

*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, 2023 and 2022  
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  
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Report on Internal Control and Compliance

Years ended September 30, 2023 and 2022

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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, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the 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 the CLTC at September 30, 2023 and 2022, 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 the 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 the CLTC, and do not purport to, and do not present fairly the financial position of the Government of Guam as of September 30, 2023 and 2022, 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 the 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 the 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 the 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 4 through 9 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 the CLTC's basic financial statements. The accompanying supplementary information of the Combining Balance Sheet included on page 23, the Combining Statement of Revenues, Expenditures and Changes in Fund Balance included on page 24, and the comparative supplemental schedule of employees and salaries included on page 25, 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 January 29, 2026, on our consideration of the 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 the 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 the CLTC's internal control over financial reporting and compliance.

*Ernst & Young LLP*

January 29, 2026

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

**Management's Discussion and Analysis**

Years ended September 30, 2023 and 2022

**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.

The 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 the 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 the CLTC as a separate agency from DLM and the re-establishment of its Administrative Director position.

The CLTC's Management's Discussion and Analysis (MD&A) provides an overview of CLTC's financial activities for the fiscal years ended 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 \$3,731,624 at September 30, 2023 as compared to \$3,204,875 at the end of the prior year.
- Total assets at September 30, 2023 increased by \$90,192 (or 1%) as compared to September 30, 2022.
- Total liabilities and deferred inflows of resources at September 30, 2023 decreased by \$436,557 (or 8%) as compared to September 30, 2022.
- Total fund balance at September 30, 2023 increased by \$526,749 (or 16%) as compared to September 30, 2022.
- Total revenues of \$1,419,374 for the year ended September 30, 2023 increased by \$587,073 (or 71%) as compared to \$832,301 from the prior year. Total expenditures of \$892,625 for the year ended September 30, 2023 increased by \$59,971 (or 7%) as compared to \$832,654 for the prior year. This resulted in an increase in the fund balance of \$526,749 for the year ended September 30, 2023 as compared to a decrease of \$353 for the prior year.

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

**2. Overview of the Financial Statements**

The CLTC's financial statements include all 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 Balance Sheets as of September 30, 2023 and 2022 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**

*CLTC's Balance Sheets*

The balance sheet discloses information on the CLTC's assets, liabilities and deferred inflows of resources, and fund balance at year-end. The condensed summary of the CLTC's balance sheets shown below as of September 30, 2023 as compared to September 30, 2022 and 2021 follows:

**Summary Balance Sheets**  
As of September 30

	2023	2022	\$ Change 2023-2022	% Change 2023-2022	2021
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,006,049	\$ 2,338,826	\$ (332,777)	(14.2)%	\$ 2,097,029
Receivables, net	84,773	72,454	12,319	17.0%	673,764
Leases receivable	5,299,001	5,610,292	(311,291)	(5.5)%	-
Due from GovGuam	740,715	18,944	721,771	3810.0%	334,393
Restricted assets	872,779	872,609	170	0.0%	872,495
<b>Total assets</b>	<b>9,003,317</b>	<b>8,913,125</b>	<b>90,192</b>	<b>1.0%</b>	<b>3,977,681</b>
<b>Liabilities:</b>					
Accounts payable and other	58,273	25,662	32,611	127.1%	17,683
Deferred inflows of resources	5,213,420	5,682,588	(469,168)	(8.3)%	754,770
<b>Fund balance:</b>					
Restricted	872,779	872,609	170	0.0%	872,495
Committed	2,858,845	2,302,969	555,876	24.1%	2,327,168
Assigned	-	29,297	(29,297)	(100.0)%	5,565
<b>Total fund balance</b>	<b>\$ 3,731,624</b>	<b>\$ 3,204,875</b>	<b>\$ 526,749</b>	<b>16.4%</b>	<b>\$ 3,205,228</b>

Total assets increased by \$90,192 (or 1%) in 2023 compared to 2022 primarily due to the increase in GovGuam interfund receivables, receivables, and restricted assets offset by the decrease in cash and cash equivalents and GASB 87 lease receivables. Receivables from GovGuam increased due to GovGuam not remitting revenues earned.

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Management's Discussion and Analysis, continued

**3. Financial Statement Analysis, Continued**

*CLTC's Balance Sheets, continued*

Total liabilities increased by \$32,611 (or 127%) in 2023 compared to 2022 primarily due to the increase in accounts payable while deferred inflows of resources decreased by \$469,168 (or 8%) in 2023 compared to 2022 primarily due to the decrease of deferred inflows from leases, which represents the amortization of earned lease revenue.

Total fund balance increased by \$526,749 (or 16%) in 2023 compared to 2022 due to the difference between 2023 revenues earned and expenditures incurred compared to 2022.

*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, 2023 as compared with the years ended September 30, 2022 and 2021 follows:

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

	2023	2022	\$ Change 2023-2022	% Change 2023-2022	2021
Revenues:					
Lease rentals	\$ 917,668	\$ 633,992	\$ 283,676	44.7%	\$ 606,013
Real property taxes	180,045	165,473	14,572	8.8%	9,420
Interest earned	161,974	25,598	136,376	532.8%	1,897
Other	159,687	7,238	152,449	2106.2%	358,556
Total revenues	1,419,374	832,301	587,073	70.5%	975,886
Expenditures:					
Salaries, wages and benefits	721,309	572,162	149,147	26.1%	755,228
Building rent	124,390	124,390	-	0.0%	124,390
Other	46,926	136,102	(89,176)	(65.5)%	118,755
	892,625	832,654	59,971	7.2%	998,373
Net change in fund balance	526,749	(353)	527,102	(149320.7)%	(22,487)
Fund balance - beginning	3,204,875	3,205,228	(353)	(0.0)%	3,227,715
Fund balance - ending	\$ 3,731,624	\$ 3,204,875	\$ 526,749	16.4%	\$ 3,205,228

Total revenues increased by \$587,073 (or 71%) from \$832,301 in 2022 to \$1,419,374 in 2023. The increase in revenues for 2023 was primarily due to the increase in lease rentals, interest income, and GovGuam appropriations. Lease rentals increased by \$283,676 (or 45%). Interest income increased by \$136,376 (or 533%). GovGuam appropriations increased by \$158,379 (or 100%). GovGuam appropriation revenues is a result of CLTCs FY2023 Budget Appropriation from the General Fund.



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Management's Discussion and Analysis, continued

**3. Financial Statement Analysis, Continued**

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

Total expenditures increased by \$59,971 (or 7%) from \$832,654 in 2022 to \$892,625 in 2023. The increase in expenditures for 2023 was primarily due to an increase in CLTC operational costs, which is a direct result of 22% pay increase and the hiring of an Administrative Director.

Management's Discussion and Analysis for the year ended September 30, 2022 is set forth in the CLTC's report on the audit of financial statements, which is dated August 13, 2024. That Management Discussion and Analysis explains the major factors impacting the 2022 financial statements and may be obtained from the information below.

**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 the CLTC on May 29, 2020, is a pivotal document. It underscores the 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 the CLTC's residential or agricultural programs.

The CLTC administers about 33% of GovGuam property, which was transferred to the CLTC through an administrative transfer in 1995. At September 30, 2023 and 2022, 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 the CLTC inventory is unregistered property. The 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, 2023, the CLTC has leased a total of 3,048.35 acres for its residential and agricultural programs. However, the organization continues to face operational challenges. In fiscal year 2023, the CLTC had to maintain a moratorium on adjudicating all leases that were deemed null and void, based on a legal opinion issued by the Office of the Attorney General on May 11, 2018. The proposed additional authority for the board, intended to resolve most, if not all, of these null and void leases, has not yet been approved through an amendment to existing statutes. Additionally, the necessary amendments to address past actions that have stalled the processing of lease applications awarded have not been completed as of September 30, 2023.

Furthermore, the CLTC continues to struggle with installing basic infrastructure and providing property surveys. As of September 30, 2023, the CLTC was unable to identify adequate funding sources to conduct surveys and install essential utilities within its leased properties. Consequently, the CLTC lessees have been left to shoulder the high costs associated with surveying and utility connection fees.

Despite these challenges, the CLTC Board did approve a Right of Entry for the Guam Waterworks Authority regarding the Adacao Water and Sewer Infrastructure Capital Improvement Project in fiscal year 2023. This initiative aims to upgrade the water system and provide public sewer access in specific areas that will benefit the CLTC lessees.

Additionally, in FY2023, the CLTC approved one commercial lease for TATA Communications for submerged land in Hagat, in accordance with Public Law 36-108, also known as the Guam Undersea Access for Homes Act (GUAHA). However, the finalization of a fully executed lease was not completed by the end of the fiscal year on September 30, 2023.

In FY 2023, the CLTC did not issue any new loan guarantees. As of September 30, 2023, the CLTC Home Loan Guarantee Program's contingent liability total decreased to \$10,270,091 compared to \$10,475,749 in FY2022. Also, during FY2023, no guaranteed Home Loans were foreclosed due to nonpayment. However, the CLTC had guaranteed home loans beyond the Chamorro Loan Guarantee Funds' ability to provide reasonable security on the loans authorized.

At September 30, 2023, the CLTC Board consisted of three (3) members, an Administrative Director, and a staffing level of nine (9) to perform the CLTC mission, mandates, and day-to-day operations.

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

**5. Outlook**

The CLTC Board of Commissioners and the Administrative Director will work together with the Administration to pursue federal grant assistance to cover the costs of installing basic infrastructure for leased properties. Additionally, the Board and the Administrative Director will seek legislation to address past actions that were contrary to the law. This will help facilitate the lease award process for residential and agricultural programs, as well as resolve issues related to existing leases that have legal uncertainties.

**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 the CLTC's finances and to show the 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 Joseph B. Cruz Jr., Acting Administrative Director at (671) 300-3296 or email [joey.cruz@cltc.guam.gov](mailto:joey.cruz@cltc.guam.gov).

**Chamorro Land Trust Commission**  
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**Balance Sheets**

	September 30, <u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash	\$2,006,049	\$2,338,826
Receivables, net	84,773	72,454
Leases receivable	5,299,001	5,610,292
Due from GovGuam	740,715	18,944
Restricted assets:		
Cash	572,779	572,609
Time certificate of deposit	<u>300,000</u>	<u>300,000</u>
Total assets	<u>\$9,003,317</u>	<u>\$8,913,125</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 32,475	\$ ---
Accrued payroll and other liabilities	<u>25,798</u>	<u>25,662</u>
Total liabilities	<u>58,273</u>	<u>25,662</u>
Deferred inflows of resources:		
Leases	5,147,763	5,610,292
Deferred revenues	<u>65,657</u>	<u>72,296</u>
Total deferred inflows of resources	<u>5,213,420</u>	<u>5,682,588</u>
Fund balance:		
Restricted	872,779	872,609
Committed	2,858,845	2,302,969
Assigned	<u>---</u>	<u>29,297</u>
Total fund balance	<u>3,731,624</u>	<u>3,204,875</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$9,003,317</u>	<u>\$8,913,125</u>

*See accompanying notes.*

Chamorro Land Trust Commission  
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Statements of Revenues, Expenditures, and Changes in Fund Balance

	Year ended September 30,	
	<u>2023</u>	<u>2022</u>
Revenues:		
Lease rentals:		
Commercial	\$ 916,538	\$ 627,721
Agricultural and residential	1,130	2,474
GovGuam appropriations	158,379	---
Payment in lieu of real property taxes	180,045	165,473
Collections from Land for the Landless program	508	5,888
Interest income	161,974	29,395
Land trust application fees	<u>800</u>	<u>1,350</u>
Total revenues	<u>1,419,374</u>	<u>832,301</u>
Expenditures:		
Salaries and wages - regular	515,276	411,492
Salaries and wages – fringe benefits	206,033	160,670
Building rent	124,390	124,390
Contractual services	15,262	45,299
Capital outlays	13,675	47,943
Communication	4,335	4,270
Supplies	1,099	2,004
Miscellaneous	<u>12,555</u>	<u>36,586</u>
Total expenditures	<u>892,625</u>	<u>832,654</u>
Net change in fund balance	526,749	( 353)
Fund balance at beginning of year	<u>3,204,875</u>	<u>3,205,228</u>
Fund balance at end of year	<u>\$3,731,624</u>	<u>\$3,204,875</u>

*See accompanying notes.*

**Chamorro Land Trust Commission**  
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**Notes to Financial Statements**

Years ended September 30, 2023 and 2022

**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. The 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 the CLTC, and do not incorporate any accounts related to other departments or agencies within GovGuam.

The 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 the 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 the CLTC as a separate agency from DLM and the re-establishment of the 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 the CLTC's accounting policies are described below:

**Measurement Focus and Basis of Accounting**

The 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 the 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 the 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, 2023 and 2022, the GovGuam Department of Revenue and Taxation collected \$180,045 and \$165,473, 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, the 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, 2023 and 2022, the CLTC collected \$508 and \$5,888, 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, the 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**

The 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, the 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. The 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, 2023 and 2022, the carrying amount and corresponding bank balances of the CLTC's cash and time certificates of deposit were \$2,878,828 and \$3,211,435, respectively. Bank balances are maintained in financial institutions subject to Federal Deposit Insurance Corporation (DIC) insurance. As of September 30, 2023 and 2022, bank deposits in the amount of \$250,000 were FDIC insured.

In accordance with 5 GCA 28, Investments and Deposits, the 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, 2023 and 2022, substantially all the CLTC's bank deposits more than depository insurance limits are collateralized with securities held by the pledging financial institution but not in the 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**

The 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 that 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, 2023 and 2022, the CLTC has recognized receivable of \$740,715 and \$18,944, respectively, for payments made by GovGuam's General Fund on behalf of the 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.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Chamorro Land Trust Commission  
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Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Fund Balance, continued**

Restricted/committed amounts are spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit 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**

The CLTC utilizes encumbrance accounting to identify fund obligations. Encumbrances represent commitments related to unperformed contracts for goods. As of September 30, 2023 and 2022, the CLTC has encumbrances of \$54,207 and \$26,397, respectively.

**Recently Adopted Accounting Pronouncements**

During the year ended September 30, 2023, the CLTC implemented the following pronouncements:

- GASB Statement No. 91, *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which improves financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements.

Chamorro Land Trust Commission  
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Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Recently Adopted Accounting Pronouncements, continued**

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.
- GASB Statement No. 99, *Omnibus 2022*, which enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

This Statement provides clarification of provisions in:

- 1) GASB Statement No. 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- 2) GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- 3) GASB Statement No. 96 related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

This Statement modifies accounting and reporting guidance in:

- 4) GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, related to termination of hedge.

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

Chamorro Land Trust Commission  
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Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Upcoming Accounting Pronouncements**

In April 2022, GASB issued Statement No. 99. This Statement contains guidance whose effective dates are in future periods. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 99:

- 1) Modifies guidance in GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, to bring all guarantees under the same financial reporting requirements and disclosures effective for the fiscal year ending September 30, 2024.
- 2) Provides guidance on classification and reporting of derivative instruments within the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, effective for the fiscal year ending September 30, 2024.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. This Statement 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. Management is evaluating the effect that this Statement, upon implementation, will have on the financial statements. GASB Statement No. 100 will be effective for the fiscal year ending September 30, 2024.

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

Chamorro Land Trust Commission  
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Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Upcoming Accounting Pronouncements, continued**

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

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

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

Chamorro Land Trust Commission  
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Notes to Financial Statements, continued

**2. Summary of Significant Accounting Policies, continued**

**Upcoming Accounting Pronouncements, continued**

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 the fiscal year ending September 30, 2026.

The CLTC is currently evaluating the effects the above upcoming accounting pronouncements might have on its financial statements.

**3. Risk Management**

The 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 the 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, the 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.

**4. Receivables**

Receivables as of September 30, 2023 and 2022, including the applicable allowance for uncollectible accounts, are as follows:

	<u>2023</u>	<u>2022</u>
Receivables:		
Commercial	\$1,249,680	\$1,287,713
Other	<u>33,776</u>	<u>33,776</u>
	1,283,456	1,321,489
Less allowance for uncollectible accounts	<u>(1,198,683)</u>	<u>(1,249,035)</u>
	\$ <u>84,773</u>	\$ <u>72,454</u>

**Chamorro Land Trust Commission**  
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**Notes to Financial Statements, continued**

**5. Restricted Assets**

The CLTC maintains a savings deposit and time certificate of deposit as of September 30, 2023 and 2022 in the amounts of \$872,779 and \$872,609, 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 the CLTC to create and maintain an escrow account with an initial deposit of \$500,000. If the account falls below \$500,000, the 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 as a result of this collateralization arrangement in any of the past three fiscal years.

**6. Related Party Transactions**

The 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 year ended September 30, 2023, the CLTC recognized certain on-behalf payments as contributions from GovGuam, totaling \$158,379, representing certain payroll and related expenditures that GovGuam paid directly on behalf of the 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, 2023 and 2022, such land is valued at \$459,050,489, of which \$445,786,364 is held by the 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 the CLTC.

**7. Significant Customers**

The CLTC generates revenues from certain major customers that exceed 10 percent or more of the CLTC's total revenues. During the years ended September 30, 2023 and 2022, the CLTC recognized revenues from a customer that represented approximately 33% and 47%, respectively, of total revenues.

**8. Leases**

In accordance with GASB Statement No. 87, *Leases*, as a lessor, the 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.

**Chamorro Land Trust Commission**  
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**Notes to Financial Statements, continued**

**8. Leases, continued**

The 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>
2024	\$ 334,163	\$ 155,309	\$ 489,472
2025	336,106	145,475	481,581
2026	356,689	135,635	492,324
2027	359,451	125,149	484,600
2028	370,010	114,520	484,530
2029 - 2033	2,098,068	401,995	2,500,063
2034 - 2038	1,090,427	109,063	1,199,490
2039 - 2043	222,899	36,539	259,438
2044 - 2048	130,334	6,306	136,640
2049 - 2053	396	104	500
2054 - 2058	458	42	500
	<u>\$5,299,001</u>	<u>\$ 1,230,137</u>	<u>\$ 6,529,138</u>

**9. Contingencies**

Loan Guarantee

The CLTC is authorized to loan or guarantee the repayment of or otherwise underwrite any authorized loan to a Chamorro homeland lessee up to a maximum amount not to exceed the financial ability of the borrower. In the event of default, these loan guarantees may shift the lender's default risk entirely to the CLTC whereby the lender may call upon the CLTC to make partial or full payment of the guaranteed loan. As of September 30, 2023 and 2022, the CLTC has guaranteed loans totaling \$10,270,091 and \$10,475,749, respectively, for Chamorro homeland residential lessees. CLTC management is of the opinion that defaulted loans may be reassigned and that the CLTC has substantial defenses available to it in the event of litigation. As a result, at this time, management does not believe that material exposure exists related to this event. Therefore, no provision for a liability that may arise from this matter has been made in the accompanying financial statements. No losses have occurred because of this collateralization arrangement in any of the past three fiscal years.

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, 2023 and 2022. 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.



## Supplementary Information

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	Eliminating	Total
<u>Assets</u>						
Cash	\$ 2,005,982	\$ ---	\$ 67	\$ 2,006,049	\$ ---	\$ 2,006,049
Receivables, net	77,869	6,904	---	84,773	---	84,773
Leases receivable	5,176,741	---	122,260	5,299,001	---	5,299,001
Due from GovGuam	---	570,417	253,571	823,988	( 83,273 )	740,715
Restricted assets:						
Cash	---	572,779	---	572,779	---	572,779
Time certificate of deposit	---	300,000	---	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>\$( 83,273 )</u>	<u>\$ 9,003,317</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
Liabilities:						
Accounts payable	\$ 32,475	\$ ---	\$ ---	\$ 32,475	\$ ---	\$ 32,475
Accrued payroll and other liabilities	10,649	---	15,149	25,798	---	25,798
Due to GovGuam	82,093	---	1,180	83,273	( 83,273 )	---
Total liabilities	125,217	---	16,329	141,546	( 83,273 )	58,273
Deferred inflows of resources:						
Leases	5,027,032	---	120,731	5,147,763	---	5,147,763
Deferred revenues	58,291	7,366	---	65,657	---	65,657
Total deferred inflows of resources	5,085,323	7,366	120,731	5,213,420	( 83,273 )	5,213,420
Fund balance:						
Restricted	---	872,779	---	872,779	---	872,779
Committed	2,050,052	569,955	238,838	2,858,845	---	2,858,845
Total fund balance	2,050,052	1,442,734	238,838	3,731,624	---	3,731,624
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>\$( 83,273 )</u>	<u>\$ 9,003,317</u>

Chamorro Land Trust Commission  
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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	Total
<u>Revenues:</u>				
Lease rentals:				
Commercial lease	\$ 909,006	\$ ---	\$ 7,532	\$ 916,538
Agricultural and residential	---	---	1,130	1,130
GovGuam appropriations	158,379	---	---	158,379
Payments in lieu of real property taxes	---	180,045	---	180,045
Collections from Land for the Landless program	---	---	508	508
Interest income	158,007	170	3,797	161,974
Land trust application fees	800	---	---	800
Total revenues	<u>1,226,192</u>	<u>180,215</u>	<u>12,967</u>	<u>1,419,374</u>
<u>Expenditures:</u>				
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
Capital outlays	13,675	---	---	13,675
Communication	4,335	---	---	4,335
Supplies	1,099	---	---	1,099
Miscellaneous	12,505	---	50	12,555
Total expenditures	<u>892,575</u>	<u>---</u>	<u>50</u>	<u>892,625</u>
Net change in fund balance	333,617	180,215	12,917	526,749
Fund balance at beginning of year	<u>1,716,435</u>	<u>1,262,519</u>	<u>225,921</u>	<u>3,204,875</u>
Fund balance at end of year	<u>\$ 2,050,052</u>	<u>\$ 1,442,734</u>	<u>\$ 238,838</u>	<u>\$ 3,731,624</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>2023</u>	<u>2022</u>
Salaries and wages – regular	<u>\$515,276</u>	<u>\$411,492</u>
Employees at end of year	11	9

## 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, 2023, and the related statement of revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2026.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the CLTC's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*

January 29, 2026