



Financial Highlights

Government of Guam Solid Waste Funds' (GGSWF) Financial Audit

Fiscal Year 2025

May 3, 2026

The Office of Public Accountability (OPA) has released the Government of Guam Solid Waste Funds' (GGSWF) Financial Statements and Report on Internal Control Over Financial Reporting and Compliance, and Auditor's Communication With Those Charged With Governance for Fiscal Year (FY) 2025. Independent auditors, Ernst & Young, LLP, rendered an unmodified (clean) opinion on the GGSWF financial statements, comprised of four funds: the (1) Solid Waste Operations Fund, (2) Capital Projects Fund, (3) Debt Service Fund, and (4) Ordot Dump Reserve Fund. These funds collectively ended FY 2025 with an increase in the total fund balance of \$2.3 million (M) or 3%, from \$67.2M in FY 2024 to \$69.5M in FY 2025.

Ordot Dump Reserve Fund Established

The Ordot Dump Reserve Fund was established on February 9, 2024, under Public Law 37-64, to fund the closure and maintenance of Ordot Dump, as well as support the opening and expansion of the Layon landfill. Since the fund is an operational component of GSWA, it was included in the FY 2025 financial audit and will continue to be included in future audits.

Revenues Increased and Expenditures Slightly Increased

GGSWF reported total revenues of \$27.7M in FY 2025, an increase of \$1.7M (or 7%) from \$26M in FY 2024. This increase was primarily due to an increase within the Solid Waste Operations Fund of \$441 thousand (K) in tipping fees, along with an increase of \$1.1M in the use of money and property across all four funds. During FY 2025, one commercial customer accounted for 35% of total tipping fees revenues.

Total expenditures of \$42.1M in FY 2025 increased by \$374K (or 1%) from \$41.7M in FY 2024. The increase in expenditures is primarily due to an increase of \$1.7M in Solid Waste Operational costs in FY 2025, and offset by a reduction in Debt Service of \$1.3M.

Partial End of Receivership

Guam Solid Waste Authority (GSWA) is required (by court order) to fully fund, by August 2026, a trust account to pay for the estimated future costs of managing and maintaining the Ordot landfill site until the site can be reclaimed by GovGuam for alternative use. The court order also required: 1) GSWA and the Receiver to come up with a baseline schedule for seeps, leachate, and meter calibration investigations, and 2) an estimate for post-closure care expenses, with proposed funding options and a proposed schedule for the full termination of Receivership. To date, many of these initiatives have been completed or are well on their

way to completion. The mediation effort of these initiatives may hasten the release of the Receiver in 2026.

Outlook, Challenges, and Opportunities

As of the end of FY 2025, GSWA continues to face similar challenges from the previous fiscal year. Operationally, GSWA is focused on instructing, coaching, and transforming its current collection workforce to the established 21st-century standard procedures for safe, economical, and customer service-oriented collection methods.

Financially, GSWA is working to build sufficient capital improvement funds to support cell construction, closure, and post-closure requirements. Additionally, GSWA is exploring options for renegotiating Receiver contracts. In terms of contract savings and adjustments, the Household Hazardous Waste (HHW) contract and Green Group contracts have generated significant savings to date. Additionally, the Temporary Labor services contract was rebid to meet Public Utilities Commission (PUC) required yearly targets, including adjustments to the scope and term of the Ordot Operations contract. These changes are expected to yield savings in 2024 and 2025.

Receiver-related expenditures were \$810K in FY 2025. Accumulated receiver-related expenditures have amounted to \$25.3M since the appointment of the Receiver on March 17, 2008, through September 30, 2025. Of this amount, \$3.8M was funded by the General Fund, and the remaining was funded from GSWA operations.

Litigation

GSWA is party to certain legal proceedings, and the Office of the Attorney General is of the opinion that the probable outcome of suits existing as of September 30, 2025 is unknown and not predictable. No provision for any liability has been made in the accompanying financial statements because management believes that no unfavorable outcome is likely to occur.

Report on Internal Control Over Financial Reporting and Compliance

The independent auditors did not identify any deficiencies in internal control that were considered material weaknesses or significant deficiencies. However, it is possible that some deficiencies may exist that have not been identified during the audit.

For a detailed discussion on GSWA's operations, refer to the Management's Discussion and Analysis, or review the reports in their entirety at our website: www.opaguam.org.