

Reports on Compliance and Internal Control

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

Year Ended September 30, 2024



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(A Component Unit of the Government of Guam)

Reports on Compliance and Internal Control

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Guam Housing and Urban Renewal Authority

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GHURA's basic financial statements, and have issued our report thereon dated August 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered GHURA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GHURA's internal control. Accordingly, we do not express an opinion on the effectiveness of GHURA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

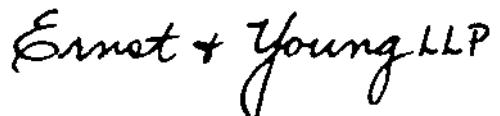
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 GHURA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

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August 15, 2025

Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Commissioners
Guam Housing and Urban Renewal Authority:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Guam Housing and Urban Renewal Authority's (GHURA's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of GHURA's major federal programs for the year ended September 30, 2024. GHURA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Community Development Block Grants Cluster (CDBG) - Entitlement/ Special Purpose Grants Cluster and Housing Voucher Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, GHURA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Community Development Block Grants Cluster (CDBG) - Entitlement/Special Purpose Grants Cluster and Housing Voucher Cluster for the year ended September 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, GHURA complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GHURA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions on compliance for each major federal program. Our audit does not provide a legal determination of GHURA's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinions on Community Development Block Grants Cluster (CDBG) - Entitlement/ Special Purpose Grants Cluster and Housing Voucher Cluster

As described in the accompanying schedule of findings and questioned costs, GHURA did not comply with the requirements regarding Community Development Block Grants Cluster (CDBG) - Entitlement/Special Purpose Grants Cluster as described in finding numbers 2024-001 for Reporting, and Housing Voucher Cluster, as described in finding numbers 2024-002 for Reporting and 2024-003 for special tests and provisions.

Compliance with such requirements is necessary, in our opinion, for the GHURA to comply with the requirements applicable to those programs.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to GHURA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GHURA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GHURA's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding GHURA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of GHURA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of GHURA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on GHURA's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. GHURA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 for reporting requirement of Community Development Block Grants Cluster (CDBG) - Entitlement/Special Purpose Grants Cluster, and 2024-002 and 2024-003 for reporting and special tests and provisions requirements, respectively, of Housing Voucher Cluster to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

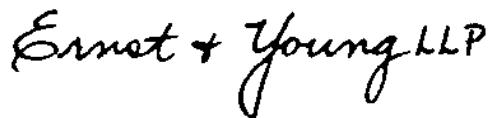
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on GHURA's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. GHURA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of GHURA as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise GHURA's basic financial statements. We have issued our report thereon dated August 15, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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August 15, 2025

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

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

<u>Federal Grantor/Pas-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871			\$ 49,098,628
Emergency Housing Voucher	14.EHV			1,732,525
Mainstream Vouchers	14.879			<u>531,730</u>
Housing Voucher Cluster total:				<u>\$ 51,362,883</u>
CDBG - Entitlement/Special Purpose Grants Cluster:				
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225		\$ 3,492,403	\$ 6,718,975
COVID -19 Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225		<u>1,953,694</u>	<u>2,022,412</u>
CDBG - Entitlement/Special Purpose Grants Cluster Total			<u>\$ 5,446,097</u>	<u>\$ 8,741,387</u>
Community Development Block Grants -				
Section 108 Loan Guarantees	14.248			\$ 12,030,089
Public and Indian Housing	14.850			6,923,631
HOME Investment Partnerships Program	14.239		\$ 148,904	4,883,282
Public Housing Capital Fund	14.872			2,119,372
Continuum of Care Program	14.267		831,221	1,011,548
Supportive Housing for the Elderly	14.157			949,552
Emergency Solutions Grant Program	14.231		371,800	379,966
COVID-19 Emergency Solutions Grant Program CARES Act	14.231		283,798	284,124
Family Self-Sufficiency Program	14.896			160,366
Resident Opportunity and Supportive Services -				
Service Coordinators	14.870			67,395
Multi-Family Housing Service Coordinators	14.191			64,483
Housing Trust Fund	14.275			<u>4,965</u>
			<u>\$ 1,635,723</u>	<u>\$ 28,878,773</u>
Passed-Through from Guam Department of Administration				
Emergency Rental Assistance Program	21.023	ERA-AHA24.0424		<u>\$ 659,000</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 7,081,820</u>	<u>\$ 89,642,043</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 7,081,820</u>	<u>\$ 89,642,043</u>

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

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

1. Scope of Audit

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

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of GHURA under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of GHURA, it is not intended to and does not present the financial position, changes in net position or cash flows of GHURA.

3. Summary of Significant Accounting Policies

a. Basis of Accounting

For purposes of this Schedule, certain accounting procedures were followed, which help illustrate the expenditures of the individual programs. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Disbursements made to subrecipients related to the grant agreements are reported as expenditures.

b. Subgrants

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

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

Notes to Schedule of Expenditures of Federal Awards, continued

3. Summary of Significant Accounting Policies, continued

c. Funds Received

GHURA received all the funds indicated on this Schedule in a direct capacity in Fiscal Year 2024. GHURA also administers all the funds and is responsible for compliance with the laws and regulations.

d. Indirect Costs

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

4. Loan Funds

GHURA, on behalf of the Government of Guam, has been designated the responsibility of implementing and carrying out the objectives of the HOME Program. The program is designed to increase homeownership and affordable housing opportunities for low- and very low-income Americans. HOME loan applicants that have been determined to be eligible for financial assistance are required to comply with the terms and requirements. Balances and transactions relating to the HOME program are included in GHURA's financial statements. The balances of loans from previous years for which the federal government imposes continuing compliance requirements are included in the federal expenditures presented in the Schedule. As of September 30, 2024, the HOME and CDBG Program expenditures include \$825,040 and \$8,521,291 in current year disbursements and the beginning balance of HOME and CDBG loans of \$4,058,424 and \$220,096, with continuing compliance requirements, respectively. The balance of HOME Investment Partnerships and CDBG grant loans outstanding and recorded by GHURA on September 30, 2024 is \$3,914,858 and \$199,887, respectively.

In December 2020, GHURA entered into a \$12M loan with the U.S. Department of Housing and Urban Development to provide a source of low-cost, long-term financing loan to The Learning Institute through the Section 108 Loan Guarantee Program to construct a public facility for use as a school. The facility will be leased to the eLearn Academy Charter School by The Learning Institute. As of September 30, 2024, the Section 108 expenditures include \$650,089 in current year interest expense to GHURA from The Learning Institute. The balance of the Section 108 loan outstanding and recorded by GHURA as of September 30, 2024 is \$10,904,000.

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

Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes X No

Significant deficiency(ies) identified?

Yes X **None reported**

Noncompliance material to financial statements noted?

Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

X Yes No

Significant deficiency(ies) identified?

Yes X **None reported**

Type of auditor's report issued on compliance for major federal programs:

CDBG - Entitlement/Special Purpose Grants Cluster

Qualified

Housing Voucher Cluster

Qualified

14.157 Supportive Housing for the Elderly

Unmodified

14.248 CDBG – Section 108 Loan Guarantees

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

X Yes No

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

Schedule of Findings and Questioned Costs, continued

Section I - Summary of Auditors' Results, continued

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
	<i>Housing Voucher Cluster:</i>
14.871	Section 8 Housing Choice Vouchers
14.EHV	Emergency Housing Voucher
14.879	Mainstream Vouchers
	<i>CDBG - Entitlement/Special Purpose Grants Cluster:</i>
14.225	Community Development Block Grants/Special Purpose Grants/Insular Areas
14.225	Community Development Block Grants/Special Purpose Grants/Insular Areas – COVID 19
14.157	Supportive Housing for the Elderly
14.248	Community Development Block Grants - Section 108 Loan Guarantees

Dollar threshold used to distinguish between Type A and Type B Programs: \$2,689,261

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

Finding No.	ALN	Requirement	Questioned Cost
2024-001	CDBG - Entitlement/ Special Purpose Grants Cluster	Reporting	\$ ---
2024-002	Housing Voucher Cluster	Reporting	---
2024-003	Housing Voucher Cluster	Special Tests and Provisions	---

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

Schedule of Findings and Questioned Costs, continued

Finding No.: **2024-001**

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: CDBG - Entitlement/ Special Purpose Grants Cluster
Federal Award No.: B22ST660001, COVID-19 B20SW660001, B20ST660001
Area: Reporting
Questioned Costs: \$0

Criteria:

In accordance with applicable reporting requirements, reported amounts in the Integrated Disbursement and Information System (IDIS) should be accurate and complete. Also, recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Condition:

1. Certain amounts reported in PR26 – CDBG Financial Summary Report, Program Year 2023, Grant No. B22ST660001, do not agree with underlying accounting records and resulted in differences between the reported disbursements, total obligations and credit, and result in obligations for planning and administration (PA) activities exceeding the 20-percent ceiling.

Line Item	Reported Amount	Auditor Calculation Per GL Details	Over (Under) Reported Variance
08 Total Available	\$13,859,763	\$12,742,302	\$1,117,460
09 Disbursements other than Section 108 Repayments and Planning/Administration	\$6,253,357	\$6,202,170	\$51,188
11 Amount subject to Low/Mod Benefit	\$6,253,357	\$6,202,170	\$51,188
12 Disbursed in IDIS for Planning/Administration	\$268,339	\$681,220	\$(412,880)
15 Total Expenditures	\$7,856,151	\$6,883,389	\$972,761
16 Unexpended Balance	\$6,003,612	\$5,858,913	\$144,699
19 Disbursed for other Low/Mod activities	\$3,917,753	\$4,798,550	\$(880,797)
21 Total Low/Mod Credit	\$3,917,753	\$4,798,550	\$(880,797)
22 Percent Low/Mod Credit	63%	77%	(15%)
27 Disbursed in IDIS for Public Services	\$330,151	\$375,895	\$(45,744)
31 Total PS Obligations	\$555,858	\$375,895	\$179,963
36 Percent Funds Obligated for PS Activities	17%	12%	5%
37 Disbursed in IDIS for Planning/Administration	\$268,339	\$681,220	\$(412,880)
46 Percent Funds Obligated for PA Activities Line	-0.13%	21.38%	(21.51%)

Guam Housing and Urban Renewal Authority
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Schedule of Findings and Questioned Costs, continued

Finding No.: **2024-001, continued**

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: CDBG - Entitlement/ Special Purpose Grants Cluster
Federal Award No.: B22ST660001, COVID-19 B20SW660001, B20ST660001
Area: Reporting
Questioned Costs: \$0

Condition, continued:

2. Subawards are not reported in FSRS, as follows:

Transactions Tested	Subaward Not Reported	Dollar Amount of Tested Transactions	Subaward Not Reported
4	4	\$3,178,901	\$3,178,901

Cause:

GHURA did not effectively implement monitoring controls over compliance with applicable reporting requirements.

Effect:

GHURA is not in compliance with applicable reporting requirements. No questioned cost results because the variances do not represent Program overpayments.

Identification as a Repeat Finding: 2023-001

Recommendation:

Responsible personnel should strengthen monitoring controls over compliance with applicable reporting requirements. Prior to certifying IDIS reports, responsible personnel should examine and maintain underlying accounting records to determine the accuracy and completeness of reported data. Also, responsible personnel should monitor subawards for reporting in FSRS.

Views of Responsible Officials:

Refer to GHURA's corrective action plan.

Guam Housing and Urban Renewal Authority
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Schedule of Findings and Questioned Costs, continued

Finding No.: **2024-002**

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: Housing Voucher Cluster
Area: Reporting
Questioned Costs: \$0

Criteria:

In accordance with applicable reporting requirements, the Uniform Reporting Standards requires the Public Housing Authorities (PHAs) to submit timely GAAP-based unaudited financial information electronically to HUD. Amounts reported in the Financial Assessment Subsystem (FASS-PH), should be accurate.

Condition:

Unaudited amounts reported in certain key line items in the FASS-PH for FY 2024 do not agree with underlying accounting records, as follows:

Line Item	ALN	Per Report	Per GL Details	Over- (Under-)Reported Variance
11170 Administrative Fee Equity	14.EHV	\$ -	\$ 228,117	\$ (228,117)
96900 Total Operating Expenses	14.EHV	\$ 33,725	\$ (3,082)	\$ (36,807)
70600 HUD PHA Operating Grants	14.EHV	\$ 1,847,631	\$ 146,532	\$ 1,701,099
11040 Prior Period Adjustments	14.871	\$ 67,953	\$ -	\$ 67,953
11170 Administrative Fee Equity	14.871	\$ 1,360,376	\$ 2,127,926	\$ (767,550)
11180 Housing Assistance Payments Equity	14.871	\$ 6,626,675	\$ 3,846,366	\$ 2,780,309
347 Inter Program – Due To	14.871	\$ 508,535	\$ 456,295	\$ 52,240
11040 Prior Period Adjustments	14.879	\$ 337,017	\$ -	\$ 337,017
70600 HUD PHA Operating Grants	14.879	\$ 486,666	\$ 439,024	\$ 47,642
144 Inter Program Due From	14.879	\$ 338,821	\$ -	\$ 338,821

Cause:

GHURA did not effectively implement monitoring controls over compliance with applicable reporting requirements. Also, relative to equity line items, GHURA is unable to input accurate unaudited FY 2023 financial information in the FASS-PH because audited FY 2020, FY 2021, FY 2022, and FY 2023 financial information in the FASS-PH are yet to be certified.

Guam Housing and Urban Renewal Authority
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Schedule of Findings and Questioned Costs, continued

Finding No.: **2024-002, continued**

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: Housing Voucher Cluster
Area: Reporting
Questioned Costs: \$0

Effect:

GHURA is not in compliance with applicable reporting requirements. No questioned cost is reported as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-003

Recommendation:

Responsible personnel should implement monitoring controls over compliance with applicable reporting requirements. Prior to reporting amounts in the FASS-PH, responsible personnel should examine and maintain underlying accounting records to determine the accuracy and completeness of reported data.

Also, as recommended by HUD, GHURA should contract its current independent public accountant (IPA) to certify the FY 2020 and FY 2021 financial information in the FASS-PH since the predecessor IPA is no longer available to certify the information they audited.

Views of Responsible Officials:

Refer to GHURA's corrective action plan.

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

Schedule of Findings and Questioned Costs, continued

Finding No.: **2024-003**

Federal Agency: U.S. Department of Housing and Urban Development (HUD)

AL Program: Housing Voucher Cluster

Area: Special Tests and Provisions - Rolling Forward Equity Balances

Questioned Costs: \$0

Criteria:

In accordance with applicable special tests and provisions for rolling forward equity balances, the Annual Contributions Contract (ACC) requires Public Housing Agencies (PHAs) to properly account for program activity by properly maintaining account balances, by supporting a proper roll-forward of equity with records and accounting transactions, and by correcting detected errors.

Condition:

Beginning balances of equity, including any adjustments by GHURA, per the FY2024 Trial Balance (TB) did not agree with the audited ending balances per the FY2023 Single Audit Report (SAR). We noted variances, as follows:

Account	ALN	Per 2024 TB	Per 2023 SAR	Over- (Under-)Recorded Variance
Housing Assistance Payments Equity (Deficit)	14.EHV	\$ 233,457	\$ -	\$ (233,457)
Administrative Fee Equity (Deficit)	14.HCC	\$ (229,709)	\$ (603,753)	\$ (374,044)
Administrative Fee Equity (Deficit)	14.871	\$ 6,874,931	\$ (13,329,305)	\$ 20,204,236
Housing Assistance Payments Equity (Deficit)	14.871	\$ (3,250,625)	\$ 6,729,955	\$ (9,980,580)
Administrative Fee Equity (Deficit)	14.879	\$ -	\$ (35,651)	\$ (35,651)
Housing Assistance Payments Equity (Deficit)	14.879	\$ 154,055	\$ (35,651)	\$ (189,706)

Cause:

GHURA did not effectively enforce monitoring controls over compliance with special tests and provisions requirements for rolling forward equity balances.

Effect:

GHURA is not in compliance with applicable special tests and provisions requirements for rolling forward equity balances. No questioned cost is reported as we are unable to quantify the extent of noncompliance.

Identification as a Repeat Finding: 2023-004

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

Schedule of Findings and Questioned Costs, continued

Finding No.: **2024-003, continued**

Federal Agency: U.S. Department of Housing and Urban Development (HUD)
AL Program: Housing Voucher Cluster
Area: Special Tests and Provisions - Rolling Forward Equity Balances
Questioned Costs: \$0

Recommendation:

Responsible personnel should enforce monitoring controls over compliance with applicable special tests and provisions requirements for rolling forward equity balances. Responsible personnel should reconcile the current year beginning balances with the prior year ending balances and should record adjustments, as necessary, to properly roll forward audited amounts.

Views of Responsible Officials:

Refer to GHURA's corrective action plan.



GHURA

Guam Housing and Urban Renewal Authority
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Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lt. Governor of Guam

John J. Rivera
Chairman

Nathanael P. Sanchez
Vice Chairman

Anisia S. Delia
Commissioner

Emilia F. Rice
Commissioner

Victor R. Torres
Commissioner

Karl E. Corpus
Resident Commissioner

Elizabeth F. Napoli
Executive Director

Fernando B. Esteves
Deputy Director

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Corrective Action Plan

September 30, 2024

Finding #2024-001 (1) CDBG – Entitlement Grants Cluster Program B22ST660001

Views of Responsible Officials and Planned Corrective Action

The reporting and recording requirements in the Integrated Disbursement and Information System (IDIS), use and reconciliation of the CDBG Program is complex in nature. The Authority will review its accounting processes to accurately record and provide complete reports as required by the U.S. Housing and Urban Development (HUD), by the recommendations from HUD's technical assistance, and by the updated Uniform Guidance requirements. Responsible accounting and planning personnel will be trained on updated Uniform Guidance and the IDIS.

Responsible Party: Frances Danieli, Controller and Katherine Taitano, Chief Planner

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

Finding #2024-002 Housing Voucher Cluster Reporting

Views of Responsible Officials and Planned Corrective Action

The Authority's accounting team has been coordinating closely with HUD-Honolulu to resolve the submission of our unaudited and audited Fiscal Year (FY) 2020 and 2021 financial data, as required by June 6, 2024.

Provided is a breakdown of the Authority's progress:

1. FY 2020 unaudited submission was sent to HUD on May 18, 2024, and has since been approved.
2. FY 2021 unaudited submission is completed and has been inputted into FASS-PH.
3. FY 2020 and 2021 audited submissions require certification from an Independent Public Auditor (IPA). The Authority is currently in the process of procuring an IPA for this purpose, and the Request for Quotation (RFQ) is ongoing.
4. FY 2022 audited submission was unfortunately rejected by our current IPA on May 23, 2024. The Authority and the auditing firm are actively working together to address this and to ensure the reporting requirements are met.
5. FY 2023 unaudited submission has been approved by HUD.
6. FY 2023 audited submission is completed and inputted into FASS-PH. The Authority and the current IPA are working together to submit the report to HUD.
7. FY 2024 unaudited submission has been approved by HUD.
8. FY 2024 audited submission will be inputted and completed once the audit is completed.



Guam Housing and Urban Renewal Authority
September 30, 2024
Corrective Action Plan

FDS line items 11170, 11180, 96900 are calculated amounts in the FASS-PH. These FDS line items are not reported in the Authority's General Ledger Accounts, therefore a comparison should not be performed.

The Authority is committed to fulfilling all reporting requirements accurately and timely. The Authority will continue to prioritize these submissions.

Responsible Party: Frances Danieli, Controller

Anticipated Date of Completion: Ongoing effort with the IPA and HUD

Finding #2024-003 Housing Voucher Cluster Special tests and Provisions – Rolling Forward Equity Balances

Views of Responsible Officials and Planned Corrective Action

The Authority's accounting team has been coordinating closely with HUD-Honolulu to resolve the submission of our unaudited and audited Fiscal Year (FY) 2020 and 2021 financial data, as required by June 6, 2024.

Provided is a breakdown of the Authority's progress:

1. FY 2020 unaudited submission was sent to HUD on May 18, 2024, and has since been approved.
2. FY 2021 unaudited submission is completed and has been inputted into FASS-PH.
3. FY 2020 and 2021 audited submissions require certification from an Independent Public Auditor (IPA). The Authority is currently in the process of procuring an IPA for this purpose, and the Request for Quotation (RFQ) is ongoing.
4. FY 2022 audited submission was unfortunately rejected by our current IPA on May 23, 2024. The Authority and the auditing firm are actively working together to address this and to ensure the reporting requirements are met.
5. FY 2023 unaudited submission has been approved by HUD.
6. FY 2023 audited submission is completed and inputted into FASS-PH. The Authority and the current IPA are working together to submit the report to HUD.
7. FY 2024 unaudited submission has been approved by HUD.
8. FY 2024 audited submission will be inputted and completed once the audit is completed.

Once the above is addressed and completed, rolling forward equity balances will be pre-populated in the PASS-PH and will align with the Authority's General Ledger accounts. The Authority is committed to fulfilling all reporting requirements accurately and timely. The Authority will continue to prioritize these submissions.

Responsible Party: Frances Danieli, Controller

Anticipated Date of Completion: Ongoing effort with the IPA and HUD



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GUAM HOUSING AND URBAN RENEWAL AUTHORITY Summary Schedule of Prior Year Audit Findings Year Ended September 30, 2024

Audit Finding

2023-001(1) This finding is unresolved. Certain amounts reported in PR26 – CDBG Financial Summary Report, Program Year 2022 by GHURA, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.

2023-001(2) This finding is unresolved. Certain amounts reported in PR26 – CDBG-CV Financial Summary Report, Grant No. B20SW660001, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.

2023-001(3) This finding is unresolved. Certain amounts reported in C04PR26 – CDBG Activity Summary by Selected Grant for Program Years, do not agree with underlying accounting records. The Authority is seeking technical assistance from HUD.

2023-001(4) This finding is unresolved. GHURA CDBG Subawards are not reported in FSRS.

2023-002 This finding is unresolved. GHURA Continuum of Care Program did not effectively monitor controls over compliance with applicable matching, level of effort, earmarking requirements with recipients or subrecipients.

2023-003 This finding is unresolved. Unaudited amounts reported in certain key line items in the FASS-PH for FY 2023 do not agree with underlying accounting records.

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

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

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



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

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

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

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

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

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

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

2017-01 This finding is resolved. The Capital Fund Grant reconciliations were ongoing and completed in July 2025.