



CERTIFIED PUBLIC ACCOUNTANT

GUAM

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March 11, 2014

To The Board of Commissioners
Guam Housing and Urban Renewal Authority:

I have performed an audit of the financial statements of the Guam Housing and Urban Renewal Authority (the Authority), a component unit of the Government of Guam, as of and for the year ended September 30, 2013, in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and have issued my report thereon dated March 11, 2014.

REQUIRED COMMUNICATIONS

Statement on Auditing Standards No. 114, *The Auditor's Communication With Those Charged With Governance*, and other professional standards require the auditor to provide the Board of Commissioners (the Board or those charged with governance) with additional information regarding the scope and results of the audit that may assist the Board (or those charged with governance) in overseeing the financial reporting and disclosure processes which the management of the Authority is responsible.

I have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure processes for which management of the Authority is responsible

Auditor's Responsibilities under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards

My responsibility under generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States, have been described in my engagement letter dated November 1, 2013. As described that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the Authority's financial statements and the supplementary information for the year ended September 30, 2013 in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles), in all material respects;

**The Board of Commissioners
Guam Housing and Urban Renewal Authority**

- To express an opinion on whether the supplementary information that accompanies the basic financial statements is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole;
- To report on the Authority's internal control over financial reporting on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2013 based on an audit of the financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*; and
- To report the Authority's compliance with requirements applicable to each major federal program and on internal control over compliance in accordance with the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* (OMB Circular A-133).

My responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements have been prepared by management with oversight by the Board of Commissioners are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Board of Commissioners of their responsibilities.

I considered the Authority's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

I also considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. My audit does not, however, provide a legal determination of the Authority's compliance with those requirements.

**The Board of Commissioners
Guam Housing and Urban Renewal Authority**

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2013. I noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant accounting estimates reflected in the Authority's 2013 financial statements include management's estimate of the allowance for doubtful accounts, which is determined based upon past collection experience and aging of the accounts receivable, and management's estimate of depreciation expense, which is based on estimated useful lives of the respective capital assets. There were no significant changes in accounting estimates or in management's judgments relating to such estimates for the year ending September 30, 2013.

Significant Difficulties Encountered During the Audit

I encountered no significant difficulties in dealing with management in performing my audit. All Authority personnel cooperated with me fully during the conduct of my audit.

Uncorrected and Corrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. (See Appendix B)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

**The Board of Commissioners
Guam Housing and Urban Renewal Authority**

Fraud and Illegal Acts

I am not aware of any matters that require communication. Additionally, management of the Authority has represented to me that they are not aware of any fraud or illegal acts for the period cover from October 1, 2012 to March 11, 2014.

Management Representations

I have requested certain written representations from management that are included in the attached management representation letter dated March 11, 2014 (See Appendix A).

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Other Information in Documents Containing Audited Financial Statements

I have reviewed the Management Discussion and Analysis and other supplementary schedules to the financial statements to ensure consistency with the audited financial statements. With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**The Board of Commissioners
Guam Housing and Urban Renewal Authority**

Independence

I am not aware of any relationships between J. Scott Magliari & Company and the Authority, or any other matters that in my professional judgment, may reasonably be thought to bear on my independence. I confirm that we are independent with respect to the Authority within the meaning of the applicable published rules and pronouncements, its interpretations and rulings.

Control Related Matters

I have issued a separate report to you, dated March 11, 2014, on the Authority's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters which was based upon the audit performed in accordance with *Government Auditing Standards*. I have also issued a separate report to you, also dated March 11, 2014, involving the Authority's compliance with requirements applicable to each major federal program and on internal control over compliance in accordance with OMB Circular A-133.

I have communicated to management, in a separate letter also dated March 11, 2014, certain deficiencies and other matters related to the Authority's internal control over financial reporting and to the Authority's internal control over its financial management system that I identified during my audit.

Although I have included management's written responses to my comments contained in the reports, such responses have not been subjected to the auditing procedures applied in my audit of the basic financial statements and, accordingly, I do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

This information is intended solely for the information and use of the Board of Commissioners, management of the Guam Housing and Urban Renewal Authority and the Office Public Accountability – Guam and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

We would be happy to discuss the contents of this report and answer any questions you may have about these or any other audit related matters. We also wish to thank the staff and management of the Authority for their assistance and cooperation during the course of this engagement.

Very truly yours,





GHURA

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March 11, 2014

J. Scott Magliari & Company
 222 Chalan Santo Papa, Ste. 207
 Hagatna, Guam 96932

Eddie Baza Calvo
 Governor of Guam

Ray Tenorio
 Lt. Governor of Guam

David J. Sablan
 Chairman

Luis L.G. Paulino
 Vice Chairman

John R. Iiao
 Commissioner

Rosie Ann Blas
 Commissioner

Cecile B. Suda
 Commissioner

Deanne S.N. Torre
 Commissioner

Roland M. Selvidge
 Resident Commissioner

Michael J. Duenas
 Executive Director

Frank J.C. Camacho
 Deputy Director

This representation letter is provided in connection with your audit of the financial statements of Guam Housing and Urban Renewal Authority, which comprise the respective statements of net position, the business-type activities, each major fund, and the aggregate remaining fund information as of September 30, 2013, and the respective changes in net position and, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of March 11, 2014, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 1, 2013, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- ~~4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.~~
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements [or in the schedule of findings and questioned costs].
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
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- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- ~~13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.~~
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have taken timely and appropriate steps to remedy fraud, violations of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us in the Scheduled of Findings and Questioned Costs.
- 22) We have a process to track the status of audit findings and recommendations.
- 23) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- ~~24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.~~

- 25) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 29) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 32) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements properly classify all funds and activities.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
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- 37) Provisions for uncollectible receivables have been properly identified and recorded.

- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 43) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the supplementary information included in the on which an in-relation-to opinion is issued.
- a) We acknowledge our responsibility for presenting the supplementary schedules of the combining financial statements and schedules, the schedule of salaries and benefits in accordance with accounting principles generally accepted in the United States of America, and we believe the such supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information referred to herein has not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary schedules of the combining financial statements and schedules, the schedule of salaries and benefits is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
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46) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
 - f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
 - g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
 - h) Except for the Supportive Housing for the Elderly Program, we have received no requests from a federal agency to audit one or more specific programs as a major program.
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- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.

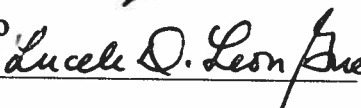
 - j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
 - k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
 - r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
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- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - ~~t) We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133.~~
 - u) We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
 - v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - w) We have charged costs to federal awards in accordance with applicable cost principles.
 - x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
 - z) We are responsible for preparing and implementing a corrective action plan for each audit finding.
 - aa) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
 - bb) With respect to the supplementary information accompanying the basic financial statements required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* and the information submitted to HUD through the FASS submission templates:
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cc) We acknowledge our responsibility for presenting the supplementary information accompanying the basic financial statements required by HUD and the information submitted to HUD through the FASS submission templates (collectively, the supplementary information required by HUD) in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, and we believe the supplementary information required by HUD, including its form and content, is fairly presented in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*. The methods of measurement and presentation of the supplementary information required by HUD have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information required by HUD.

dd) If the supplementary information required by HUD is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Michael J. Duenas
Signature:  Title: Executive Director

Lucele Leon Guerrero
Signature:  Title: Controller

Audit Adjusting Journal Entries
September 30, 2013

Account Name	Assets Dr. (Cr.)	Liabilities Dr. (Cr.)	Net Position Beg. of Year Dr. (Cr.)	Income Statement Dr. (Cr.)
AJE - 1				
Management fees expense - GT				\$ 80.00
Due to COCC		\$ 80.00		
Due to Revolving Fund		\$ (80.00)		
Management fee Revenue - COCC				\$ (80.00)
To adjust GT management fees to actual.				
AJE - 2				
Restricted cash - tenant security deposits	\$ 25,566.00			
Cash - unrestricted	\$ (25,566.00)			
To reclassify AMP - 1 tenant security deposits from unrestricted cash.				
AJE - 3				
Other current liabilities		\$ 313.00		
Accounts payable		\$ (313.00)		
To reclassify AMP- 1 payables to comply with HUD FDS reporting.				
AJE - 4				
Restricted cash - tenant security deposits	\$ 25,801.00			
Cash - unrestricted	\$ (25,801.00)			
To reclassify AMP - 2 tenant security deposits from unrestricted cash.				
AJE - 5				
Investments - Restricted	\$ 39,996.00			
Investments - unrestricted	\$ (39,996.00)			
To reclassify AMP - 2 restricted investments to unrestricted.				
AJE - 6				
Restricted cash - tenant security deposits	\$ 31,706.00			
Cash - unrestricted	\$ (31,706.00)			
To reclassify AMP - 3 tenant security deposits from unrestricted cash.				
AJE - 7				
Investments - Restricted	\$ 47,828.00			
Investments - unrestricted	\$ (47,828.00)			
To reclassify AMP - 3 restricted investments to unrestricted.				
AJE - 8				
Other current liabilities		\$ 603.00		
Accounts payable		\$ (603.00)		
To reclassify AMP - 3 payables to comply with HUD FDS reporting.				
AJE - 9				
Restricted cash - tenant security deposits	\$ 38,062.00			
Cash - unrestricted	\$ (38,062.00)			
To reclassify AMP - 4 tenant security deposits from unrestricted cash.				
AJE - 10				
Investments - Restricted	\$ 57,439.00			
Investments - unrestricted	\$ (57,439.00)			
To reclassify AMP - 4 restricted investments to unrestricted.				
AJE - 11				
Restricted cash - tenant security deposits	\$ 3,173.00			
Cash - unrestricted	\$ (3,173.00)			
To reclassify Astumbo tenant security deposits from unrestricted cash.				
AJE - 12				
Restricted cash - tenant security deposits	\$ 2,125.00			
Cash - unrestricted	\$ (2,125.00)			
To reclassify Astumbo tenant security deposits from unrestricted cash.				
AJE - 13				
Cash - Other restricted	\$ 1,476,420.00			
Cash - unrestricted	\$(1,476,420.00)			
To reclassify restricted HAP from unrestricted cash.				
AJE - 14				
Cash - Other restricted	\$ 19,166.00			
Cash - Restricted for payments of current liabilities	\$ (19,166.00)			
To reclassify restricted FSS cash to unrestricted cash.				
	\$ -	\$ -	\$ -	\$ -

Passed (Uncorrected) Adjusting Journal Entries
September 30, 2013

Account Name	Assets Dr. (Cr.)	Liabilities Dr. (Cr.)	Net Assets Beg. of Year Dr. (Cr.)	Income Statement Dr. (Cr.)
PAJE - 1				
AMP - 1 Ordinary maintenance and operations - materials and other				\$ 8,041.22
AMP - 2 Ordinary maintenance and operations - materials and other				\$ (4,320.99)
AMP - 3 Ordinary maintenance and operations - materials and other				\$ 5,786.31
AMP - 4 Ordinary maintenance and operations - materials and other				\$ 17,030.45
AMP 1 - Inventory	\$ (8,041.22)			
AMP 2 - Inventory	\$ 4,320.99			
AMP 3 - Inventory	\$ (5,786.31)			
AMP 4 - Inventory	\$ (17,030.45)			
To adjust inventory to actual for unit of measure costing error.				
	<u>\$ (26,536.99)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,536.99</u>