is more economical to manage its risks internally. In the event of claim settlements and judgments, CLTC reports all its risk management activities in the Chamorro Land Trust Operations Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. No losses have occurred because of these policies during the year.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

4. Receivables

Receivables as of September 30, 2024 and 2023, including the applicable allowance for uncollectible accounts, are as follows:

	<u>2024</u>	<u>2023</u>
Receivables:		
Commercial	\$1,089,952	\$1,249,680
Other	<u>33,774</u>	<u>33,776</u>
	1,123,726	1,283,456
Less allowance for uncollectible accounts	(<u>970,671</u>)	(<u>1,198,683</u>)
	<u>\$ 153,055</u>	<u>\$ 84,773</u>

5. Restricted Assets

CLTC maintains a savings deposit and time certificate of deposit as of September 30, 2024 and 2023 in the amounts of \$873,122 and \$872,779, respectively, restricted to collateralize low-income housing loans funded by Rural Housing Service (RHS) through the Guam Housing Corporation. The Memorandum of Understanding signed with the RHS requires CLTC to create and maintain an escrow account with an initial deposit of \$500,000. If the account falls below \$500,000, CLTC shall deposit in the escrow account 5% of all RHS loans issued until such time that the account has reached \$500,000. No losses have occurred because of this collateralization arrangement in any of the past three fiscal years.

6. Related Party Transactions

CLTC is a governmental fund of GovGuam and is therefore affiliated with all GovGuam-owned and affiliated entities, including all departments and agencies of GovGuam. During the years ended September 30, 2024 and 2023, CLTC recognized certain on-behalf payments as contributions from GovGuam, totaling \$296,298 and \$158,379, respectively, representing certain payroll and related expenditures that GovGuam paid directly on behalf of CLTC. These expenditures were funded through appropriations from GovGuam's General Fund.

Certain developed land supported by a valid lease is held as investments in land and other real estate within a permanent fund of GovGuam. Such investment is recorded at fair value whereas other undeveloped land not supported by a lease is reported at historical cost. As of September 30, 2024 and 2023, such land is valued at \$459,050,489, of which \$445,786,364 is held by CLTC. Fair value is based on estimated current value (primarily assessed real estate property tax valuations) and appraisals. Investments that do not have an established market are reported at estimated fair value. Earnings from leases associated with these investments are reported as revenues of CLTC.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

7. Significant Customers

CLTC generates revenues from certain major customers that exceed 10 percent or more of CLTC's total revenues. During the years ended September 30, 2024 and 2023, CLTC recognized revenues from a customer that represented approximately 25% and 33%, respectively, of total revenues.

8. Leases

In accordance with GASB Statement No. 87, *Leases*, as a lessor, CLTC, recognizes a lease receivable and deferred inflow of resources at the commencement of the lease term, with exceptions for short-term leases. The lease receivable is measured as the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relates to the future periods.

CLTC has entered into agreements with various licensees for the use of trust lands for commercial, agricultural and residential purposes. The future minimum lease receipts under the remainder of these licensing agreements are as follows:

<u>Year Ending September 30,</u>	<u>Base Rent</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 358,249	\$ 135,412	\$ 493,661
2026	362,403	124,552	486,955
2027	365,996	113,847	479,843
2028	375,769	103,027	478,796
2029	379,084	92,054	471,138
2030 - 2034	2,241,513	274,060	2,515,573
2035 - 2039	201,180	58,964	260,144
2040 - 2044	206,878	29,515	236,393
2045 - 2049	88,691	3,286	91,977
2050 - 2054	422	78	500
2055 - 2057	260	17	277
	<u>\$4,580,445</u>	<u>\$ 934,812</u>	<u>\$5,515,257</u>

9. Contingencies

Litigation

CLTC is party to certain legal proceedings arising from governmental operations; however, the Attorney General of Guam is unable to assess the likelihood of potential liabilities related to claims outstanding as of September 30, 2024 and 2023. Hence, it is not possible to predict a reasonable estimation of these claims and, therefore, no provision for any liability that may result has been made in the accompanying financial statements.

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Notes to Financial Statements, continued

9. Contingencies, continued

Loan Guarantee

CLTC is authorized to loan or guarantee the repayment of or otherwise underwrite any authorized loan to a Chamorro homeland lessee up to a maximum amount not to exceed the financial ability of the borrower. In the event of default, these loan guarantees may shift the lender's default risk entirely to CLTC whereby the lender may call upon CLTC to make partial or full payment of the guaranteed loan. As of September 30, 2024 and 2023, CLTC has guaranteed loans totaling \$12,862,159 and \$10,270,091, respectively, for Chamorro homeland residential lessees. CLTC management is of the opinion that defaulted loans may be reassigned and that CLTC has substantial defenses available to it in the event of litigation. As a result, management currently does not believe that material exposure exists related to this event. Therefore, no provision for a liability that may arise from this matter has been made in the accompanying financial statements. No losses have occurred because of this collateralization arrangement in any of the past three fiscal years.

Supplementary Information

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Combining Balance Sheet

September 30, 2024

	Chamorro Land Trust Operations Fund	Chamorro Loan Guarantee Fund	Chamorro Land Trust, Survey and Infrastructure Fund	Combined Total	Elin
<u>ASSETS</u>					
Cash	\$ 2,990,638	\$ ---	\$ 67	\$ 2,990,705	\$
Receivables, net	142,887	10,168	---	153,055	
Leases receivable	4,471,119	---	109,326	4,580,445	
Due from GovGuam	---	782,323	241,905	1,024,228	(70
Due from other funds	---	---	9,800	9,800	(
Restricted assets:					
Cash	---	573,122	---	573,122	
Time certificates of deposit	---	300,000	---	300,000	
Total assets	<u>\$ 7,604,644</u>	<u>\$ 1,665,613</u>	<u>\$ 361,098</u>	<u>\$ 9,631,355</u>	<u>\$ (71</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>					
Liabilities:					
Accrued payroll and other liabilities	\$ 16,133	\$ ---	\$ ---	\$ 16,133	\$
Due to other funds	9,800	---	---	9,800	(
Due to GovGuam	705,056	---	1,180	706,236	(70
Total liabilities	<u>730,989</u>	<u>---</u>	<u>1,180</u>	<u>732,169</u>	<u>(71</u>
Deferred inflows of resources:					
Leases	4,184,069	---	105,008	4,289,077	
Deferred revenues	115,232	10,632	---	125,864	
Total deferred inflows of resources	<u>4,299,301</u>	<u>10,632</u>	<u>105,008</u>	<u>4,414,941</u>	
Commitment and contingency					
Fund balance:					
Restricted	---	873,122	---	873,122	
Committed	2,574,354	781,859	254,910	3,611,123	
Total fund balance	<u>2,574,354</u>	<u>1,654,981</u>	<u>254,910</u>	<u>4,484,245</u>	
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,604,644</u>	<u>\$ 1,665,613</u>	<u>\$ 361,098</u>	<u>\$ 9,631,355</u>	<u>\$ (71</u>

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Combining Balance Sheet

September 30, 2023

	Chamorro Land Trust Operations Fund	Chamorro Loan Guarantee Fund	Chamorro Land Trust, Survey and Infrastructure Fund	Combined Total	Eligible
<u>ASSETS</u>					
Cash	\$ 2,005,982	\$ ---	\$ 67	\$ 2,006,049	\$
Receivables, net	77,869	6,904	---	84,773	
Leases receivable	5,176,741	---	122,260	5,299,001	
Due from GovGuam	---	570,417	253,571	823,988	(
Restricted assets:					
Cash	---	572,779	---	572,779	
Time certificates of deposit	---	300,000	---	300,000	
Total assets	<u>\$ 7,260,592</u>	<u>\$ 1,450,100</u>	<u>\$ 375,898</u>	<u>\$ 9,086,590</u>	<u>\$</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 32,475	\$ ---	\$ ---	\$ 32,475	\$
Accrued payroll and other liabilities	10,649	---	15,149	25,798	
Due to GovGuam	82,093	---	1,180	83,273	(
Total liabilities	<u>125,217</u>	<u>---</u>	<u>16,329</u>	<u>141,546</u>	<u>(</u>
Deferred inflows of resources:					
Leases	5,027,032	---	120,731	5,147,763	
Deferred revenues	58,291	7,366	---	65,657	
Total deferred inflows of resources	<u>5,085,323</u>	<u>7,366</u>	<u>120,731</u>	<u>5,213,420</u>	<u></u>
Commitment and contingency					
Fund balance:					
Restricted	---	872,779	---	872,779	
Committed	2,050,052	569,955	238,838	2,858,845	
Total fund balance	<u>2,050,052</u>	<u>1,442,734</u>	<u>238,838</u>	<u>3,731,624</u>	<u></u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,260,592</u>	<u>\$ 1,450,100</u>	<u>\$ 375,898</u>	<u>\$ 9,086,590</u>	<u>\$</u>

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended September 30, 2024

	Chamorro Land Trust Operations Fund	Chamorro Loan Guarantee Fund	Chamorro Land Trust, Survey and Infrastructure Fund	Combined Total	Eligible
Revenues:					
Lease rentals	\$ 999,632	\$ ---	\$ 9,145	\$ 1,008,777	\$ ---
GovGuam appropriation	296,298	---	---	296,298	---
Payment in lieu of property taxes	---	222,892	---	222,892	---
Interest income	140,529	357	844	141,730	---
Collections from Land for the Landless program	---	---	6,083	6,083	---
Land trust application fees	1,770	---	---	1,770	---
Total revenues	<u>1,438,229</u>	<u>223,249</u>	<u>16,072</u>	<u>1,677,550</u>	<u>---</u>
Expenditures:					
Salaries and wages - regular	494,603	---	---	494,603	---
Salaries and wages - fringe benefits	206,837	---	---	206,837	---
Building rent	124,390	---	---	124,390	---
Contractual services	64,235	---	---	64,235	---
Supplies	7,778	---	---	7,778	---
Communications	4,336	---	---	4,336	---
Miscellaneous	11,748	11,002	---	22,750	---
Total expenditures	<u>913,927</u>	<u>11,002</u>	<u>---</u>	<u>924,929</u>	<u>---</u>
Change in fund balance	524,302	212,247	16,072	752,621	---
Fund balance - beginning	<u>2,050,052</u>	<u>1,442,734</u>	<u>238,838</u>	<u>3,731,624</u>	<u>---</u>
Fund balance - ending	<u>\$ 2,574,354</u>	<u>\$ 1,654,981</u>	<u>\$ 254,910</u>	<u>\$ 4,484,245</u>	<u>\$ ---</u>

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended September 30, 2023

	Chamorro Land Trust Operations Fund	Chamorro Loan Guarantee Fund	Chamorro Land Trust, Survey and Infrastructure Fund	Combined Total	Elimi
Revenues:					
Lease rentals	\$ 909,006	\$ ---	\$ 8,662	\$ 917,668	\$ --
GovGuam appropriation	158,379	---	---	158,379	--
Payment in lieu of property taxes	---	180,045	---	180,045	--
Interest income	158,007	170	3,797	161,974	--
Collections from Land for the Landless program	---	---	508	508	--
Land trust application fees	<u>800</u>	<u>---</u>	<u>---</u>	<u>800</u>	<u>--</u>
Total revenues	<u>1,226,192</u>	<u>180,215</u>	<u>12,967</u>	<u>1,419,374</u>	<u>--</u>
Expenditures:					
Salaries and wages - regular	515,276	---	---	515,276	--
Salaries and wages - fringe benefits	206,033	---	---	206,033	--
Building rent	124,390	---	---	124,390	--
Contractual services	15,262	---	---	15,262	--
Supplies	1,099	---	---	1,099	--
Communications	4,335	---	---	4,335	--
Capital outlays	13,675	---	---	13,675	--
Miscellaneous	<u>12,505</u>	<u>---</u>	<u>50</u>	<u>12,555</u>	<u>--</u>
Total expenditures	<u>892,575</u>	<u>---</u>	<u>50</u>	<u>892,625</u>	<u>--</u>
Change in fund balance	333,617	180,215	12,917	526,749	--
Fund balance - beginning	<u>1,716,435</u>	<u>1,262,519</u>	<u>225,921</u>	<u>3,204,875</u>	<u>--</u>
Fund balance - ending	<u>\$ 2,050,052</u>	<u>\$ 1,442,734</u>	<u>\$ 238,838</u>	<u>\$ 3,731,624</u>	<u>\$ --</u>

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Comparative Supplemental Schedule of Employees and Salaries

	Year ended September 30,	
	<u>2024</u>	<u>2023</u>
Salaries and wages - regular	<u>\$494,603</u>	<u>\$515,276</u>
Employees at end of year	10	11

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*

The Board of Commissioners
Chamorro Land Trust Commission

We have audited, in accordance with the 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, the financial statements of the Chamorro Land Trust Commission (CLTC), which comprise the balance sheet as of September 30, 2024, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CLTC'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 CLTC's internal control. Accordingly, we do not express an opinion on the effectiveness of CLTC'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CLTC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

September 25, 2026

*The Auditor's Communication With Those Charged
With Governance*

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Year ended September 30, 2024



September 25, 2026

The Board of Commissioners
Chamorro Land Trust Commission

We have performed an audit of the financial statements of the Chamorro Land Trust Commission (CLTC), a governmental fund of the Government of Guam, as of and for the year ended September 30, 2024, 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, and have issued our report thereon dated September 25, 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 (the Board or those charged with governance) 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 CLTC 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 August 18, 2023 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 other supplementary information are the responsibility of CLTC'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 CLTC's financial statements as of and for the year ended September 30, 2024.

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

Our audit strategy is consistent with the plan communicated during the April 2026 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 CLTC'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 footnote #2 of the financial statements.

Related party relationships and transactions

We noted no significant matters regarding CLTC's relationships and transactions with related parties other than disclosed in Note 6 to the financial statements.

Significant unusual transactions

We are not aware of any significant unusual transactions entered into by CLTC.

New accounting pronouncements

During the year September 30, 2024, CLTC implemented the following pronouncements:

- GASB Statement No.99, *Omnibus 2022*
- GASB Statement No.100, *Accounting Changes and Error Corrections*

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

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- GASB Statement No. 105, *Subsequent Events*

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 April 2026 meeting and at the update status meetings during the audit.

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

Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management

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.

Management consultations with other accountants

We are not aware of any consultations made by management with other accountants or specialists.

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.

During the audit, we consulted with our Professional Practice Group on the following matters:

- The delay on the issuance of the financial statements

Material corrected misstatements related to accounts and disclosures

Refer to the “Management Representations Letter” in Appendix A.

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

Current period uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if they are immaterial to the current period financial statements. Refer to the “Management Representations Letter” in Appendix A.

Deficiencies in internal control over financial reporting

In planning and performing our audit of the financial statements of CLTC as of and for the year ended September 30, 2024, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CLTC’s internal control. Accordingly, we do not express an opinion on the effectiveness of CLTC’s internal control. Our consideration of internal control 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 might exist that were not identified.

To the extent we identified deficiencies during the audit, we evaluated them and determined that none rise to the magnitude of a significant deficiency.

Given these limitations, we did not identify any material weaknesses.

Representations we are requesting 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.

Other information included in annual report

There was no other information available as of the date of our audit report.

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 CLTC 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.

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.

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 CLTC's trial balance with our understanding that CLTC's underlying books and records are maintained by CLTC's accounting department and that the final trial balance prepared by CLTC is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of CLTC.
- CLTC's Administrative Officer 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 Commissioners, 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

A – Management Representations Letter



Kumision Inangokkon Tano' CHamoru
(CHamoru Land Trust Commission)

P.O. Box 2950 Hagåtña, Guam 96932 • Phone: (671)300-3296 • Fax: (671)300-3319 • Email: cltc.admin@cltc.guam.gov

September 25, 2026

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

In connection with your audits of the financial statements of the Chamorro Land Trust Commission (CLTC), a governmental fund of the Government of Guam (GovGuam), as of September 30, 2024 and 2023 and for the years 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 of the CLTC and the respective changes in financial position, 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 August 18, 2023, 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 periods.

In preparing the financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CLTC'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.

A – Management Representations Letter, continued

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 the Entity 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 January 29, 2026 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 including those related to supplementary information, summarized in the accompanying schedule, accumulated by you during the current and prior audit and pertaining to the latest period presented, are immaterial, both individually and in the aggregate, to the financial statements and to the supplementary information. Refer to the “Schedule of Uncorrected Misstatements” in Appendix A.

Corrected misstatements

We have reviewed and approved the adjustments, summarized in the accompanying schedule, and reflected these adjustments in the financial statements. Refer to the “Schedule of Corrected Misstatements” in Appendix B.

A – Management Representations Letter, continued

Financial reporting entity and fund balance

We have identified and properly classified all funds and activities in accordance with GASB Statement No. 54 - as amended. We have identified and disclosed to you all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

All funds that meet the quantitative criteria in GASB Statement No. 34 - as amended and GASB Statement No. 37 - as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

Components of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

We are following our established accounting policy regarding which resources (unspendable, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures when more than one resource classification is available.

Internal control

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

There have been no significant changes in internal control since latest balance sheet date.

Minutes and contracts and internal audit reports

The dates of meetings of directors, committees of directors and important management committees from October 1, 2023 are as follows:

- | | | |
|----------------------|----------------------|---------------------|
| • October 19, 2023 | • November 21, 2024 | • November 20, 2025 |
| • November 16, 2023 | • December 2, 2024 | • December 18, 2025 |
| • January 18, 2024 | • December 10, 2024 | • January 15, 2026 |
| • February 15, 2024 | • January 16, 2025 | • February 19, 2026 |
| • March 21, 2024 | • May 8, 2025 | • March 19, 2026 |
| • April 3, 2024 | • May 22, 2025 | • May 28, 2026 |
| • August 15, 2024 | • June 6, 2025 | • June 25, 2026 |
| • September 19, 2024 | • June 19, 2025 | |
| • October 17, 2024 | • July 17, 2025 | |
| • October 28, 2024 | • September 18, 2025 | |

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

A – Management Representations Letter, continued

Minutes and contracts and internal audit reports, continued

We also have made available to you all significant agreements and contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the 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.

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 CLTC has satisfactory title appear on the balance sheet.

Receivables and revenues

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

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.

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.

A – Management Representations Letter, continued

Fair value measurements, continued

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.

Contingent 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.

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.

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.

A – Management Representations Letter, continued

Contingent and other liabilities, continued

There are no other liabilities considered material, individually or in the aggregate, that are required to be accrued or disclosed. 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 nor are there any accruals for loss contingencies included in the in the balance sheet or gain contingencies that are not in conformity with the provisions of GASB Statement No. 62 - as amended.

Oral or written guarantees

There are no oral or written guarantees other than those reported in the financial statements, including guarantees of the debt of others.

Purchase commitments

As of the statement of financial position dates, CLTC 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 balance sheet dates as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that CLTC's business 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 and regulations whose effects should be considered when preparing the financial statements.

A – Management Representations Letter, continued

Non-compliance with laws and regulations, including fraud, continued

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in CLTC'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 CLTC.

Independence

We have communicated to you the names of CLTC'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 CLTC.

We are not aware of any business relationship between CLTC 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 CLTC's audit.

Conflicts of interest

There are no instances where any officer or employee of CLTC has an interest in a company with which CLTC does business that would be considered a "conflict of interest." Such an interest would be contrary to CLTC's policy.

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), as discussed in Note 2 to the financial statements:

- GASB Statement No. 101
- GASB Statement No. 102
- GASB Statement No. 103
- GASB Statement No. 104
- GASB Statement No. 105

CLTC is therefore unable to disclose the effects that adopting the amendments in the aforementioned GASB Statements will have on its financial position and the changes in its financial position when such statements are adopted.

A – Management Representations Letter, continued

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the Management's Discussion and analysis, which have been measured and presented in conformity with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement.

There have been no changes in the methods of measurement or presentation of the required supplementary information from those used in the prior period.

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 following schedules (the "Supplementary Information"):

- Combining Balance Sheet
- Combining Statement of Revenue, Expenditures, and Changes in Fund Balance
- Supplemental Schedule of Employees and Salaries

We believe the supplementary information, including its form and content, is fairly stated in all material respects in relation to the basic financial statements as a whole.

There have been no changes in the methods of measurement or presentation of the supplementary information from those used in the prior period.

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

Additional representations

We have identified and disclosed to you all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds. We have identified and disclosed to you all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements where the noncompliance could have a direct and material effect on the basic financial statements.

We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.

A – Management Representations Letter, continued

Additional representations, continued

All funds that meet the quantitative criteria in GASB Statement No. 34, as amended and GASB Statement No. 37, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

Provisions for uncollectible receivables have been properly identified and recorded.

Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.

We have identified and disclosed to you violations (and possible violations) of laws, regulations and provisions of contracts and grant agreements with effects that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Components of fund balance are properly classified and, if applicable, approved.

Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

As discussed in Note 1 to the financial statements, the financial statements of CLTC present only CLTC and are not intended to present fairly the financial position and results of operations of GovGuam in conformity with US GAAP.

Other matters

We have received a draft copy of our financial statements of CLTC as of and for the years ended September 30, 2024 and 2023. The accuracy and completeness of the financial statements, including footnote disclosures, are the responsibility of the management of CLTC.

You have assisted in the preparation of CLTC's financial statements based on the information in CLTC's trial balance and accounting records. It is our understanding that:

- CLTC's underlying books and records are maintained by CLTC's accounting department and that the final trial balance prepared by CLTC is complete; and
- All adjusting journal entries posted to the trial balance have been approved by us, and
- Management of CLTC has designated a competent representative to oversee your services and that there are CLTC personnel with sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements, including footnote disclosures.

We acknowledge that we have reviewed the draft financial statements for accuracy and completeness, and we take responsibility for them.

A – Management Representations Letter, continued

Subsequent events

Subsequent to September 30, 2024, no events or transactions as outlined in “Subsequent Events” in Appendix C 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 CLTC’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 CLTC.

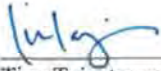
We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and was, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of CLTC 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,



Angela Canbacho, Acting Administrative Director

9/25/2026
Date



Tina Tainatongo, Administrative Officer

9/25/2026
Date

A – Management Representations Letter, continued

Appendices

A – Schedule of Uncorrected Misstatements

B – Schedule of Corrected Misstatements

C – Subsequent Events Questionnaire

A—Schedule of Uncorrected Misstatements

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A – Management Representations Letter, continued

B – Schedule of Corrected Misstatements

Communication schedule for corrected misstatements

Entity:		Chamorro Land Trust Commission		Period ended: 30-Sep-2021		Currency: USD			
Corrected misstatements				Analysis of misstatements					
No.	WIP 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)
AJE1 A1, UA To reconcile C, TC's balances to the audited GovGuam financial statements, for Fund 415 (Loan Guaranty Fund).									
LGF		Miscellaneous							10,967
		Appropriations							5,320,105
		Due from General Fund	(5,331,092)						X
AJE2 RO, U To adjust interest income to agree with GASB 87 amortization.									
OPS		Deferred inflow of resources			85,893				(85,893)
		Interest income							X
Total of corrected misstatements before income tax			(5,331,092)	0	85,893	0	0	0	5,245,199
Financial statement amounts			6,915,319	0	(16,133)	(4,414,941)	(3,731,624)		(752,621)
Effect of corrected misstatements on F/S amounts			-59.8%	0.0%	-332.4%	0.0%	0.0%		-696.9%

A – Management Representations Letter, continued

C – Subsequent Events Questionnaire

Question	Response Yes or No	If yes, please provide additional information
1 Are there any subsequent events that occurred that may affect the financial statements other than those that are already been communicated?	NO	
2 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	
3 Have there been any new significant contingent liabilities or commitments that arisen, except as disclosed in the audited financial statements?	NO	
4 Have there been any significant changes that occurred in trends of sales/revenue or costs/expenses that could affect accounting estimates (e.g. valuation of receivables or inventories, realization for deferred charges, provisions for warranties or employee benefits, provisions for warranties or employee benefits or unearned income)?	NO	
5 Have 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 audited 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 Have any significant unusual or non-recurring adjustments been recorded (or are necessary)?	NO	
8 Have any communications, written or oral, occurred with regulatory agencies with which the entity files financial statements?	NO	
9 Have there been any changes in the entity's related parties?	NO	
10 Have any significant new related party transactions occurred?	NO	
11 Have 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	
12 Are there any significant new contracts or agreements (including amendment) and written communications with any regulatory agencies that could have an effect on the audited financial statements other than those that are already been provided to EY (if any)?	NO	
13 Did Chamorro Land Trust Commission provide all of minutes of BOD meeting that were held subsequent to the balance sheet date that were not previously provided?	NO	
14 Are you aware of any fraud or suspected fraud affecting Chamorro Land Trust Commission 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	
15 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 Chamorro Land Trust Commission?	NO	
16 Are you aware of any close relationship, or business employment or other relationships that could bear EY independence such as business/financial relationship, litigation with EY, family relationship/employment, loans, cooperative arrangements and others?	NO	
17 Are you aware of any cash receipt records for significant or unusually large amounts that may pertain to proceeds of loans, significant sales of productive assets or other unusual items?	NO	
18 Are you aware of any cash disbursement records for that may pertain to unusual payments, payments of liabilities not recorded as of the balance sheet date or other unusual items?	NO	
19 Are you aware of any significant time lag that may pertain to collections on accounts receivable, credit memoranda issues for sales returns and allowances?	NO	
20 Are you aware of any journal entries posted after September 30, 2024 that would have a material effect on the financial statements as of the balance sheet date?	NO	
21 Are you aware of any potential going concern indicators as of report date (liquidity, litigation, management plans) that could have an adverse impact on the Company's ability to continue on a going concern within one year and one day?	NO	
22 Whether any assets have been appropriated by government or destroyed, for example, by fire or flood.	NO	
23 Whether events have occurred that are relevant to the measurement of estimates or provisions in the financial statements.	NO	
24 Whether events have taken place that are relevant to the recoverability of assets.	NO	

Management Letter

Chamorro Land Trust Commission
(A Governmental Fund of the Government of Guam)

Year ended September 30, 2024



**Shape the future
with confidence**

September 25, 2026

Management and the Board of Commissioners
Chamorro Land Trust Commission

In planning and performing our audit of the financial statements of Chamorro Land Trust Commission (CLTC) as of and for the year ended September 30, 2024, 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 CLTC's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CLTC's internal control. Accordingly, we do not express an opinion on the effectiveness of CLTC'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified other matter that we wish to bring to your attention.

Long Outstanding Commercial Lease Receivables

Observation:

As of September 30, 2024, CLTC reported commercial lease receivables of \$1,079,784, including \$1,035,002 in delinquent balances, or 93% of total receivables. CLTC established a corresponding allowance for uncollectible accounts.

Recommendation:

We encourage management to strengthen efforts to collect past due lease receivables which may include taking legal action to collect.

Commercial Lease Revenue

Observation:

For the year ended September 30, 2024, we noted that CLTC continued to bill and collect lease payments for the following properties despite expired commercial lease agreements and the absence of formal extensions:

- Lot No. 9-1, Block D, Tract 9, Barrigada (Annual lease rental of \$6,240)
- Lot No. 1109-2-1, Mangilao (Annual lease rental of \$3,840)
- Lot 10129-3NEW, Dededo (Annual lease rental of \$3,720)
- Lot 10063-NEW, Dededo (Annual lease rental of \$1,310)
- Lot 2139-NEW-2, Tamuning, (Annual lease rental of \$1,310)
- Lot 5173-NEW-2-2NEW, Tamuning, (Annual lease rental of \$1,749)
- Lot 5120-4NEW-R1NEW, Tamuning (Annual lease rental of \$944)
- Lot 24, Merizo (Annual lease rental of \$312)
- Portion of Lot No. 443 Part 1-2New-R1, Agat (Annual lease rental of \$836)
- Lot No. 18, Tract 3621, Inarajan (Annual lease rental of \$4,200)

Recommendation:

We recommend that CLTC establish internal controls requiring new or extended commercial lease agreements for expired leasing arrangements.

This communication is intended solely for the information and use of management, the Board of Commissioners, 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.

At this time, we would like to thank all the staff and management of CLTC for their cooperation extended to us during the course of our audit. We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Ernst + Young LLP