The Auditor's Communication With Those Charged With Governance

Guam Housing and Urban Renewal Authority

(A Component Unit of the Government of Guam)

Year Ended September 30, 2025

Building a better working world

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July 2, 2026

Board of Commissioners
Guam Housing and Urban Renewal Authority

We have performed an audit of the financial statements of the Guam Housing and Urban Renewal Authority (GHURA), as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated June XX, 2026.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

REQUIRED COMMUNICATIONS

Professional standards require the auditor to provide the Board of Commissioners with additional information regarding the scope and results of the audit that may assist the Board in overseeing the financial reporting and disclosure processes which the management of GHURA is responsible. We summarize these required communications as follows:

Overview of the planned scope and timing of the audit

Our audit scope and timing is consistent with the plan communicated in our engagement letter dated December 1, 2022 and at our audit planning meeting with management.

Auditors' Responsibilities under Auditing Standards Generally Accepted in the United States (US GAAS) and Generally Accepted Government Auditing Standards (GAGAS)

The financial statements, required supplementary information, and supplementary information are the responsibility of GHURA's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Our responsibilities are included in our audit engagement letter.

We issued an unmodified opinion on GHURA's financial statements as of and for the year ended September 30, 2025.

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

Our audit strategy is consistent with the plan communicated during the October 2025 meeting.

Changes to the terms of the audit with no reasonable justification for the change

None.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Matters relevant to our evaluation of the entity's ability to continue as a going concern

We did not identify any events or conditions that led us to believe there was substantial doubt about GHURA's ability to continue as a going concern.

Our views about the qualitative aspects of the entity's significant accounting practices, including:

- **Accounting policies**
- **Accounting estimates**
- **Financial statement disclosures**

Management has not selected or changed any significant policies or changed the application of those policies in the current year.

A discussion of significant accounting policies and estimates has been included in Note 1 of the financial statements.

Related party relationships and transactions

We noted no significant matters regarding GHURA's relationships and transactions with related parties.

Significant unusual transactions

We are not aware of any significant unusual transactions executed by GHURA.

New accounting pronouncements

During the year ended September 30, 2025, GHURA implemented the following pronouncements:

- GASB Statement No. 101, Compensated Absences
- GASB Statement No. 102, Certain Risk Disclosures

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

- GASB Statement No. 103, Financial Reporting Model Improvements
- GASB Statement No. 104, Disclosure of Certain Capital Assets
- GASB Statement No. 105, Subsequent Events

We have not identified issues regarding management's planned application of new accounting pronouncements.

Independence matters

We are not aware of any matters that in our professional judgment would impair our independence.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the October 2025 meeting and at the update status meetings during the audit.

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

Difficult or contentious matters subject to consultation outside of the audit team

There were no difficult or contentious matters that required consultation outside of the audit team.

Material corrected misstatements related to accounts and disclosures

None.

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

Refer to the "Management Representations Letter" in Appendix A.

Significant deficiencies and material weaknesses in internal control over financial reporting

A material weakness identified during the course of our audit has been included in our 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* dated July 2, 2026.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention

We are not aware of any matters that require communication.

Disagreements with management and significant difficulties encountered in dealing with management when performing the audit

There were no difficulties encountered in dealing with management in performing the audit.

Managements consultations with other accountants

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

Other material written communications with management

None.

Other matters

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

AICPA ethics ruling regarding third-party service providers

There are no significant matters arising from the audit that required us to subcontract portions of the Audit Services to other EY firms and that required participation of personnel from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers.

Representations from management

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix A.

AICPA ethics ruling regarding third-party service providers

From time to time, and depending on the circumstances, (1) we may subcontract portions of the audit services to other EY firms, who may deal with GHURA or its affiliates directly, although EY alone will remain responsible to you for the audit services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the audit services. In addition, third-party service providers may perform services for EY in connection with the audit services.

Engagement team's involvement with preparation of the financial statements

Under GAS 2018 Revision, Chapter 3 Ethics, Independence and Professional Judgment, Paragraphs 3.73-74 explains that the audit team should make consideration of management's ability to effectively oversee the non-audit services to be provided. The engagement team should determine that the audited entity has designated an individual who possesses suitable skill, knowledge or experience and that the individual understands the services to be performed sufficiently to oversee them. The engagement team should document consideration of management's ability to oversee non-audit services to be performed.

The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality control review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- The preparation of the financial statements is based on GHURA's trial balance with our understanding that GHURA's underlying books and records are maintained by GHURA's accounting department and that the final trial balance prepared by GHURA is complete.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of GHURA.
- GHURA's Comptroller has the skill sets to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

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This communication is intended solely for the information and use of the Board of Directors, management, and the Office of Public Accountability - Guam, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Ernst + Young LLP

Appendix

A – Management Representations Letter

A – Management Representations Letter

GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudat Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org

EQUAL HOUSING OPPORTUNITY

July 2, 2026

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

In connection with your audits of the financial statements of Guam Housing and Urban Renewal Authority (GHURA) as of September 30, 2025 and 2024 and for the periods then ended we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position and changes in financial position and cash flows, where applicable, thereof, and the related notes (collectively referred to hereafter as the "basic financial statements"), in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management's responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated December 1, 2022, for the preparation and fair presentation of the financial statements in accordance with US GAAP applied on a basis consistent with that of the preceding period, except for the effects of adopting new accounting standards.

In preparing the financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GHURA's ability to continue as a going concern for twelve months beyond the financial statement date, including consideration of any currently known information that may raise substantial doubt shortly thereafter.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters. This responsibility includes identifying the use of new technologies or techniques in preparing such information (e.g., the use of generative artificial intelligence), and additional details you may require regarding the use of any such technologies and techniques in order to perform your audit procedures.
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within GHURA from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

From August 15, 2025 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements of any opinion unit that comprise the basic financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Uncorrected misstatements

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule (Appendix A), accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.

Financial reporting entity and net position

Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved. We properly recognized, in accordance with our policy, whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Internal control

We have communicated to you all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting. There have been no significant changes in internal control since latest statement of net position date.

Minutes, contracts and internal audit reports

The dates of meetings of directors, committees of directors and important management committees from the beginning of the period covered by the basic financial statements to the date of this letter are as follows:

Date of Meeting	Type of Meeting	Date of Meeting	Type of Meeting
10/15/2024	Regular	8/26/2025	Regular
11/12/2024	Regular	9/30/2025	Regular
11/26/2024	Regular	10/21/2025	Regular
12/10/2024	Regular	11/18/2025	Regular
2/6/2025	Regular	11/26/2025	Regular
2/25/2025	Regular	12/11/2025	Regular
3/11/2025	Regular	1/13/2026	Regular
3/11/2025	Regular	1/27/2026	Regular
4/8/2025	Regular	2/10/2026	Regular
4/22/2025	Regular	3/17/2026	Regular
5/27/2025	Regular	4/7/2026	Regular
7/12/2025	Regular	4/28/2026	Regular
7/22/2025	Regular	5/12/2026	Regular
8/12/2025	Regular	5/26/2026	Regular
8/26/2025	Regular	6/9/2026	Regular

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

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

We also have made available to you all internal audit reports (or reports from similar functions) that were issued to management during the year that address internal control over financial reporting.

Methods, significant assumptions, and data used in making accounting estimates

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including fair value measurements, are reasonable and supportable.

Effects of adopting new accounting standards

We have not completed the process of evaluating the effects that will result from adopting the amendments to the codification provided in Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements, *GASB Statement No. 104,* Disclosure of Certain Capital Assets *and GASB Statement No. 105,* Subsequent Events, *as discussed in Note 2. GHURA is therefore unable to disclose the effects that adopting the amendments in GASB Statement No. 103, 104 and 105 will have on its financial position and the changes in its financial position when such statement is adopted.*

Certain risk disclosures

There are no risks related to vulnerabilities due to material concentrations or constraints in accordance with the GASB Statement No. 102, *Certain Risk Disclosures.*

Ownership and pledging of assets

No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which GHURA has satisfactory title appear on the statements of net position.

Receivables and revenues

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

Deposit, investment securities, and investment derivative risk disclosures

Information about deposits, investment securities and derivative transactions are presented and disclosed in accordance with the GASB requirements. Those balances with credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk have been properly disclosed in the basic financial statements.

Leases

We have identified and accounted for all contracts (including any modifications thereto) that meet the criteria to be accounted for as a lease under GASB No. 87—as amended. We have appropriately considered any renewal, termination or purchase options in those contracts. We also believe other relevant assumptions (e.g., economic life, fair value, and residual value) made for purposes of accounting for lease arrangements are reasonable and supportable estimates.

Subscription-Based Information and Technology Arrangements (SBITA)

We have identified and accounted for all contracts that meet the criteria to be accounted for as a SBITA under GASB Statement, 96—as amended. We have appropriately considered any modifications or terminations in the contract.

Prepayments

We believe that all material expenses for which recognition will be recognized in future periods are recoverable.

Capital assets including intangible assets

Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.

Fair value measurements

We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation techniques have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB Statement No. 72—as amended. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72—as amended.

Related party relationships and transactions

We have made available to you the names of all related parties and all relationships and transactions with related parties.

The substance of transactions with related parties, as defined in GASB Statement No. 56—as amended, has been considered and appropriate adjustments and disclosures have been made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

Side agreements and other arrangements

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Arrangements with financial institutions

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the basic financial statements.

Contingencies and other liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62—as amended, other than those disclosed in the basic financial statements.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, other than those disclosed or accrued in the basic financial statements.

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements, other than those disclosed or accrued in the basic financial statements.

There are no other liabilities considered material, individually or in the aggregate, that are required to be accrued or disclosed, other than those accrued or disclosed in the basic financial statements.

There are also no other gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62—as amended, other than those accrued or disclosed in the basic financial statements, nor are there any accruals for loss contingencies included in the statements of net position or gain contingencies that are not in conformity with the provisions of GASB Statement No. 62—as amended.

We confirm that GHURA entered into a loan facility dated December 23, 2024, with the Department of Administration, Government of Guam, with a total authorized amount of $12,500,000, of which $12,220,087 had been drawn down and remains outstanding as of September 30, 2025. The loan bears interest at 1% per annum and is payable in a lump sum on December 31, 2026.

Oral or written guarantees

There are no oral or written guarantees, including guarantees of the debt of others.

Purchase commitments

As of the statement of net position date(s), GHURA had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at those dates.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at the statement of net position date(s) as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Compensated absences

The assumptions used in our compensated absence balance represent our best estimates as of the statement of net position dates. We have applied consistent and appropriate assumptions and evaluated the accuracy and completeness of the data used in making the accounting estimate.

Pension benefits

We have disclosed to you all significant pension benefits promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes, that constitute the plan.

Postemployment benefits other than pensions

We have disclosed to you all significant postemployment benefits other than pensions (OPEBs) promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes, that constitute the plan.

Classification and allocation of revenues and expenses

We have distinguished between operating and nonoperating revenues and expenses based on our policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, and we apply the policy consistently from period to period.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that GHURA's activities are conducted in accordance with laws, regulations, and provisions of contracts and grant agreements and that we are responsible for identifying and addressing any non-compliance with applicable laws, regulations, and provisions of contracts and grant agreements", including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all known actual or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered when preparing the financial statements.

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in GHURA's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") that could result in a misstatement of the financial statements or otherwise affect the financial reporting of GHURA.

Independence

We have communicated to you the names of GHURA's affiliates, as defined in the AICPA Code of Professional Conduct ET section 1.224.020 *State and Local Government Client Affiliates*, officers and directors, or individuals who serve in such capacity for GHURA.

We are not aware of any business relationship between GHURA and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of GHURA's audits.

Conflicts of interest

There are no instances where any director, officer or employee of GHURA has an interest in an entity with which GHURA does business that would be considered a "conflict of interest." Such an interest would be contrary to GHURA policy.

Required supplementary information

We acknowledge our responsibility for the required supplementary information on the Management's Discussion and Analysis, the Schedule of Contributions and Proportionate Share of the Net Pension Liability and the Schedule of Proportionate Share of the Collective Total OPEB Liability, which have been measured and presented in accordance with the guidelines established by the Governmental Accounting Standards Board in its applicable GASB Statement.

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

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

Supplementary information

We are responsible for the preparation and fair presentation of the Financial Data Schedules (the "supplementary information"). We believe the supplementary information, including its form and content, is fairly stated in all material respects in conformity with Uniform Financial Reporting Standards for Public Housing Authorities Rule Information

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

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

Other matters

We have received a draft copy of our financial statements as of and for the year ended September 30, 2025 and 2024. The accuracy and completeness of the financial statements, including footnote disclosures, are our responsibility.

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

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- All adjusting journal entries posted to the trial balance and as listed on Appendix A, have been approved by us, and
- We have designated a competent representative to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements, including footnote disclosures.

We have reviewed the draft financial statements for accuracy and completeness.

We acknowledge that we have reviewed them and taken responsibility for them.

Subsequent events

Subsequent to the latest statement of net position date, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to GHURA's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and, where applicable, cash flows of GHURA, except for a civil lawsuit subsequently filed against GHURA, which is disclosed in the notes to the basic financial statements. See Appendix B.

We understand that your audits were conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America" and were, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of GHURA and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

Elizabeth F. Napoli, Executive Director

Frances T. Danieli, Controller

Appendix

A – Corrected Misstatements

B – Uncorrected Misstatements

C – Subsequent Events

A – Management Representations Letter, continued

APPENDIX A – Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Guam Housing and Urban Renewal Authority (GHURA) Period ended: 30-Sep-2025 Currency: USD

Corrected misstatements			Analysis of misstatements Debit/(Credit)							
No.	W/P ref.	Account	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
		(misstatements are recorded as journal entries with a description)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
AJE 02	PX1.01	To record the adjustment to pension amounts based on the September 30, 2025 audited pension schedules.								
		Net pension liability				2,391,570				
		Deferred outflows of resources from pensions		(1,137,247)						
		Deferred inflows of resources from pensions				(1,126,433)				
		Pension Expense							(127,390)	X
AJE 04	OPGN1.01	To record the adjustment to OPEB amounts based on the September 30, 2025 audited OPEB schedules.								
		Net OPEB liability				2,010,309				
		Deferred outflows of resources from OPEB		1,054,705						
		Deferred inflows of resources from OPEB				(3,845,6[illegible])				
		OPEB Expense							780,654	X
AJE 01	T.00	To tie up beginning balances of net position								
		Restricted net position					12,316			
		Other expense							4,464	X
		Net investment in capital assets					(15,164)			
		Unrestricted net position					(1,618)			
AJE 03	PX.01	To record other FY2025 pension benefits (COLA/SP) paid by DOA on behalf of GHURA								
		Retiree healthcare costs							127,228	X
		Contributions from GovGuam for retiree benefits							(127,228)	X
AJE 05	OPGN.01	To record retiree healthcare costs paid by DOA on behalf of GHURA.								
		Retiree healthcare costs							370,910	X
		Contributions from GovGuam for retiree benefits							(370,910)	X
AJE 06	KG.00	To reclassify completed CIP to depreciable capital assets								
		Depreciable assets, net of accumulated depreciation		29,615						
		Non-depreciable assets		(39,189)						
		Other expense							9,574	X
AJE07	KG.00/M.00	To record loan payable to GovGuam and the acquisition of lands								
		HUD PHA Operating Grants							6,653,000	X
		Other administrative expenses							(6,653,000)	X
		Non-depreciable assets		4,901,787						
		Prepayments and other current assets	6,653,000							
		Loan payable				(12,220,087)				
		Unearned revenues			665,300					
Total of corrected misstatements before income tax			6,653,000	4,809,171	665,300	(12,790,309)	(4,466)	0	667,302	
Financial statement amounts			33,777,533	59,913,393	(5,607,751)	(65,719,947)	(22,353,328)		(2,3[illegible])	
Effect of corrected misstatements on F/S amounts			19.7%	8.0%	-11.9%	19.5%	0.0%		-28.4%	

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A – Management Representations Letter, continued

APPENDIX B – Uncorrected Misstatements

Communication schedule for uncorrected misstatements

Entity: Guam Housing and Urban Renewal Authority (GHURA)

Period Ended: 30-Sep-2025

Currency: USD

Uncorrected misstatements			Analysis of misstatements Debit/(Credit)								Income statement effect of the prior period	
No.	WP ref.	Account (Note 1)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period			
		(misstatements are recorded as journal entries with a description)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit) (Note 2)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable
Factual misstatements:												
SAD 01	P.00	To reclassify GASB 87 lease liability to deferred inflow of resources										
		Unearned Revenues				424,241						
		Deferred Inflow of Resources				(424,241)						
SAD 02	I.00	To close the unreconciled balance of due to/from other fund										
		Due to other funds			241,055							
		Other income							(241,055)			
Total of uncorrected misstatements before income tax			0	0	241,055	0	0	0	(241,055)		0	
Total of uncorrected misstatements			0	0	241,055	0	0	0	(241,055)		0	
Financial statement amounts			33,777,533	59,913,383	(6,273,051)	(61,958,547)	(22,357,324)		(2,353,488)		[illegible]	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	-3.8%	0.0%	0.0%		10.2%		0.0%	
Memo: Total of non-taxable items (marked "X" above)									0		0	

		Current period	Prior period
Uncorrected misstatements before income tax	10.2%	(241,055)	0
Less: Tax effect of misstatements at current year marginal rate	0%	0	0
Uncorrected misstatements in income tax		0	0
Cumulative effect of uncorrected misstatements after tax but before turnaround	10.2%	(241,055)	0

Turnaround effect of prior period uncorrected misstatements

	After tax	Memo: Before tax
All factual and projected misstatements:	0	0
Judgmental misstatements (Note 3):	0	0

Cumulative effect of uncorrected misstatements, after turnaround effect	10.2%	(241,055)
Current year income before tax		(2,353,488)
Current year income after tax		(2,353,488)

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APPENDIX C – Subsequent Events

Guam Housing and Urban Renewal Authority
Subsequent Events Questionnaire
Coverage: For the period from October 1, 2025 to auditor's report

Question	Response Yes or No	If yes, please provide additional information
1 Have there been any business combinations, acquisitions of significant assets, segment disposals, disposals of significant assets or extraordinary, unusual or infrequently occurring transactions, except as disclosed in the financial statements?	NO	
2 Have there been any new significant contingent liabilities or commitments arisen, except as disclosed in the financial statements?	NO	
3 Have there been any significant changes that occurred in trends of grant revenue or expense that could affect accounting estimates (e.g., valuation of receivables, provisions for liabilities or unearned income)?	NO	
4 Have there been any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants and compliance with them, or working capital, except as disclosed in the financial statements?	NO	
5 Have any significant changes occurred, or are pending, in the capital accounts, long term debt, including debt covenants, if any, and compliance with them, or working capital, except as disclosed in the financial statements?	NO	
6 Have there been any significant changes that occurred in the status of items, including contingent liabilities and commitments that were accounted for on the basis of tentative, preliminary or inconclusive data?	NO	
7 Were there any significant unusual or non-recurring adjustments been recorded (or are necessary)?	NO	
8 Were there any communications, written or oral, occurred with the regulatory agencies (including Federal granting agencies and the Government of Guam or any of its agencies) with which the entity files financial statements or seeks federal assistance/grants form?	NO	
9 Have there been any changes in the entity's related parties? Have any significant new related party transactions occurred? (Put N/A if not applicable.)	NO	
10 Were there any other events occurred, other than those disclosed in response to the previous questions or those reflected or disclosed in the financial statements that could have a material effect on the audited financial statements?	NO	
11 Are you aware of any fraud or suspected fraud affecting GHURA involving (1) management, (2) employees who have significant roles in internal control or (3) others, when the fraud could have a material effect on the financial statements?	NO	
12 Are you aware of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), when such allegations could result in a misstatement of the financial statements or otherwise affect the financial reporting of GHURA?	NO	
13 Have there been any changes in GHURA's related parties, or have any significant new related party transactions occurred?	NO	

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