

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Financial Statements and Independent Auditor's Report
and Additional Information

For The Year Ended September 30, 2017

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Guam Housing and Urban Renewal Authority

Report on the Financial Statements

We have audited the accompanying financial statement of net position of the Guam Housing and Urban Renewal Authority, (the Authority), a component unit of the Government of Guam, as of September 30, 2017, and related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2017, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 26, the Schedule of the Authority's Proportionate Share of the Net Pension Liability on pages 70 through 72, and the Schedule of Pension Contributions on page 73 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Financial Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The Schedule of Salaries, Wages and Benefits on page 74 and the Combining financial statements on pages 75 through 127 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Salaries, Wages and Benefits and the Combining financial statements and is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Salaries, Wages and Benefits and the Combining financial statements are fairly stated, in all material respects, in relation to the 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 May 28, 2018 on our consideration of the Authority'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Tamuning, Guam
May 28, 2018

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2017

As the management of the Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam, we offer readers of this narrative an overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2017. We encourage you to consider the information presented here in conjunction with GHURA's combined financial statements included in the report on pages 27 through 31.

The annual financial report consists of four parts - management's discussion and analysis (this section), the basic financial statements, the accompanying footnotes, and the supplementary information.

PROFILE OF THE AUTHORITY

Our Mission

To assure the availability of quality housing for low-income persons, to promote the civic involvement and economic self-sufficiency of residents, and to further the expansion of affordable housing on Guam.

General Information

Created in 1962, GHURA's goal is to provide adequate housing and planning for those who live in our community and receive assistance through our various rental and home ownership programs. Our programs are designed to support our clients and enable them to fulfill goals for themselves and their families. Our goal is to create opportunities for our client's successful participation in the workforce and housing in the private/public sector.

GHURA's staff (of approximately 91 Full Time Equivalents) is committed to excellence in the foundation for facilitating our clients' goals. We aggressively pursue partnerships with public and/or private entities to allow for the implementation of programs beneficial to our clients.

Neighborhood by neighborhood, we are changing the definition of public housing. Public housing no longer means fencing off a property where no one from outside the "project" dares to wander in. Today, it means modernizing our developments that blend in and become part of the surrounding community.

At GHURA, we welcome constructive suggestions on how we can improve our services. We look forward to meeting the affordable housing needs for the island of Guam.

Financial Highlights

The Authority had total operating and non-operating revenues of \$43,533,403 and expenses of \$43,698,653 for the year ended September 30, 2017 (\$46,486,365 and \$46,258,482 for the year ended September 30, 2016), representing revenue and expense decreases of \$2,952,962 and \$2,559,829 (approximately 6.4% and 5.5% decrease, respectively) over September 30, 2016 figures.

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Total assets and deferred outflows of resources of the Authority of \$45,876,210 increased \$3,142,222 or approximately 7.4% as compared to \$42,733,988 in the prior year.

The Authority's cash and cash equivalents at September 30, 2017 totaled \$12,909,100, an increase of \$1,066,594, or approximately 9.0% as compared to \$11,842,506 as of September 30, 2016.

The Authority's working capital increased by \$994,996 or approximately 7.1% as of September 30, 2017.

Overview of the Financial Statements

The management discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) authority-wide financial statements; and 2) notes to the financial statements. This report also contains the Schedule of Expenditures of Federal Awards as supplementary information in addition to the basic financial statements themselves.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities with the difference between the two reported as net position. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as Net Assets. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "*Unrestricted Net Position*") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Investment in Capital Assets, Net of Related Debt: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets, Net of Related Debt", or "Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant

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revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the authority-wide financial statements. The notes to the financial statements can be found on pages 32 through 69 of this report.

Supplementary Information

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The Schedule of Expenditures of Federal Awards can be found on pages 134 and 135 of this report.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely an Enterprise fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

The Authority’s Funds

Business Type Funds

Public Housing - Asset Management Properties

Public Housing was established to provide decent, safe, and sanitary rental housing for eligible families, the elderly, and persons with disabilities. Public Housing comes in all sizes and types – from scattered single-family houses to clustered units for elderly families or persons with disabilities. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Housing and Urban Development (HUD). The rent paid by the tenant is a percentage of tenant gross income subject to a \$50 minimum; it cannot exceed the greater of the following amounts: (a) 30% of the family’s adjusted monthly income, (b) 10% of the family’s monthly income, or (c) GHURA’s flat rent amount.

GHURA owns and operates 750 Public Housing units consisting of four Asset Management Properties (AMP): AMP 1 Central Site Base, AMP 2 - Southeast Site Base, AMP 3 - Southwest

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Site Base, and AMP 4 - Northern Site Base. These site bases consist of the following developments:

- AMP 1 – Site Base consists of 158 units located at Sinajana, Agana Heights, Mongmong, and Asan.
- AMP 2 – Site Base consists of 163 units located at Yona, Inarajan, and Talofof and Talofof Elderly.
- AMP 3 – Site Base consists of 195 units located at Agat, Agat Elderly, Merizo, Merizo Elderly, and Umatac.
- AMP 4 – Site Base consists of 234 units located at Toto, Dededo, and Dededo Elderly.

Each AMP has a Property Site Manager directly responsible for their respective property management activities. Collectively, each individual AMP's property management activities include budgeting, oversight and monitoring of daily operations, overall maintenance of rental units, and the upkeep of common areas within their respective developments. In addition, each AMP also has asset management responsibilities which include short and long-term capital improvement planning, review of finances, monitoring fixed assets and consumable stock, regulatory compliance, and planning for the long term sustainability of the program. Property Site Managers oversee resident services, work orders, income reexaminations, evictions, and other matters.

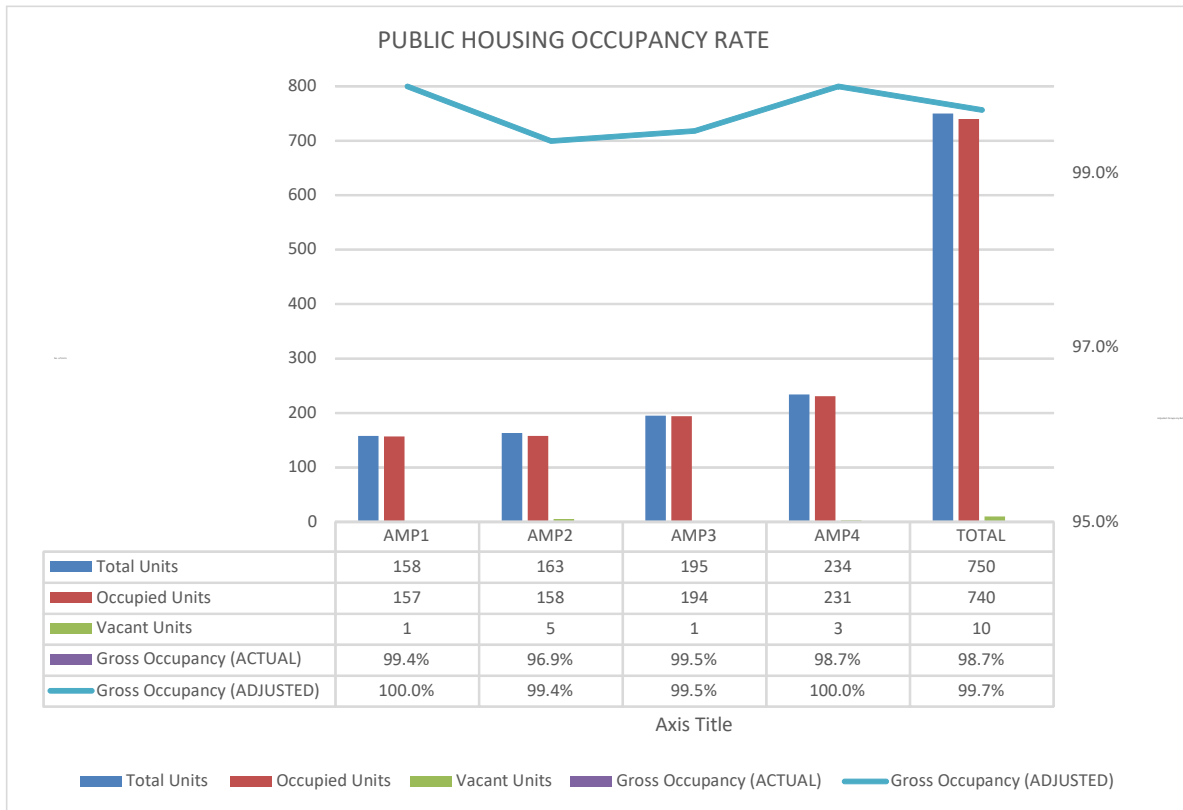
The intention of working under an AMP system is to improve the short- and long-term management of public housing through more accurate information and better decision-making, thus, expanding the viability of the public housing program over a long-term period. By converting to the AMP system, we now have three main advantages to offer our clients: increased efficiency, improved accountability, and better planning for the future.

The Authority is dedicated to providing quality public and affordable housing for all. Each of our developments is a special place, reflecting the rich diversity in the experiences and backgrounds of our residents and the surrounding neighborhoods. We welcome people from many walks of life and enjoy being part of their lives in a meaningful way by providing decent, safe, sanitary, and affordable housing. We work diligently to create positive living environments to enhance the quality of life for our residents.

At the end of FY 2017, the Authority had 740 units occupied with 98.67% occupancy rate and an adjusted rate of 99.73% with 8 units under modernization. For the fiscal year ended September 30, 2017, the Authority received \$4.3 million in Operating Subsidy funds.

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Capital Fund Program

In order to maintain its public housing inventory as a safe and habitable source of affordable housing, the Authority develops an annual Capital Improvement Plan. Through the Capital Fund Program, the Authority receives an annual formula grant of approximately \$1.3 million (based on the most recent grant) to implement such plan.

HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority. The funds are used for repairs, major replacements, upgrading and other non-routine maintenance work that needs to be done on the Authority’s dwelling units to keep them clean, safe, and in good condition. A portion of the funds may also be used to support operations and to make improvements in the management and operation of the Authority.

THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV)

The Section 8 Housing Choice Voucher Program provides housing assistance to very low-income families. The objective of the program is to help eligible families afford a decent, safe and sanitary home in the private rental market. While under the program, Section 8 participants are responsible for finding a suitable unit anywhere they choose to live as long as the unit meets the Housing Quality Standards. Once a unit is selected and passes inspection, GHURA and the property owner executes a Housing Assistance Payment (HAP) Contract. Thereafter, rental assistance payments are made to the landlord on behalf of the Section 8 participant every month and will continue for as long as the family and the unit continue to qualify for the assistance. The

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level of assistance depends on the family's annual income. However, in most cases GHURA subsidizes 70 percent of the rent and the family pays the remaining 30 percent.

In 2017, characteristics of participant families under the Section 8 HCV Program was made up of: families having an average household annual income of \$8,984; with income sources varying from wages, non-wages, general assistance such as Supplemental Nutrition Assistance Program (SNAP; commonly known as food stamps) and Temporary Assistance for Needy Families (TANF); The most required unit sizes were three (42%), two (30%) and four-bedrooms (14%), respectively. In 2017, the average housing assistance payment paid out was \$1,110 per unit.

The average lease up rate for 2017 was Housing Choice Voucher Program consisted of 2,560 Housing Choice Vouchers, which included: 2,095 regular housing choice voucher and 465 target-funded voucher programs. The target-funded programs are comprised of the Family Unification Program (133 vouchers); Non-Elderly Program (175 vouchers); Veteran Affairs Supportive Housing Program (45 vouchers); and Project-based Vouchers (112 vouchers).

Project-based Assistance Program

GHURA's offers Project-based Program assistance with units at the Summer Town Estates in Dededo. A total of 112 units are available for elderly families, age 62 and older. One and two-bedroom units are available to assist elderly households with or without dependents. The assistance is tied to the unit and the family will continue as long as the family qualifies and remain in the unit. The assistance will cease when the family moves out of the unit.

Portability:

A participant family under the Section 8 HCV Program that has been issued a housing choice voucher may use that voucher to lease a unit anywhere in the United States, as long as there is a housing agency operating an HCV program in the area. This wonderful option is referred to as "portability". When a family wishes to relocate to the U.S. mainland, or other jurisdiction, GHURA issues the family a voucher so they can move with continued assistance under the Section 8 program.

At the end of FY2017, the number of participants porting out to the various PHA jurisdiction in the U.S mainland remained steady at 24. While GHURA received only two families who choose to port to Guam. The families given GHURA vouchers and were absorbed.

Family Self-sufficiency (FSS) Program

The FSS Program enables families assisted through the Section-8 Housing Choice Voucher (HCV) and Public Housing programs to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. The FSS Program works in collaboration with a Program Coordinating Committee (PCC) to link services from public and private resources. Eligible families selected for participation under the program are required to execute a 5-year Contract of Participation. The contract delineates specific rights and responsibilities, as well as goals and services for the family. The FSS Coordinator links services and other resources necessary to assist the family to complete their goals. Examples of the services coordinated through the program include: child-care, transportation, education, job-training, employment counseling, financial literacy, and homeownership counseling, among others.

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One of the key features of the FSS program is the Escrow account. The Escrow account is an interest-bearing account established by GHURA for each participating family and provides a unique opportunity for participants to build substantial savings. As the family's rent share increases as a result of an increase in earned income, the increases are credited to the family's Escrow account. Under certain circumstances, participants may be granted an interim disbursement to support their financial health. Examples include disbursements for vehicle repair to ensure that they may continue to get to work. Once a family successfully graduates from the program, they may access their escrow funds which may then be used toward additional self-sufficiency goals, such as putting a down payment toward the purchase of a new home. Escrow monies dispersed to successful families are not subject to federal taxation.

At the end of 2017, the FSS Program serviced 154 participating families, an increase of 27 families compared to the previous year. Of these, 127 were Section-8 HCV Participants, and 27 Public Housing Participants. The FSS Program successfully graduated 4 Section-8 participants from the program for successfully completing their respective Individual Training & Services Plan (ITSP) and paid out approximately \$30,185 in escrow earnings. All 4 of these families had chosen "Home-Ownership" for their final goal.

FSS Coordinators continue to offer monthly Renters-101 workshops. The workshop, implemented in June 2016, seeks to empower both Section-8 and Public Housing program participants by teaching the essential aspects of renting. By understanding their rights, and obligations, and through access to Do-it-Yourself (DIY) resources they are more apt to develop and run safe homes. Tenants are taught the importance of understanding their lease agreements, how to create and administer safe and healthy homes, how to create realistic and attainable household budgets, how to effectively communicate with neighbors and landlords to ensure peaceful enjoyment of their premises, and other life skills for housing success. The workshop imparts life-long values which may correlate to other life areas as pathways to self-sufficiency. Participants receive a Certificate of Completion which echoes their commitment to being responsible and knowledgeable tenants. The workshop has proven effective in imparting responsible home strategies and providing opportunities to acquire basic budgeting and housekeeping skills, as well as suggestions on how to prepare homemade cleaning supplies using everyday items found in the family's pantry.

SUPPORTIVE HOUSING FOR THE ELDERLY (Guma Trankilidat Project)

The Guma Trankilidat Project is an elderly housing rental program, consisting of 50 dwelling units (49 one-bedroom and 1 two-bedroom unit). Construction of Guma Trankilidat Project was financed through a loan from the U.S. Department of Agriculture Section 515 Rural Rental Housing Program in the amount of \$2 Million and amortized for a 50-year period beginning March 26, 1980. Annual rental subsidies of approximately \$448,000 are provided through project-based vouchers through the U.S. Department of Housing and Urban Development's Multifamily Housing program. These subsidies cover both the annual operating expenses and mortgage payments.

In compliance with Federal Regulation, a Capital Needs Assessment (CNA) and Section 504 Transition Plan was conducted on October 2013. An estimate of \$2.6 Million was identified to address improvements in order to operate over the next 20 years. Approximately \$630,000 is necessary to fund the remaining Health and Safety portion of the CNA and the ADA Compliance identified in the 504 Transition Plan. GHURA has identified partial funding in Project Reserves

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to address this requirement and is currently exploring other funding sources and financing options.

COMMUNITY PLANNING AND DEVELOPMENT FUNDS

Of the many HUD-funded activities administered by GHURA, the activities funded through the HUD Office of Community Planning and Development (CPD) represents the greatest diversity of projects engaged to benefit low and moderate-income populations, and special needs populations. These funds find their way into the community to support activities that meet the needs of persons over a multitude of diverse economic and social backgrounds from the homeless to those trying to afford their first home purchase.

On an annual basis, Guam receives funds from HUD's CPD Office to address housing and community needs in Guam. GHURA is the administrator of these funds from HUD. GHURA, on Guam's behalf, receives these funds in the form of three formula grants – the Community Development Block Grant (CDBG); the Home Investment Partnership Grant (HOME); and the Emergency Solutions Grant (ESG). GHURA also administers funds competitively awarded under the Continuum of Care (CoC) Program to address the needs of homeless populations.

During FY2017, GHURA administered \$5.1 million in eligible CPD-funded activities. In fiscal year 2017 alone, a total of \$4,026,920 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$1,122,558 were approved for activities in fiscal year 2017. Project selection was based on the review of applications submitted by community groups for activities which would satisfy the needs and goals outlined in the report "*Guam Consolidated Plan (2015-2019)*".

Community Development Block Grants

The Authority engages in community development activities for the benefit of low- and moderate-income populations across the island. CDBG funds in the reporting year were used to fund public service programs and public facility improvements such as the following:

Public Service –

- (1) To support the operations of a shelter for special needs individuals, homeless men and men of low/moderate income in recovery from substance abuse.
- (2) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received match funding to support the operation of the Homeless Management Information System (HMIS). HMIS is the repository for data which tracks the assistance provided to the island's homeless through the various government and non-profit service providers.
- (3) The Family Service Center/One-Stop Homeless Assistance Center (FSC/One-Stop) received funds for operations to administer homeless prevention and rapid re-housing services under the Emergency Solutions Grant.

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- (4) The Opportunity Initiative is a program administered by the Big Brothers Big Sisters of Guam to provide on-site enrichment activities and curriculum-based programs to enhance work readiness and literacy skills for youth and adults.
- (5) Kurason Ysengsong – Funds were used to rehabilitate six staff housing units in the northern village of Dededo. The units will be managed by a local nonprofit organization to provide community services geared towards strengthening families.

Public Facilities and Improvements –

- (1) Acquisition/Construction of the Central Police Precinct Command-Funds were used to acquire land for the construction of a new Central Police Precinct Command facility for the Guam Police Department.
- (2) Sinajana Community Recreation Facility-Funds were used to rehabilitate the Sinajana baseball field, basketball court, and the park across the GHURA main facility to provide the community in Sinajana with a decent and safe recreational facility.
- (3) Astumbo Gym-Funds were used to rehabilitate the existing gym to include ADA accessibility and wind load requirements of up to 175mph. The gym will also serve as a shelter to who are displaced from disasters.

Program Administration and Consolidated Planning –

- (1) GHURA utilized CDBG funds in the administration and planning of CDBG activities.

Home Investment Partnerships Program (HOME)

Guam uses HOME funds to address the needs of homebuyers and homeowners of low- and moderate-income. In the current reporting year, HOME funds were used for such activities as the following:

Homebuyer –

- (1) Acquisition and Rehabilitation of Single Family Homes. GHURA will acquire and rehabilitate single family units and make them available for sale to low and moderate income qualified and eligible homebuyers.
- (2) Renewal Homes. GHURA will fund and construct 5 units of affordable housing located in Astumbo and the units will be sold to eligible homebuyers.

Program Administration – GHURA utilized HOME funds in the administration of the HOME program.

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Emergency Solutions Grant (ESG)

In FY2017, ESG funded activities serving homeless populations. ESG funds were used in providing homeless prevention and rapid re-housing services to individuals and families who are homeless or at risk of becoming homeless.

Program Administration – GHURA utilized ESG funds in the administration of the ESG grant.

Continuum of Care Grant Funds

Housing 1st Rental Assistance Program-provides rental voucher assistance to homeless individuals. To qualify for assistance, participants must be homeless and disabled by chronic alcohol or drug problems, serious mental illness, or other disabilities. In addition to receiving a rental subsidy, participants receive support services through a network of local service agencies.

Caridad Supportive Services Program-Provides housing and case management for homeless adults with disabilities.

Guma' Hinemlo. Guma' Hinemlo is an 8-unit residential facility serving persons with disabilities.

Homeless Management Information System (HMIS). HMIS is the data repository to record the provision of services and track participants receiving assistance for homelessness. The service is intended as a tool to improve the provision of services by the numerous service providers.

Oasis Empowerment Center. Elim Pacific Ministries operates a facility serving women in recovery from substance abuse.

Y' Jahame Permanent Housing Program is an 8-unit project-based permanent housing program for homeless persons with disabilities.

Empowered Together. Elim Pacific Ministries provides permanent housing and supportive services to chronic homeless women with children who are recovering from substance abuse.

Forrester's Refuge. Sanctuary Incorporated provides permanent housing and supportive services to homeless/chronic homeless individuals with disabilities.

Continuum of Care Planning Costs. GHURA is designated to administer HUD funds on behalf of the Government of Guam. As the designated Collaborative Applicant, GHURA coordinates CoC activities, conducts monitoring of CoC for program performance and compliance, and provides guidance and assistance to address homelessness.

Low-Income Housing Tax Credit Program

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The regulations which govern this program are contained in Section 42 of the Internal Revenue Code (the "Code" or IRC). The LIHTC Program provides Federal tax credits to qualified project

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owners who agree to maintain all or a portion of a project's units for low-income individuals or families.

GHURA is the recognized state housing credit agency authorized to allocate LIHTC Program credits in Guam. GHURA has been designated as the agency responsible for the administration of the LIHTC program. The LIHTC Program assists in the development of low-income rental housing by providing qualified owners with tax credits to offset their federal tax obligations. LIHTC Program credits are available to owners of qualifying buildings and projects that meet certain low-income occupancy rent restrictions. Tax credits are allocated to eligible jurisdictions by the Internal Revenue Service on an annual basis.

Since 2005, the LIHTC Program has been a primary tool in support of affordable rental housing development in Guam. The LIHTC Program has contributed to the construction of over 900 units of affordable housing in northern and central Guam. The FY2016 Application Cycle yielded two projects for award. The two projects will result in the development of 116 units of new affordable rental housing. One project for 66 units is the final phase of a 399-unit development along Lada Avenue in Dededo. The other is a first opportunity for the development of 50 units in the centrally located village of Toto. Both projects continue the current GHURA Qualified Allocation Plan focus to develop opportunities for larger families with a greater number of 4-bedroom and 3-bedroom units.

Low Income Housing Tax Credit Program - Guam				
Project Name	Developer	Units	Location	Status
Ironwood Estates	Ironwood Estates, LLC	108	Machanao, Dededo	In Service*
Ironwood Manor	Ironwood Manor, LLC	100	Machanao, Dededo	In Service*
Ironwood Glen	Ironwood Glen, LLC	93	Machanao, Dededo	In Service*
Ironwood Heights I	Ironwood Heights, LLC	72	Highway 14B, Tamuning	In Service*
Ironwood Heights II	Ironwood Heights, LLC	60	Highway 14B, Tamuning	In Service*
Summer Green Residences	Summer Green DE, LLC	72	So. Marine Corps Drive, Tamuning	In Service*
Summer Homes	Summer Homes DE, LLC	81	Route 9, Dededo	In Service*
Summer Town Elderly Housing	Summer Town Estates, DE LLC	-	Lada Avenue, Dededo	-
Phase I	-	128		In Service**
Phase II (Section 8 Project-Base)	-	112		In Service**
Summer Town Estates Phase II	Summer Town Estates II, DE LLC	93	Lada Avenue, Dededo	In Service*
Summer Town Estates Phase III	Summer Town Estates III, DE LLC	66	Lada Avenue, Dededo	Under Construction
Villa Del Mar	Villa Del Mar, LLC	50	Canada-Toto Road, just off of Route 8	Under Construction

* Individuals and Families

** Elderly Housing. Serving persons 55 years of age and older (128 units) and 62 years of age and older (112 units).

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State and Local Funds

These Funds consist of various community projects funded through the local government and grants-in aid. They also include programs for land sales and leases to low to moderate-income individuals and various urban renewal and development projects.

Authority-Wide Financial Statements

Statement of Net Assets

The following table reflects the condensed Statement of Net Position compared to prior years. The Authority is engaged only in Business-Type Activities.

TABLE 1
STATEMENTS OF NET POSITION
(IN MILLIONS)

	2017	2016	2015
Current assets	\$ 18.5	\$ 17.4	\$ 15.7
Capital assets and other, net	22.3	23.1	25.1
Other noncurrent assets	5.1	2.3	2.0
Total assets	<u>\$ 45.9</u>	<u>\$ 42.8</u>	<u>\$ 42.8</u>
Current liabilities	\$ 3.5	\$ 3.4	\$ 3.8
Long term debt, net	1.0	1.0	1.1
Other noncurrent liabilities	17.2	12.0	11.8
Total liabilities	<u>21.7</u>	<u>16.4</u>	<u>16.7</u>
Net position:			
Investment in capital assets, net	24.0	25.0	26.9
Restricted	1.4	1.2	0.6
Unrestricted	(1.2)	0.2	(1.4)
Total net position	<u>24.2</u>	<u>26.4</u>	<u>26.1</u>
Total liabilities and net position	<u>\$ 45.9</u>	<u>\$ 42.8</u>	<u>\$ 42.8</u>

During FY2017, there was a \$3.1 million increase in assets (\$.1 million increase in 2016).

For more detailed information see pages 27 and 28 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Table 2 presents details on the change in Unrestricted Net Position for the fiscal year ended September 30, 2017.

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TABLE 2
CHANGE IN UNRESTRICTED NET POSITION
(IN MILLIONS)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Unrestricted net position, beginning of year	\$ 0.2	\$ (1.3)	\$ 8.3
Results of operations	(0.2)	0.2	0.1
Adjustments:			
Depreciation (1)	2.4	3.3	2.1
Adjusted results from operations	<u>2.2</u>	<u>3.5</u>	<u>2.2</u>
Reclassification to restricted assets	(0.2)	(0.7)	(0.8)
Capital activity, net	(1.4)	(1.3)	(0.2)
Prior period adjustment	<u>(2.0)</u>	<u>-</u>	<u>(10.8)</u>
Unrestricted net position, end of year	<u>\$ (1.2)</u>	<u>\$ 0.2</u>	<u>\$ (1.3)</u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

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The following table compares the revenues and expenses for the current and last two previous fiscal years. The Authority is engaged only in Business-Type Activities.

TABLE 3
STATEMENT OF REVENUES AND EXPENSES
(IN MILLIONS)

	2017	2016	2015
Revenues:			
Operating subsidies and grants	\$ 40.7	\$ 43.5	\$ 42.0
Capital grants	1.5	1.4	1.3
Other income	0.8	1.0	0.8
Tenant revenue	0.6	0.5	0.7
Total revenues	43.6	46.4	44.8
Expenses:			
Housing assistance payments	28.7	30.3	30.0
Administrative	7.8	7.4	6.9
Maintenance	3.5	3.9	4.5
Depreciation	2.4	3.3	2.1
Tenant services	0.5	0.6	0.3
General and other	0.4	0.3	0.4
Utilities	0.4	0.4	0.5
Total expenses	43.7	46.2	44.7
Change in net position	\$ (0.1)	\$ 0.2	\$ 0.1

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position

Revenues

GHURA's revenues consist of Tenant Rents, Operating Subsidies, Grants and Others. The majority of its revenues are from HUD.

Tenant Revenue

Tenant revenue, which accounted for 1.3% of total current year revenues, increased by \$432, or approximately .1% (\$68,252 decrease, or approximately 10.6%, in 2016). The increase in the current year revenues is attributed to increase in tenant income and charges for the period.

Operating Subsidies and Grants

The following table and chart summarizes the major program sources of operating and capital grant revenue for the past three fiscal years.

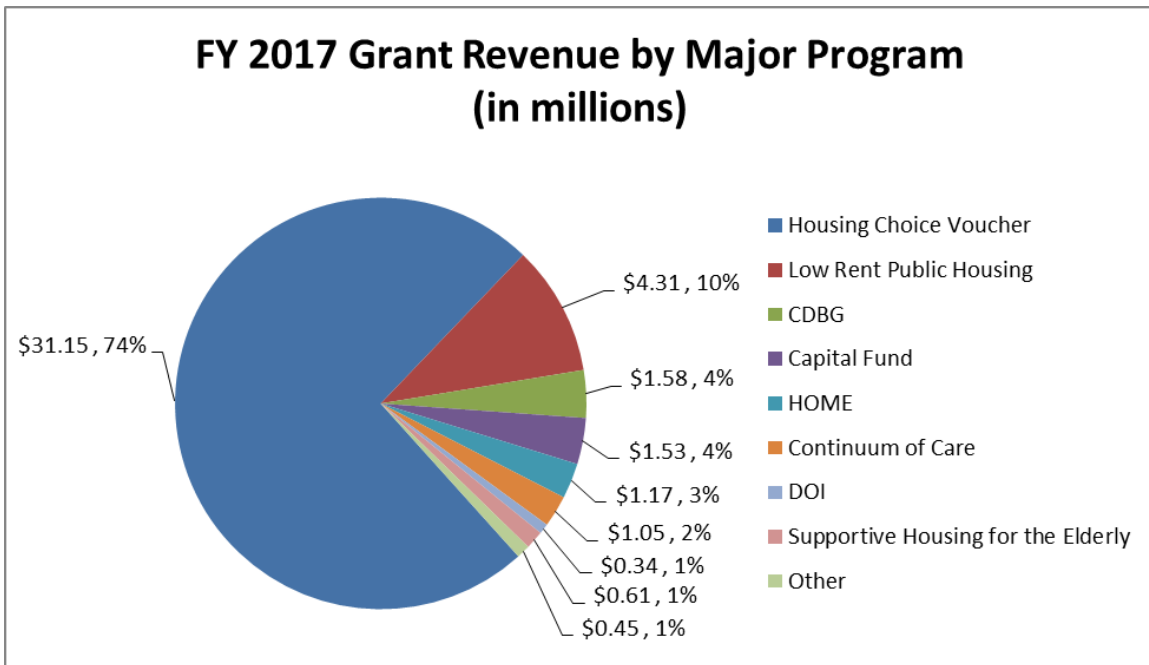
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Operating and Capital Grant Revenue by Major Program Sources

**TABLE 4
OPERATING SUBSIDIES AND GRANTS
(IN MILLIONS)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Housing Choice Voucher	\$ 31.1	\$ 33.3	\$ 31.8
Low Rent Public Housing	4.3	4.1	3.9
CDBG	1.6	2.9	2.2
HOME	1.2	0.6	0.3
Capital Fund	1.5	1.4	1.3
Continuum of Care	1.1	1.2	1.2
DOI	0.3	0.3	1.8
Supportive Housing for the Elderly	0.6	0.6	0.5
Other	0.4	0.5	0.3
	<u>\$ 42.1</u>	<u>\$ 44.9</u>	<u>\$ 43.3</u>



Other Revenue

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Other income consists of management and bookkeeping fees, program income, land sales, interest earned on investments, and other income.

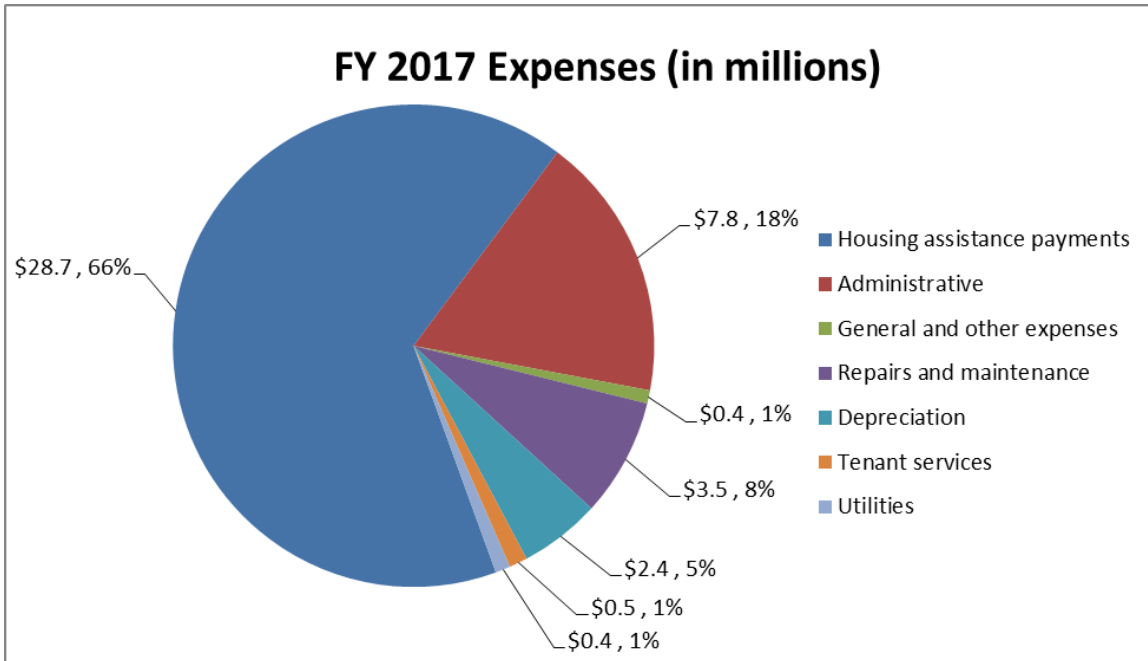
Expenses

Operating Expenses

Operating expenses totaled \$43.7 million in 2017 (\$46.2 million in 2016), which represents a 2.7% decrease from prior year. Administrative expense was approximately 18.0% of total revenues in 2017 (15.9% of revenues in 2016).

Other Expenses

During 2017, there was a 5.4% decrease in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to lower unit month leasing costs (0.9% increase in 2016). Housing assistance payment expenses decreased by approximately \$1.6 million in 2017 (increase of \$0.3 million in 2016).



Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the Authority had approximately \$22.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (net of additions and depreciation) of \$845,935, or approximately 3.7% from the end of last year (\$1,946,968 decrease in 2016 or approximately 7.8%).

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TABLE 5
CAPITAL ASSETS AT YEAR END
(NET OF ACCUMULATED DEPRECIATION, IN MILLIONS)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	92.5	91.0	89.7
Equipment - dwelling	2.1	2.0	1.9
Equipment - administrative	2.0	2.0	2.2
Leasehold improvements	0.3	0.3	0.3
	<u>100.6</u>	<u>99.0</u>	<u>97.8</u>
Accumulated depreciation	<u>(78.3)</u>	<u>(75.9)</u>	<u>(72.7)</u>
Capital assets, net	<u>\$ 22.3</u>	<u>\$ 23.1</u>	<u>\$ 25.1</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 53 of the Notes to the accompanying financial statements.

TABLE 6
CHANGE IN CAPITAL ASSETS
(IN MILLIONS)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year	\$ 23.1	\$ 25.1	\$ 25.3
Additions	1.5	1.3	1.9
Disposition/transfers	-	-	-
Depreciation	(2.3)	(3.3)	(2.1)
Balance at end of year	<u>\$ 22.3</u>	<u>\$ 23.1</u>	<u>\$ 25.1</u>

Major additions are summarized as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Capital improvements programs (modernization completed on variety of Authority's Low Rent Housing buildings)	\$ 1.4	\$ 1.3	\$ 1.9
Equipment purchases	0.1	-	-
Total additions	<u>\$ 1.5</u>	<u>\$ 1.3</u>	<u>\$ 1.9</u>

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Debt Outstanding

As of year-end, the Authority had \$1,033,128 in debt (mortgage loan) outstanding compared to \$1,095,072 last year, for a \$61,944 decrease (debt retirement).

TABLE 7
OUTSTANDING DEBT AT YEAR END
(IN MILLIONS OF DOLLARS)

	2017	2016	2015
RD - Guma Trankilidat	\$ 1.03	\$ 1.10	\$ 1.15

This is discussed in more detail in Notes 8 and 9 in the accompanying financial statements.

TABLE 8
STATEMENTS OF CASH FLOWS
(IN MILLIONS OF DOLLARS)

	2017	2016	2015
Cash flows provided by (used in) operations	\$ 1.1	\$ 2.6	\$ 0.5
Cash flows provided by (used in) financing activities	(0.3)	(0.3)	(0.6)
Cash flows provided by investing activities	0.3	0.3	0.2
	1.1	2.6	0.1
Net increase (decrease) in cash and cash equivalents	1.1	2.6	0.1
Cash and cash equivalents at beginning of year	11.8	9.2	9.1
	\$ 12.9	\$ 11.8	\$ 9.2
Reconciliation of operating loss to net cash (used for) provided by operating activities			
Operating loss	\$ (1.7)	\$ (0.9)	\$ (1.0)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:			
Depreciation	2.4	3.3	2.0
Bad debts	-	-	0.1
Non-cash pension costs	0.1	(0.1)	(1.0)
(Increase) decrease in assets	(2.7)	1.0	-
Increase (decrease) in liabilities	3.0	(0.7)	0.4
	\$ 1.1	\$ 2.6	\$ 0.5
Net cash (used for) provided by operating activities	\$ 1.1	\$ 2.6	\$ 0.5

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Economic factors

Significant economic factors that affect the Authority are as follows:

Federal funding of HUD. As the Authority receives the majority of its operating revenue from financial assistance from HUD, the Authority and its financial operations are significantly affected by the federal government's annual appropriation to HUD. The effect of the federal budget not being approved has left a great deal of ambiguity in developing the Authority's budget and planning for the fiscal year 2016 and beyond. The Authority's budget for fiscal year 2016 was developed with the most conservative estimates of revenue, assuming federal uncertainty in appropriations and potential cuts to programs affecting the Authority.

The Authority has been proactive in assessing its financial condition and attempting to align its activities and the financial position of the agency so it can respond to new terms and conditions that may be incorporated into this extension. By incorporating its estimate of these possible changes and reductions into its budget for the current and future fiscal years, the Authority hopes to avoid any significant reductions in service levels or ongoing operations. However, any deviation from current estimates of funding to be received would have to be reexamined.

The Authority locally administers certain programs of the U. S. Housing and Urban Development (HUD). The funding source for all major programs is virtually 100% dependent on the U. S. Federal government, through HUD. Funding and funding related issues are therefore subject to Congressional approval on an annual basis. Major changes continue to occur in HUD program rules, regulations, and requirements, particularly as they relate to funding methodology, which will affect the Authority's future operations and administration of these federal programs. Funding is provided for HUD programs on a calendar year basis.

Low-income families, veterans, senior citizens and disabled individuals waiting for assistance under the federal housing voucher program may have to wait even longer as public housing agencies begin to cope with budget cuts due to the sequestration order.

On March 1, 2013, the President of the United States, as required by the Budget Control Act of 2011, issued a sequestration order cancelling \$85 billion in Federal budgetary resources across the Federal government for FY 2013. As a result of the sequestration, those major HUD programs administered by the Agency that are expected to be most impacted by funding reductions are as follows: Housing Choice Voucher (HCV) program housing payments assistance program - approximately 94.1%; HCV program funding for administrative fees at 69.1%; and Low Rent Public Housing Operating Fund at 73% to 77%.

HUD's letter to PHAs estimated that only 94.1% of the funding necessary to meet renewal needs will be available for the Housing Choice Voucher program, resulting in a shortfall for 125,000 program participants. In addition to holding back any new vouchers that PHAs may have been offering, PHAs have been authorized to take a number of mitigation steps in order to address budget shortfalls. GHURA is looking at a number of proposed steps that would include increasing payment standards, revising portability rules, increasing minimum rents, and trying to get those who live in larger units to move to smaller units.

In order to comply with statutory Flat Rent changes contained within the FY2015 Appropriations Act and Notice PIH 2015-13 that replaces Notice PIH 2014-12, GHURA has updated its Public

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Housing Agency (PHA) Plan for Fiscal Year 2015 and is in the process of revising applicable portions of its Admissions and Continued Occupancy Policy (ACOP).

In keeping with the requirements, GHURA set the flat rent amounts for each public housing unit at no less than 80 percent of applicable Fair Market Rents (FMRs); limited annual increases to 35% for current program participants that pay flat rent; and in circumstances where utilities are paid for by the resident, reduced the flat rent amount to account for reasonable utility costs.

The local economy is heavily dependent on the tourism industry, the source of which is from Asian markets, primarily Japan. Unlike most public housing authorities in the U. S. mainland, the local economy does not follow the U. S. national economic trends. The tourism industry appears to be in an initial recovery stage. However, adverse economic conditions, compounded by the effects of ever-increasing worldwide prices of oil, are and will continue to impact residents, clients, and partners. The local government revenues have greatly reduced the amount of welfare assistance provided to those tenants of the Authority, who were or are welfare recipients.

Local inflationary, recessionary and unemployment trends continue to affect resident incomes and therefore the amount of dwelling rental income the Authority is able to charge and collect. Unemployment is estimated at 8%, and has affected those individuals with low to moderate income paying jobs, many of whom include the tenants in the Authority's housing programs. Tenants' reduced incomes result in lower dwelling rental income received by the Authority, and lower collection rates, which have impacted operations.

Inflationary pressure on utility rates, supplies and other costs – The local government power and water agencies will be increasing fees due to increasing oil prices and problems with collections from the Government of Guam. Utility rates have been on the increase. Utility costs must be factored into utility allowances for tenants, which increase the level of assistance provided in terms of utility allowances, which increases the costs of the housing programs in general.

Results from the 2009 Guam Comprehensive Housing Study show that Guam's housing market has become unaffordable for households looking to move to a new unit. Only 41.5% of households interested in buying a home had the resources to find an affordable unit while 49% of renters had sufficient income to move to a new rental unit.

Low and moderate income households represent 59.4% of households interested in buying a home. However, only 25.9% of the housing supply is within the affordable range for low and moderate income buyers.

Landlords are expected to maximize their rental income and are attracted to the subsidized military rental market rather than to the Housing Choice Voucher program which provides subsidies to civilian households with incomes below 50% of area median income. In 2010, GHURA's payment standard provided a maximum rent of \$1,633 for a 3-bedroom house to include utilities. Depending on rank, a military household could receive a housing allowance of \$1,700 to \$2,500. Developers are targeting the higher income housing market which can demand rents of \$2,000 or more.

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Rental Assistance Demonstration

The HUD Rental Assistance Demonstration (RAD) Program is under continuing review by GHURA. GHURA's aim is to determine its applicability and benefit to the island's inventory of Public Housing. Participation in the RAD Program would see the conversion of Public Housing properties to a Section 8 Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) program. The RAD Program is a key component of the HUD Office of Public and Indian Housing's rental housing preservation strategy, working to preserve the nation's stock of deeply affordable rental housing, and to promote efficiency within and among HUD programs to build strong, stable communities.

Audit and Compliance

In order to ensure accountability for performance and results, the Executive Management is using a Management Scorecard. The Executive Management will use this scorecard to track how well departments are executing the management initiatives, and where they stand at a given point in time against the overall standards for success. Scores are based on standards established under the Public Housing Assessment System, Section Eight Management Assessment System, Voucher Management System, Rental Integrity Monitoring Reviews, and independent audits, to name a few. Over time, the scores should improve as departments correct the problems. The Executive Management will update this report twice a year and issue a mid-year report. We will hold ourselves responsible and report honestly when progress is too slow.

Systems, Controls, and Legal Compliance

Systems

Currently the Authority utilizes a commercially developed package that integrates all housing program areas under one common software umbrella. The software incorporates Section 8 Tenant & Landlords, Occupancy & Rent, Applications Waiting List, Receivables, General Ledger, Work Orders, Purchase Orders, Budgeting and Payroll as the main modules. All data entry is self-contained within this system and, ultimately feeds into the financials, where pay out, reporting, and tracking occurs. On average, the system generates approximately \$4.25 million per month in payments to tenants, landlords, employees, and vendors. Data is available real-time and on-line.

The software exchanges data with HUD's web-based reporting requirements, transmits and receives electronic banking payment (receivables) on a daily basis, as well as other various Government of Guam agencies. All modules are accessible simultaneously by the approximate 90 staff via remote sites, designed to improve our customer service and support. These remote locations in Agat, Yona, Toto, Tumon, and Agana all access the main host server located in Sinajana via a common telecommunications media. Additionally, a second software is utilized to effectively track and forecast grant expenditures managed by CPD. These grants include CDBG, Home, ESG, and Continuum of Care programs. Data from both systems are exchanged and utilized in the reconciliation process, payment, and reporting requirements. Numerous controls, interface programs, and preventive measures have been developed, tested and implemented to ensure the integrity and accuracy of the data, to include quality control and discrepancy reports.

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Controls

Management controls are the organization, policies, and procedures used to reasonably ensure that (1) programs achieve their intended results; (2) resources are used consistent with agency's mission; (3) programs and resources are protected from waste, fraud, and mismanagement; (4) laws and regulations are followed; and (5) reliable and timely information is obtained, maintained, reported and used for decision making.

Managers must take systematic and proactive measures to (1) develop and implement appropriate, cost-effective management controls for results-oriented management; (2) assess the adequacy of management controls in Federal programs and operations; (3) identify needed improvements; (4) take corresponding corrective action; and (5) report monthly, semi-annually, and annually on management controls.

Legal Compliance

The Authority is required to comply with a wide range of laws and regulations, including appropriations, employment, health and safety, and others. Responsibility for compliance primarily rests with agency management; compliance is addressed as part of agency financial statement audits.

Accountability

Management accountability is the expectation that "managers are responsible for the quality and timeliness of program performance, increasing productivity, controlling costs and mitigating adverse aspects of agency operations, and assuring that programs are managed with integrity and in compliance with applicable law."

Fraud, Waste, and Abuse

The Authority must maintain its credibility with applicant and participant families, owners, HUD, and the larger community by enforcing program requirements. When families, owners, or GHURA employees fail to adhere to program requirements, the Authority must take appropriate action. The action that is appropriate depends on the particular case or circumstances.

The Authority will address program errors, omissions, fraud, or abuse through both prevention and detection. Preventive measures are the most effective way to deter widespread program irregularities. Errors, omissions, fraud, and abuse will occur, and the Authority will have preventive measures in place so that any irregularity can be quickly detected and resolved as efficiently, professionally, and fairly as possible. Because preventive monitoring measures are the most effective way to deter widespread program irregularities, they will be an integral part of daily operations.

GHURA must ensure that the Authority operates legally and with integrity. The central principle underlying the public ethics codes is the Conflict of Interest, more specifically, the conflict between a public official's individual self-interest and the public interest. We, as public officials, are held to a higher standard than individuals in the private sector. Public officials are repositories of the public trust and as such have a duty to faithfully and honestly represent the interests of the public.

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Financial Contact

Requests regarding any information contained in this report or any additional information or questions concerning the report should be addressed to Michael J. Duenas, Executive Director, Guam Housing and Urban Renewal Authority, 117 Bien Venida Avenue, Sinajana, Guam 96910.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Combined Statements of Net Position
September 30, 2017

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Current assets:					
Cash: (Notes 1, 2 and 3)					
Unrestricted	\$ 9,301,380	\$ 161,249	\$ 748,481	\$ -	\$ 10,211,110
Restricted - other	2,427,977	-	105,109	-	2,533,086
Restricted - FSS	139,854	-	9,015	-	148,869
Restricted - security deposits	16,035	-	-	-	16,035
Total cash	<u>11,885,246</u>	<u>161,249</u>	<u>862,605</u>	<u>-</u>	<u>12,909,100</u>
Accounts receivable:					
Notes receivable - current portion (Note 4)	-	158,610	88,064	-	246,674
Tenants (Note 1)	118,229	-	-	-	118,229
HUD	249,638	411,192	-	-	660,830
Other Government Agencies	-	-	9,774	-	9,774
Due from other funds (Notes 1 and 5)	1,506,941	7,149	4,726,890	(6,240,980)	-
Interest	190	-	12	-	202
Other	314,534	-	116,970	-	431,504
	<u>2,189,532</u>	<u>576,951</u>	<u>4,941,710</u>	<u>(6,240,980)</u>	<u>1,467,213</u>
Allowance for doubtful accounts	(30,487)	-	(183,056)	-	(213,543)
Total accounts receivable, net	<u>2,159,045</u>	<u>576,951</u>	<u>4,758,654</u>	<u>(6,240,980)</u>	<u>1,253,670</u>
Investments: (Notes 1, 2, and 3)					
Unrestricted	1,023,726	-	75,170	-	1,098,896
Restricted/reserved by fiscal agent	184,857	-	-	-	184,857
Total investments	<u>1,208,583</u>	<u>-</u>	<u>75,170</u>	<u>-</u>	<u>1,283,753</u>
Prepayments and other current assets					
	<u>9,861</u>	<u>-</u>	<u>74,835</u>	<u>-</u>	<u>84,696</u>
Inventories (Note 1)					
	<u>268,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,095</u>
Other real estate (Notes 1 and 6)					
	<u>-</u>	<u>-</u>	<u>2,705,458</u>	<u>-</u>	<u>2,705,458</u>
Total current assets	<u>15,530,830</u>	<u>738,200</u>	<u>8,476,722</u>	<u>(6,240,980)</u>	<u>18,504,772</u>
Noncurrent assets:					
Capital assets, net (Notes 1 and 7)	21,419,080	-	873,283	-	22,292,363
Notes receivable - noncurrent (Note 4)	<u>-</u>	<u>2,823,163</u>	<u>597,559</u>	<u>-</u>	<u>3,420,722</u>
Total noncurrent assets	<u>21,419,080</u>	<u>2,823,163</u>	<u>1,470,842</u>	<u>-</u>	<u>25,713,085</u>
Total assets	<u>36,949,910</u>	<u>3,561,363</u>	<u>9,947,564</u>	<u>(6,240,980)</u>	<u>44,217,857</u>
Deferred outflows of resources from pension (Note 13)					
	<u>1,147,353</u>	<u>102,913</u>	<u>408,087</u>	<u>-</u>	<u>1,658,353</u>
Total assets and deferred outflows of resources	<u>\$ 38,097,263</u>	<u>\$ 3,664,276</u>	<u>\$ 10,355,651</u>	<u>\$ (6,240,980)</u>	<u>\$ 45,876,210</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Combined Statements of Net Position, Continued
September 30, 2017

Liabilities and Net Position	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Current liabilities:					
Bank overdraft	\$ -	\$ -	\$ 68,913	\$ -	\$ 68,913
Accounts payable	49,835	19	108,730	-	158,584
Current portion of note payable (Notes 8 and 9)	66,000	-	-	-	66,000
Current portion of compensated absences (Notes 1 and 9)	69,723	4,932	30,706	-	105,361
Due to HUD	9,150	-	-	-	9,150
Due to other funds (Notes 1 and 5)	2,417,392	378,119	3,445,469	(6,240,980)	-
Security deposits	137,936	-	3,173	-	141,109
FSS - tenant escrow	244,566	-	14	-	244,580
Accrued salaries and wages	150,206	16,168	58,975	-	225,349
Accrued liabilities - PILOT	122,189	-	-	-	122,189
Accrued liabilities	-	-	167,453	-	167,453
Deferred revenues (Note 1)	413,444	33,397	1,218,941	-	1,665,782
Other current liabilities	916	4,500	562,088	-	567,504
Total current liabilities	3,681,357	437,135	5,664,462	(6,240,980)	3,541,974
Non-current liabilities:					
Net pension liability (Notes 9 and 13)	9,226,945	827,608	3,281,809	-	13,336,362
Long-term portion of note payable (Notes 8 and 9)	967,128	-	-	-	967,128
Accrued compensated absences (Notes 1 and 9)	566,254	43,054	197,240	-	806,548
Other liabilities	-	2,981,773	-	-	2,981,773
Total non-current liabilities	10,760,327	3,852,435	3,479,049	-	18,091,811
Total liabilities	14,441,684	4,289,570	9,143,511	(6,240,980)	21,633,785
Deferred inflows of resources from pension (Note 13)	69,643	6,244	24,769	-	100,656
Commitments and contingencies (Notes 8, 12, 15, 16 and 18)					
Net position: (Notes 1 and 11)					
Investment in capital assets, net of related debt	20,385,952	-	3,578,741	-	23,964,693
Restricted	1,397,733	-	-	-	1,397,733
Unrestricted	1,802,251	(631,538)	(2,391,370)	-	(1,220,657)
Total net position	23,585,936	(631,538)	1,187,371	-	24,141,769
Total liabilities, deferred inflows of resources and net position	\$ 38,097,263	\$ 3,664,276	\$ 10,355,651	\$ (6,240,980)	\$ 45,876,210

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Combined Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Operating revenues:					
HUD PHA Operating Grants	\$ 37,885,907	\$ 2,671,622	\$ -	\$ -	\$ 40,557,529
Other Government Grants (Note 1)	-	338,383	-	-	338,383
Management fees (Note 1)	-	-	1,058,193	(1,058,193)	-
Other income	94,977	137,863	256,704	(30,000)	459,544
Tenant rental income	547,896	25,209	-	-	573,105
Bookkeeping fees (Note 1)	-	-	280,208	(280,208)	-
Asset management fees (Note 1)	-	-	90,000	(90,000)	-
Property sales	-	-	23,400	-	23,400
Total operating revenues	<u>38,528,780</u>	<u>3,173,077</u>	<u>1,708,505</u>	<u>(1,458,401)</u>	<u>41,951,961</u>
Operating expenses:					
Housing assistance payments	28,688,535	-	-	-	28,688,535
Repairs and maintenance	1,862,193	1,376,858	216,940	-	3,455,991
Other administrative expenses	708,254	1,344,213	62,939	-	2,115,406
Salaries and wages	2,323,011	328,498	1,227,954	-	3,879,463
Depreciation	2,375,112	1,462	-	-	2,376,574
Management fees (Note 1)	1,058,193	-	30,000	(1,088,193)	-
Employee benefits	709,007	131,164	800,413	-	1,640,584
Office expense	416,675	9,209	115,008	-	540,892
Utilities	367,758	117	68,397	-	436,272
Bookkeeping fees (Note 1)	280,208	-	-	(280,208)	-
Insurance	119,160	1,508	13,691	-	134,359
Compensated absences	104,370	(10,914)	(2,180)	-	91,276
Professional fees	72,363	7,879	46,883	-	127,125
Asset management fees (Note 1)	90,000	-	-	(90,000)	-
Payments in lieu of taxes	-	-	-	-	-
Travel	-	8,345	2,026	-	10,371
Tenant services	-	-	-	-	-
Protective services	12,512	-	20,079	-	32,591
Bad debts	(9,321)	-	71,263	-	61,942
Advertising and marketing	27,916	5,655	9,164	-	42,735
Total operating expenses	<u>39,205,946</u>	<u>3,203,994</u>	<u>2,682,577</u>	<u>(1,458,401)</u>	<u>43,634,116</u>
Operating loss	<u>(677,166)</u>	<u>(30,917)</u>	<u>(974,072)</u>	<u>-</u>	<u>(1,682,155)</u>
Non-operating revenues (expenses):					
Capital Grants	1,289,709	-	-	-	1,289,709
Interest income on unrestricted investments	12,236	-	618	-	12,854
Fraud recovery	30,115	-	-	-	30,115
Other income	248,764	-	-	-	248,764
Other expense	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-
Interest expense	(64,537)	-	-	-	(64,537)
Total non-operating revenues (expenses), net	<u>1,516,287</u>	<u>-</u>	<u>618</u>	<u>-</u>	<u>1,516,905</u>
Change in net position	<u>839,121</u>	<u>(30,917)</u>	<u>(973,454)</u>	<u>-</u>	<u>(165,250)</u>
Net position - beginning of year	24,241,340	(475,139)	2,602,354	-	26,368,555
Prior period adjustment - pension (Note 1)	(1,494,525)	(125,482)	(441,529)	-	(2,061,536)
Total net position - beginning of year, as restated (Note 1)	<u>22,746,815</u>	<u>(600,621)</u>	<u>2,160,825</u>	<u>-</u>	<u>24,307,019</u>
Total net position - end of year	<u>\$ 23,585,936</u>	<u>\$ (631,538)</u>	<u>\$ 1,187,371</u>	<u>\$ -</u>	<u>\$ 24,141,769</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Combined Statements of Cash Flows
For the Year Ended September 30, 2017

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Cash flows from operating activities:					
Operating grants received	\$ 38,200,941	\$ 2,112,687	\$ -	\$ -	\$ 40,313,628
Receipts from tenants and customers	661,827	135,248	1,773,519	-	2,570,594
Assistance paid	(28,892,485)	-	-	-	(28,892,485)
Cash payments to suppliers for goods and services	(6,350,157)	(1,954,067)	(865,580)	-	(9,169,804)
Cash payments to employees for services	(2,466,864)	(321,325)	(1,222,022)	-	(4,010,211)
Other cash receipts (payments)	5,331	(1,300)	326,608	-	330,639
	<u>1,158,593</u>	<u>(28,757)</u>	<u>12,525</u>	<u>-</u>	<u>1,142,361</u>
Net cash provided by (used for) operating activities					
Cash flows from noncapital financing activities:					
Acquisition of capital assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for noncapital financing activities					
Cash flows from capital and related financing activities:					
Interest paid	(64,537)	-	-	-	(64,537)
Repayment of note payable	(61,944)	-	-	-	(61,944)
Capital grants received	1,289,709	-	-	-	1,289,709
Other income received	-	-	-	-	-
Acquisition of capital assets	(1,530,638)	-	-	-	(1,530,638)
Gain on sale of capital assets	-	-	-	-	-
	<u>(367,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(367,410)</u>
Net cash used for capital and related financing activities					
Cash flows from investing activities:					
Deposits to restricted accounts	-	-	(90)	-	(90)
Interest and other income received	291,115	-	618	-	291,733
	<u>291,115</u>	<u>-</u>	<u>528</u>	<u>-</u>	<u>291,643</u>
Net cash provided by investing activities					
Net change in cash	1,082,298	(28,757)	13,053	-	1,066,594
Cash at beginning year	10,802,948	190,006	849,552	-	11,842,506
Cash at end of year	<u>\$ 11,885,246</u>	<u>\$ 161,249</u>	<u>\$ 862,605</u>	<u>\$ -</u>	<u>\$ 12,909,100</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Combined Statements of Cash Flows, Continued
For the Year Ended September 30, 2017

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ (677,166)	\$ (30,917)	\$ (974,072)	\$ -	\$ (1,682,155)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:					
Depreciation	2,375,112	1,462	-	-	2,376,574
Bad debts	(9,321)	-	71,263	-	61,942
Non-cash pension costs	(339,537)	18,061	390,600	-	69,124
(Increase) decrease in assets:					
Accounts receivable:					
Notes receivable	-	(2,981,773)	120,728	-	(2,861,045)
Tenant	15,408	-	-	-	15,408
HUD	315,929	(39,485)	-	-	276,444
Other Government Agencies	-	10,051	-	-	10,051
Due from other funds	(159,162)	(418)	199,181	-	39,601
Travel advances	-	-	-	-	-
Interest	(11)	-	-	-	(11)
Other	(223,110)	-	(6,808)	-	(229,918)
Prepayments and other assets	754	283	204	-	1,241
Inventories	(7,182)	-	-	-	(7,182)
Other real estate	-	-	69,306	-	69,306
Increase (decrease) in liabilities:					
Bank overdraft	-	-	29,652	-	29,652
Accounts payable	6,782	-	10,418	-	17,200
Compensated absences	6,922	(7,178)	(2,180)	-	(2,436)
Payable to HUD	2,962	-	-	-	2,962
Due to other funds	(126,690)	63,008	7,143	-	(56,539)
Security deposits	4,486	1,500	-	-	5,986
Accrued salaries and wages	(46,405)	(803)	5,932	-	(41,276)
Accrued FSS escrow liability	23,562	-	14	-	23,576
Other current liabilities	-	2,966,776	153,179	-	3,119,955
Accrued liabilities	-	-	199	-	199
Deferred revenues	(4,740)	(29,324)	(62,234)	-	(96,298)
Net cash provided by (used for) operating activities	<u>\$ 1,158,593</u>	<u>\$ (28,757)</u>	<u>\$ 12,525</u>	<u>\$ -</u>	<u>\$ 1,142,361</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies

a) Organization and Program Descriptions

The Guam Housing and Urban Renewal Authority (GHURA or the Authority), a component unit of the Government of Guam, was created on December 18, 1962 by Government Code, Vol. II, Title XIV, Chapter X, 13902. GHURA, formed to pursue an active community development program through urban renewal projects and to provide housing of low income, administers the following community programs. The primary purpose of the Authority is to provide safe, decent, sanitary, and affordable housing for low to moderate-income families and elderly families in the Territory of Guam, and to operate its housing programs in accordance with federal and local laws and regulations. The Authority's federal programs are administered through the U.S. Department of Housing Urban Development (HUD) under the provisions of the U.S. Housing Act of 1937, as amended.

The Authority's primary operations are comprised of a number of housing and grant programs as follows:

Major Enterprise Funds

Community Development Block Grants (CDBG)

These grants are used to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. All CDBG activities must meet one of the following national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet certain community development needs having a particular urgency. Some of the activities that these funds can be used for include the acquisition of real property; rehabilitation of residential and nonresidential properties; provision of public facilities and improvements, such as water, sewer, streets, and community centers; clearance, demolition and removal of buildings and improvements; homeownership assistance; and assistance to for-profit businesses for economic development activities.

Low Income Housing Program

Under this program, the Authority rents its own units to low-income households. The Low Income Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidies to enable the Authority to provide the housing at a rent that is based on 30 percent of household income. GHURA entered into an ACC which allowed the Authority to develop and operate a Low-Income Housing Program. Since that time, nine projects were developed: Guam 1-1 through 1-9. These completed projects provided a total of 750 units. For the year ended September 30, 2017, 712 units (out of 743 available units, of which 7 units are under modernization) or 95.83% were occupied. For year ended September 30, 2015, 729 units (out of 741 available units, of which 9 units are under modernization) or 98.38% were occupied. These properties are modernized under HUD's Capital Funds Program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) *Summary of Significant Accounting Policies, continued*

Major Enterprise Funds, continued

The Authority implemented HUD's mandated transition to "Project-Based Accounting" based on their Asset Management Model beginning fiscal year 2008. As such, the Authority has organized its 750 units into four Asset Management Project (AMP) sites. The new financial reporting model allows for the Authority to develop and maintain a system of budgeting and accounting for each project in a manner that allows for analysis of actual revenues and expenses associated to each property.

Housing Assistance Payments Program

The Housing Choice Voucher Program is funded by HUD. The principal purpose of the program is to enable lower income families to reside in existing privately owned housing. Assistance is calculated according to family needs and paid directly to the dwelling owner. On September 30, 2017 and 2016, GHURA was authorized by HUD to approve housing assistance payment contracts for up to 2560 families, dependent upon budget authority and available resources. Total contracted units under lease totaled 2,377 or 93% and 2,436 or 95.2%, as of September 30, 2017 and 2016, respectively. The project-based voucher program located at the Summer Town Estates in Lada, Dededo, consists of 112 units which began in November 2015. All units were fully occupied by Elderly Families as of September 30, 2017.

Public Housing Capital Fund Program

The Capital Fund Program Grant accounts for modernization funds received from HUD for capital improvements, major repairs, management improvements, operational costs and related planning costs to improve the physical quality of low-income housing. Upon completion of major capital improvement, the assets are transferred to the Low Income Housing Program.

Supportive Housing for the Elderly

The Supportive Housing for the Elderly project is designed to provide housing accommodations for elderly residents of Guam. The project was built on land donated by the Government of Guam at an appraised value of \$1,380,000. The project officially commenced operations in March 1980. Rentals are subsidized through the Department of Housing and Urban Development's Section 8 multi-family housing program.

Non-Major Enterprise Funds

Supportive Housing Program

This program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of supportive housing to homeless persons so they can live as independently as possible.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) *Summary of Significant Accounting Policies, continued*

Non-Major Enterprise Funds, continued

Shelter Plus Care

This program links rental assistance to supportive services for hard-to-reach homeless, persons with disabilities, primarily those who are seriously mentally ill, and have chronic substance abuse problems, or have acquired immunodeficiency syndrome (AIDS) and their families if they are also homeless.

HOME Investment Partnership Program

This program is designed to increase homeownership and affordable housing opportunities for low- and very low-income Americans. Program funds are used to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, among others.

Emergency Solutions Grant Program

This program provides grants to assist homeless and near-homeless individuals by providing rapid re-housing and homeless prevention services. The grants cover rental and utility assistance for persons and individuals who are homeless or on the verge of becoming homeless. Eligible households also can receive housing relocation and stabilization services such as counseling, case management and money management classes.

Resident Opportunity and Supportive Services

This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

Economic, Social and Political Development of the Territories (Compact Impact)

This program is funded by the U.S. Department of the Interior to promote the economic, social and political development of the territories and freely associated states, leading toward greater self-government and self-sufficiency for each of them. In addition, Federal funding is provided for capital improvement programs and technical assistance to the insular areas including the Territory of Guam.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, continued

Non-Major Enterprise Funds, continued

Multifamily Housing Service Coordinator

The purpose of this program is to link elderly, especially frail and disabled, or disabled non-elderly assisted housing and neighborhood residents to supportive services in the general community; to prevent premature and unnecessary institutionalization; and, to assess individual service needs, determine eligibility for public services and make resource allocation decisions which enable residents to stay in the community longer.

Affordable Care Act – Maternal, Infant, and Early Childhood Home Visiting Program

The Maternal, Infant, and Early Childhood Home Visiting Program is designed: (1) to strengthen and improve the programs and activities carried out under Title V; (2) to improve coordination of services for at risk communities; and (3) to identify and provide comprehensive services to improve outcomes for families who reside in at risk communities. Voluntary evidence-based home visiting is the primary strategy to deliver services. A nurse, social worker, parent educator, or other paraprofessional regularly visits an expectant mother or father, new parent, or primary caregiver of a young child from birth to kindergarten entry to support and strengthen the parent-child relationship to improve the health, development and well-being for the child and family.

Substance Abuse and Mental Health Service Services – Projects of Regional and National Significance (SAMHSA)

This Program was reauthorized by the Children's Health Action of 2000, Public law 106-310. Under this reauthorization, SAMHSA was given the authority to address priority substance abuse treatment, prevention and mental health needs of regional and national significance through assistance (grants and cooperative agreements) to States, political subdivisions of States, Indian tribes and tribal organizations, and other public or nonprofit private entities. Grants and cooperative agreements may be for (1) knowledge and development and application projects for treatment and rehabilitation and the conduct or support of evaluations of such projects; (2) training and technical assistance; (3) targeted capacity response programs (4) systems change grants including statewide family network grants and client-oriented and consumer run self-help activities and (5) programs to foster health and development of children; (6) coordination and integration of primary care services into publicly-funded community mental health centers and other community-based behavioral health settings funded under Affordable Care Act (ACA).

Family Self-Sufficiency Program

The objectives of this program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, continued

Non-Major Enterprise Funds, continued

Neighborhood Stabilization Program – Recovery Act Fund

The objectives of this are to stabilize property values; arrest neighborhood decline; assist in preventing neighborhood blight; and stabilizing communities across America hardest hit by residential foreclosures and abandonment. These objectives are to be achieved through the purchase and redevelopment of foreclosed and abandoned homes and residential properties that will allow those properties to turn into useful, safe and sanitary housing.

Low-Income Housing Tax Credits Program

This Program was created by the Tax Reform Act of 1986 and is intended to encourage the construction or rehabilitation of low-income rental units. The regulations governing this program are contained in Section 42 of the Internal Revenue Code (the “Code” or IRC). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project’s units for low-income individuals or families.

Other Enterprise Funds

The following funds were determined to be non-major enterprise funds for the year ended September 30, 2017:

Local Funds

GHURA is also charged with administrative oversight responsibility for a variety of community projects as established and funded by the Government of Guam through contributions and local grants-in-aid.

Other Funds

Other funds consist primarily of local projects that have been completed and have undergone a final close out audit. Such projects include disaster rehabilitation for Typhoon Pamela, Yona and Sinajana Urban Renewals, and neighborhood facilities constructed in Agat and Sinajana.

Revolving and Trust Funds

These funds function primarily to facilitate cash management for all funds.

The basic financial statements of the Guam Housing and Urban Renewal Authority have been prepared in conformity with accepted accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are described below.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, continued

b) Reporting Entity

The administration and operation of GHURA is under the control of a six-member Board of Commissioners appointed by the Governor of Guam with the advice and consent of the Legislature with one of the seven members being a resident of the Public Housing program, elected by the residents and appointed by the Governor. The Authority is not financially dependent on the Government of Guam's general fund but is considered a component unit of the Government of Guam. The Authority has no component units to be reported in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

c) New Accounting Standards

During the year ended September 30, 2017, the Authority implemented the following GASB Statements:

- GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statement 67 and 68*, which aligns the reporting requirements for pensions and pension plans not covered by GASB Statements 67 and 68 with the reporting requirements in Statement 68. The implementation of this Statement had a material impact on the financial statements resulting in the restatement of the Authority's 2016 financial statements to reflect the reporting of pension liabilities, deferred inflows of resources and deferred outflows of resources for ad hoc COLAs and supplemental annuity payments and recognition of pension expense pursuant to the provisions of GASB Statement 73. The 2016 financial statements were also restated due to changes in actuarial assumptions and other inputs used to determine the pension liabilities, deferred inflows of resources and deferred outflows of resources for qualified pension plan, as follows:

	As Previously Reported	Adjustment	As Restated
As of October 1, 2015:			
Net position	\$ 26,140,672	\$ (2,061,536)	\$ 24,079,136
For the year ended September 30, 2016:			
Change in net position	\$227,883	-	\$ 227,883
For the year ended September 30, 2016:			
Deferred outflows of resources from pension	\$ 1,561,435	\$ 411,710	\$ 1,973,145
Net pension liability	\$ (11,209,441)	\$ (2,465,381)	\$ (13,674,822)
Deferred inflows of resources from pension	\$ -	\$ (7,865)	\$ (7,865)
Net position	\$ 26,368,555	\$ (2,061,536)	\$ 24,307,019

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(1) *Summary of Significant Accounting Policies, continued*

c) New Accounting Standards, continued

- GASB Statement No. 74, *Financial Reporting for Postemployment benefits Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement addresses financial reporting requirements for governments whose employees are provided with postemployment benefits other than pensions or OPEB. The implementation of this Statement did not have a material effect on the Authority's financial statements.
- GASB Statement No. 77, *Tax Abatement Disclosures*, which requires governments that enter into tax abatement agreements to disclose certain information about the agreements.
- GASB Statement No.78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, which improves financial reporting by clarifying the financial statement presentation requirements for certain component units.
- GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73*. This Statement addresses the presentation of payroll –related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Except for GASB Statement No. 73, the implementation of the above Statements did not have a material effect on the Authority's financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-interest Agreements*. This Statement is intended to provide recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 81 is effective for fiscal years beginning after December 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. GASB Statement No. 83 will be effective for the fiscal year ending September 30, 2019. Management has not evaluated the impact that the implementation of this statement will have on the financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 will be effective for reporting periods after December 15, 2018. Management has not evaluated the impact that the implementation of this statement will have on the financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The provisions of this Statement are effective for fiscal years beginning after December 15, 2019. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

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(1) Summary of Significant Accounting Policies, continued

d) Fund Financial Statements

The accounts of GHURA are organized and operated on the basis of funds and grant programs. Fund financial statements report detailed information about the Authority. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position, revenues, and expenses. The focus of the fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in single separate columns to distinguish between federal and local funds. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

A fund is considered major if it is the primary operating fund or if the total assets, liabilities, revenues, or expenses of that individual enterprise fund are at least 10% of the corresponding total for all enterprise funds

The financial statements include certain prior-year summarized comparative information in total but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the GHURA's financial statements for the year ended September 30, 2017, from which the summarized information was derived.

e) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The Authority has elected to use proprietary fund types as its principle reporting. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The accounting objectives of its measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows of resources, liabilities deferred inflows or resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. GHURA's proprietary funds are enterprise funds used to account for those operations that are financed and operated in a manner similar to private business or where GHURA has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. All assets and liabilities that are associated with the operation of the Authority are included in the statement of net position. The principal operating revenues of the Authority are operating subsidies and administrative fees received from HUD and rental revenues received from residents.

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(1) Summary of Significant Accounting Policies, continued

e) Measurement Focus and Basis of Accounting, continued

Grants and similar items are recognized as revenue as soon as all eligible requirements have been met. Gains from sale of capital assets are included in non-operating revenues. Operating expenses of the Authority include the cost of operating housing units, cost of tenant services, protective services, general, administrative, maintenance, depreciation, and housing assistance payments.

Other expenses for the Authority include interest expense and loss from sale of capital assets. Housing assistance payments from HUD are received by the Authority for each unit rented to qualified tenants in the public housing and Section 8 programs. HUD grants associated with capital acquisition and improvements are considered non-operating revenues and are presented as such on the accompanying statement of revenues, expenses and changes in net position.

f) Budgets

Budgets are adopted for applicable enterprise funds on a basis consistent with generally accepted accounting principles. GHURA is not legally required to adopt budgets for such funds. However, GHURA has contractual requirements to adopt budgets for applicable HUD programs.

The Authority's governing body, the Board of Commissioners, adopts budgets on a program or fund level basis. These budgets are submitted by the Authority's Executive Director and approved by resolutions of the Board of Commissioners. The Authority is segmented into divisions and/or cost centers. These organizational units, individually and collectively, are expressed financially by program or fund source and budgets are developed annually for 12 months term, which begin October 1st and ends September 30th of fiscal each year. Annual budgets are adopted for all enterprise funds. Throughout the fiscal year, the Authority monitors and evaluates expenditure rates and patterns. The Authority's Board of Commissioners may authorize amendments to the budget based on the availability of financial resources. Formal budget revisions are authorized in the same manner as original budget submissions. When necessary, all HUD grant program revisions are submitted to HUD for required approval.

g) Cash and Investments

For purposes of the statement of cash flows, the Authority considers cash to be cash on hand, cash in checking and savings account and time certificates of deposit with original maturities of less than three months. GHURA's investments consist solely of restricted and unrestricted bank certificates of deposit with original maturities of more than three months. Time certificates of deposit with initial maturities of less than three months are included in cash and cash equivalents. Investments are stated at amortized costs including accrued interest.

All of GHURA's certificates of deposit and bank accounts are held with FDIC insured banks. GHURA maintains collateralization on all bank accounts and certificates of deposit. Of GHURA's cash and investment accounts, approximately \$14,192,853 and \$13,124,737 as of September 30, 2017 and 2016, respectively, and are deposited in financial institutions subject to coverage by the Federal Deposit Insurance Corporation (FDIC).

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(1) Summary of Significant Accounting Policies, continued

h) Accounts Receivables – Tenants

The Authority recognizes bad debts using the allowance method and is only written off after approval by management and subsequent reporting to the Board of Commissioners.

i) Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds and programs for goods and services rendered. The balances of these receivables/payables at September 30, 2017 are classified as due from other funds or due to other funds and are eliminated on the statement of net position for financial statement presentation.

j) Inventories

Inventories are stated at the lower of weighted average cost or market (net realizable value).

k) Prepayments

Payments made to vendors for services that will benefit future periods beyond September 30, 2017 are recorded as prepaid items.

l) Restricted Assets

Certain assets are classified as restricted because of the specific nature and purpose of their existence.

m) Capital Assets and Depreciation

All capital assets with a value greater than \$5,000 and a useful life over one year are capitalized. Capital assets are stated at cost or at estimated historical cost if actual historical cost is not available except for certain parcels of land donated by the Government of Guam, which are recorded at the estimated fair market value at date of donation.

The cost of maintenance and repairs is charged to operations as incurred and improvements are capitalized. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets. Property and equipment items for the Supportive Housing for the Elderly are stated at cost, while property that was donated or contributed is carried at the fair value on the date of donation or contribution.

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(1) Summary of Significant Accounting Policies, continued

m) Capital Assets and Depreciation, continued

Property and equipment items for this project are depreciated utilizing straight-line method over their estimated useful lives. Capital assets are depreciated on a straight-line basis method over estimated useful lives as follows:

<u>Category</u>	<u>Useful Life</u>
Buildings	40
Building Improvements	15
Equipment	5
Furniture and fixtures	7
Vehicles	5

Upon retirement or other disposition of capital assets recorded, the cost and related accumulated depreciation are removed from the respective program's or fund's accounts and any gain or loss is included in the respective program's or fund's current operations. The Authority also has other assets, which consist primarily of property inventory under the Local Funds programs.

Additionally, other assets include deferred charges, developmental costs, management improvements, and dwelling and non-dwelling costs from other various projects.

The Authority evaluates events or changes in circumstances affecting long-lived assets, including intangible and capital assets, to determine whether an impairment of its assets has occurred. If the Authority determines that a long-lived asset is impaired, and that the impairment is significant and other-than temporary, then an impairment loss will be recorded in the Authority's financial statements. In the current year, the Authority did not recognize any loss on impairment related to its long-lived assets.

n) Other Real Estate

Other real estate consists primarily of land transferred from the Government of Guam to the Authority to construct 500 single-family homes under the GHURA 500 Low Cost Housing Project. This property is recorded at the fair value less estimated selling cost. Valuations are periodically performed by management and property held for sale is carried at the lower of new cost basis or fair value less cost to sell. Impairment losses on property to be held and used are measured as the amount by which the carrying amount of the property exceeds its fair value. Costs of significant improvement are capitalized, whereas costs relating to holding property are expensed.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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September 30, 2017

(1) Summary of Significant Accounting Policies, continued

o) Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until then. The Authority has determined the differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and pension contributions made subsequent to the measurement date qualify for reporting in this category.

p) Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until then. The Authority has determined the differences between projected and actual earnings on pension plan investments and changes in proportion and differences between the Authority's pension contributions and proportionate share of contributions qualify for reporting in this category.

q) Pensions

Pensions are required to be recognized and disclosed using the accrual basis of accounting. The Authority recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents the Authority's proportional share of excess total pension liability over the pension plan assets – actuarially calculated – of a single employer defined benefit plan, measured one year prior to the fiscal year-end and rolled forward. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources, depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or as deferred outflows of resources, that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted-average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2017

(1) Summary of Significant Accounting Policies, continued

r) Compensated Absences

Compensated absences are accrued and reported as a liability in the period earned. Annual leave, expected to be paid out within the next fiscal year, is accrued and is included in current liabilities. The maximum accumulation of annual leave convertible to pay upon termination of employment is limited to 320 hours. Pursuant to Public Law 27-106, employees who have accumulated annual leave in excess of 320 hours as February 28, 2003, may carry over their excess leave and shall use the excess amount prior to retirement or termination of service. Any unused leave over 320 hours shall be lost upon retirement. At September 30, 2017 and 2016, accrued earned compensated absences totaled \$911,909 and \$836,639, respectively.

Pursuant to Public Law 26-86, employees under the Defined Contribution Retirement System (DCRS) plan, upon their retirement, will be paid by its employer a lump sum payment of their unused sick leave up to fifty percent (50%). At September 30, 2017, the total amount of unused sick leave for members under the DCRS plan was \$831,258 of which 50%, or \$415,629 was accrued in the accompanying financial statements while \$747,648 of which 50%, or \$373,824 was accrued as of September 30, 2017.

s) Unearned Revenues

The Authority reports unearned revenues on its Statement of Net position. Unearned revenues arise when resources arrive before the Authority has legal claim for them, such as when federal award money is received before the qualifying expenditure is made. In the subsequent period, when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net position, and the revenue is recognized.

t) Noncurrent Liabilities

Noncurrent liabilities include principal amounts of notes payable; and estimated amounts for accrued compensated absences for annual and sick leave earned by employees.

u) Management fees

In lieu of cost allocation plan, HUD now requires Housing Authorities to charge each AMP property management and bookkeeping fees (\$7.50 per eligible unit) and an asset management fee (\$10.00 per AMP unit). Such fees are accounted for in the Authority's Central Office Cost Center (COCC) which is reported in the Other Enterprise Funds. HUD regulates the amount of management fees that can be paid from its programs. Additionally, the COCC earns fees from local programs it administers. The Authority paid management fees to COCC of \$1,458,401 for the year ended September 30, 2017.

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(1) Summary of Significant Accounting Policies, continued

u) Administrative and General Expenses

Certain operating facilities and materials used by the programs are shared with other programs. Costs associated with these facilities and materials are accumulated and paid by a central disbursement fund which allocates such costs to the various programs based on each program's pro rata share of payroll hours.

v) Net Position

Net position represents the residual interest in the Authority's assets after liabilities are deducted and consist of three components: net investment in capital assets, restricted and unrestricted.

The net investment in capital assets component consist of capital assets net of related accumulated depreciation and reduced by outstanding debt, notes or other borrowing that are attributable to the acquisition, construction and improvements of those assets.

Restricted component of net position is reported when constraints are imposed by third parties, grantors or enabling legislation. The Authority's restricted component of net position is expendable which is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire with the passage of time.

All of the remaining net position that does not meet the definition of the other components is unrestricted.

w) HUD Subsidies and Contributions

Subsidies and contributions from HUD are received periodically and represent the most significant source of revenues and contributed capital to the Authority. The terms of these subsidies are defined in various Consolidated Annual Contributions Contracts.

HUD subsidies for ongoing operations and housing assistance payments for each unit rented to qualified tenants are recorded as operating grant revenues in the accompanying Statement of Revenues, Expenses and Changes in Net position. HUD contributions for project acquisition and development or modernization are recorded under non-operating revenues as capital grants in the accompanying Statement of Revenues, Expenses and Changes in Net position.

x) Tenant Rental Income

Revenue from rental charges to residents is recognized ratably over the terms of the lease agreements, which are generally on a month-to-month basis or 12-month period.

The allowance for doubtful accounts is determined based on management estimates. While management believes the amount is adequate, the ultimate uncollectible balance may differ from the amounts provided.

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Notes to Combined Financial Statements
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(1) Summary of Significant Accounting Policies, continued

y) Income Taxes

Income derived or generated by the Authority is not subject to federal income tax pursuant to Internal Revenue Code Section 115. The Authority is exempt from local property taxes.

z) Advertising and Marketing Expenses

The Authority incurred advertising and marketing costs totaling \$42,735 for the fiscal year ended September 30, 2017. These costs primarily relate to construction bids and related procurement solicitation costs.

aa) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

Cash and investments at September 30, 2017 consist of the following:

Cash on hand and due from banks	\$ 12,909,100
Investments	<u>1,283,753</u>
	<u>\$ 14,192,853</u>

Of the above cash and investments, \$2,882,847 was restricted at September 30, 2017. Refer to Note 3 for further discussion on restricted cash, cash equivalents and investments.

The deposits and investment policies of the Authority are governed by 5 GCA 21, *Investments and Deposits*. Legally authorized investments include securities issued or guaranteed by the U.S. Treasury or agencies of the United States government; demand and time deposits in or certificates of, or bankers' acceptances issued by, any eligible financial institution; corporate debt obligations, including commercial paper; certain money market funds; state and local government securities, including municipal bonds; and repurchase and investment agreements. With the exception of investments in U.S. government securities, where are explicitly guaranteed by the United States government, all other investments must be rated Aa1/P-1 by Moody's.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2017

(2) *Cash and Investments, continued*

a) Deposits

GASB Statement No. 3 requires government entities to categorize deposits to give an indication of the level of credit risk assumed by the entity at year-end based on the following categories:

Category 1 Deposits that are federally insured or collateralized with securities held by the Authority or its agent in the Authority's name;

Category 2 Deposits that are uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name; or

Category 3 Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent but not in Authority's name and non-collateralized deposits.

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 but retained disclosures for deposits falling under category 3. Category 3 deposits are those deposits that have exposure to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned it. Such deposits are not covered by depository insurance and are either uncollateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. The Authority has an investment and deposit policy for custodial credit risk. For deposits, a general depository agreement pursuant to HUD regulations must be executed by the Authority and the depository. The depository bank must be a bank or financial institution whose deposits are insured by FDIC, Federal Savings and Loan Insurance Corporation or the National Credit Union Administration and all deposits must be fully collateralized by U.S. securities.

For credit risk in the case of deposits, there is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2017 and 2016, the carrying amount of the Authority's total cash and cash equivalents was \$14,192,853 and \$13,124,737, respectively, with a corresponding bank balance of \$14,190,853 and \$13,122,832, respectively deposited in financial institutions insured by the Federal Deposit Insurance Corporation or fully collateralized by securities held by a trustee in the name of the financial institution. As of September 30, 2017 and 2016, bank deposits in the amount of \$14,190,853 and \$13,122,832 were in excess of FDIC insured limits of \$250,000 per depositor; are fully collateralized by U.S. securities. Accordingly, these deposits are exposed to custodial credit risk.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2017

(2) *Cash and Investments, continued*

b) Investments:

GASB Statement No. 3 previously required government entities to present deposit risks in terms of whether the deposits fell into the following categories:

Category 1: Investments that are insured or registered, or securities held by the Authority or its agent in the Authority's name;

Category 2: Investments that are uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the Authority's name; or

Category 3: Investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent but not in Authority's name.

GASB Statement No. 40 amended GASB Statement No. 3 to in effect eliminate disclosure for deposits falling into categories 1 and 2 and provided for disclosure requirements addressing other common risks of investments such as credit risk, interest rate risk, concentration of credit risk, and foreign currency risk. GASB Statement No. 40 did retain and expand the element of custodial risk in GASB Statement No. 3. As of September 30, 2017, the Authority did not have any investments subject to GASB Statement No. 40. The Authority's investments are in certificates of deposits placed with FDIC insured financial institutions and are all collateralized by U.S. securities.

Credit risk for investments is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Bank of Guam manages various special funds and invests securities in U.S. Treasuries, U.S. Agencies and Money Market Funds. The U.S. Treasuries are backed by the full faith and credit of the U.S. Government. While Agencies do have the same backing, they are implied to have the backing of the U.S. Government.

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(3) *Restricted Cash and Investments*

The restriction of the Authority's restricted cash and investments as of September 30, 2017 are summarized as follows:

Restricted cash:	
Public Housing	\$ 1,166,600
Section 8 HCV	999,998
Supportive Housing for the Elderly	417,268
Revolving Fund	101,254
Local Funds	12,870
Total restricted cash	2,697,990
Restricted investments:	
Supportive Housing for the Elderly	\$ -
Public Housing	184,857
Total restricted investments	184,857
Total restricted cash and investments	\$ 2,882,847

Supportive Housing for the Elderly

In accordance with the Farmers Home Administration loan covenants, the Authority is required to maintain a reserve account of \$168,600 to be held as collateral for loan reserves. Of this amount, no less than 50%, or \$84,300, shall be maintained in cash. The remaining 50% may be deposited or invested in time certificates of deposit which must be insured by the Federal Deposit Insurance Corporation. As of September 30, 2017, GHURA had \$401,233 and \$0 in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$16,035 in a restricted cash account tenant security deposits. Interest income earned is reinvested when related time certificates of deposit mature.

Section 8 HCV and Low Rent Housing

Escrow accounts have been established for Section 8 and Low Rent Public Housing participants in the Family Self-Sufficiency program (FSS). A portion of rent paid by residents participating in this program is held from them until the participating family meets individually established self-sufficiency goals. The escrow amount is remitted to the head of household upon completion of their specific work plan or thirty percent (30%) of the family's monthly adjusted income equals or exceeds the appropriate fair market rent. Escrows are nonrefundable if the family leaves the program. Interest is accrued on the account. FSS escrow amounts are held by the Authority for participants in the program. The Section 8 and Low Rent Public Housing totaled \$137,920 and \$1,934, and \$118,054 and \$96,711, for the year ended, September 30, 2017 and 2016, respectively.

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(3) Restricted Cash and Investments, continued

The Section 8 HCV program also has restricted cash of \$862,078 which represents the remaining housing assistance payment (HAP) revenue that has accumulated since January 1, 2005. HUDPIH Notice 2006-03 required that excess (unused) HAP funding received in excess of related HAP expenses, from the above date be recognized as revenue, and that the accumulated revenue (HAP equity) be segregated as part of undesignated fund balance. Upon further clarification by HUD in PIH Notice 2008-09, which was issued on January 30, 2008, concerning the implementation of the aforementioned notice, the associated cash related to the aforementioned HAP equity under proprietary fund reporting should be reported as restricted. These funds are available only for certain eligible HAP expenses and not for program administrative purposes.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,164,666, which consists primarily of a separate, HUD approved typhoon coverage self-insurance fund. Based on the terms of the self-insurance agreement with HUD, the Authority would need HUD's approval for any withdrawal and expenditure of these funds.

(4) Notes Receivable

Loans receivable consist primarily for first time homebuyers under the Authority's Down Payment and Closing Cost Assistance Program to provide assistance to eligible residents to purchase or construct a primary owner-occupied dwelling. The loans are interest free loan and with a maximum loan amount of the lesser of \$18,000 or 18% of the purchase price and are collateralized by second mortgages on real estate. Under the Renewal Homes Program, loans carry a 3% interest rate with a 30-year term. Loans receivable consists of the following as of September 30, 2017:

	Down Payment and Closing Cost Assistance Program	HOME Rehabilitation Program	Renewal Homes Program	Total
Due in varying monthly installments, interest free, with maturities to 2026 including loans	\$ 582,928	\$ 102,695	\$ -	\$ 685,623
Due in varying monthly installments, 3% interest, with maturities to 2047 including loans	-	-	2,981,773	2,981,773
	582,928	102,695	2,981,773	3,667,396
Current Portion	(70,617)	(17,447)	(158,610)	(246,674)
	<u>\$ 512,311</u>	<u>\$ 85,248</u>	<u>\$ 2,823,163</u>	<u>\$ 3,420,722</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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September 30, 2017

(5) *Inter-fund Receivable/Payable Accounts*

GHURA maintains inter-fund receivable and payable accounts for all housing projects and funds that it administers and reports inter-fund transfers between many of its funds. The outstanding balances between funds result mainly from time lags between the date that 1) inter-fund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. The amounts payable to the revolving fund are expected to be collected in the subsequent year. In accordance with GASBS No. 38, account balances for inter-fund activities were eliminated for financial statement reporting purposes.

The composition of the inter-fund receivable and payable balances as of September 30, 2017 is as follows:

	Due from Other Funds	Due to Other Funds	Net Receivable (Payable)
CDBG	\$ 100	\$ (150,180)	(150,080)
Low Income Housing	1,298,477	(1,315,722)	(17,245)
Public Housing Capital Fund	208,364	(43,279)	165,085
Economic, Social, Political and Development of the Territories	-	(1,300)	(1,300)
Section 8 Housing Choice Voucher	-	(739,316)	(739,316)
Supportive Housing for the Elderly	-	(168,895)	(168,895)
Non-major Enterprise Funds	7,149	(376,819)	(369,670)
Other Enterprise unds	4,726,890	(3,445,469)	1,281,421
Net Inter-Fund Balances	<u>\$ 6,240,980</u>	<u>\$ (6,240,980)</u>	<u>\$ -</u>

(6) *Other Real Estate*

The Government of Guam transferred 5 parcels of land to the Authority to construct 500 single-family homes under the GHURA 500 Low Cost Housing Project. Upon completion of the construction and the Authority's conversion from other comprehensive basis of accounting (HUD accounting) to GAAP, the estimated value per house based on the development cost incurred totaled \$34,653. As of September 30, 2017, the Authority had seventy-six (76) lots in its inventory with an estimated value of \$2,633,628. In addition, the Authority has five (5) lots in the Government of Guam Astumbo Housing Project with estimated per lot value of \$14,366 for a total estimated value of \$71,830 as of September 30, 2017.

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(7) Capital Assets

A summary of changes in capital assets for the years ended September 30, 2017 and 2016 are as follows:

September 2017	Balance 9/30/2016	Additions	Transfers/ Disposals	Balance 9/30/2017
Structures	\$ 91,012,175	\$ 1,442,175	\$ -	\$ 92,454,350
Furniture, fixtures and equipment	4,065,990	88,464	-	4,154,454
Leasehold Improvements	295,588	-	-	295,588
	<u>95,373,753</u>	<u>1,530,639</u>	<u>-</u>	<u>96,904,392</u>
Accumulated Depreciation	(75,911,337)	(2,376,574)	-	(78,287,911)
Net depreciable assets	19,462,416	(845,935)	-	18,616,481
Land	3,675,882	-	-	3,675,882
Net capital assets	<u>\$ 23,138,298</u>	<u>\$ (845,935)</u>	<u>\$ -</u>	<u>\$ 22,292,363</u>
September 2016	Balance 9/30/2015	Additions	Transfers/ Disposals	Balance 9/30/2016
Structures	\$ 89,714,789	\$ 1,297,386	\$ -	\$ 91,012,175
Furniture, fixtures and equipment	4,035,925	30,065	-	4,065,990
Leasehold Improvements	295,588	-	-	295,588
	<u>94,046,302</u>	<u>1,327,451</u>	<u>-</u>	<u>95,373,753</u>
Accumulated Depreciation	(72,636,918)	(3,274,419)	-	(75,911,337)
Net depreciable assets	21,409,384	(1,946,968)	-	19,462,416
Land	3,675,882	-	-	3,675,882
Net capital assets	<u>\$ 25,085,266</u>	<u>\$ (1,946,968)</u>	<u>\$ -</u>	<u>\$ 23,138,298</u>

(8) Notes Payable – Non-HUD

GHURA borrowed funds from an entity other than HUD to finance the construction of the elderly housing project, as follows as of September 30, 2017:

Due to USDA Rural Development, interest at 6%, principal and interest thereon payable at \$10,540 per month, maturing in April 2030, (Supportive Housing for the Elderly)	\$ 1,033,128
Current portion	<u>(66,000)</u>
	<u>\$ 967,128</u>

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(8) Notes Payable – Non-HUD, continued

Maturities of long-term debt are as follows:

Year ending September 30	Principal	Interest	Total Debt Service
2018	\$ 66,000	\$ 60,480	\$ 126,480
2019	70,379	56,101	126,480
2020	74,726	51,754	126,480
2021	79,341	47,139	126,480
2022	84,242	42,238	126,480
2023 through 2027	424,201	92,259	516,460
2028 through 2030	234,239	39,979	274,218
	<u>\$ 1,033,128</u>	<u>\$ 389,950</u>	<u>\$ 1,423,078</u>

(9) Noncurrent Liabilities

A summary of changes in noncurrent liabilities during fiscal year ended September 30, 2017 is as follows:

	(Restated) October 1, 2016	Increases	Decreases	September 30, 2017	Current	Noncurrent
Notes Payable	\$ 1,095,072	\$ -	\$ (61,944)	\$ 1,033,128	\$ 66,000	\$ 967,128
Compensated Absences	836,639	75,270	-	911,909	105,361	806,548
Other liabilities	-	2,981,773	-	2,981,773	-	2,981,773
Net Pension Liability	13,674,822	-	(338,460)	13,336,362	-	13,336,362
	<u>\$ 15,606,533</u>	<u>\$ 3,057,043</u>	<u>\$ (400,404)</u>	<u>\$ 18,263,172</u>	<u>\$ 171,361</u>	<u>\$ 18,091,811</u>

(10) HUD Contributions Earned - HAP

HUD contributions earned by GHURA consist of housing assistance payments and an administrative fee. The administrative fee is based on the number of units occupied. The Authority earned an administrative fee totaling \$2,299,569 for the fiscal year ended September 30, 2017, and is reported as a component of HUD PHA operating grants on the Statement of Revenues, Expenses and Changes in Net Position.

(11) Net Position - Section 8 Housing Choice Vouchers (HCV)

Beginning with the fiscal year ended September 30, 2010, HCV program equity is composed of Administrative Fee Equity and HAP Equity. Administrative Fee Equity, which consists of administrative fees earned in excess of program administrative expenses and can be utilized for administrative costs for the program or additional HAP to eligible families. HAP Equity, which represents excess HAP budget authority disbursed to the Authority that is not utilized to assist families and can be used only for HAP payments to eligible families.

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(11) Net Position - Section 8 Housing Choice Vouchers (HCV), continued

The net position of the Authority's Section 8 HCV program as of September 30, 2017 is comprised of the following:

	Balance at October 1, 2016	Prior Period Adjustment- Pension Expense	Balance at October 1, 2016 (Restated)	Net Change	Balance at September 30, 2017
Administrative Fee Equity:					
Invested in capital assets, net of related debt	\$ 165,973	\$ -	\$ 165,973	\$ 51,925	\$ 217,898
Unrestricted net position	(2,065,910)	(439,305)	(2,505,215)	687,942	(1,817,273)
Total Administrative Fee Equity	(1,899,937)	(439,305)	(2,339,242)	739,867	(1,599,375)
HAP Equity:					
Restricted net position	795,608	-	795,608	-	795,608
Total Housing Choice Voucher Equity	\$ (1,104,329)	\$ (439,305)	\$ (1,543,634)	\$ 739,867	\$ (803,767)

(12) Commitments

Housing Assistance Payments

At September 30, 2017 and 2016, GHURA had 2,560 and 2,436 voucher contracts, respectively, with dwelling owners, all of which are funded for a period of twelve months. Of the 2,414 vouchers leased-up, 112 were project-based vouchers located at the Summer Town Estate in Lada, Dededo. These units were fully occupied with elderly families as of September 30, 2016. The entire amount of assistance payments committed under these contracts will be funded by HUD.

Local Funds

Proceeds from the sale of property in the amount of \$460,000 have been committed for use in a construction project jointly agreed to by GHURA and the Government of Guam. A total of \$459,403 had been expended for the construction project prior to the fiscal year ended September 30, 2016. On October 13, 2014, Bill number 327-32 (COR) was signed into law (Public Law 32-194) that placed the custodianship, discretion, and purview of the GHURA 500 lot land sales under GHURA.

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(12) Commitments, continued

Construction Work-in-Progress

GHURA has entered into development stage contracts for certain programs. Unliquidated contracts as of September 30, 2017 are as follows:

	Contract Amount	Liquidations	Unliquidated Contract
Low Income Housing	\$ 1,515,470	\$ (1,278,664)	\$ 236,806
Supportive Housing for the Elderly	293,811	(293,811)	-
CDBG Grants	3,487,314	(860,606)	2,626,708
Other Projects	1,281,170	(1,229,985)	51,185
Total	<u>\$ 6,577,765</u>	<u>\$ (3,663,066)</u>	<u>\$ 2,914,699</u>

(13) Employees Retirement Plan

Defined Benefit Plan

Plan Description:

The Authority participates in the Government of Guam Defined Benefit (DB) Plan, a cost-sharing single-employer defined benefit pension plan administered by the Government of Guam Retirement Fund (GGRF). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Guam Legislature. Article 1 of 4 GCA 8, Section 8105, requires that all employees of the Government of Guam (GovGuam), regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of a public corporation of GovGuam, which includes the Authority, have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS). Therefore, the DB Plan became a closed group.

A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website www.ggrf.com.

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(13) *Employees Retirement Plan, continued*

Defined Benefit Plan, continued

Plan Membership: As of September 30, 2016, the most recent measurement date, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	7,298
Terminated employees entitled to benefits but not yet receive them	4,463
Current members	<u>2,208</u>
	<u>13,969</u>

Benefits Provided: The DB Plan provides benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or \$6,000, whichever is greater.

Members who joined the DB Plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age.

Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984 and prior to October 1, 1995 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age.

Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon the attainment of the age of 60 years. In the event of disability during employment, members under the age of 65 with six or more years of credited service, who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

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(13) Employees Retirement Plan, continued

Contributions and Funding Policy:

Contribution requirements of participating employers and active members are determined in accordance with Guam law. Employer contributions are actuarially determined under the One-Year Lag methodology. Under this methodology, the actuarial valuation date is used for calculating the employer contributions for the second following fiscal year. For example, the September 30, 2015 actuarial valuation was used for determining the year ended September 30, 2017 statutory contributions. Member contributions are required at 9.55% of base pay (9.54% in 2016).

As a result of actuarial valuations performed as of September 30, 2015, 2014, and 2013, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2017, 2016 and 2015, respectively, have been determined as follows:

	2017	2016	2015
Normal Cost, as % of DB Plan payroll	16.27%	15.86%	15.92%
Employee contributions (DB Plan employees)	9.55%	9.54%	9.55%
Employer portion of normal costs (% of DB Plan payroll)	6.72%	6.32%	6.37%
Employer portion of normal cost, % of total payroll	1.87%	1.94%	2.05%
Unfunded liability costs, as % of total payroll	21.60%	22.42%	24.09%
Government contribution as % of DB Plan payroll	23.47%	24.36%	26.14%

The statutory contribution rates as a percent of the DB payroll is as follows:

	2017	2016	2015
Employer rate	27.41%	28.16%	29.85%
Employee rate	9.55%	9.54%	9.55%

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(13) Employees Retirement Plan, continued

Actuarial Assumptions: Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The methods and assumptions used to determine contribution rates are as follows:

Valuation date:	September 30, 2015
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	14.58 years
Asset Valuation Method:	3-year smoothed market value
Inflation:	2.75%
Total payroll growth:	3.00% per year
Salary increases:	4.50% to 7.50%
Expected rate of return:	7.00%
Discount rate:	6.70%
Retirement age:	40% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 15% until age 65, 20% from 65-69, and 100% at age 70.
Mortality:	RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP-2000 disability mortality table with no set forwards.
Other information:	Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012.

Discount Rate: The total pension liability is calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except ad hoc cost-of-living adjustments (COLA) and supplemental annuity (SA) payments to DB retirees. The rate of return of a high quality bond index applies to the ad hoc COLAs and supplemental annuity payments to DB retirees, which are not funded by plan assets. The calculated blended rate is 6.70% as described above.

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(13) Employees Retirement Plan, continued

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.70%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	<u>5.70%</u>	<u>6.70%</u>	<u>7.70%</u>
Net Pension Liability	<u>\$ 13,769,684</u>	<u>\$ 11,293,296</u>	<u>\$ 9,161,797</u>

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees

Plan Description: The Authority participates in the GovGuam ad hoc COLA/supplemental annuity plan for DB retirees, a single-employer defined benefit pension plan administered by the GGRF. The Authority considers this as a separate pension plan for DB retirees. A single actuarial calculation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required information for this plan. That report may be obtained by writing to the Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website www.ggrf.com.

Plan Membership: The plan membership is the same as the DB plan described above.

Benefits Provided, Contributions and Funding Policy: Ad hoc COLA and supplemental annuity benefits are provided to members and beneficiaries at the discretion of the Guam Legislature, but are funded on a "pay-as-you-go" basis so there is no plan trust. Ad hoc COLAs are made through annual allocations of \$2,000 per year. In addition, DB Plan retired members and spouse survivors whose benefits commenced prior to October 1, 1995, have received supplemental annuity payments in the amount of \$4,238 per year, but not to exceed \$40,000 per year when combined with their regular annual retirement annuity. It is anticipated that ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently paid.

The Authority's contributions to Ad Hoc COLA/Supplemental Annuity Plan for DB retirees for the years ended September 30, 2017 and 2016 were \$172,529 and \$170,730, respectively, which were equal to the statutorily contributions.

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(13) *Employees Retirement Plan, continued*

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees, continued

Actuarial Assumptions: The methods and assumptions used to determine contribution rates are as follows:

Valuation date:	September 30, 2015
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Inflation:	2.75%
Total payroll growth:	3.00% per year
Salary increases:	4.50% to 7.50%
Discount rate:	6.70%
Retirement age:	40% are assumed to retire upon first eligibility for unreduced retirement. Thereafter, the probabilities of retirement are 15% until age 65, 20% from 65-69, and 100% at age 70.
Mortality:	RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP-2000 disability mortality table with no set forwards.
Other information:	Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012.

Discount Rate: The total pension liability is calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments to DB retirees. The rate of return of a high quality bond index applies to the ad hoc COLAs and supplemental annuity payments to DB retirees, which are not funded by plan assets. The calculated blended rate is 6.70% as described above.

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(13) Employees Retirement Plan, continued

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees, continued

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.70%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	<u>5.70%</u>	<u>6.70%</u>	<u>7.70%</u>
Net Pension Liability	<u>\$ 1,638,034</u>	<u>\$ 1,522,308</u>	<u>\$ 1,419,863</u>

Ad Hoc COLA Plan for DCRS Retirees

Plan Description: The Authority participates in the GovGuam ad hoc COLA plan for DCRS retirees, a single-employer defined benefit pension plan administered by the GGRF. The Authority considers this as a separate pension plan for DCRS retirees. A single actuarial calculation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required information for this plan. That report may be obtained by writing to the Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website www.ggrf.com.

Plan Membership: As of September 30, 2016, the most recent measurement date, plan membership consisted of 8,858 active DCRS participants.

Benefits Provided, Contributions and Funding Policy: Ad hoc COLA benefits, contributions and funding policy are the same as those for DB retirees.

The Authority's contributions to the Ad Hoc COLA Plan for DCRS retirees for the years ended September 30, 2017 and 2016 were \$10,000 and \$12,000, respectively, which were equal to the statutorily required contributions.

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(13) Employees Retirement Plan, continued

Ad Hoc COLA Plan for DCRS Retirees, continued

Actuarial Assumptions: The methods and assumptions used to determine contribution rates are as follows:

Valuation date:	September 30, 2015
Actuarial Cost Method:	Entry age normal
Amortization Method:	Level percentage of payroll, closed
Inflation:	2.75%
Total payroll growth:	3.00% per year
Salary increases:	4.50% to 7.50%
Discount rate:	3.058%
Retirement age:	5% per year from age 55 to 64, 10% per year from age 65 to 74, and 100% at age 75.
Mortality:	RP-2000 healthy mortality table set forward by 4 years for males and 1 year for females. Mortality for disabled lives is the RP-2000 disability mortality table with no set forwards.
Other information:	Actuarial assumptions are based upon periodic experience studies. The last experience study reviewed experience from 2007-2011, and was first reflected in the actuarial valuation as of September 30, 2012.

Discount Rate: The total pension liability is calculated using a discount rate of 3.038% that is the high quality bond index rate. The rate of return of a high quality bond index applies to the benefit payments that are not funded by the plan.

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.058%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	<u>2.058%</u>	<u>3.058%</u>	<u>4.058%</u>
Net Pension Liability	<u>\$ 594,854</u>	<u>\$ 520,758</u>	<u>\$ 457,710</u>

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(13) Employees Retirement Plan, continued

Pension Liability: At September 30, 2017 and 2016, the Authority reported a net pension liability for its proportionate share of the Government of Guam's net pension liability which is comprised of the following:

	2017	2016
Defined Benefit Plan	\$ 11,293,296	\$ 11,754,627
Ad Hoc COLA/Supplemental Annuity for DB Retirees	1,522,308	1,485,317
Ad Hoc COLA/Supplemental Annuity for DB	520,758	434,878
Total Net Pension Liability	\$ 13,336,362	\$ 13,674,822

The Authority's proportion of the Government of Guam net pension liabilities are based on projection of the Authority's long-term contributions to the pension plans relative to the projected contributions of the Government of Guam and its component units, actuarially determined. At September 30, 2017 and 2016, the Authority's proportionate shares of the Government of Guam net pension liabilities were as follows:

	2017	2016
Defined Benefit Plan	0.83%	0.82%
Ad Hoc COLA/Supplemental Annuity for DB Retirees	0.66%	0.63%
Ad Hoc COLA/Supplemental Annuity for DB	0.84%	0.83%

Pension Expense: For the years ended September 30, 2017 and 2016, the Authority recognized pension expense from the above plans as follows:

	2017	2016
Defined Benefit Plan	\$ 1,157,328	\$ 1,273,452
Ad Hoc COLA/Supplemental Annuity for DB Retirees	187,827	137,562
Ad Hoc COLA/Supplemental Annuity for DB	48,100	40,814
Total Net Pension Expense	\$ 1,393,255	\$ 1,451,828

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(13) Employees Retirement Plan, continued

Deferred Outflows and Inflows of Resources: At September 30, 2017 and 2016, the Authority reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017					
	Defined Benefit Plan		Ad Hoc COLA/SA Plan for DB Retirees		Ad Hoc COLA Plan Plan for DCRS Retirees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 37,204	\$ 119	\$ -	\$ 10,052	\$ 4,383
Net difference between projected and actual earnings on pension plan investments	-	59,069	-	-	-	-
Change in assumptions	32,155	-	1,570	-	56,872	-
Authority contributions subsequent to the measurement date	1,295,618	-	172,529	-	10,000	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>22,477</u>	<u>-</u>	<u>18,148</u>	<u>-</u>	<u>38,813</u>	<u>-</u>
Total	<u>\$ 1,350,250</u>	<u>\$ 96,273</u>	<u>\$ 192,366</u>	<u>\$ -</u>	<u>\$ 115,737</u>	<u>\$ 4,383</u>
	2016 (as Restated)					
	Defined Benefit Plan		Ad Hoc COLA/SA Plan for DB Retirees		Ad Hoc COLA Plan Plan for DCRS Retirees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 140,580	\$ -	\$ -	\$ 3,247	\$ -	\$ 4,618
Net difference between projected and actual earnings on pension plan investments	126,671	-	-	-	-	-
Change in assumptions	157,913	-	7,548	-	19,735	-
Authority contributions subsequent to the measurement date	1,168,865	-	170,730	-	12,000	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>125,319</u>	<u>-</u>	<u>7,327</u>	<u>-</u>	<u>36,457</u>	<u>-</u>
Total	<u>\$ 1,719,348</u>	<u>\$ -</u>	<u>\$ 185,605</u>	<u>\$ 3,247</u>	<u>\$ 68,192</u>	<u>\$ 4,618</u>

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(13) *Employees Retirement Plan, continued*

Deferred outflows of resources at September 30, 2016, resulting from the Authority’s employer contributions subsequent to the measurement date will be recognized as a decrease in net pension liability in the year ending September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>September 30</u>		
2018	\$	(3,342)
2019	\$	3,462
2020	\$	13,371
2021	\$	7,881
2022	\$	(493)
Thereafter	\$	(5,038)

Defined Contribution Retirement System (DCRS)

Contributions into the Defined Contribution Retirement System (DCRS) plan by members are based on an automatic deduction of 5% of the member’s regular base pay. The contribution is periodically deposited into an individual investment account within the DCRS. Employees are afforded the opportunity to select from different investment accounts available under the DCRS.

Statutory employer contributions into the DCRS plan for the years ended September 30, 2017 and 2016 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 5% of the member’s regular pay is deposited into the member’s individual investment account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

Members of the DCRS plan, who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

For the year ended September 30, 2017, the retirement expense contribution was \$339,191 and \$845,611 for the DB and DCRS Plans, respectively, and for the year ended September 30, 2016, the retirement expense contribution was \$343,162 and \$825,702 for the DB and DCRS Plans, respectively.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(13) *Employees Retirement Plan, continued*

Other Post-Employment Benefits

GovGuam, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a cost-sharing multiple employer defined benefit plan to provide certain postretirement healthcare benefits to retirees who are members of the GovGuam Retirement Fund. Under the Plan, known as the GovGuam Group Health Insurance Program, GovGuam provides medical, dental, and life insurance coverage. The retiree medical and dental plans are fully-insured products provided through insurance companies. GovGuam shares in the cost of these plans, with GovGuam's contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, GovGuam contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, GovGuam provides retirees with \$10,000 of life insurance coverage through an insurance company. Retirees do not share in the cost of this coverage. Because the Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

(14) *Risk Management*

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; operation liability, errors and omissions, employee injuries and illnesses; employee health, dental and accident benefits and natural disasters. The Authority maintains commercial insurance to provide for claims arising from most of these risks except for typhoon insurance.

Beginning in fiscal year 2005, the Authority decided to stop carrying commercial insurance for typhoon coverage because it was cost prohibitive. A typhoon insurance coverage waiver was granted by HUD provided that the Authority establish and maintain a separate typhoon coverage escrow account in which it will deposit \$200,000 annually until the account balance reaches a minimum of balance of \$1 million. HUD must approve each draw against the typhoon coverage escrow account. When funds are used to pay typhoon claims, the Authority must replenish the escrow account on an annual basis to maintain the \$1 million minimum balance. As of September 30, 2017, the Authority had deposited \$1,045,169 into the typhoon coverage escrow account.

There were no material losses sustained as a result of GHURA's risk management practices.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Notes to Combined Financial Statements
September 30, 2017

(15) Contingencies

Federal Award Programs

The Authority participates in a number of federal award programs for specific purposes that are subject to review and audit by grantor agencies, namely the U.S. Department of Housing and Urban Development. Cumulative questioned costs of \$97,751 exist from these audits as of September 30, 2017. The questioned costs will be resolved by the applicable grantor agency and due to the Authority's inability to predict the ultimate outcome of this matter, no provision for any liability, if any that may result from this matter has been made in the accompanying financial statements. Such questioned costs could lead to requests for reimbursements from the grantor agency for expenditures disallowed under the terms of the applicable grant.

In addition, an on-site review was conducted by HUD's Departmental Enforcement Center (DEC) during June 2014. DEC recommended to HUD that the Authority repay \$577,626 and \$1,405,940 for matters involving a conflict of interest and unused funds for the construction of new building for the Authority, respectively. These matters and the related amounts are under review with HUD's Honolulu Field Office and shared with the Authority for further discussions. No decisions have been made at this time. Due to the Authority's inability to predict the ultimate outcome of these matters, no provision for any liability, if any that may result from these matters has been made in the accompanying financial statements. Such matters could lead to a request for reimbursement.

Litigation

GHURA is subject to various claims, unlawful detainer complaints and other legal actions in the normal course of business. GHURA consults their legal counsel whenever there is a potential or asserted claim and relies on the advice of counsel for direction and for establishing reserves for potential unfavorable outcomes.

The Authority is involved in one adverse action appeal cases filed by employees for wrongful termination. The employee filed and prevailed on the appeal with the Guam Civil Service Commission seeking reinstatement, compensation for back wages from the date of termination dating back to July 6, 2006 to the date of reinstatement which was March 25, 2014. These claims are not covered by insurance held by the Authority. The Authority is currently seeking to resolve this issue of appellant's back wages with the employee. The estimated amount of damages may range approximately between \$45,376 to \$65,000. However, no additional provision for potential liability that may result from this claim has been recorded in the accompanying financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
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Notes to Combined Financial Statements
September 30, 2017

(15) Contingencies, continued

HUD

During FY 2015, the Authority received a letter from the U.S. Department of Housing and Urban Development (HUD) dated May 26, 2015 informing the Authority of HUD's Departmental Enforcement Center's (DEC) on-site review whose report was dated February 20, 2015. Based on the results of the on-site review, several instances of conflict of interest were cited including one pertaining to the Authority's prior legal counsel who was a landlord with the Section Housing 8 Housing Choice Voucher Program (HCV) while serving as legal counsel for the Authority. DEC recommended that the Authority repay \$577,626 from its non-federal funds for the amounts paid to the attorney as a landlord and for legal services paid while serving as legal counsel to the Authority. The report is under review with HUD's Honolulu Field Office and shared with the Authority for further discussions. No decisions have been made at this time.

During 2004, the Authority transferred \$1,700,940 from its HCV Program's unrestricted net assets to its Low Rent Public Housing Program to construct a new building for its central operations. The Authority spent approximating \$295,000; however, the new building was not constructed. DEC is recommending that the Authority use non-federal funds repay \$1,405,940 to the HCV Program for the unused funds. The report is under review with HUD's Honolulu Field Office and shared with the Authority for further discussions. No decisions have been made at this time. Therefore, no liability which may ultimately arise from these matters have been recorded in the accompanying financial statements.

(16) Economic Dependency

HUD and other federal government agencies provided approximately \$41 million in 2017 to the Authority, which represents approximately 97.5% of the Authority's total revenues for the year ended September 30, 2017.

(17) Fair Value of Financial Instruments

The Authority's financial instruments are cash and investments in time certificates of deposit, receivables from tenants and Government agencies, prepayments, other real estate held for resale, payables and long-term debt. The recorded values of these financial instruments approximate their fair value based on their short-term nature.

(18) Subsequent Events

During February 2018, six former Board of Commissioners and the Executive Director of the Authority were accused of conspiracy, official misconduct and violating the Government of Guam's Open Government Law. All of such charges misdemeanors. The Executive Director pleaded guilty of the misdemeanor charge of violating the Open Government Law. The case against the six Board of Commissioners is on-going and at various stages.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Fiscal Years*

Defined Benefit Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Government of Guam net pension liability	\$ 1,368,645,131	\$ 1,436,814,230	\$ 1,246,306,754	\$ 1,303,303,636
The Authority's proportionate share of the net pension liability	\$ 11,293,296	\$ 11,754,627	\$ 9,785,625	\$ 11,952,878
The Authority's proportionate share of the net pension liability	0.83%	0.82%	0.79%	0.92%
The Authority's covered-employee payroll**	\$ 4,177,882	\$ 4,183,506	\$ 4,404,881	\$ 4,244,960
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	270.31%	280.98%	222.15%	281.58%
Plan Fiduciary net position as a percentage of the total pension liability	36.99%	35.59%	45.01%	35.51%

* This data is presented for those years for which information is available.

** Covered-employee payroll data from the actuarial valuation date with one-year lag.

See accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Fiscal Years*

Ad Hoc COLA/Supplementary Annuity Plan for DB Retirees

	2017	2016
Total Government of Guam net pension liability***	\$ 229,486,687	\$ 235,799,709
The Authority's proportionate share of the net pension liability	\$ 1,522,308	\$ 1,485,317
The Authority's proportionate share of the net pension liability	0.66%	0.63%
The Authority's covered-employee payroll**	\$ 3,358,707	\$ 3,221,129
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	45.32%	46.11%
Plan Fiduciary net position as a percentage of the total pension liability	220.63%	216.86%

* This data is presented for those years for which information is available.

** Covered-employee payroll data from the actuarial valuation date with one-year lag.

*** No assets accumulated in a trust to pay benefits.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Required Supplemental Information (Unaudited)
Schedule of Proportional Share of the Net Pension Liability
Last 10 Fiscal Years*

Ad Hoc COLA Plan for DCRS Retirees

	2017	2016
Total Government of Guam net pension liability***	\$ 61,688,067	\$ 52,115,736
The Authority's proportionate share of the net pension liability	\$ 520,758	\$ 434,878
The Authority's proportionate share of the net pension liability	0.84%	0.83%
The Authority's covered-employee payroll**	\$ 3,081,842	\$ 2,969,758
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	16.90%	14.64%

* This data is presented for those years for which information is available.

** Covered-employee payroll data from the actuarial valuation date with one-year lag.

*** No assets accumulated in a trust to pay benefits.

See accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Required Supplemental Information (Unaudited)
Schedule of Pension Contributions
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,168,865	\$ 1,134,630	\$ 1,134,630	\$ 1,134,630
Contribution in relation to the actuarially determined contribution	<u>1,026,634</u>	<u>1,100,398</u>	<u>1,314,859</u>	<u>1,206,032</u>
Contribution (excess) deficiency	<u>\$ 142,231</u>	<u>\$ 34,232</u>	<u>\$ (180,229)</u>	<u>\$ (71,402)</u>
Center's covered-employee payroll	<u>\$ 4,177,882</u>	<u>\$ 4,183,506</u>	<u>\$ 4,404,881</u>	<u>\$ 4,244,960</u>
Contribution as a percentage of covered-employee payroll	24.57%	26.30%	29.85%	28.41%

* This data is presented for those years for which information is available.

** Covered-employee payroll data from the actuarial valuation date with one-year lag.

See accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)

Supplementary Information

Schedule of Salaries, Wages and Benefits
For the Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Salaries	\$ 4,380,426	\$ 4,231,294
Retirement benefits	1,184,801	1,191,532
Benefits other than retirement	386,656	360,666
Overtime pay	<u>125,887</u>	<u>74,891</u>
Total salaries, wages and benefits	<u>\$ 6,077,770</u>	<u>\$ 5,858,383</u>
Employees at end of year	<u>94</u>	<u>94</u>

Note 1: The salaries, wages and benefits noted above are reported in the accompanying financial statements on a functional basis by program for the years ended September 30, 2017 and 2016.

See Accompanying Independent Auditors' Report.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position
September 30, 2017

Assets	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Public Housing Capital Fund Program	Supportive Housing for the Elderly
Current assets:						
Cash:						
Unrestricted	\$ 9,301,380	\$ 35,060	\$ 7,841,932	\$ 1,349,248	\$ -	\$ 75,140
Restricted - security deposits	16,035	-	-	-	-	16,035
Restricted - FSS escrow account	139,854	-	1,934	137,920	-	-
Restricted - other	2,427,977	-	1,164,666	862,078	-	401,233
Total cash	<u>11,885,246</u>	<u>35,060</u>	<u>9,008,532</u>	<u>2,349,246</u>	<u>-</u>	<u>492,408</u>
Accounts receivable:						
Tenants	118,229	-	15,410	97,162	-	5,657
HUD	249,638	172,902	280	(53,405)	129,861	-
Federal government	-	-	-	-	-	-
Due from other funds	1,506,941	100	1,298,477	-	208,364	-
Interest	190	-	190	-	-	-
Other	314,534	-	-	306,925	-	7,609
	<u>2,189,532</u>	<u>173,002</u>	<u>1,314,357</u>	<u>350,682</u>	<u>338,225</u>	<u>13,266</u>
Allowance for doubtful accounts	(30,487)	-	(18,722)	-	-	(11,765)
Total accounts receivable, net	<u>2,159,045</u>	<u>173,002</u>	<u>1,295,635</u>	<u>350,682</u>	<u>338,225</u>	<u>1,501</u>
Investments:						
Unrestricted	1,023,726	-	1,023,726	-	-	-
Restricted/reserved by fiscal agent	184,857	-	184,857	-	-	-
Total investments	<u>1,208,583</u>	<u>-</u>	<u>1,208,583</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prepayments and other current assets	<u>9,861</u>	<u>-</u>	<u>9,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	<u>268,095</u>	<u>-</u>	<u>261,213</u>	<u>-</u>	<u>-</u>	<u>6,882</u>
Total current assets	<u>15,530,830</u>	<u>208,062</u>	<u>11,783,824</u>	<u>2,699,928</u>	<u>338,225</u>	<u>500,791</u>
Noncurrent assets:						
Capital assets, net	21,419,080	122,917	10,418,752	217,898	8,638,817	2,020,696
Other assets	-	-	-	-	-	-
Total noncurrent assets	<u>21,419,080</u>	<u>122,917</u>	<u>10,418,752</u>	<u>217,898</u>	<u>8,638,817</u>	<u>2,020,696</u>
Total assets	<u>36,949,910</u>	<u>330,979</u>	<u>22,202,576</u>	<u>2,917,826</u>	<u>8,977,042</u>	<u>2,521,487</u>
Deferred outflows of resources from pension	1,147,353	239,448	520,424	353,258	-	34,223
Total assets and deferred outflows of resource	<u>\$ 38,097,263</u>	<u>\$ 570,427</u>	<u>\$ 22,723,000</u>	<u>\$ 3,271,084</u>	<u>\$ 8,977,042</u>	<u>\$ 2,555,710</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position, Continued
September 30, 2017

Liabilities and Net Position	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Public Housing Capital Fund Program	Supportive Housing for the Elderly
Current liabilities:						
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	49,835	1,978	6,520	28,624	-	12,713
Current portion of long-term debt	66,000	-	-	-	-	66,000
Current portion of compensated absences	69,723	20,530	25,552	22,976	-	665
Due to HUD	9,150	-	767	8,383	-	-
Due to other funds	2,417,392	150,180	1,315,722	739,316	43,279	168,895
Security deposits	137,936	4,188	119,497	-	-	14,251
FSS - tenant escrow	244,566	-	106,646	137,920	-	-
Accrued salaries and wages	150,206	16,714	70,991	51,542	4,574	6,385
Accrued liabilities - PILOT	122,189	-	122,189	-	-	-
Deferred revenues	413,444	83,901	(8,294)	31,864	305,973	-
Other current liabilities	916	-	916	-	-	-
Total current liabilities	3,681,357	277,491	1,760,506	1,020,625	353,826	268,909
Noncurrent liabilities:						
Net pension liability	9,226,945	1,925,638	4,185,214	2,840,875	-	275,218
Long-term debt, net of current portion	967,128	-	-	-	-	967,128
Accrued compensated absences	285,348	71,421	114,027	94,101	-	5,799
Other long-term liabilities	280,906	105,280	77,817	97,809	-	-
Total noncurrent liabilities	10,760,327	2,102,339	4,377,058	3,032,785	-	1,248,145
Total liabilities	14,441,684	2,379,830	6,137,564	4,053,410	353,826	1,517,054
Deferred inflows of resources	69,643	14,535	31,590	21,441	-	2,077
Net position:						
Investment in capital assets, net of related debt	20,385,952	122,917	10,418,752	217,898	8,638,817	987,568
Restricted	1,397,733	-	184,857	795,608	-	417,268
Unrestricted	1,802,251	(1,946,855)	5,950,237	(1,817,273)	(15,601)	(368,257)
Total net position	23,585,936	(1,823,938)	16,553,846	(803,767)	8,623,216	1,036,579
Total liabilities, deferred inflows of resources and net position	\$ 38,097,263	\$ 570,427	\$ 22,723,000	\$ 3,271,084	\$ 8,977,042	\$ 2,555,710

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Public Housing Capital Fund Program	Supportive Housing for the Elderly
Operating revenues:						
HUD PHA Operating Grants	\$ 37,885,907	\$ 1,575,639	\$ 4,313,052	\$ 31,147,358	\$ 241,872	\$ 607,986
Other Government Grants	-	-	-	-	-	-
Tenant rental income	547,896	25,295	421,219	-	-	101,382
Other income	94,977	4,861	89,646	-	470	-
Total operating revenues	<u>38,528,780</u>	<u>1,605,795</u>	<u>4,823,917</u>	<u>31,147,358</u>	<u>242,342</u>	<u>709,368</u>
Operating expenses:						
Housing assistance payments	28,688,535	-	-	28,688,535	-	-
Repairs and maintenance	1,862,193	795,104	1,055,192	-	-	11,897
Salaries and wages	2,323,011	323,723	862,537	961,134	89,240	86,377
Depreciation	2,375,112	12,714	1,292,723	18,847	954,562	96,266
Other administrative expenses	708,254	398,760	179,650	59,056	40,301	30,487
Management fees	1,058,193	-	604,546	343,224	70,225	40,198
Employee benefits	709,007	106,011	192,855	355,270	32,581	22,290
Office expense	416,675	110,915	102,243	194,838	-	8,679
Bookkeeping fees	280,208	-	65,693	214,515	-	-
Insurance	119,160	2,264	105,825	5,546	-	5,525
Utilities	367,758	811	188,509	-	-	178,438
Asset management fees	90,000	-	90,000	-	-	-
Payments in-lieu of taxes	-	-	-	-	-	-
Professional fees	72,363	23,322	14,094	34,403	-	544
Travel	-	-	-	-	-	-
Protective services	12,512	2,662	9,470	-	-	380
Bad debts	(9,321)	-	(10,570)	-	-	1,249
Advertising and marketing	27,916	12,582	7,992	7,080	-	262
Compensated absences	104,370	53,850	9,344	35,489	-	5,687
Total operating expenses	<u>39,205,946</u>	<u>1,842,718</u>	<u>4,770,103</u>	<u>30,917,937</u>	<u>1,186,909</u>	<u>488,279</u>
Operating income (loss)	<u>(677,166)</u>	<u>(236,923)</u>	<u>53,814</u>	<u>229,421</u>	<u>(944,567)</u>	<u>221,089</u>
Non-operating revenues (expenses):						
Interest income on restricted investments	-	-	-	-	-	-
Interest income on unrestricted investments	12,236	-	12,236	-	-	-
Interest expense	(64,537)	-	-	-	-	(64,537)
Capital grants	1,289,709	-	-	-	1,289,709	-
Fraud recovery	30,115	-	-	30,115	-	-
Casualty loss	-	-	-	-	-	-
Gain on sale of fixed assets	-	-	-	-	-	-
Other income	248,764	-	12,938	231,250	-	4,576
Total non-operating revenues (expenses), net	<u>1,516,287</u>	<u>-</u>	<u>25,174</u>	<u>261,365</u>	<u>1,289,709</u>	<u>(59,961)</u>
Change in net position	<u>839,121</u>	<u>(236,923)</u>	<u>78,988</u>	<u>490,786</u>	<u>345,142</u>	<u>161,128</u>
Net position at beginning of year	24,241,340	(1,285,715)	17,185,234	(855,248)	8,278,074	918,995
Prior period adjustment, pension	(1,494,525)	(301,300)	(710,376)	(439,305)	-	(43,544)
Total net position at beginning of year, as restated	<u>22,746,815</u>	<u>(1,587,015)</u>	<u>16,474,858</u>	<u>(1,294,553)</u>	<u>8,278,074</u>	<u>875,451</u>
Total net position at end of year	<u>\$ 23,585,936</u>	<u>\$ (1,823,938)</u>	<u>\$ 16,553,846</u>	<u>\$ (803,767)</u>	<u>\$ 8,623,216</u>	<u>\$ 1,036,579</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Cash Flows
For the Year Ended September 30, 2017

	Total	Community Development Block Grant	Low Income Housing	Section 8 Housing Choice Voucher	Public Housing Capital Fund Program	Supportive Housing for the Elderly
Cash flows from operating activities:						
Operating grants received	\$ 38,200,941	\$ 1,849,560	\$ 4,312,660	\$ 31,187,430	\$ 243,305	\$ 607,986
Other federal grants received	-	-	-	-	-	-
Receipts from customers and tenants	661,827	26,893	533,908	-	-	101,026
Assistance paid	(28,892,485)	-	-	(28,892,485)	-	-
Payments to suppliers	(6,350,157)	(1,449,186)	(3,386,935)	(1,097,618)	(127,506)	(288,912)
Payments to employees	(2,466,864)	(463,027)	(864,932)	(963,461)	(90,673)	(84,771)
Other cash receipts (payments)	5,331	4,861	-	-	470	-
Net cash provided by (used for) operating activities	1,158,593	(30,899)	594,701	233,866	25,596	335,329
Cash flows from noncapital financing activities:						
Transfers (in) out from other funds	-	-	-	-	-	-
Net cash used for noncapital financing activities	-	-	-	-	-	-
Cash flows from capital and related financing activities:						
Repayment of note payable	(61,944)	-	-	-	-	(61,944)
Interest paid	(64,537)	-	-	-	-	(64,537)
Capital grants received	1,289,709	-	-	-	1,289,709	-
Acquisition of capital assets	(1,530,638)	-	(46,993)	(70,772)	(1,315,305)	(97,568)
Gain on sale of capital assets	-	-	-	-	-	-
Net cash used for capital and related financing activities	(367,410)	-	(46,993)	(70,772)	(25,596)	(224,049)
Cash flows from investing activities:						
Deposits to restricted accounts	-	-	-	-	-	-
Interest and other income received	291,115	-	25,174	261,365	-	4,576
Net cash provided by investing activities	291,115	-	25,174	261,365	-	4,576
Net increase (decrease) in cash	1,082,298	(30,899)	572,882	424,459	-	115,856
Cash at beginning year	10,802,948	65,959	8,435,650	1,924,787	-	376,552
Cash at end of year	\$ 11,885,246	\$ 35,060	\$ 9,008,532	\$ 2,349,246	\$ -	\$ 492,408

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Cash Flows, Continued
For the Year Ended September 30, 2017

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Section 8 Housing Choice Voucher</u>	<u>Public Housing Capital Fund Program</u>	<u>Supportive Housing for the Elderly</u>
Reconciliation in operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (677,166)	\$ (236,923)	\$ 53,814	\$ 229,421	\$ (944,567)	\$ 221,089
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	2,375,112	12,714	1,292,723	18,847	954,562	96,266
Bad debts	(9,321)	-	(10,570)	-	-	1,249
Non-cash pension costs	(339,537)	(10,518)	(338,564)	13,802	-	(4,257)
(Increase) decrease in assets:						
Accounts receivable:						
Tenant receivables	15,408	-	9,907	4,974	-	527
HUD	315,929	273,921	-	40,575	1,433	-
Other federal government	-	-	-	-	-	-
Due from other funds	(159,162)	-	(158,386)	-	(776)	-
Interest	(11)	-	(11)	-	-	-
Other	(223,110)	-	-	(222,551)	-	(559)
Prepayments and other assets	754	120	634	-	-	-
Inventories	(7,182)	-	(10,358)	-	-	3,176
Increase (decrease) in liabilities:	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Account payable	6,782	-	(5,526)	6,867	-	5,441
HUD	2,962	-	-	2,962	-	-
Compensated absences and sick leave	6,922	(38,521)	9,011	30,745	-	5,687
Due to other funds	(126,690)	14,526	(258,666)	95,645	16,377	5,428
Security deposits	4,486	1,598	3,212	-	-	(324)
Accrued salaries and wages	(46,405)	(46,933)	(2,062)	2,417	(1,433)	1,606
FSS - tenant escrow	23,562	-	9,935	13,627	-	-
Other current liabilities	-	-	-	-	-	-
Accrued liabilities - PILOT	-	-	-	-	-	-
Deferred revenues	(4,740)	(883)	(392)	(3,465)	-	-
Net cash provided by (used for) operating activities	<u>\$ 1,158,593</u>	<u>\$ (30,899)</u>	<u>\$ 594,701</u>	<u>\$ 233,866</u>	<u>\$ 25,596</u>	<u>\$ 335,329</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225

Combining Statements of Net Position
September 30, 2017

Assets	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. Account	B-13-ST- Account	B-14-ST- Account	B-15-ST- Account	B-16-ST- Account
Current assets:												
Cash - unrestricted	\$ 35,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,060	\$ -	\$ -	\$ -	\$ -
Accounts receivable - HUD	172,902	24,443	21,968	34,721	7,106	14,386	2,041	-	1,143	17,705	48,736	653
Due from other funds	100	-	-	-	-	-	-	100	-	-	-	-
Total current assets	208,062	24,443	21,968	34,721	7,106	14,386	2,041	35,160	1,143	17,705	48,736	653
Prepayments and other assets												
	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets												
Capital assets	180,540	15,191	-	-	15,349	-	-	-	-	150,000	-	-
Accumulated depreciation	(57,623)	(15,191)	-	-	(15,349)	-	-	-	-	(27,083)	-	-
Capital assets, net	122,917	-	-	-	-	-	-	-	-	122,917	-	-
Total assets	330,979	24,443	21,968	34,721	7,106	14,386	2,041	35,160	1,143	140,622	48,736	653
Deferred outflows of resources												
	239,448	-	-	-	-	-	-	-	239,448	-	-	-
Total assets and deferred outflows	\$ 570,427	\$ 24,443	\$ 21,968	\$ 34,721	\$ 7,106	\$ 14,386	\$ 2,041	\$ 35,160	\$ 240,591	\$ 140,622	\$ 48,736	\$ 653
Liabilities and Net Position												
Current liabilities:												
Accounts payable	\$ 1,978	\$ -	\$ 35	\$ 1,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security deposits	4,188	-	-	-	-	-	-	4,188	-	-	-	-
Due to other funds	150,180	23,797	21,933	32,898	7,106	14,386	273	(5,519)	1,141	7,320	46,845	-
Accrued salaries and wages	16,714	-	-	-	-	-	1,768	2,017	-	10,385	1,891	653
Compensated absences - current	20,530	-	-	-	-	-	-	-	-	-	20,530	-
Deferred revenues	83,901	646	-	-	-	-	-	83,255	-	-	-	-
Total current liabilities	277,491	24,443	21,968	34,841	7,106	14,386	2,041	83,941	1,141	17,705	69,266	653
Noncurrent liabilities:												
Compensated absences - noncurrent	71,421	-	-	-	-	-	-	-	-	-	71,421	-
Accrued sick leave	105,280	-	-	-	-	-	-	-	-	-	105,280	-
Net pension liability	1,925,638	-	-	-	-	-	-	-	1,925,638	-	-	-
Total noncurrent liabilities	2,102,339	-	-	-	-	-	-	-	1,925,638	-	176,701	-
Total liabilities	2,379,830	24,443	21,968	34,841	7,106	14,386	2,041	83,941	1,926,779	17,705	245,967	653
Deferred inflows of resources:												
Deferred inflows from pension	14,535	-	-	-	-	-	-	-	14,535	-	-	-
Net Position:												
Invested in capital assets, net of related debt	122,917	-	-	-	-	-	-	-	-	122,917	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	(1,946,855)	-	-	(120)	-	-	-	(48,781)	(1,700,723)	-	(197,231)	-
Total net position	(1,823,938)	-	-	(120)	-	-	-	(48,781)	(1,700,723)	122,917	(197,231)	-
Total liabilities, deferred inflows of resources and net as	\$ 570,427	\$ 24,443	\$ 21,968	\$ 34,721	\$ 7,106	\$ 14,386	\$ 2,041	\$ 35,160	\$ 240,591	\$ 140,622	\$ 48,736	\$ 653

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. 66-0001	B-13-ST- 66-0001	B-14-ST- 66-0001	B-15-ST- 66-0001	B-16-ST- 66-0001
Revenues:												
Federal contributions	\$ 1,575,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,241	\$ -	\$ 344,451	\$ 330,158	\$ 679,372	\$ 67,417
Tenant rental	25,295	-	-	-	-	-	-	25,295	-	-	-	-
Other	4,861	282	-	-	-	-	-	4,579	-	-	-	-
Total Revenues	1,605,795	282	-	-	-	-	154,241	29,874	344,451	330,158	679,372	67,417
Operating expenses:												
Repairs and maintenance	795,104	157	-	-	-	-	-	20,402	336,536	-	438,009	-
Other	398,760	-	-	-	-	-	-	5,750	-	3,890	323,391	65,729
Administrative salaries	323,723	93	-	-	-	-	42,848	24,537	5,876	211,193	37,896	1,280
Employee benefits	106,011	32	-	-	-	-	14,711	9,285	(8,675)	77,063	13,187	408
Management fees	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	23,322	-	-	-	-	-	787	2,428	-	19,904	203	-
Advertising and marketing	12,582	-	-	-	-	-	360	524	196	11,142	360	-
Depreciation	12,714	-	-	-	2,714	-	-	-	-	10,000	-	-
Office expense	110,915	-	-	120	-	-	95,535	131	-	6,966	8,163	-
Utilities	811	-	-	-	-	-	-	811	-	-	-	-
Protective Services	2,662	-	-	-	-	-	-	2,662	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	53,850	-	-	-	-	-	-	-	-	-	53,850	-
Insurance	2,264	-	-	-	-	-	-	720	-	-	1,544	-
Total operating expenses	1,842,718	282	-	120	2,714	-	154,241	67,250	333,933	340,158	876,603	67,417
Operating income (loss)	(236,923)	-	-	(120)	(2,714)	-	-	(37,376)	10,518	(10,000)	(197,231)	-
Non-operating revenues and expenses:												
Interest income	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues and (expense),	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	(236,923)	-	-	(120)	(2,714)	-	-	(37,376)	10,518	(10,000)	(197,231)	-
Net position - beginning of year	(1,285,715)	-	-	-	2,714	-	-	(11,405)	(1,409,941)	132,917	-	-
Prior period adjustment	(301,300)	-	-	-	-	-	-	-	(301,300)	-	-	-
Net position - beginning of year, as restated	(1,587,015)	-	-	-	2,714	-	-	(11,405)	(1,711,241)	132,917	-	-
Total net position - end of year	\$ (1,823,938)	\$ -	\$ -	\$ (120)	\$ -	\$ -	\$ -	\$ (48,781)	\$ (1,700,723)	\$ 122,917	\$ (197,231)	\$ -

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225

Combining Statements of Cash Flows
For the Year Ended September 30, 2017

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. 66-0001	B-13-ST- 66-0001	B-14-ST- 66-0001	B-15-ST- 66-0001	B-16-ST- 66-0001
Cash flows from operating activities:												
Operating grants received	\$ 1,849,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,831	\$ -	\$ 359,832	\$ 332,289	\$ 775,740	\$ 211,868
Receipts from tenants	26,893	-	-	-	-	-	-	26,893	-	-	-	-
Payments to suppliers	(1,449,186)	(189)	-	-	-	-	(127,455)	(39,851)	(350,112)	(125,314)	(739,070)	(67,195)
Payments to employees	(463,027)	(93)	-	-	-	-	(42,376)	(22,520)	(9,720)	(206,975)	(36,670)	(144,673)
Other receipts	4,861	282	-	-	-	-	-	4,579	-	-	-	-
Net cash used for operating activities	(30,899)	-	-	-	-	-	-	(30,899)	-	-	-	-
Cash flows from capital and related financing activities:												
Capital grants received	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:												
Interest and other income received	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided from investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net change in cash	(30,899)	-	-	-	-	-	-	(30,899)	-	-	-	-
Cash and cash equivalents at beginning year	65,959	-	-	-	-	-	-	65,959	-	-	-	-
Cash and cash equivalents at end of year	\$ 35,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,060	\$ -	\$ -	\$ -	\$ -
Reconciliation of change in net assets to net cash provided by (used in) operating activities:												
Operating loss	\$ (236,923)	\$ -	\$ -	\$ (120)	\$ (2,714)	\$ -	\$ -	\$ (37,376)	\$ 10,518	\$ (10,000)	\$ (197,231)	\$ -
Adjustments to reconcile net loss to net cash provided by (used) operating activities:												
Depreciation	12,714	-	-	-	2,714	-	-	-	-	10,000	-	-
Non-cash pension cost	(10,518)	-	-	-	-	-	-	-	(10,518)	-	-	-
(Increase) decrease in assets:	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable - HUD	273,921	-	-	-	-	-	15,590	-	15,381	2,131	96,368	144,451
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments and other assets	120	-	-	120	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits	1,598	-	-	-	-	-	-	1,598	-	-	-	-
Compensated absences	(38,521)	-	-	-	-	-	-	-	-	-	26,715	(65,236)
Due to other funds	14,526	883	-	-	-	-	(16,062)	2,862	(11,537)	(6,349)	45,787	(1,058)
Accrued salaries and wages	(46,933)	-	-	-	-	-	472	2,017	(3,844)	4,218	28,361	(78,157)
Deferred revenues	(883)	(883)	-	-	-	-	-	-	-	-	-	-
Net cash used for operating activities	\$ (30,899)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,899)	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Combining Statements of Net Position
September 30, 2017

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 7,841,932	\$ 1,913,217	\$ 2,132,715	\$ 2,020,140	\$ 1,775,860
Restricted Cash - FSS Escrow	1,934	978	393	204	359
Restricted Cash - other	1,164,666	246,291	254,038	303,227	361,110
Total cash	<u>9,008,532</u>	<u>2,160,486</u>	<u>2,387,146</u>	<u>2,323,571</u>	<u>2,137,329</u>
Accounts receivable:					
Tenants	15,410	-	4,773	6,526	4,111
HUD	280	-	812	(532)	-
Due from other programs	1,298,477	111,401	-	64,177	1,122,899
Interest	190	6	29	87	68
	1,314,357	111,407	5,614	70,258	1,127,078
Allowance for doubtful accounts	<u>(18,722)</u>	<u>(5,670)</u>	<u>(1,175)</u>	<u>(4,000)</u>	<u>(7,877)</u>
Total accounts receivable	<u>1,295,635</u>	<u>105,737</u>	<u>4,439</u>	<u>66,258</u>	<u>1,119,201</u>
Inventories	261,213	68,169	51,319	55,880	85,845
Investments:					
General fund	1,023,726	-	143,803	504,856	375,067
Restricted - security deposits	<u>184,857</u>	<u>38,943</u>	<u>40,176</u>	<u>48,042</u>	<u>57,696</u>
Total investments	<u>1,208,583</u>	<u>38,943</u>	<u>183,979</u>	<u>552,898</u>	<u>432,763</u>
Prepaid and other current assets	<u>9,861</u>	<u>-</u>	<u>-</u>	<u>6,189</u>	<u>3,672</u>
Total current assets	<u>11,783,824</u>	<u>2,373,335</u>	<u>2,626,883</u>	<u>3,004,796</u>	<u>3,778,810</u>
Noncurrent assets:					
Capital assets:					
Land	2,130,777	299,151	450,147	533,031	848,448
Infrastructure	688,676	85,239	107,587	289,788	206,062
Buildings and improvements, at cost	73,765,403	12,641,303	16,035,778	22,096,579	22,991,743
Furniture and equipment, at cost	2,518,715	806,746	687,683	436,174	588,112
Accumulated depreciation	<u>(68,684,819)</u>	<u>(11,666,184)</u>	<u>(14,993,598)</u>	<u>(20,917,270)</u>	<u>(21,107,767)</u>
Net capital assets	<u>10,418,752</u>	<u>2,166,255</u>	<u>2,287,597</u>	<u>2,438,302</u>	<u>3,526,598</u>
Total assets	22,202,576	4,539,590	4,914,480	5,443,098	7,305,408
Deferred outflows of resources from pensions	<u>520,424</u>	<u>137,807</u>	<u>107,418</u>	<u>108,858</u>	<u>166,341</u>
Total assets and deferred outflows of resources	<u>\$ 22,723,000</u>	<u>\$ 4,677,397</u>	<u>\$ 5,021,898</u>	<u>\$ 5,551,956</u>	<u>\$ 7,471,749</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Combining Statements of Net Position, Continued
September 30, 2017

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Liabilities:					
Accounts payable:					
Vendors	\$ 6,520	\$ 1,280	\$ 110	\$ 1,450	\$ 3,680
HUD	767	-	767	-	-
FSS- tenant escrow	106,646	43,311	33,049	8,826	21,460
Tenant security deposits	119,497	25,125	24,373	30,995	39,004
Due to other funds	1,315,722	-	485,423	830,568	(269)
Accrued salaries and wages	70,991	16,849	17,305	15,087	21,750
Compensated absences, current portion	25,552	7,013	6,970	4,154	7,415
Other current liabilities	916	313	-	603	-
Accrued liabilities - PILOT	122,189	57,598	4,719	845	59,027
Total accounts payable	<u>1,768,800</u>	<u>151,489</u>	<u>572,716</u>	<u>892,528</u>	<u>152,067</u>
Deferred credits:					
Tenants prepaid rents	-	-	-	-	-
Other	(8,294)	(3,565)	(4,729)	-	-
Total deferred credits	<u>(8,294)</u>	<u>(3,565)</u>	<u>(4,729)</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>1,760,506</u>	<u>147,924</u>	<u>567,987</u>	<u>892,528</u>	<u>152,067</u>
Noncurrent liabilities:					
Net pension liability	4,185,214	1,108,231	863,845	875,432	1,337,706
Compensated absences, net of current portion	114,027	24,954	33,105	20,984	34,984
Other - sick leave, net of current portion	77,817	28,932	21,596	15,362	11,927
Total noncurrent liabilities	<u>4,377,058</u>	<u>1,162,117</u>	<u>918,546</u>	<u>911,778</u>	<u>1,384,617</u>
Total liabilities	<u>6,137,564</u>	<u>1,310,041</u>	<u>1,486,533</u>	<u>1,804,306</u>	<u>1,536,684</u>
Deferred inflows of resources from pension	<u>31,590</u>	<u>8,365</u>	<u>6,520</u>	<u>6,608</u>	<u>10,097</u>
Net position:					
Invested in capital assets, net of related debt	10,418,752	2,166,255	2,287,597	2,438,302	3,526,598
Restricted	184,857	38,943	40,176	48,042	57,696
Unrestricted	5,950,237	1,153,793	1,201,072	1,254,698	2,340,674
Total net position	<u>16,553,846</u>	<u>3,358,991</u>	<u>3,528,845</u>	<u>3,741,042</u>	<u>5,924,968</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 22,723,000</u>	<u>\$ 4,677,397</u>	<u>\$ 5,021,898</u>	<u>\$ 5,551,956</u>	<u>\$ 7,471,749</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	<u>Total</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 3</u>	<u>AMP 4</u>
Operating revenues:					
HUD PHA Operating Grants	\$ 4,313,052	\$ 869,594	\$ 997,738	\$ 1,105,830	\$ 1,339,890
Tenant rental income	421,219	89,822	91,381	43,267	196,749
Other income	<u>89,646</u>	<u>14,066</u>	<u>20,617</u>	<u>34,781</u>	<u>20,182</u>
Total operating revenues	<u>4,823,917</u>	<u>973,482</u>	<u>1,109,736</u>	<u>1,183,878</u>	<u>1,556,821</u>
Operating expenses:					
Depreciation	1,292,723	221,595	263,720	318,317	489,091
Ordinary repairs and maintenance	1,055,192	231,192	187,750	225,613	410,637
Administrative salaries	519,711	145,462	125,941	111,680	136,628
Management fees	604,546	130,862	129,896	156,468	187,320
Tenant services - salaries	342,826	69,008	95,396	55,248	123,174
Utilities	188,509	25,273	36,491	68,659	58,086
Other administrative expenses	179,650	33,053	32,401	49,958	64,238
Insurance	105,825	23,457	22,749	27,369	32,250
Offices supplies	102,243	18,562	23,501	30,685	29,495
Asset management fees	90,000	18,960	19,560	23,400	28,080
Employee benefits - tenant services	31,461	24,804	(17,937)	20,171	4,423
Bookkeeping fees	65,693	14,220	14,115	17,003	20,355
Bad debts	(10,570)	820	(2,176)	491	(9,705)
Employee benefits - administrative	65,476	45,814	(14,584)	36,008	(1,762)
Employee benefits - ordinary maintenance	95,918	48,809	(10,004)	46,743	10,370
Compensated absences	9,344	(10,475)	3,285	30	16,504
Legal and professional fees	14,094	879	1,495	1,404	10,316
Advertising and marketing	7,992	1,520	1,551	1,757	3,164
Payments in lieu of taxes	-	-	-	-	-
Protective services	<u>9,470</u>	<u>411</u>	<u>657</u>	<u>456</u>	<u>7,946</u>
Total operating expenses	<u>4,770,103</u>	<u>1,044,226</u>	<u>913,807</u>	<u>1,191,460</u>	<u>1,620,610</u>
Operating income (loss)	<u>53,814</u>	<u>(70,744)</u>	<u>195,929</u>	<u>(7,582)</u>	<u>(63,789)</u>
Non-operating revenues and (expenses):					
Interest on general fund investments	12,236	1,870	2,779	3,990	3,597
Gain on sale of capital assets	-	-	-	-	-
Other income	<u>12,938</u>	<u>-</u>	<u>1,799</u>	<u>7,244</u>	<u>3,895</u>
Total non-operating revenues, net	<u>25,174</u>	<u>1,870</u>	<u>4,578</u>	<u>11,234</u>	<u>7,492</u>
Changes in net assets	<u>78,988</u>	<u>(68,874)</u>	<u>200,507</u>	<u>3,652</u>	<u>(56,297)</u>
Net position, beginning of year	17,185,234	3,602,452	3,490,288	3,873,482	6,219,012
Prior period adjustment, pension	<u>(710,376)</u>	<u>(174,587)</u>	<u>(161,950)</u>	<u>(136,092)</u>	<u>(237,747)</u>
Net position, beginning of year, as restated	<u>16,474,858</u>	<u>3,427,865</u>	<u>3,328,338</u>	<u>3,737,390</u>	<u>5,981,265</u>
Total net position, end of year	<u>\$ 16,553,846</u>	<u>\$ 3,358,991</u>	<u>\$ 3,528,845</u>	<u>\$ 3,741,042</u>	<u>\$ 5,924,968</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Combining Statements of Cash Flows
For the Year Ended September 30, 2017

	<u>Total</u>	<u>AMP 1</u>	<u>AMP 2</u>	<u>AMP 3</u>	<u>AMP 4</u>
Cash flows from operating activities:					
Operating grants received	\$ 4,312,660	\$ 869,460	\$ 997,480	\$ 1,105,830	\$ 1,339,890
Receipts from tenants	533,908	109,726	119,024	82,297	222,861
Payments to suppliers	(3,218,170)	(691,919)	(703,136)	(851,447)	(971,668)
Payments to employees	(1,033,697)	(216,832)	(214,231)	(169,014)	(433,620)
Other cash receipts (payments)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>594,701</u>	<u>70,435</u>	<u>199,137</u>	<u>167,666</u>	<u>157,463</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(46,993)	-	(17,693)	-	(29,300)
Gain on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(46,993)</u>	<u>-</u>	<u>(17,693)</u>	<u>-</u>	<u>(29,300)</u>
Cash flows from investing activities:					
Deposits to investments	-	-	-	-	-
Interest and other income received	<u>25,174</u>	<u>1,870</u>	<u>4,578</u>	<u>11,234</u>	<u>7,492</u>
Net cash provided by investing activities	<u>25,174</u>	<u>1,870</u>	<u>4,578</u>	<u>11,234</u>	<u>7,492</u>
Net change in cash	572,882	72,305	186,022	178,900	135,655
Cash and cash equivalents at beginning of year	<u>8,435,650</u>	<u>2,088,181</u>	<u>2,201,124</u>	<u>2,144,671</u>	<u>2,001,674</u>
Cash and cash equivalents at end of year	<u>\$ 9,008,532</u>	<u>\$ 2,160,486</u>	<u>\$ 2,387,146</u>	<u>\$ 2,323,571</u>	<u>\$ 2,137,329</u>
Reconciliation of operating loss to net cash provided by operating activities:					
Operating loss	\$ 53,814	\$ (70,744)	\$ 195,929	\$ (7,582)	\$ (63,789)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	1,292,723	221,595	263,720	318,317	489,091
Bad debts	(10,570)	820	(2,176)	491	(9,705)
Non-cash pension costs	(338,564)	(12,868)	(156,931)	177	(168,942)
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	9,907	4,549	5,898	2,778	(3,318)
HUD	-	-	-	-	-
Due from other funds	(158,386)	(48,752)	-	285	(109,919)
Interest	(11)	-	(2)	(5)	(4)
Other	-	-	-	-	-
Prepaid and other assets	634	-	-	257	377
Inventories	(10,358)	(6,092)	(1,267)	(5,195)	2,196
Increase (decrease) in liabilities:					
Accounts payable - Vendors	(5,526)	(6,391)	-	-	865
Compensated absences	9,011	(3,489)	(1,394)	(1,638)	15,532
HUD	-	-	-	-	-
Due to other funds	(258,666)	-	(117,297)	(141,100)	(269)
Security deposits	3,212	225	(1,760)	1,473	3,274
Accrued salaries and wages	(2,062)	(9,348)	11,785	(595)	(3,904)
FSS - tenant escrow	9,935	1,064	2,890	3	5,978
Other current liabilities	-	-	-	-	-
Accrued liabilities - PILOT	-	-	-	-	-
Deferred credits	(392)	(134)	(258)	-	-
Net cash provided by operating activities	<u>\$ 594,701</u>	<u>\$ 70,435</u>	<u>\$ 199,137</u>	<u>\$ 167,666</u>	<u>\$ 157,463</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Net Position

September 30, 2017

Assets	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 1,349,248	\$ -	\$ -	\$ -	\$ 1,349,248
Restricted - FSS escrow	137,920	-	-	-	137,920
Restricted - other	862,078	-	-	-	862,078
Total cash	2,349,246	-	-	-	2,349,246
Accounts receivable:					
Tenants	97,162	-	-	-	97,162
HUD	(53,405)	-	-	-	(53,405)
Other	306,925	-	-	-	306,925
Total accounts receivable	350,682	-	-	-	350,682
Total current assets	2,699,928	-	-	-	2,699,928
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	934,104	-	-	-	934,104
Accumulated depreciation	(716,206)	-	-	-	(716,206)
Total capital assets, net	217,898	-	-	-	217,898
Total assets	2,917,826	-	-	-	2,917,826
Deferred outflows of resources from pension	353,258	-	-	-	353,258
Total assets and deferred outflows of resources	\$ 3,271,084	\$ -	\$ -	\$ -	\$ 3,271,084
Liabilities and Net Position					
Current Liabilities:					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	28,624	-	-	-	28,624
Accrued salaries and wages	51,542	-	-	-	51,542
Due to other funds	739,316	-	-	-	739,316
Compensated absences, current portion	22,976	-	-	-	22,976
Due to HUD	8,383	-	-	-	8,383
FSS escrow	137,920	-	-	-	137,920
Deferred revenues	31,864	-	-	-	31,864
Total current liabilities	1,020,625	-	-	-	1,020,625
Noncurrent Liabilities:					
Net pension liability	2,840,875	-	-	-	2,840,875
Compensated absences, net of current portion	94,101	-	-	-	94,101
Other liabilities - sick leave	97,809	-	-	-	97,809
Total noncurrent liabilities	3,032,785	-	-	-	3,032,785
Total liabilities	4,053,410	-	-	-	4,053,410
Deferred inflows in resources	21,441	-	-	-	21,441
Net Position:					
Invested in capital assets, net of related debt	217,898	-	-	-	217,898
Restricted	795,608	-	-	-	795,608
Unrestricted	(1,817,273)	-	-	-	(1,817,273)
Total net position	(803,767)	-	-	-	(803,767)
Total Liabilities and Net Position	\$ 3,271,084	\$ -	\$ -	\$ -	\$ 3,271,084

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM
CFDA NO. 14.856, 14.857, and 14.871

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	<u>Total</u>	<u>Certificate Program</u>	<u>Moderate Rehabilitation K-1</u>	<u>Moderate Rehabilitation K-2</u>	<u>Housing Choice Vouchers</u>
Operating revenues:					
Housing assistance payments	\$ 31,147,358	\$ -	\$ -	\$ -	\$ 31,147,358
Ongoing administrative fees earned	-	-	-	-	-
Other grants - FSS	-	-	-	-	-
Total operating revenues	31,147,358	-	-	-	31,147,358
Operating expenses:					
Housing assistance payments	28,688,535	-	-	-	28,688,535
Administrative salaries	961,134	-	-	-	961,134
Management fees	343,224	-	-	-	343,224
Bookkeeping fees	214,515	-	-	-	214,515
Office expense	194,838	-	-	-	194,838
Employee benefit contribution - administrative	355,270	-	-	-	355,270
Other administrative expenses	59,056	-	-	-	59,056
Professional fees	34,403	-	-	-	34,403
Depreciation	18,847	-	-	-	18,847
Compensated absences	35,489	-	-	-	35,489
Insurance	5,546	-	-	-	5,546
Advertising and marketing	7,080	-	-	-	7,080
Total operating expenses	30,917,937	-	-	-	30,917,937
Operating income	229,421	-	-	-	229,421
Non-operating revenues and transfers:					
Fraud recovery	30,115	-	-	-	30,115
Other income	231,250	-	-	-	231,250
Total non-operating revenues	261,365	-	-	-	261,365
Change in net position	490,786	-	-	-	490,786
Net position, beginning of year	(855,248)	-	-	-	(855,248)
Prior period adjustment, pension	(439,305)	-	-	-	(439,305)
Total net position, beginning of year, as restated	(1,294,553)	-	-	-	(1,294,553)
Total net position, end of year	\$ (803,767)	\$ -	\$ -	\$ -	\$ (803,767)

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM
CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Cash Flows
Year Ended September 30, 2017

	<u>Total</u>	<u>Certificate Program</u>	<u>Moderate Rehabilitation K-1</u>	<u>Moderate Rehabilitation K-2</u>	<u>Housing Choice Vouchers</u>
Cash flows from operating activities:					
Operating grants received	\$ 31,187,430	\$ -	\$ -	\$ -	\$ 31,187,430
Assistance paid	(28,892,485)	-	-	-	(28,892,485)
Payments to suppliers	(1,097,618)	-	-	-	(1,097,618)
Payments to employees	(963,461)	-	-	-	(963,461)
Other receipts and (payments)	-	-	-	-	-
Net cash provided by operating activities	<u>233,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,866</u>
Cash flows from noncapital financing activities:					
Transfer from other funds	-	-	-	-	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(70,772)	-	-	-	(70,772)
Net cash flows used in capital and related financing activities	<u>(70,772)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,772)</u>
Cash flows from investing activities:					
Other income received	261,365	-	-	-	261,365
Decrease in restricted investments	-	-	-	-	-
Net cash provided by investing activities	<u>261,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,365</u>
Net decrease in cash and cash equivalents	424,459	-	-	-	424,459
Cash and cash equivalents at beginning of year	<u>1,924,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,924,787</u>
Cash and cash equivalents at end of year	<u>\$ 2,349,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,246</u>
Unrestricted cash	\$ 1,349,248	-	-	-	1,349,248
Restricted - FSS escrow account	137,920	-	-	-	137,920
Restricted cash	<u>862,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,078</u>
Total cash and cash equivalents at end of year	<u>\$ 2,349,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,246</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM
CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Cash Flows, Continued
Year Ended September 30, 2017

	<u>Total</u>	<u>Certificate Program</u>	<u>Moderate Rehabilitation K-1</u>	<u>Moderate Rehabilitation K-2</u>	<u>Housing Choice Vouchers</u>
Reconciliation of operating income to net cash used for operating activities:					
Operating income	\$ 229,421	\$ -	\$ -	\$ -	\$ 229,421
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	18,847	-	-	-	18,847
Non-cash pension costs	13,802	-	-	-	13,802
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	4,974	-	-	-	4,974
HUD	40,575	-	-	-	40,575
Due from other funds	-	-	-	-	-
Interest	-	-	-	-	-
Other	(222,551)	-	-	-	(222,551)
Increase (decrease) in liabilities:					
Bank overdraft	-	-	-	-	-
Accounts payable	6,867	-	-	-	6,867
Compensated absences and sick leave	30,745	-	-	-	30,745
Due to HUD	2,962	-	-	-	2,962
Due to other funds	95,645	-	-	-	95,645
Accrued salaries and wages	2,417	-	-	-	2,417
FSS Escrow	13,627	-	-	-	13,627
Deferred revenues	(3,465)	-	-	-	(3,465)
Net cash provided by operating activities	<u>\$ 233,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,866</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Net Position
Year Ended September 30, 2017

ASSETS	Total	GQ-501-04	GQ-501-05	GQ8D001501-03	GQ-501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12	GQ-501-13	GQ-501-14	GQ-501-15	GQ-501-16
Current assets:															
Cash:															
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable:															
HUD	129,861	-	-	-	-	-	-	10,888	-	-	46,393	19,344	30,817	17,845	4,574
Due from other programs	208,364	39,353	7,689	420	85,515	-	-	67,100	9,942	-	(610)	-	2,238	(3,283)	-
	338,225	39,353	7,689	420	85,515	-	-	77,988	9,942	-	45,783	19,344	33,055	14,562	4,574
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	338,225	39,353	7,689	420	85,515	-	-	77,988	9,942	-	45,783	19,344	33,055	14,562	4,574
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments:															
General fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	338,225	39,353	7,689	420	85,515	-	-	77,988	9,942	-	45,783	19,344	33,055	14,562	4,574
Noncurrent assets:															
Capital Assets:															
Land, structures and equipment, at cost	14,908,336	1,121,733	1,652,281	535,370	1,832,828	769,191	1,171,850	1,281,844	1,344,600	949,494	761,688	826,758	1,019,799	914,790	726,110
Accumulated depreciation	(6,269,519)	(754,498)	(1,163,171)	(321,222)	(1,084,367)	(442,254)	(625,297)	(552,336)	(549,870)	(291,320)	(145,261)	(138,662)	(99,509)	(70,217)	(31,535)
Net capital assets	8,638,817	367,235	489,110	214,148	748,461	326,937	546,553	729,508	794,730	658,174	616,427	688,096	920,290	844,573	694,575
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	8,638,817	367,235	489,110	214,148	748,461	326,937	546,553	729,508	794,730	658,174	616,427	688,096	920,290	844,573	694,575
Total assets	\$ 8,977,042	\$ 406,588	\$ 496,799	\$ 214,568	\$ 833,976	\$ 326,937	\$ 546,553	\$ 807,496	\$ 804,672	\$ 658,174	\$ 662,210	\$ 707,440	\$ 953,345	\$ 859,135	\$ 699,149

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Net Position, Continued
Year Ended September 30, 2017

LIABILITIES AND NET POSITION	Total	GQ-501-04	GQ-501-05	GQ8D001501-03	GQ-501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12	GQ-501-13	GQ-501-14	GQ-501-15	GQ-501-16
Liabilities:															
Accounts payable:															
Accrued salaries and wages	\$ 4,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,574
Due to other funds	43,279	-	(3,982)	-	(87)	-	(73,693)	10,888	(1,874)	-	45,723	2,336	(8,236)	5,158	67,046
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences, current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts payable	<u>47,853</u>	<u>-</u>	<u>(3,982)</u>	<u>-</u>	<u>(87)</u>	<u>-</u>	<u>(73,693)</u>	<u>10,888</u>	<u>(1,874)</u>	<u>-</u>	<u>45,723</u>	<u>2,336</u>	<u>(8,236)</u>	<u>5,158</u>	<u>71,620</u>
Deferred credits:															
Deferred revenue	305,973	39,353	11,671	420	85,602	-	73,693	67,100	11,816	-	60	16,258	-	-	-
Total deferred credits	<u>305,973</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,602</u>	<u>-</u>	<u>73,693</u>	<u>67,100</u>	<u>11,816</u>	<u>-</u>	<u>60</u>	<u>16,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>353,826</u>	<u>39,353</u>	<u>7,689</u>	<u>420</u>	<u>85,515</u>	<u>-</u>	<u>-</u>	<u>77,988</u>	<u>9,942</u>	<u>-</u>	<u>45,783</u>	<u>18,594</u>	<u>(8,236)</u>	<u>5,158</u>	<u>71,620</u>
Noncurrent liabilities:															
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>353,826</u>	<u>39,353</u>	<u>7,689</u>	<u>420</u>	<u>85,515</u>	<u>-</u>	<u>-</u>	<u>77,988</u>	<u>9,942</u>	<u>-</u>	<u>45,783</u>	<u>18,594</u>	<u>(8,236)</u>	<u>5,158</u>	<u>71,620</u>
Net Position:															
Invested in capital assets, net of related debt	8,623,216	367,235	489,110	214,148	748,461	326,937	546,553	729,508	794,730	658,174	616,427	688,846	961,581	853,977	627,529
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position	<u>8,623,216</u>	<u>367,235</u>	<u>489,110</u>	<u>214,148</u>	<u>748,461</u>	<u>326,937</u>	<u>546,553</u>	<u>729,508</u>	<u>794,730</u>	<u>658,174</u>	<u>616,427</u>	<u>688,846</u>	<u>961,581</u>	<u>853,977</u>	<u>627,529</u>
Total liabilities and net position	<u>\$ 8,977,042</u>	<u>\$ 406,588</u>	<u>\$ 496,799</u>	<u>\$ 214,568</u>	<u>\$ 833,976</u>	<u>\$ 326,937</u>	<u>\$ 546,553</u>	<u>\$ 807,496</u>	<u>\$ 804,672</u>	<u>\$ 658,174</u>	<u>\$ 662,210</u>	<u>\$ 707,440</u>	<u>\$ 953,345</u>	<u>\$ 859,135</u>	<u>\$ 699,149</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	<u>Total</u>	<u>GQ-501-04</u>	<u>GQ-501-05</u>	<u>GQ8D001501-03</u>	<u>GQ-501-06</u>	<u>GQ-501-07</u>	<u>GQ-501-08</u>	<u>GQ-501-09</u>	<u>GQ-501-10</u>	<u>GQ-501-11</u>	<u>GQ-501-12</u>	<u>GQ-501-13</u>	<u>GQ-501-14</u>	<u>GQ-501-15</u>	<u>GQ-501-16</u>
Operating revenues:															
HUD PHA Grants	\$ 241,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 32,804	\$ 78,562	\$ 129,756
Program income	470	-	-	-	-	-	-	-	-	-	-	-	-	-	470
Total operating revenues	<u>242,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>	<u>32,804</u>	<u>78,562</u>	<u>130,226</u>
Operating expenses:															
Depreciation	954,562	73,505	102,461	35,691	118,374	47,533	72,870	85,456	88,966	63,300	50,780	55,118	67,987	60,986	31,535
Management fees	70,225	-	-	-	-	-	-	-	-	-	-	-	18,885	49,936	1,404
Other miscellaneous expenses	40,301	-	-	-	-	-	-	-	-	-	-	-	-	-	40,301
Salaries and wages	89,240	-	-	-	-	-	-	-	-	-	-	-	-	6,818	82,422
Employee benefits	32,581	-	-	-	-	-	-	-	-	-	-	-	-	2,401	30,180
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising and marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>1,186,909</u>	<u>73,505</u>	<u>102,461</u>	<u>35,691</u>	<u>118,374</u>	<u>47,533</u>	<u>72,870</u>	<u>85,456</u>	<u>88,966</u>	<u>63,300</u>	<u>50,780</u>	<u>55,118</u>	<u>86,872</u>	<u>120,141</u>	<u>185,842</u>
Operating loss	<u>(944,567)</u>	<u>(73,505)</u>	<u>(102,461)</u>	<u>(35,691)</u>	<u>(118,374)</u>	<u>(47,533)</u>	<u>(72,870)</u>	<u>(85,456)</u>	<u>(88,966)</u>	<u>(63,300)</u>	<u>(50,780)</u>	<u>(54,368)</u>	<u>(54,068)</u>	<u>(41,579)</u>	<u>(55,616)</u>
Non-operating revenues:															
Capital grants	1,289,709	-	-	-	-	-	-	-	-	-	-	-	125,586	480,978	683,145
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues	<u>1,289,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,586</u>	<u>480,978</u>	<u>683,145</u>
Change in net position	345,142	(73,505)	(102,461)	(35,691)	(118,374)	(47,533)	(72,870)	(85,456)	(88,966)	(63,300)	(50,780)	(54,368)	71,518	439,399	627,529
Total net position - beginning of year	<u>8,278,074</u>	<u>440,740</u>	<u>591,571</u>	<u>249,839</u>	<u>866,835</u>	<u>374,470</u>	<u>619,423</u>	<u>814,964</u>	<u>883,696</u>	<u>721,474</u>	<u>667,207</u>	<u>743,214</u>	<u>890,063</u>	<u>414,578</u>	<u>-</u>
Total net position - end of year	<u>\$ 8,623,216</u>	<u>\$ 367,235</u>	<u>\$ 489,110</u>	<u>\$ 214,148</u>	<u>\$ 748,461</u>	<u>\$ 326,937</u>	<u>\$ 546,553</u>	<u>\$ 729,508</u>	<u>\$ 794,730</u>	<u>\$ 658,174</u>	<u>\$ 616,427</u>	<u>\$ 688,846</u>	<u>\$ 961,581</u>	<u>\$ 853,977</u>	<u>\$ 627,529</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Cash Flows
Year Ended September 30, 2017

	Total	GQ-501-04	GQ-501-05	GQ8D001501-03	GQ-501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12	GQ-501-13	GQ-501-14	GQ-501-15	GQ-501-16
Cash flows from operating activities:															
Operating grants received	\$ 243,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 32,804	\$ 84,569	\$ 125,182
Receipts from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(127,506)	-	-	-	-	-	-	-	-	-	-	(750)	(60,176)	(61,741)	(4,839)
Payments to employees	(90,673)	-	-	-	-	-	-	-	-	-	-	-	-	(12,825)	(77,848)
Other receipts	470	-	-	-	-	-	-	-	-	-	-	-	-	-	470
Net cash used in operating activities	25,596	-	-	-	-	-	-	-	-	-	-	-	(27,372)	10,003	42,965
Cash flows from capital and related financing activities:															
Capital grants received	1,289,709	-	-	-	-	-	-	-	-	-	-	-	125,586	480,978	683,145
Acquisition of capital assets	(1,315,305)	-	-	-	-	-	-	-	-	-	-	-	(98,214)	(490,981)	(726,110)
Net cash provided by investing activities	(25,596)	-	-	-	-	-	-	-	-	-	-	-	27,372	(10,003)	(42,965)
Cash flows from investing activities:															
Other income received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in time certificate of deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash used in operating activities:															
Operating loss	\$ (944,567)	\$ (73,505)	\$ (102,461)	\$ (35,691)	\$ (118,374)	\$ (47,533)	\$ (72,870)	\$ (85,456)	\$ (88,966)	\$ (63,300)	\$ (50,780)	\$ (54,368)	\$ (54,068)	\$ (41,579)	\$ (55,616)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:															
Depreciation	954,562	73,505	102,461	35,691	118,374	47,533	72,870	85,456	88,966	63,300	50,780	55,118	67,987	60,986	31,535
(Increase) decrease in assets:															
Due from HUD	1,433	-	-	-	-	-	-	-	-	-	-	-	-	6,007	(4,574)
Due from other funds	(776)	-	-	-	-	-	-	-	-	-	-	-	(3,090)	2,314	-
Increase (decrease) in liabilities:															
Accrued salaries and wages	(1,433)	-	-	-	-	-	-	-	-	-	-	-	-	(6,007)	4,574
Due to other funds	16,377	-	-	-	-	-	-	-	-	-	-	(750)	(38,201)	(11,718)	67,046
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided used in operating activities	\$ 25,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,372)	\$ 10,003	\$ 42,965

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Net Position
September 30, 2017

Assets	
Current assets:	
Cash:	
Unrestricted	\$ 75,140
Restricted - security deposits	16,035
Restricted - other	401,233
Total cash	492,408
Accounts receivable:	
Tenants	5,657
Interest	-
Other	7,609
	13,266
Allowance for doubtful accounts	(11,765)
Total accounts receivable, net	1,501
Investments:	
Unrestricted	-
Restricted/reserved by fiscal agent	-
Total investments	-
Prepayments and other current assets	-
Inventories	6,882
Total current assets	500,791
Noncurrent assets:	
Capital assets, net	2,020,696
Other assets	-
Total noncurrent assets	2,020,696
Total assets	2,521,487
Deferred outflows of resources from pension	34,223
Total assets and deferred outflows of resources	\$ 2,555,710

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Net Position, Continued
September 30, 2017

<u>Liabilities and Net Position</u>	
Current liabilities:	
Current portion of long-term debt	\$ 66,000
Accounts payable	12,713
Current portion of compensated absences	665
Due to other funds	168,895
Security deposits	14,251
Accrued salaries and wages	<u>6,385</u>
Total current liabilities	<u>268,909</u>
Noncurrent liabilities:	
Net pension liability	275,218
Long-term debt, net of current portion	967,128
Accrued compensated absences	<u>5,799</u>
Total noncurrent liabilities	<u>1,248,145</u>
Total liabilities	<u>1,517,054</u>
Deferred inflows of resources	<u>2,077</u>
Net position:	
Investment in capital assets, net of related debt	987,568
Restricted	417,268
Unrestricted	<u>(368,257)</u>
Total net position	<u>1,036,579</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 2,555,710</u></u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

Operating revenues:	
HUD PHA Operating Grants	\$ 607,986
Tenant rental income	101,382
Total operating revenues	<u>709,368</u>
Operating expenses:	
Utilities	178,438
Salaries and wages	86,377
Depreciation	96,266
Management fees	40,198
Employee benefits	22,290
Other administrative expenses	30,487
Repairs and maintenance	11,897
Office expense	8,679
Insurance	5,525
Advertising and marketing	262
Professional fees	544
Protective services	380
Bad debts	1,249
Compensated absences	5,687
Total operating expenses	<u>488,279</u>
Operating income	<u>221,089</u>
Non-operating revenues (expenses):	
Interest income on unrestricted investments	-
Interest expense	(64,537)
Other income	4,576
Total non-operating revenues (expenses), net	<u>(59,961)</u>
Change in net position	161,128
Net position at beginning of year	918,995
Prior period adjustment, pension	<u>(43,544)</u>
Net position at beginning of year, as restated	<u>875,451</u>
Total net position at end of year	<u>\$ 1,036,579</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Cash Flows
For the Year Ended September 30, 2017

Cash flows from operating activities:	
Operating grants received	\$ 607,986
Receipts from customers and tenants	101,026
Payments to suppliers	(288,912)
Payments to employees	<u>(84,771)</u>
Net cash provided by (used for) operating activities	<u>335,329</u>
Cash flows from noncapital financing activities:	
Transfers (in) out from other funds	<u>-</u>
Net cash used for noncapital financing activities	<u>-</u>
Cash flows from capital and related financing activities:	
Repayment of note payable	\$ (61,944)
Interest paid	(64,537)
Acquisition of capital assets	<u>(97,568)</u>
Net cash used for capital and related financing activities	<u>(224,049)</u>
Cash flows from investing activities:	
Interest and other income received	4,576
Deposits to restricted accounts	<u>-</u>
Net cash provided by investing activities	<u>4,576</u>
Net increase (decrease) in cash	115,856
Cash at beginning year	<u>376,552</u>
Cash at end of year	<u><u>\$ 492,408</u></u>
Cash and cash equivalents consist of the following:	
Unrestricted	\$ 75,140
Restricted - security deposits	16,035
Restricted - other	<u>401,233</u>
Total cash and cash equivalents at end of year	<u><u>\$ 492,408</u></u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Supportive Housing for the Elderly Program

Statement of Cash Flows, continued
For the Year Ended September 30, 2017

Reconciliation in operating income to net cash provided by (used for) operating activities:	
Operating income	\$ 221,089
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	96,266
Bad debts	1,249
Non-cash pension costs recovery	(4,257)
(Increase) decrease in assets:	
Accounts receivable:	
Tenant receivables	527
Interest	-
Other	(559)
Prepayments and other assets	-
Inventories	3,176
Increase (decrease) in liabilities:	
Account payable	5,441
Compensated absences and sick leave	5,687
Due to other funds	5,428
Security deposits	(324)
Accrued salaries and wages	<u>1,606</u>
Net cash provided by operating activities	<u>\$ 335,329</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Net Position
September 30, 2017

ASSETS	Total	Continuum of Care	HOME	Emergency	Resident	Multifamily	Community Health	Economic, Social,	Family Self-Sufficiency Program	ARRA - CFDA
			Investment Partnership Program	Solutions Grants Program	Opportunities and Supportive Services	Housing Service Coordinator	Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Political and Development of the Territories		14.256 Neighborhood Stabilization
Current assets:										
Cash:										
Unrestricted	\$ 161,249	\$ -	\$ 160,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602
Restricted - security deposits	-	-	-	-	-	-	-	-	-	-
Total cash	<u>161,249</u>	<u>-</u>	<u>160,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602</u>
Accounts receivable:										
Due from other funds	7,149	-	-	-	-	-	-	-	-	7,149
HUD	411,192	46,949	218,747	68,298	33,010	16,586	-	-	27,602	-
Promissory notes, current portion	158,610	-	158,610	-	-	-	-	-	-	-
Federal Government	-	-	-	-	-	-	-	-	-	-
Other Government	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	<u>576,951</u>	<u>46,949</u>	<u>377,357</u>	<u>68,298</u>	<u>33,010</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>7,149</u>
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	<u>576,951</u>	<u>46,949</u>	<u>377,357</u>	<u>68,298</u>	<u>33,010</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>7,149</u>
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Total current assets	<u>738,200</u>	<u>46,949</u>	<u>538,004</u>	<u>68,298</u>	<u>33,010</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>7,751</u>
Noncurrent assets:										
Promissory notes, noncurrent	2,823,163	-	2,823,163	-	-	-	-	-	-	-
Capital assets, net:										
Land and infrastructure	-	-	-	-	-	-	-	-	-	-
Depreciable buildings, property and equipment, net	-	-	-	-	-	-	-	-	-	-
Total non-current assets	<u>2,823,163</u>	<u>-</u>	<u>2,823,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,561,363</u>	<u>46,949</u>	<u>3,361,167</u>	<u>68,298</u>	<u>33,010</u>	<u>16,586</u>	<u>-</u>	<u>-</u>	<u>27,602</u>	<u>7,751</u>
Deferred outflows of resources from pension	<u>102,913</u>	<u>-</u>	<u>63,679</u>	<u>-</u>	<u>11,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,165</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,664,276</u>	<u>\$ 46,949</u>	<u>\$ 3,424,846</u>	<u>\$ 68,298</u>	<u>\$ 44,079</u>	<u>\$ 16,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,767</u>	<u>\$ 7,751</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Net Position, continued
September 30, 2017

LIABILITIES AND NET POSITION	Total	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Economic, Social, Political and Development of the Territories	Family Self- Sufficiency Program	ARRA - CFDA 14.256 Neighborhood Stablization
Liabilities:										
Accounts payable	\$ 19	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of compensated absences	4,932	-	1,624	-	2,113	420	-	-	775	-
Due to HUD	-	-	-	-	-	-	-	-	-	-
Due to other funds	378,119	43,819	196,862	68,298	17,842	16,586	295	(1,300)	28,568	7,149
Deferred revenues	33,397	-	32,097	-	-	-	-	1,300	-	-
Accrued salaries and wages	16,168	3,130	7,013	-	1,514	-	-	-	4,511	-
Other current liabilities	4,500	-	4,500	-	-	-	-	-	-	-
Total current liabilities	437,135	46,949	242,115	68,298	21,469	17,006	295	-	33,854	7,149
Noncurrent liabilities:										
Net pension liability	827,608	-	512,089	-	89,014	-	-	-	226,505	-
Accrued compensated absences	5,215	-	-	-	3,709	1,506	-	-	-	-
Other liabilities	3,019,612	-	2,995,983	-	14,651	2,159	-	-	6,819	-
Total noncurrent liabilities	3,852,435	-	3,508,072	-	107,374	3,665	-	-	233,324	-
Total liabilities	4,289,570	46,949	3,750,187	68,298	128,843	20,671	295	-	267,178	7,149
Deferred inflows of resources from pension	6,244	-	3,864	-	671	-	-	-	1,709	-
Net position:										
Investment in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(631,538)	-	(329,205)	-	(85,435)	(4,085)	(295)	-	(213,120)	602
Total net position	(631,538)	-	(329,205)	-	(85,435)	(4,085)	(295)	-	(213,120)	602
Total liabilities, deferred inflows of resources and net position	\$ 3,664,276	\$ 46,949	\$ 3,424,846	\$ 68,298	\$ 44,079	\$ 16,586	\$ -	\$ -	\$ 55,767	\$ 7,751

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	Total	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Economic, Social, Political and Development of the Territories	Family Self-Sufficiency Program	ARRA - CFDA 14.256 Neighborhood Stabilization
Operating revenues:										
HUD PHA Operating Grants	\$ 2,671,622	\$ 1,051,417	\$ 1,174,098	\$ 253,242	\$ 50,571	\$ 43,317	\$ -	\$ -	\$ 98,977	\$ -
Other Government Grants	338,383	-	-	-	-	-	-	338,383	-	-
Tenant rental income	25,209	-	24,709	-	-	-	-	-	-	500
Other income	137,863	-	124,878	-	-	-	-	(1,300)	-	14,285
Total operating revenues	3,173,077	1,051,417	1,323,685	253,242	50,571	43,317	-	337,083	98,977	14,785
Operating expenses:										
Repairs and maintenance	1,376,858	-	1,125,450	-	-	-	-	237,828	-	13,580
Administrative salaries	328,498	32,150	145,073	14,316	29,633	29,325	-	4,216	73,329	456
Management fees	-	-	-	-	-	-	-	-	-	-
Employee benefits	131,164	10,681	47,816	4,777	8,117	8,920	-	1,355	49,351	147
Depreciation	1,462	-	1,462	-	-	-	-	-	-	-
Utilities	117	-	117	-	-	-	-	-	-	-
Tenant salaries	-	-	-	-	-	-	-	-	-	-
Insurance	1,508	-	1,508	-	-	-	-	-	-	-
Tenant services	-	-	-	-	-	-	-	-	-	-
Travel	8,345	-	-	-	4,244	4,101	-	-	-	-
Advertising and Marketing	5,655	-	4,824	381	-	-	-	450	-	-
Office expense	9,209	44	2,626	1	5,476	972	-	90	-	-
Professional fees	7,879	2,144	4,684	1,051	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-	-
Compensated absences	(10,914)	-	(22,280)	-	(312)	4,084	-	-	7,594	-
Other	1,344,213	1,006,398	11,700	232,716	255	-	-	93,144	-	-
Total operating expenses	3,203,994	1,051,417	1,322,980	253,242	47,413	47,402	-	337,083	130,274	14,183
Operating income (loss)	(30,917)	-	705	-	3,158	(4,085)	-	-	(31,297)	602
Non-operating revenues (expenses):										
Capital grants	-	-	-	-	-	-	-	-	-	-
Interest income on unrestricted investments	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses), net	-	-	-	-	-	-	-	-	-	-
Changes in net position	(30,917)	-	705	-	3,158	(4,085)	-	-	(31,297)	602
Net position - beginning of year	(475,139)	-	(249,817)	-	(74,251)	-	(295)	-	(150,776)	-
Prior period adjustment, pension	(125,482)	-	(80,093)	-	(14,342)	-	-	-	(31,047)	-
Total net position - beginning of year, as restated	(600,621)	-	(329,910)	-	(88,593)	-	(295)	-	(181,823)	-
Total net position - end of year	\$ (631,538)	\$ -	\$ (329,205)	\$ -	\$ (85,435)	\$ (4,085)	\$ (295)	\$ -	\$ (213,120)	\$ 602

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Cash Flows
Year Ended September 30, 2017

	TOTAL	Continuum of Care	HOME Investment Partnership Program	Emergency Solutions Grants Program	Resident Opportunities and Supportive Services	Multifamily Housing Service Coordinator	Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Health Center Program	Economic, Social, Political and Development of the Territories	Family Self- Sufficiency Program	ARRA - CFDA 14.256 Neighborhood Stabilization
Cash flows from operating activities:										
Operating grants received	\$ 1,762,953	\$ 232,119	\$ 1,147,296	\$ 222,771	\$ 37,343	\$ 38,296	\$ -	\$ -	\$ 85,128	\$ -
Other government grants received	349,734	-	-	-	-	-	-	349,734	-	-
Receipts from customers	135,248	-	134,043	-	-	-	-	-	-	1,205
Assistance paid	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(1,954,067)	(221,556)	(1,148,752)	(207,663)	(7,699)	(8,972)	-	(344,218)	(1,065)	(14,142)
Payments to employees	(321,325)	(10,563)	(147,951)	(15,108)	(29,644)	(29,324)	-	(4,216)	(84,063)	(456)
Other cash receipts (payments)	(1,300)	-	-	-	-	-	-	(1,300)	-	-
Net cash provided by (used for) operating activities	(28,757)	-	(15,364)	-	-	-	-	-	-	(13,393)
Cash flows from capital and related financing activities:										
Interest paid	-	-	-	-	-	-	-	-	-	-
Repayment of note payable	-	-	-	-	-	-	-	-	-	-
Other income received	-	-	-	-	-	-	-	-	-	-
Capital grants received	-	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-
Net cash flows used for capital and related financing activities	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:										
Interest and other income received	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash	(28,757)	-	(15,364)	-	-	-	-	-	-	(13,393)
Cash at beginning of year	190,006	-	176,011	-	-	-	-	-	-	13,995
Cash at end of year	\$ 161,249	\$ -	\$ 160,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602
Reconciliation to operating loss to net cash provided by (used for) operating activities:										
Operating income (loss)	\$ (30,917)	\$ -	\$ 705	\$ -	\$ 3,158	\$ (4,085)	\$ -	\$ -	\$ (31,297)	\$ 602
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:										
Depreciation	1,462	-	1,462	-	-	-	-	-	-	-
Non-cash pension costs	18,061	-	(2,795)	-	(2,847)	-	-	-	23,703	-
(Increase) decrease in assets:										
Accounts receivable:										
Tenants	-	-	-	-	-	-	-	-	-	-
HUD	(39,485)	49,886	(26,802)	(30,471)	(13,228)	(5,021)	-	-	(13,849)	-
Promissory notes	(2,981,773)	-	(2,981,773)	-	-	-	-	-	-	-
Due from other funds	(418)	-	-	-	-	-	-	-	-	(418)
Due from other government agencies	10,051	-	-	-	-	-	-	10,051	-	-
Prepayments and other assets	283	-	283	-	-	-	-	-	-	-
Increase (decrease) in liabilities:										
Accounts payable	-	-	-	-	-	-	-	-	-	-
Compensated absences	(7,178)	-	(2,054)	-	(201)	1,926	-	-	(6,849)	-
Due to HUD	-	-	-	-	-	-	-	-	-	-
Due to other funds	63,008	(52,236)	52,485	31,263	13,240	5,021	-	(11,351)	24,583	3
Security deposits	1,500	-	1,500	-	-	-	-	-	-	-
Deferred revenues	(29,324)	-	(17,044)	-	-	-	-	1,300	-	(13,580)
Accrued salaries and wages	(803)	2,350	(2,877)	(792)	(11)	-	-	-	527	-
Other liabilities	2,966,776	-	2,961,546	-	(111)	2,159	-	-	3,182	-
Net cash provided by (used for) operating activities	\$ (28,757)	\$ -	\$ (15,364)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,393)

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

CONTINUUM OF CARE PROGRAM
CFDA NO. 14.267

Combining Statements of Net Position
September 30, 2017

ASSETS	Total	GU0002- L9C-001407	GU0016- L9C-001403	GU0015- L9C-001403	GU0018- L9C-001401	GU0003- L9C-001508	GU0011- L9C001405	GU0007- L9C001407	GU0011- L9C001506	GU0016- L9C001504	GU0004- L9C001508	GU0015- L9C001504	GU0018- L9C001502	GU0020- L9C001500
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:														
HUD	46,949	-	-	-	-	-	-	-	789	21,402	-	12,496	9,912	2,350
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 46,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789	\$ 21,402	\$ -	\$ 12,496	\$ 9,912	\$ 2,350

LIABILITIES AND NET POSITION

Accounts payable:															
Due to other funds	\$ 43,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 21,402	\$ -	\$ 12,496	\$ 9,912	\$ -	
Accrued salaries and wages	3,130	-	-	-	-	-	-	-	780	-	-	-	-	2,350	
HUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accrued liabilities:															
Compensated absences - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 46,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789	\$ 21,402	\$ -	\$ 12,496	\$ 9,912	\$ 2,350	

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

CONTINUUM OF CARE PROGRAM
CFDA NO. 14.267

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	Total	GU0002- L9C-001407	GU0016- L9C-001403	GU0015- L9C-001403	GU0018- L9C-001401	GU0003- L9C-001508	GU0011- L9C001405	GU0007- L9C001407	GU0011- L9C001506	GU0016- L9C001504	GU0004- L9C001508	GU0015- L9C001504	GU0018- L9C001502	GU0020- L9C001500
Revenues:														
Federal contributions	\$ 1,051,417	\$ -	\$ 32,955	\$ 63,938	\$ 21,992	\$ 310,846	\$ 29,240	\$ 2,899	\$ 270,217	\$ 96,579	\$ 113,853	\$ 45,550	\$ 48,540	\$ 14,808
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,051,417	-	32,955	63,938	21,992	310,846	29,240	2,899	270,217	96,579	113,853	45,550	48,540	14,808
Operating expenses:														
Administrative salaries	32,150	-	176	88	-	5,532	-	-	13,770	456	-	955	55	11,118
Employee benefits	10,681	-	59	30	-	1,653	-	-	4,762	152	-	317	18	3,690
Repair and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	44	-	-	-	-	-	-	-	17	9	-	9	9	-
Legal	2,144	-	-	-	-	744	-	-	-	437	525	438	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,006,398	-	32,720	63,820	21,992	302,917	29,240	2,899	251,668	95,525	113,328	43,831	48,458	-
Total operating expenses	1,051,417	-	32,955	63,938	21,992	310,846	29,240	2,899	270,217	96,579	113,853	45,550	48,540	14,808
Operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating revenues (expenditures):														
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

CONTINUUM OF CARE PROGRAM
CFDA NO. 14.267

Combining Statements of Cash Flows
Year Ended September 30, 2017

	Total	GU0002- L9C-001407	GU0016- L9C-001403	GU0015- L9C-001403	GU0018- L9C-001401	GU0003- L9C-001508	GU0011- L9C001405	GU0007- L9C001407	GU0011- L9C001506	GU0016- L9C001504	GU0004- L9C001508	GU0015- L9C001504	GU0018- L9C001502	GU0020- L9C001500
Cash flows from operating activities:														
Operating grants received	\$ 232,119	\$ 11,149	\$ 52,589	\$ 71,663	\$ 45,632	\$ 38,628	\$ 12,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to suppliers	(221,556)	(11,149)	(52,413)	(71,575)	(45,632)	(38,409)	(3,526)	164	164	164	164	164	164	164
Payments to employees	(10,563)	-	(176)	(88)	-	(219)	(8,932)	(164)	(164)	(164)	(164)	(164)	(164)	(164)
Net cash provided by (used in) operating activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:														
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:														
Increase in investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by (used in) operating activities:														
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:														
(Increase) decrease in assets:														
Accounts receivable - HUD	49,886	11,149	19,634	7,725	23,640	(9,912)	(2,350)	-	-	-	-	-	-	-
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:														
Due to other funds	(52,236)	(11,149)	(19,634)	(7,725)	(23,640)	9,912	-	-	-	-	-	-	-	-
Accrued salaries and wages	2,350	-	-	-	-	-	2,350	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Net Position
Year Ended September 30, 2017

ASSETS	Total	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	M-14-ST- 66-0202	M-15-ST- 66-0202	M-16-ST- 66-0202	Program Income
Cash	\$ 160,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,647
Accounts Receivable:												
HUD	218,747	108,601	(12,939)	28,208	(7,424)	1,052	1,041	79,521	-	720	19,967	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Promissory notes, current portion	158,610	-	-	-	-	-	-	-	-	-	-	158,610
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-
Promissory notes, noncurrent	2,823,163	-	-	-	-	-	-	-	-	-	-	2,823,163
Capital assets	8,265	-	-	-	-	8,265	-	-	-	-	-	-
Accumulated depreciation	(8,265)	-	-	-	-	(8,265)	-	-	-	-	-	-
Total assets	<u>3,361,167</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,208</u>	<u>(7,424)</u>	<u>1,052</u>	<u>1,041</u>	<u>79,521</u>	<u>-</u>	<u>720</u>	<u>19,967</u>	<u>3,142,420</u>
Deferred outflows of resources from pension	63,679	-	-	-	-	-	-	-	63,679	-	-	-
Total assets and deferred outflows of resources	<u>3,424,846</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,208</u>	<u>\$ (7,424)</u>	<u>\$ 1,052</u>	<u>\$ 1,041</u>	<u>\$ 79,521</u>	<u>\$ 63,679</u>	<u>\$ 720</u>	<u>\$ 19,967</u>	<u>\$ 3,142,420</u>
LIABILITIES AND NET POSITION												
Current liabilities:												
Vendors	\$ 19	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to HUD	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	196,862	108,601	(12,939)	28,274	(7,226)	1,052	84	75,018	-	720	2,580	698
Accrued salaries and wages	7,013	-	-	-	-	-	957	4,503	-	-	1,553	-
Security deposits	4,500	-	-	-	-	-	-	-	-	-	-	4,500
Compensated absences - current	1,624	-	-	-	-	-	-	-	-	-	1,624	-
Deferred revenues	32,097	-	-	-	-	-	-	-	-	-	-	32,097
Total current liabilities	<u>242,115</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>1,052</u>	<u>1,041</u>	<u>79,521</u>	<u>-</u>	<u>720</u>	<u>5,757</u>	<u>37,295</u>
Noncurrent liabilities:												
Net pension liability	512,089	-	-	-	-	-	-	-	512,089	-	-	-
Compensated absences -noncurrent	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term liabilities	2,995,983	-	-	-	-	-	-	-	-	-	14,210	2,981,773
Total noncurrent liabilities	<u>3,508,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,089</u>	<u>-</u>	<u>14,210</u>	<u>2,981,773</u>
Total liabilities	<u>3,750,187</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>1,052</u>	<u>1,041</u>	<u>79,521</u>	<u>512,089</u>	<u>720</u>	<u>19,967</u>	<u>3,019,068</u>
Deferred inflows of resources from pension	3,864	-	-	-	-	-	-	-	3,864	-	-	-
Net position:												
Invested in capital, net of related debt	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	(329,205)	-	-	(85)	(198)	-	-	-	(452,274)	-	-	123,352
Total net position	<u>(329,205)</u>	<u>-</u>	<u>-</u>	<u>(85)</u>	<u>(198)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452,274)</u>	<u>-</u>	<u>-</u>	<u>123,352</u>
Total liabilities, net position and inflows of resources	<u>\$ 3,424,846</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,208</u>	<u>\$ (7,424)</u>	<u>\$ 1,052</u>	<u>\$ 1,041</u>	<u>\$ 79,521</u>	<u>\$ 63,679</u>	<u>\$ 720</u>	<u>\$ 19,967</u>	<u>\$ 3,142,420</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	Total	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	M-14-ST- 66-0202	M-15-ST- 66-0202	M-16-ST- 66-0202	Program Income
Revenues:												
PHA Operating grants	\$ 1,174,098	\$ -	\$ -	\$ 280,814	\$ -	\$ 69,364	\$ 379,262	\$ 271,348	\$ 61,103	\$ 758	\$ 111,449	\$ -
Tenant rental income	24,709	-	-	-	-	-	-	-	-	-	-	24,709
Other	124,878	-	-	-	-	-	-	-	-	-	-	124,878
Total Revenues	1,323,685	-	-	280,814	-	69,364	379,262	271,348	61,103	758	111,449	149,587
Operating expenses:												
Repairs and maintenance	1,125,450	-	-	280,814	-	69,364	373,731	192,227	61,103	-	-	148,211
Administrative salaries	145,073	-	-	-	-	-	4,031	49,160	-	25,006	66,876	-
Employee benefits	47,816	-	-	-	-	-	1,500	16,526	(2,795)	9,053	23,532	-
Compensated absences	(22,280)	-	-	-	-	-	-	-	-	(38,114)	15,834	-
Office expense	2,626	-	-	85	-	-	-	-	-	618	1,748	175
Professional fees	4,684	-	-	-	-	-	-	-	-	3,332	1,352	-
Adversting and marketing	4,824	-	-	-	-	-	-	3,290	-	827	707	-
Utilities	117	-	-	-	-	-	-	-	-	-	-	117
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,462	-	-	-	-	1,462	-	-	-	-	-	-
Insurance	1,508	-	-	-	198	-	-	-	-	-	731	579
Protective services	-	-	-	-	-	-	-	-	-	-	-	-
Other	11,700	-	-	-	-	-	-	10,145	-	36	669	850
Total operating expenses	1,322,980	-	-	280,899	198	70,826	379,262	271,348	58,308	758	111,449	149,932
Operating income	705	-	-	(85)	(198)	(1,462)	-	-	2,795	-	-	(345)
Non-operating revenues:												
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues, net	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	705	-	-	(85)	(198)	(1,462)	-	-	2,795	-	-	(345)
Net position - beginning of year	(249,817)	-	-	-	-	1,462	-	-	(374,976)	-	-	123,697
Prior period adjustment	(80,093)	-	-	-	-	-	-	-	(80,093)	-	-	-
Net position - beginning of year, as restated	(329,910)	-	-	-	-	1,462	-	-	(455,069)	-	-	123,697
Total net position - end of year	\$ (329,205)	\$ -	\$ -	\$ (85)	\$ (198)	\$ -	\$ -	\$ -	\$ (452,274)	\$ -	\$ -	\$ 123,352

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Cash Flows
Year Ended September 30, 2017

	Total	M-07-ST- 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202	M-13-ST- 66-0202	M-14-ST- 66-0202	M-15-ST- 66-0202	M-16-ST- 66-0202	Program Income
Cash flows from operating activities:												
Operating grants received	\$ 1,147,296	\$ -	\$ -	\$ 280,814	\$ -	\$ 69,364	\$ 378,443	\$ 213,298	\$ 62,678	\$ 51,217	\$ 91,482	\$ -
Receipts from customers	134,043	-	-	-	-	-	-	-	-	-	-	134,043
Payments to suppliers	(1,148,752)	-	-	(280,814)	-	(69,364)	(375,271)	(164,408)	(62,678)	(20,651)	(26,159)	(149,407)
Payments to employees	(147,951)	-	-	-	-	-	(3,172)	(48,890)	-	(30,566)	(65,323)	-
Other cash receipts (payments)	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	(15,364)	-	-	-	-	-	-	-	-	-	-	(15,364)
Cash flows from investing activities:												
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:												
Transfers from fund balance	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net decrease in cash and cash equivalents	(15,364)	-	-	-	-	-	-	-	-	-	-	(15,364)
Cash and cash equivalents at beginning year	176,011	-	-	-	-	-	-	-	-	-	-	176,011
Cash and cash equivalents at end of year	<u>\$ 160,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,647</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:												
Operating income (loss)	\$ 705	\$ -	\$ -	\$ (85)	\$ (198)	\$ (1,462)	\$ -	\$ -	\$ 2,795	\$ -	\$ -	\$ (345)
Adjustments to reconcile change in net assets to net provided by (used in) operating activities:												
Depreciation	1,462	-	-	-	-	1,462	-	-	-	-	-	-
Non-cash pension costs	(2,795)	-	-	-	-	-	-	-	(2,795)	-	-	-
(Increase) decrease in assets:												
Accounts receivable - HUD	(26,802)	-	-	-	-	-	(819)	(58,050)	1,575	50,459	(19,967)	-
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Promissory notes	(2,981,773)	-	-	-	-	-	-	-	-	-	-	(2,981,773)
Prepaid and other assets	283	-	-	85	198	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	(2,877)	-	-	-	-	-	859	270	-	(5,559)	1,553	-
Compensated absences	(2,054)	-	-	-	-	-	-	-	-	(3,678)	1,624	-
Security deposits	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Due to other funds	52,485	-	-	-	-	-	(40)	57,780	(1,575)	(6,785)	2,580	525
Deferred revenues	(17,044)	-	-	-	-	-	-	-	-	-	-	(17,044)
Other liabilities	2,961,546	-	-	-	-	-	-	-	-	(34,437)	14,210	2,981,773
Net cash provided by (used in) operating activities	<u>\$ (15,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,364)</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SOLUTIONS GRANTS
CFDA NO. 14.231

Combining Statements of Net Position
Year Ended September 30, 2017

<u>ASSETS</u>	<u>Total</u>	<u>E-14-DC- 66-0001</u>	<u>E-15-DC- 66-0001</u>	<u>E-16-DC- 66-0001</u>
Cash	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:				
HUD	68,298	-	-	68,298
Due from other funds	-	-	-	-
Prepaid and other assets	-	-	-	-
Capital assets, net	-	-	-	-
 TOTAL	 <u>\$ 68,298</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 68,298</u>

LIABILITIES AND NET POSITION

Accounts payable:				
Due to other funds	\$ 68,298	\$ -	\$ -	\$ 68,298
HUD	-	-	-	-
Accrued salaries and wages	-	-	-	-
Accrued liabilities:				
Compensated absences - current	-	-	-	-
Salaries and wages	-	-	-	-
Deferred revenue	-	-	-	-
Compensated absences - noncurrent	-	-	-	-
Net position	-	-	-	-
 TOTAL	 <u>\$ 68,298</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 68,298</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**EMERGENCY SOLUTIONS GRANTS
CFDA NO. 14.231**

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	<u>Total</u>	<u>E-14-DC- 66-0001</u>	<u>E-15-DC- 66-0001</u>	<u>E-16-DC- 66-0001</u>
Revenues:				
Federal contributions	\$ 253,242	\$ -	\$ 92,468	\$ 160,774
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>253,242</u>	<u>-</u>	<u>92,468</u>	<u>160,774</u>
Operating expenses:				
Administrative salaries	14,316	-	9,361	4,955
Employee benefits	4,777	-	3,126	1,651
Repair and maintenance	-	-	-	-
Office expenses	1	-	1	-
Depreciation	-	-	-	-
Advertising and marketing	381	-	303	78
Legal	1,051	-	1	1,050
Travel	-	-	-	-
Other	<u>232,716</u>	<u>-</u>	<u>79,676</u>	<u>153,040</u>
Total operating expenses	<u>253,242</u>	<u>-</u>	<u>92,468</u>	<u>160,774</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenses):				
Interest income	-	-	-	-
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	-
Total net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SOLUTIONS GRANTS
CFDA NO. 14.231

Combining Statements of Cash Flows
Year Ended September 30, 2017

	<u>Total</u>	<u>E-14-DC- 66-0001</u>	<u>E-15-DC- 66-0001</u>	<u>E-16-DC- 66-0001</u>
Cash flows from operating activities:				
Operating grants received	\$ 222,771	\$ 1	\$ 130,294	\$ 92,476
Payments to suppliers	(207,663)	(1)	(120,141)	(87,521)
Payments to employees	<u>(15,108)</u>	<u>-</u>	<u>(10,153)</u>	<u>(4,955)</u>
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Acquisition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Transfers from fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Reconciliation of operating income assets to net cash provided (used) by operating activities:				
Operating income	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
(Increase) decrease in assets:				
Accounts receivable - HUD	(30,471)	1	37,826	(68,298)
Prepaide and other assets	-	-	-	-
Increase (decrease) in liabilities:				
Accrued salaries and wages	(792)	-	(792)	-
Due to other funds	31,263	(1)	(37,034)	68,298
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Net Position
Year Ended September 30, 2017

ASSETS	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Current assets:					
Cash					
Unrestricted	\$ 748,481	\$ 464,450	\$ 215,879	\$ -	\$ 68,152
Restricted - FSS	9,015	9,015	-	-	-
Restricted - other	105,109	3,855	101,254	-	-
Total cash	<u>862,605</u>	<u>477,320</u>	<u>317,133</u>	<u>-</u>	<u>68,152</u>
Account receivable:					
Due from other funds	4,726,890	1,471,202	2,705,014	3,865	546,809
Other governments	9,774	-	9,774	-	-
Promissory notes, current portion	88,064	88,064	-	-	-
Travel advances	-	-	-	-	-
Accrued interest	12	-	-	12	-
Other	116,970	4,739	108,791	-	3,440
Total accounts receivable	4,941,710	1,564,005	2,823,579	3,877	550,249
Allowance for doubtful accounts	(183,056)	(180,506)	(2,550)	-	-
Total accounts receivable, net	4,758,654	1,383,499	2,821,029	3,877	550,249
Investments	75,170	-	-	75,170	-
Prepaid and other assets	74,835	30	74,805	-	-
Other real estate	2,705,458	2,705,458	-	-	-
Total current assets	<u>8,476,722</u>	<u>4,566,307</u>	<u>3,212,967</u>	<u>79,047</u>	<u>618,401</u>
Noncurrent assets:					
Capital assets, net	873,283	344,012	52,048	-	477,223
Promissory notes - noncurrent	597,559	597,559	-	-	-
Total non-current assets	<u>1,470,842</u>	<u>941,571</u>	<u>52,048</u>	<u>-</u>	<u>477,223</u>
Deferred outflows of resources from pension	408,087	408,087	-	-	-
Total assets and deferred outflows of resources	<u>\$ 10,355,651</u>	<u>\$ 5,915,965</u>	<u>\$ 3,265,015</u>	<u>\$ 79,047</u>	<u>\$ 1,095,624</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Accounts payable:					
Bank overdraft	68,913	68,913	-	-	-
Due to other funds	3,445,469	(110,830)	2,149,913	-	1,406,386
Vendors and contractors	108,730	19,022	89,708	-	-
Compensated absences - current portion	30,706	30,706	-	-	-
Other	562,088	-	562,088	-	-
Accrued salaries and wages	58,975	58,975	-	-	-
Accrued liabilities	167,453	25,616	141,837	-	-
Accrued FSS Escrow liabilities	14	14	-	-	-
Security deposits	3,173	3,173	-	-	-
Deferred revenues	1,218,941	1,213,676	5,265	-	-
Total Current Liabilities	<u>5,664,462</u>	<u>1,309,265</u>	<u>2,948,811</u>	<u>-</u>	<u>1,406,386</u>
Noncurrent liabilities:					
Net pension liability	3,281,809	3,281,809	-	-	-
Accrued compensated absences	99,664	99,664	-	-	-
Accrued sick leave	97,576	97,576	-	-	-
Total noncurrent liabilities	<u>3,479,049</u>	<u>3,479,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>9,143,511</u>	<u>4,788,314</u>	<u>2,948,811</u>	<u>-</u>	<u>1,406,386</u>
Deferred inflows of resources from pension	24,769	24,769	-	-	-
Net Position:					
Investment in capital assets, net of related debt	3,578,741	3,049,470	52,048	-	477,223
Restricted	-	-	-	-	-
Unrestricted	(2,391,370)	(1,946,588)	264,156	79,047	(787,985)
Total Net Position	<u>1,187,371</u>	<u>1,102,882</u>	<u>316,204</u>	<u>79,047</u>	<u>(310,762)</u>
Total Liabilities, deferred inflows of resources and net position	<u>\$ 10,355,651</u>	<u>\$ 5,915,965</u>	<u>\$ 3,265,015</u>	<u>\$ 79,047</u>	<u>\$ 1,095,624</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	<u>TOTAL</u>	<u>Local Funds</u>	<u>Revolving Funds</u>	<u>Trust Funds</u>	<u>Other Funds</u>
Operating revenues:					
Property Sales	\$ 23,400	\$ 23,400	\$ -	\$ -	\$ -
Management fees	1,058,193	1,058,193	-	-	-
Asset management fees	90,000	90,000	-	-	-
Bookkeeping fees	280,208	280,208	-	-	-
Other Federal Grants	-	-	-	-	-
Other	<u>256,704</u>	<u>256,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>1,708,505</u>	<u>1,708,505</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Repairs and maintenance	216,940	211,140	5,800	-	-
Administrative salaries	1,227,954	1,165,040	62,744	-	170
Employee benefits	800,413	778,274	22,085	-	54
Depreciation	-	-	-	-	-
Office expense	115,008	53,217	61,791	-	-
Legal and professional fees	46,883	46,620	175	-	88
Utilities	68,397	68,397	-	-	-
Compensated absences	(2,180)	(2,180)	-	-	-
Travel	2,026	2,026	-	-	-
Insurance	13,691	13,691	-	-	-
Management fees	30,000	-	-	-	30,000
Bad debts	71,263	71,163	100	-	-
Advertising and marketing	9,164	9,140	24	-	-
Protective services	20,079	20,079	-	-	-
Other	<u>62,939</u>	<u>60,180</u>	<u>2,559</u>	<u>-</u>	<u>200</u>
Total operating expenses	<u>2,682,577</u>	<u>2,496,787</u>	<u>155,278</u>	<u>-</u>	<u>30,512</u>
Operating income (loss)	<u>(974,072)</u>	<u>(788,282)</u>	<u>(155,278)</u>	<u>-</u>	<u>(30,512)</u>
Non-operating revenues and (expense):					
Other income	-	-	-	-	-
Recovery of bad debts	-	-	-	-	-
Other expense	-	-	-	-	-
Investment income	<u>618</u>	<u>394</u>	<u>36</u>	<u>90</u>	<u>98</u>
Total non-operating revenues and (expenses), net	<u>618</u>	<u>394</u>	<u>36</u>	<u>90</u>	<u>98</u>
Change in net position	<u>(973,454)</u>	<u>(787,888)</u>	<u>(155,242)</u>	<u>90</u>	<u>(30,414)</u>
Net position - beginning of year	2,602,354	2,332,299	471,446	78,957	(280,348)
Prior period adjustment - net pension liability	<u>(441,529)</u>	<u>(441,529)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - beginning of year, as restated	<u>2,160,825</u>	<u>1,890,770</u>	<u>471,446</u>	<u>78,957</u>	<u>(280,348)</u>
Total net position - end of year	<u>\$ 1,187,371</u>	<u>\$ 1,102,882</u>	<u>\$ 316,204</u>	<u>\$ 79,047</u>	<u>\$ (310,762)</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Cash Flows
Year Ended September 30, 2017

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Cash flows from operating activities:					
Operating grants received	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers and tenants	1,773,519	1,773,519	-	-	-
Payments to suppliers	(865,580)	(754,401)	(79,083)	-	(32,096)
Payments to employees	(1,222,022)	(1,159,108)	(62,744)	-	(170)
Other cash receipts (payments)	326,608	69,306	257,302	-	-
Net cash used for operating activities	<u>12,525</u>	<u>(70,684)</u>	<u>115,475</u>	<u>-</u>	<u>(32,266)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	-	-	-
Net cash flows used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Interest and other income received	618	394	36	90	98
Deposits in restricted accounts	(90)	-	-	(90)	-
Net cash provided by investing activities	<u>528</u>	<u>394</u>	<u>36</u>	<u>-</u>	<u>98</u>
Net change in cash	13,053	(70,290)	115,511	-	(32,168)
Cash at beginning of year	849,552	547,610	201,622	-	100,320
Cash at end of year	<u>\$ 862,605</u>	<u>\$ 477,320</u>	<u>\$ 317,133</u>	<u>\$ -</u>	<u>\$ 68,152</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (974,072)	\$ (788,282)	\$ (155,278)	\$ -	\$ (30,512)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	-
Bad debts	71,263	71,163	100	-	-
Non-cash pension costs	390,600	390,600	-	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Promissory notes	120,728	120,728	-	-	-
Due from other funds	199,181	64,004	135,177	-	-
Other governments	-	-	-	-	-
Travel advances	-	-	-	-	-
Accrued interest	-	-	-	-	-
Other	(6,808)	-	(6,808)	-	-
Prepaid expenses and other assets	204	-	204	-	-
Land held for sale	69,306	69,306	-	-	-
Increase (decrease) in liabilities:					
Bank overdraft	29,652	29,652	-	-	-
Accounts payable	10,418	(2,729)	13,147	-	-
Compensated absences	(2,180)	(2,180)	-	-	-
Due to other funds	7,143	27,264	(18,367)	-	(1,754)
Accrued salaries and wages	5,932	5,932	-	-	-
Accrued FSS Escrow liabilities	14	14	-	-	-
Other current liabilities	153,179	-	153,179	-	-
Accrued liabilities	199	(428)	627	-	-
Deferred revenues	(62,234)	(55,728)	(6,506)	-	-
Net cash provided by (used for) operating activities	<u>\$ 12,525</u>	<u>\$ (70,684)</u>	<u>\$ 115,475</u>	<u>\$ -</u>	<u>\$ (32,266)</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOCAL FUNDS

Combining Statements of Net Position
Year Ended September 30, 2017

ASSETS	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Current assets:									
Cash - unrestricted	\$ 464,450	\$ -	\$ -	\$ -	\$ -	\$ 212,092	\$ -	\$ 120,862	\$ 131,496
Cash - restricted for FSS	9,015	-	-	-	-	-	9,015	-	-
Cash - other restricted	3,855	-	-	-	-	-	3,855	-	-
Total cash	<u>477,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,092</u>	<u>12,870</u>	<u>120,862</u>	<u>131,496</u>
Accounts receivable:									
Due from other funds	1,471,202	1,666	771,148	4,835	43,727	-	651,500	121	(1,795)
Promissory notes, current portion	88,064	-	-	-	-	-	-	70,617	17,447
Allowance for doubtful accounts	(180,506)	-	-	-	-	-	-	(180,506)	-
Accrued interest	-	-	-	-	-	-	-	-	-
Other	4,739	-	4,600	-	-	139	-	-	-
Total accounts receivable	<u>1,383,499</u>	<u>1,666</u>	<u>775,748</u>	<u>4,835</u>	<u>43,727</u>	<u>139</u>	<u>651,500</u>	<u>(109,768)</u>	<u>15,652</u>
Investments									
Prepaid and other assets	30	-	-	-	-	-	30	-	-
Land held for sale	2,705,458	-	71,830	-	-	2,633,628	-	-	-
Total current assets	<u>4,566,307</u>	<u>1,666</u>	<u>847,578</u>	<u>4,835</u>	<u>43,727</u>	<u>2,845,859</u>	<u>664,400</u>	<u>11,094</u>	<u>147,148</u>
Noncurrent assets:									
Capital assets	447,219	-	1,774	-	-	286,440	159,005	-	-
Accumulated depreciation	(103,207)	-	(1,774)	-	-	(12,387)	(89,046)	-	-
Capital assets, net	<u>344,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,053</u>	<u>69,959</u>	<u>-</u>	<u>-</u>
Promissory notes, noncurrent	597,559	-	-	-	-	-	-	512,311	85,248
Total non-current assets	<u>941,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,053</u>	<u>69,959</u>	<u>512,311</u>	<u>85,248</u>
Total assets	<u>5,507,878</u>	<u>1,666</u>	<u>847,578</u>	<u>4,835</u>	<u>43,727</u>	<u>3,119,912</u>	<u>734,359</u>	<u>523,405</u>	<u>232,396</u>
Deferred outflows of resources from pension	408,087	-	-	-	-	-	408,087	-	-
Total assets and deferred outflows of resources	<u>5,915,965</u>	<u>1,666</u>	<u>847,578</u>	<u>4,835</u>	<u>43,727</u>	<u>3,119,912</u>	<u>1,142,446</u>	<u>523,405</u>	<u>232,396</u>
LIABILITIES AND NET POSITION									
Liabilities:									
Accounts payable:									
Bank overdraft	\$ 68,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,913	\$ -	\$ -
Vendors	19,022	-	-	-	-	-	19,007	15	-
Security deposits	3,173	-	3,173	-	-	-	-	-	-
Due to other funds	(110,830)	-	345,758	-	-	(248,976)	-	(139,036)	(68,576)
Accrued salaries and wages	58,975	-	-	-	-	-	58,975	-	-
Compensated absences - current portion	30,706	-	-	-	-	-	30,706	-	-
Accrued FSS Escrow liabilities	14	-	-	-	-	-	14	-	-
Accrued liabilities	25,616	-	19	-	-	25,597	-	-	-
Deferred revenues	1,213,676	-	-	-	-	-	58,435	949,201	206,040
Total current liabilities	<u>1,309,265</u>	<u>-</u>	<u>348,950</u>	<u>-</u>	<u>-</u>	<u>(223,379)</u>	<u>236,050</u>	<u>810,180</u>	<u>137,464</u>
Noncurrent liabilities:									
Net pension liability	3,281,809	-	-	-	-	-	3,281,809	-	-
Accrued compensated absences	99,664	-	-	-	-	-	99,664	-	-
Accrued sick leave	97,576	-	-	-	-	-	97,576	-	-
Total noncurrent liabilities	<u>3,479,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,479,049</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,788,314</u>	<u>-</u>	<u>348,950</u>	<u>-</u>	<u>-</u>	<u>(223,379)</u>	<u>3,715,099</u>	<u>810,180</u>	<u>137,464</u>
Deferred inflows of resources from pension	24,769	-	-	-	-	-	24,769	-	-
Net position:									
Investment in capital assets, net of related debt	3,049,470	-	71,830	-	-	2,907,681	69,959	-	-
Unrestricted	(1,946,588)	1,666	426,798	4,835	43,727	435,610	(2,667,381)	(286,775)	94,932
Total net position	<u>1,102,882</u>	<u>1,666</u>	<u>498,628</u>	<u>4,835</u>	<u>43,727</u>	<u>3,343,291</u>	<u>(2,597,422)</u>	<u>(286,775)</u>	<u>94,932</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,915,965</u>	<u>\$ 1,666</u>	<u>\$ 847,578</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 3,119,912</u>	<u>\$ 1,142,446</u>	<u>\$ 523,405</u>	<u>\$ 232,396</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

LOCAL FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	<u>TOTAL</u>	<u>Sinajana Non-Title 1</u>	<u>Gov Guam Astumbo</u>	<u>Nauru Project</u>	<u>Gov Guam</u>	<u>Low Cost Housing</u>	<u>Central Office Cost Center</u>	<u>Down Payment Closing Cost</u>	<u>Home Rehabilitation</u>
Operating revenues:									
Property Sales	\$ 23,400	\$ -	\$ 18,400	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Management fees	1,058,193	-	-	-	-	-	1,058,193	-	-
Asset management fees	90,000	-	-	-	-	-	90,000	-	-
Bookkeeping fees	280,208	-	-	-	-	-	280,208	-	-
Other Federal Grants	-	-	-	-	-	-	-	-	-
Other	256,704	-	-	-	-	-	196,293	-	60,411
Total operating revenues	1,708,505	-	18,400	-	-	5,000	1,624,694	-	60,411
Operating expenses:									
Administrative salaries	1,165,040	-	16,508	-	-	851	1,142,381	5,300	-
Employee benefits	778,274	-	5,496	-	-	276	770,439	2,063	-
Professional fees	46,620	-	9,402	-	-	3,525	33,693	-	-
Management fees	-	-	-	-	-	-	-	-	-
Travel	2,026	-	-	-	-	2,026	-	-	-
Project costs	-	-	-	-	-	-	-	-	-
Insurance	13,691	-	-	-	-	-	13,691	-	-
Protective services	20,079	-	19,710	-	-	-	369	-	-
Repairs and maintenance	211,140	-	207,100	-	-	-	4,040	-	-
Office expense	53,217	-	-	-	-	-	52,456	761	-
Depreciation	-	-	-	-	-	-	-	-	-
Compensated absences	(2,180)	-	-	-	-	-	(2,180)	-	-
Advertising and marketing	9,140	-	-	-	-	5,598	3,542	-	-
Utilities	68,397	-	(150)	-	-	-	68,547	-	-
Bad debts	71,163	-	-	-	-	-	-	71,163	-
Other	60,180	-	-	-	-	75,972	12,793	(28,810)	225
Total operating expenses	2,496,787	-	258,066	-	-	88,248	2,099,771	50,477	225
Operating income (loss)	(788,282)	-	(239,666)	-	-	(83,248)	(475,077)	(50,477)	60,186
Non-operating revenues and expenses:									
Other income	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
Investment income	394	-	-	-	-	394	-	-	-
Total non-operating revenues and (expense), net	394	-	-	-	-	394	-	-	-
Change in net position	(787,888)	-	(239,666)	-	-	(82,854)	(475,077)	(50,477)	60,186
Total net position - beginning of year	2,332,299	1,666	738,294	4,835	43,727	3,426,145	(1,680,816)	(236,298)	34,746
Prior period adjustment - net pension liability	(441,529)	-	-	-	-	-	(441,529)	-	-
Total net position - beginning of year, as restated	1,890,770	1,666	738,294	4,835	43,727	3,426,145	(2,122,345)	(236,298)	34,746
Total net position - end of year	\$ 1,102,882	\$ 1,666	\$ 498,628	\$ 4,835	\$ 43,727	\$ 3,343,291	\$ (2,597,422)	\$ (286,775)	\$ 94,932

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

LOCAL FUNDS

Combining Statements of Cash Flows
For the Year Ended September 30, 2017

	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Cash flows from operating activities:									
Operating grants received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers	1,773,519	-	18,400	-	-	5,000	1,624,672	37,245	88,202
Payments to suppliers	(754,401)	-	(1,892)	-	-	(300,240)	(477,922)	25,878	(225)
Payments to employees	(1,159,108)	-	(16,508)	-	-	(851)	(1,136,449)	(5,300)	-
Other cash receipts (payments)	69,306	-	-	-	-	69,306	-	-	-
Net cash provided by operating activities	(70,684)	-	-	-	-	(226,785)	10,301	57,823	87,977
Cash flows from capital and related financing activities:									
Acquisition of capital assets	-	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:									
Interest and other income received	394	-	-	-	-	394	-	-	-
Deposits in restricted accounts	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	394	-	-	-	-	394	-	-	-
Net change in cash	(70,290)	-	-	-	-	(226,391)	10,301	57,823	87,977
Cash at beginning of year	547,610	-	-	-	-	438,483	2,569	63,039	43,519
Cash at end of year	\$ 477,320	\$ -	\$ -	\$ -	\$ -	\$ 212,092	\$ 12,870	\$ 120,862	\$ 131,496
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:									
Operating income (loss)	\$ (788,282)	\$ -	\$ (239,666)	\$ -	\$ -	\$ (83,248)	\$ (475,077)	\$ (50,477)	\$ 60,186
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:									
Depreciation	-	-	-	-	-	-	-	-	-
Bad debts	71,163	-	-	-	-	-	-	71,163	-
Non-cash pension cost	390,600	-	-	-	-	-	390,600	-	-
(Increase) decrease in assets:									
Accounts receivable:									
Promissory notes	120,728	-	-	-	-	-	-	94,160	26,568
Due from other funds	64,004	-	-	-	-	-	64,004	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-
Land held for sale	69,306	-	-	-	-	69,306	-	-	-
Increase (decrease) in liabilities:									
Bank overdraft	29,652	-	-	-	-	-	29,652	-	-
Accounts Payable	(2,729)	-	-	-	-	-	(2,608)	(121)	-
Compensated absences	(2,180)	-	-	-	-	-	(2,180)	-	-
Due to other funds	27,264	-	240,094	-	-	(212,843)	-	13	-
Accrued salaries and wages	5,932	-	-	-	-	-	5,932	-	-
Accrued FSS Escrow liabilities	14	-	-	-	-	-	14	-	-
Accrued liabilities	(428)	-	(428)	-	-	-	-	-	-
Deferred revenue	(55,728)	-	-	-	-	-	(36)	(56,915)	1,223
Net cash provided by operating activities	\$ (70,684)	\$ -	\$ -	\$ -	\$ -	\$ (226,785)	\$ 10,301	\$ 57,823	\$ 87,977

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Net Position

Year Ended September 30, 2017

ASSETS	Total	Local Revolving Fund	Revolving Fund
Current Assets:			
Cash:			
Unrestricted	\$ 215,879	\$ 29,611	\$ 186,268
Restricted - tenant security deposits	-	-	-
Restricted - other	101,254	-	101,254
Total cash	317,133	29,611	287,522
Accounts Receivable:			
Due from other funds	2,705,014	(85,824)	2,790,838
Other governments	9,774	-	9,774
Other	108,791	68,275	40,516
Travel advances	-	-	-
Allowance for doubtful accounts - other	(2,550)	-	(2,550)
Total accounts receivable	2,821,029	(17,549)	2,838,578
Investments	-	-	-
Prepaid and other assets	74,805	-	74,805
Total current assets	3,212,967	12,062	3,200,905
Noncurrent Assets:			
Capital Assets:			
Land	41,598	41,598	-
Furniture and equipment	47,884	37,434	10,450
Accumulated depreciation	(37,434)	(37,434)	-
Total non-current assets	52,048	41,598	10,450
Total non-current assets	52,048	41,598	10,450
Total assets	\$ 3,265,015	\$ 53,660	\$ 3,211,355
LIABILITIES AND NET POSITION			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 2,149,913	\$ 142,676	\$ 2,007,237
Vendors	89,708	-	89,708
Other	562,088	-	562,088
Other accrued liabilities	141,837	-	141,837
Deferred revenues	5,265	-	5,265
Total liabilities	2,948,811	142,676	2,806,135
Net position:			
Investment in capital assets, net of related debt	52,048	41,598	10,450
Restricted	-	-	-
Unrestricted	264,156	(130,614)	394,770
Total net position	316,204	(89,016)	405,220
Total liabilities and net position	\$ 3,265,015	\$ 53,660	\$ 3,211,355

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Operating revenues:			
Other Government Grants	\$ -	\$ -	\$ -
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses:			
Administrative salaries	62,744	-	62,744
Employee benefits	22,085	-	22,085
Management fees	-	-	-
Advertising and marketing	24	-	24
Office expense	61,791	-	61,791
Legal and professional fees	175	-	175
Depreciation	-	-	-
Travel	-	-	-
Bad debts	100	-	100
Repairs and maintenance	5,800	-	5,800
Other	2,559	-	2,559
	<u>155,278</u>	<u>-</u>	<u>155,278</u>
Total operating expenses	<u>155,278</u>	<u>-</u>	<u>155,278</u>
Operating income (loss)	<u>(155,278)</u>	<u>-</u>	<u>(155,278)</u>
Non-operating revenues:			
Investment income	36	36	-
Recovery of bad debts	-	-	-
Other income	-	-	-
	<u>36</u>	<u>36</u>	<u>-</u>
Total non-operating revenues	<u>36</u>	<u>36</u>	<u>-</u>
Change in net position	(155,242)	36	(155,278)
Total net position - beginning of year	<u>471,446</u>	<u>(89,052)</u>	<u>560,498</u>
Total net position - end of year	<u>\$ 316,204</u>	<u>\$ (89,016)</u>	<u>\$ 405,220</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Cash Flows
For the Year Ended September 30, 2017

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Cash flows from operating activities:			
Operating grants received	\$ -	\$ -	\$ -
Payments to suppliers	(79,083)	-	(79,083)
Payments to employees	(62,744)	-	(62,744)
Other cash receipts (payments)	<u>257,302</u>	-	<u>257,302</u>
Net cash used for operating activities	<u>115,475</u>	-	<u>115,475</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	-
Net cash used for capital and related financing activities	<u>-</u>	-	<u>-</u>
Cash flows from investing activities:			
Investment and other income received	<u>36</u>	<u>36</u>	-
Net cash provided by investing activities	<u>36</u>	<u>36</u>	-
Net change in cash	115,511	36	115,475
Cash at beginning of year	<u>201,622</u>	<u>29,575</u>	<u>172,047</u>
Cash at end of year	<u>\$ 317,133</u>	<u>\$ 29,611</u>	<u>\$ 287,522</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (155,278)	\$ -	\$ (155,278)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Bad debts	100	-	100
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	135,177	-	135,177
Other governments	-	-	-
Travel advances	-	-	-
Other	(6,808)	-	(6,808)
Prepaid expenses and other assets	204	-	204
Increase (decrease) in liabilities:			
Accounts payable:			
Vendors	13,147	-	13,147
Due to other funds	(18,367)	-	(18,367)
Other	153,179	-	153,179
Other accrued liabilities	627	-	627
Deferred revenues	<u>(6,506)</u>	-	<u>(6,506)</u>
Net cash used for operating activities	<u>\$ 115,475</u>	<u>\$ -</u>	<u>\$ 115,475</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS

Combining Statements of Net Position
Year Ended September 30, 2017

Assets	Total	Yona Rehabilitation Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Accounts receivable:				
Due from other funds	\$ 3,865	\$ 900	\$ -	\$ 2,965
Interest	12	-	12	-
Investments	75,170	-	75,170	-
Total assets	\$ 79,047	\$ 900	\$ 75,182	\$ 2,965
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>				
Liabilities and Net Position				
Liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Net position:				
Investment in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	79,047	900	75,182	2,965
Total net position	79,047	900	75,182	2,965
Total liabilities and net position	\$ 79,047	\$ 900	\$ 75,182	\$ 2,965

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2017

	Total	Yona Rehabilitation Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
	-	-	-	-
Total revenues	-	-	-	-
Expenses	-	-	-	-
Total expenses	-	-	-	-
Operating income	-	-	-	-
Investment income	90	-	90	-
	90	-	90	-
Change in net position	90	-	90	-
Net position - beginning of year	78,957	900	75,092	2,965
Net position - end of year	\$ 79,047	\$ 900	\$ 75,182	\$ 2,965

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS

Combining Statements of Cash Flows
For the Year Ended September 30, 2017

	Total	Yona Rehabilitation Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Cash flows from operating activities:				
Receipts from customers	\$ -	\$ -	\$ -	\$ -
Other cash receipts (payments)	-	-	-	-
Net cash provided by operating activities	-	-	-	-
Cash flows from investing activities:				
Interest income received	90	-	90	-
Deposits to restricted accounts	(90)	-	(90)	-
Net cash provided by investing activities	-	-	-	-
Net change in cash	-	-	-	-
Cash at beginning of year	-	-	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ -	\$ -	\$ -	\$ -
(Increase) decrease in assets:				
Accounts receivable - interest	-	-	-	-
Due from other funds	-	-	-	-
Increase (decrease) in liabilities:				
Other current liabilities	-	-	-	-
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

OTHER FUNDS

Combining Statements of Net Position
Year Ended September 30, 2017

ASSETS	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Current assets:							
Cash - unrestricted	\$ 68,152	68,152	-	-	-	-	-
Accounts receivable:							
Due from other funds	546,809	-	2,161	-	439,281	105,367	-
Interest	-	-	-	-	-	-	-
Other	3,440	-	-	3,440	-	-	-
	<u>618,401</u>	<u>68,152</u>	<u>2,161</u>	<u>3,440</u>	<u>439,281</u>	<u>105,367</u>	<u>-</u>
Investments	-	-	-	-	-	-	-
Total current assets	<u>618,401</u>	<u>68,152</u>	<u>2,161</u>	<u>3,440</u>	<u>439,281</u>	<u>105,367</u>	<u>-</u>
Noncurrent assets:							
Capital assets, net	<u>477,223</u>	<u>272,668</u>	<u>38,815</u>	<u>-</u>	<u>65,858</u>	<u>99,882</u>	<u>-</u>
Total non-current assets	<u>477,223</u>	<u>272,668</u>	<u>38,815</u>	<u>-</u>	<u>65,858</u>	<u>99,882</u>	<u>-</u>
Total assets	<u>\$ 1,095,624</u>	<u>340,820</u>	<u>40,976</u>	<u>3,440</u>	<u>505,139</u>	<u>205,249</u>	<u>-</u>
LIABILITIES AND NET POSITION							
Liabilities:							
Accounts payable:							
Due to other funds	\$ 1,406,386	7,548	11,848	95	1,176,424	82,224	128,247
Accrued liabilities	-	-	-	-	-	-	-
Total liabilities	<u>1,406,386</u>	<u>7,548</u>	<u>11,848</u>	<u>95</u>	<u>1,176,424</u>	<u>82,224</u>	<u>128,247</u>
Net position:							
Investment in capital assets, net of related debt	477,223	272,668	38,815	-	65,858	99,882	-
Unrestricted (deficit)	<u>(787,985)</u>	<u>60,604</u>	<u>(9,687)</u>	<u>3,345</u>	<u>(737,143)</u>	<u>23,143</u>	<u>(128,247)</u>
Total net position	<u>(310,762)</u>	<u>333,272</u>	<u>29,128</u>	<u>3,345</u>	<u>(671,285)</u>	<u>123,025</u>	<u>(128,247)</u>
Total liabilities and net position	<u>\$ 1,095,624</u>	<u>340,820</u>	<u>40,976</u>	<u>3,440</u>	<u>505,139</u>	<u>205,249</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

OTHER FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2017

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Operating revenues:							
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
Total operating revenues	-	-	-	-	-	-	-
Operating expenses:							
Administrative salaries	170	170	-	-	-	-	-
Employee benefits	54	54	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Management fee	30,000	30,000	-	-	-	-	-
Legal and professional fees	88	88	-	-	-	-	-
Advertising and marketing	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Office expenses	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-
Other	200	200	-	-	-	-	-
Total operating expenses	30,512	30,512	-	-	-	-	-
Operating income loss	(30,512)	(30,512)	-	-	-	-	-
Non-operating revenues:							
Interest income	98	98	-	-	-	-	-
Total non-operating revenues (expenses)	98	98	-	-	-	-	-
Change in net position	(30,414)	(30,414)	-	-	-	-	-
Total net position - beginning of year	(280,348)	363,686	29,128	3,345	(671,285)	123,025	(128,247)
Total net position - end of year	<u>\$ (310,762)</u>	<u>\$ 333,272</u>	<u>\$ 29,128</u>	<u>\$ 3,345</u>	<u>\$ (671,285)</u>	<u>\$ 123,025</u>	<u>\$ (128,247)</u>

The accompanying notes are an integral part of these financial statements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

OTHER FUNDS

Combining Statements of Cash Flows
Year Ended September 30, 2017

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Cash flows from operating activities:							
Receipts from customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to suppliers	(32,096)	(32,096)	-	-	-	-	-
Payments to employees	(170)	(170)	-	-	-	-	-
Other cash receipts (payments)	-	-	-	-	-	-	-
Net cash used for operating activities	<u>(32,266)</u>	<u>(32,266)</u>	-	-	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	-	-	-	-	-	-	-
Net cash flows (used for) provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:							
Interest and other income earned	98	98	-	-	-	-	-
Decrease in investments	-	-	-	-	-	-	-
Net cash provided by investing activities	<u>98</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash	(32,168)	(32,168)	-	-	-	-	-
Cash at beginning of year	<u>100,320</u>	<u>100,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash at end of year	<u>\$ 68,152</u>	<u>\$ 68,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash used for operating activities:							
Operating loss	\$ (30,512)	\$ (30,512)	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:							
Depreciation	-	-	-	-	-	-	-
(Increase) decrease in assets:							
Due from other funds	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Increase (decrease) in liabilities:							
Accounts payable:							
Due to other funds	(1,754)	(1,754)	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Net cash used for operating activities	<u>\$ (32,266)</u>	<u>\$ (32,266)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.