



Financial Highlights Guam Ancestral Lands Commission Financial Audit Fiscal Year 2023

February 10, 2026

The Guam Ancestral Lands Commission (GALC) received an unmodified (clean) opinion for its Fiscal Year (FY) ended September 30, 2023 Financial Statements from independent auditors, Ernst & Young LLP (EY). EY issued a Management Letter, noting a deficiency in internal control over financial reporting.

GALC closed FY 2023 with a net change in fund balance (net income) of \$1.1 million (M) or 7%. GALC's change in fund balance increased from \$15.5M in FY 2022 to \$16.6M in FY 2023.

Revenues Increased by \$167K, Expenditures Decreased by \$33K

Total revenues increased by \$167K, from \$1.4M in FY 2022 to \$1.6M in FY 2023. The increase was due to an increase in base rent and investment income offset by the decrease in other revenues, due to a decrease in appropriation, pursuant to the Budget Act of FY 2023.

As of FY 2023 lease rental receivables include \$54K due from the Department of Public Health and Social Services (DPHSS) and \$312K due from the Guam Environmental Protection Agency (GEPA) with a corresponding allowance for uncollectible accounts of \$288K.

Total expenditures decreased from \$551K in FY 2022 to \$518K in FY 2023, due to decreases in fringe benefits, contractual services, supplies, communications, and miscellaneous expenses.

Lack of Staffing and Funding Sources Affects Operations

- The Landowner's Recovery Fund remains unfunded, and GALC has been unable to begin to implement the activities intended with the Fund due to the lack of staff and a committed funding source.
- Amendments to the Survey, Infrastructure, and Development Fund included 50% of net proceeds of the lease to AT&T, Lot 10192. GALC has not been able to utilize the funds, because the legislation does not identify a specific dollar amount, and despite GALC sending numerous letters requesting an amendment to the legislation, no action has been taken.
- GALC was unable to finalize the Land Bank Rules and Regulations, and original landowners have not been compensated. The proposed, working draft remains with the board of commissioners. GALC has been able to address some easement access issues for returned properties, but these requests are handled on a case-by-case basis as a result of the lack of staff and funding.
- GALC did not return any property in FY 2023, and the aggregate amount of land returned remains at 2,643.12 acres.

Lease Management Services & Lease Revenues

In 2006, the GALC entered into a memorandum of agreement with the Guam Economic Development Authority (GEDA) to assist with the development, management, and maintenance of Trust Lands. GEDA shall remit all rents received from the lease of Trust Lands but shall retain 14.3% of the base rent and 20% of the participation rent paid by all developers and/or lessees of the Trust Lands as payment for lease management services. In FY 2023, GEDA withheld \$149K of all rent received as payments for lease management services, and GALC has recognized a liability of \$54K for lease management services relating to rent receivables collected.

GALC has ground lease agreements with eight lessees, and the table below lists the recognized revenue from each lease agreement.

GALC Lease Revenues as of Year Ended September 30, 2023

	Property	Lease Term	Area	Base Rental Revenue	Participation Rental Revenue	Interest Income
1	Apra Harbor Parcel No. 1 (Commissary Junction) – May 2008	50 years	5.835 acres	\$17,436	\$3,062	\$30,629
2	Apra Harbor Reservation F-12 (Polaris Point) – Jul 2010	50 years	30 acres	\$110,508	\$494	\$222,288
3	Certain Real Property (License) – Jun 2017, extended in 2018	1 year	1/2 acre	\$10,000	N/A	None stated
4	Certain Real Property – Sep 2022	5 years	8 acres	\$92,563	N/A	\$13,037
5	Andersen Family Housing Annex No. 1 – Jan 2014	50 years	13.313 acres	None recognized (deferred payments)	N/A	None recognized (deferred payments)
6	GEPA (License) – 2005	30 years	8000 sq. ft.	\$96,000	N/A	None
7	DPHSS (License) – 2004, extended in 2015	10 years	8000 sq. ft.	\$86,631	N/A	\$14,169
8	Tanguisson Cable Landing Station – Oct 2019	5 years	11,724 sq. m.	\$263,018	N/A	\$12,255

Management Letter

In its Management Letter, EY issued one observation and a corresponding recommendation, relative to segregation of duties. GALC's lack of segregation of duties in the preparation and posting of journal entries and the presentation of bank reconciliations, increases the risk that errors will not be detected and increases the risk of misappropriation of cash. Management should closely review bank reconciliations to ensure that the information is consistent with their understanding of GALC's activities and investigate any results that differ from expectations.

For more details, refer to GALC's FY 2023 Financial Statements, Report on Internal Control Over Financial Reporting and On Compliance, Management Letter, and Auditor's Communication With Those Charged With Governance at www.opaguam.org.