

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**Financial Statements and Independent Auditor's Report
and Additional Information**

For The Year Ended September 30, 2012

(With Comparative Totals for September 30, 2011)

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

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Guam Housing and Urban Renewal Authority:

I have audited the accompanying statements of net assets, revenues, expenses and changes in net assets and cash flows of each major fund and the aggregate remaining fund information of the Guam Housing and Urban Renewal Authority (GHURA), a component unit of the Government of Guam as of and for the year ended September 30, 2012, which collectively comprise GHURA's basic financial statements. These financial statements are the responsibility of the GHURA's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from GHURA's 2011 financial statements and, in my report dated February 21, 2012, I expressed an unqualified opinion on those financial statements.

I conducted my 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 of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GHURA's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Guam Housing and Urban Renewal Authority as of September 30, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2013 on my consideration of the Guam Housing and Urban Renewal Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) on pages 3 to 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on GHURA's basic financial statements as a whole. The Supplementary Schedules of the combining financial statements and schedules on pages 65 through 119 and the supplementary information on pages 170 through 181 are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures and Federal Awards on pages 125 to 127, is presented for purposes of additional analysis a required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Hagåtña, Guam
May 29, 2013

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2012

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 overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2012. We encourage you to consider the information presented here in conjunction with GHURA's financial statements included in the report on pages 29 through 33.

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 103 Full Time Equivalent and 1 Part Time Equivalent) 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 \$49,971,536 and expenses of \$54,432,244 for the year ended September 30, 2012 (\$73,053,436 and \$72,523,794 for the year ended September 30, 2011), representing decreases of \$23,081,900 and \$18,091,550 (approximately 31.6% and 24.9%), respectively, over September 30, 2011 figures.

Total assets of the Authority of \$47,693,853 decreased \$6,151,718 or approximately 11.4% as compared to \$53,845,611 in the prior year.

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The Authority's cash and cash equivalents at September 30, 2012 totaled \$11,015,936, a decrease of \$4,316,755, or approximately 28.2% as compared to \$15,332,691 as of September 30, 2011.

The Authority's working capital decreased by \$2,888,711 or approximately 15.8% as of September 30, 2012.

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 Assets* presents information on all of the Authority's assets and liabilities with the difference between the two reported as net assets. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Assets", formerly known as equity. 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 Assets (the "*Unrestricted Net Assets*") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets 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 Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

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

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (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 revenue, investment income and interest expense. The focus of the Statement of Revenues,

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Expenses and Changes in Fund Net Assets is the “Change in Net Assets”, 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 34 through 64 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 125 through 127 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), and HUD provides Operating Subsidy funding to enable our Public Housing Authority (PHA), namely GHURA to provide housing at a rent that is based on 30% of household income.

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

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- 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 Talofofo and Talofofo 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 manager directly responsible for not only the AMP's budget, but also for the daily operation of public housing residents' homes. AMP 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. 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 2012, the Authority had 729 units occupied with 97.2% occupancy rate and an adjusted rate of 98.4% with 9 units under modernization. For the fiscal year ended September 30, 2012, the Authority received \$1.73 million in Operating Subsidy funds.

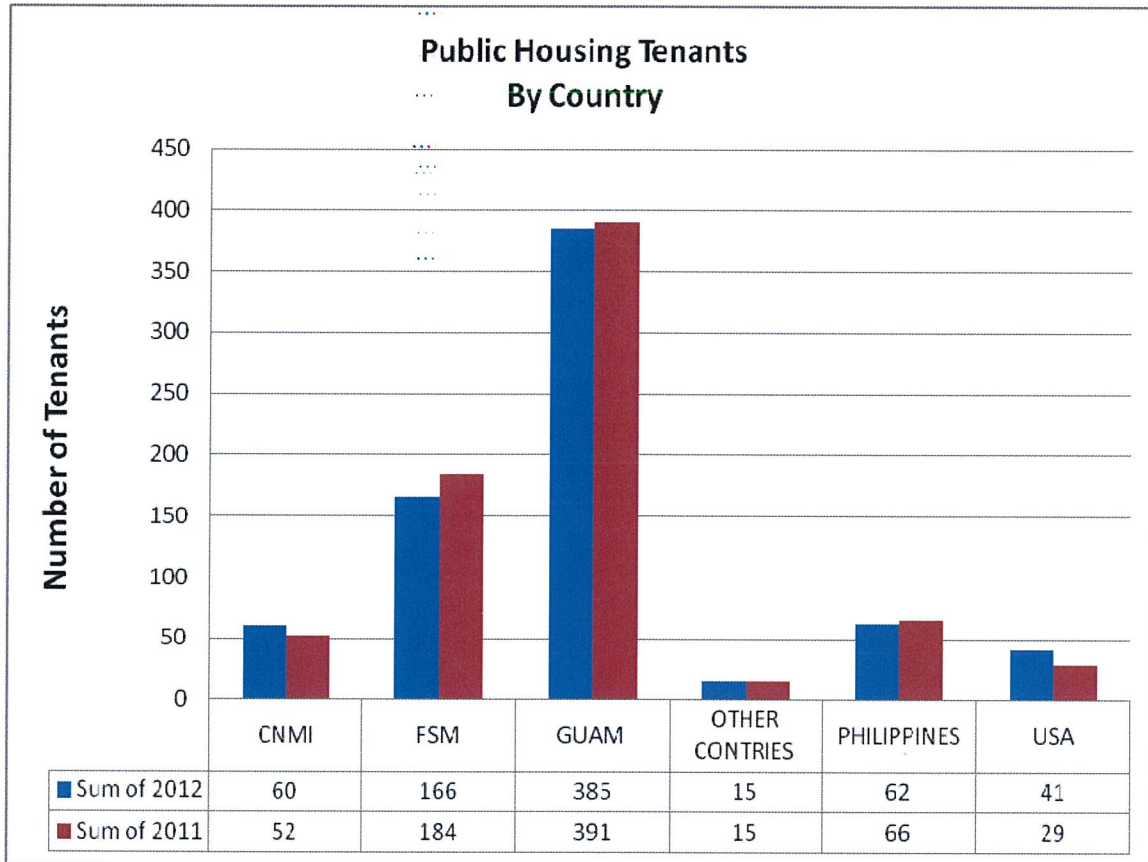
Table A represents the Head of Household (HOH) tenants' ethnicities in the Public Housing Program for the Fiscal Year 2012.

TABLE A

LOCATION	2012	%	2011	%
CNMI	60	8%	52	7%
FSM	166	23%	184	25%
GUAM	385	53%	391	53%
PHILIPPINES	62	8%	66	9%
USA	41	6%	29	4%
OTHER CONTRIES	15	2%	15	2%
TOTAL	729	100%	737	100%

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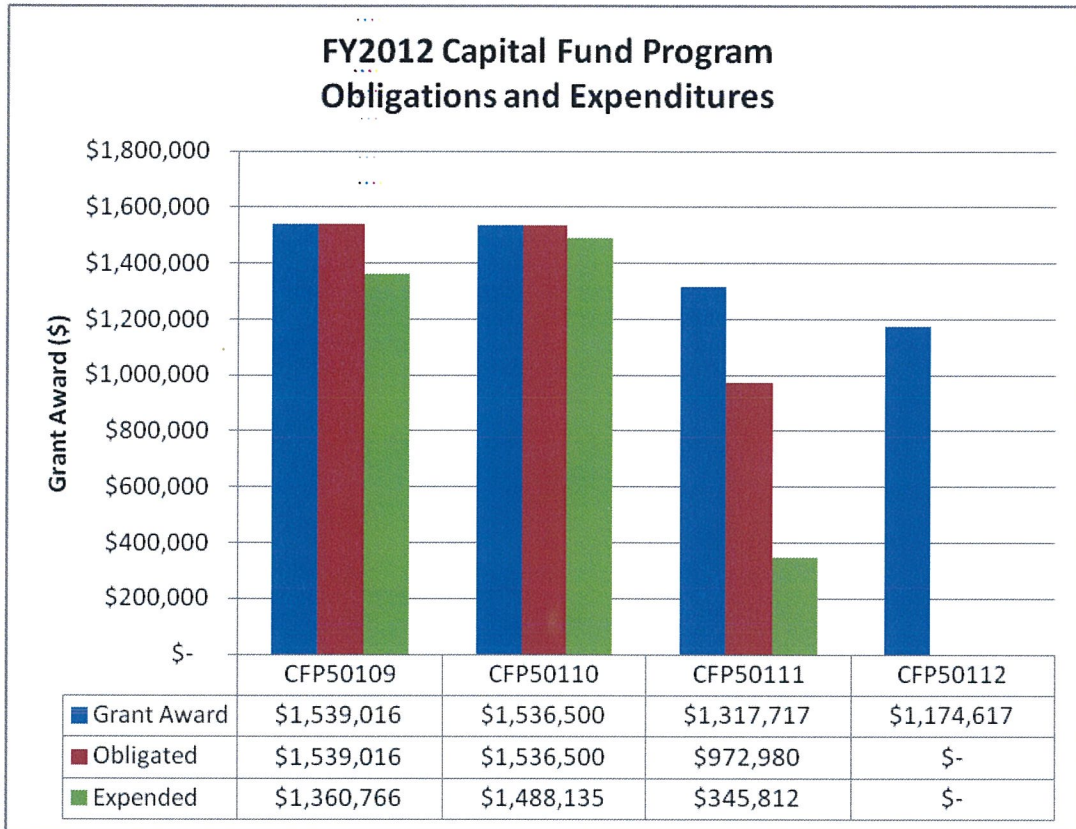
Capital Fund Program

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 \$1.17 million (based on the most recent grant) to implement such plan.

The Modernization (MOD) Division is responsible for carrying out the capital improvements program for the Public Housing family and elderly developments. The Capital Fund Program includes the development and oversight of federal (HUD-funded) capital budgets and the selection and management of consultants and contractors. The MOD Division is responsible for all aspects of project management, from the planning stage through design, bidding, and construction.

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THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV)

The Section 8 Housing Choice Voucher Program was the result of the Quality Housing and Work Responsibility Act (QHWRA) of 1998. Prior to QHWRA the Section 8 Program was known as the Section 8 Certificate Program and during the Public Housing Reform HUD issued three conforming rules that initiated the conversion from the Certificate Program to the Voucher program. By October 2001, the Certificate Program was completely phased out. The HCV Program, although quite similar to the former Certificate Program, imposes new mandates that effect on how rent is calculated and gives public housing agencies some policy discretion in key areas such as permitting PHAs to set payment standards between 90 percent and 110 percent; allowing families the choice to rent a unit with a gross rent that exceeds the payment standards when they agree to pay the Total Tenant Payment (TTP) plus the amount which exceeds the payment standards; imposing a 40% cap on the family's share; and requiring PHA's to perform a reasonable rents test to ensure affordability.

GHURA administers 2,545 vouchers, with a budget of more than \$32 million annually to fund monthly rental assistance paid out to property owners on behalf of eligible participants. The

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HCV Program also provides for tenant-paid utility allowances, and escrow accounts for participants of the Family Self-Sufficiency Program.

The objective of the Section 8 HCV Program is to provide eligible families access to affordable, decent, safe, and sanitary housing. To achieve this goal, families are given flexibility and mobility options to find suitable housing outside areas of poverty or minority concentrated communities. Families may extend their search for suitable housing to other communities outside GHURA's jurisdiction and into another PHA's jurisdiction through the portability option.

When a family finds suitable housing, the unit is inspected in accordance with the Housing Quality Standards (HQS). After the unit passes the HQS inspection, the property owner then enters into a Housing Assistance Contract with GHURA and a lease with the family. Payment to the property owner is made on behalf of the family on a monthly basis and continues for as long as the family remains eligible. The family's income and household composition are re-examined on an annual basis.

In 2012, the Section 8 HCV Program reported the following profile:

- 82 percent of participating families are from female head-of-households and 18 percent from male head-of-households;
- The average annual household income was \$12,108;
- 40 percent of families were in three-bedroom units; 30 percent in two-bedroom units; and 20 percent in four-bedroom units; and the remaining 10 percent occupied one, five and six bedroom units;
- Approximately 99.5 percent of families receive some form of general assistance or Temporary Assistance for Needy Families (TANF); 61 percent receive income through wages; 33 percent receive child support; and 3 percent own businesses; 20 percent received social security benefits; 3 percent receive income from other sources; and 28 percent receive non-cash items from various sources.
- 89 percent are reported as Pacific Islander; 9 percent of Asian descent; and the remaining 2 percent are white, black, American Indian, and other.

In addition to the regular Section 8 HCV Program, GHURA offers other housing services and programs, to include:

- **The *Mainstream Housing and Opportunities for Persons with Disabilities Program*:** A target voucher program designed to enable persons with disabilities to locate and lease suitable and accessible housing in the private market. There are 175 housing vouchers available to eligible families regardless of the person's disability. The Mainstream Housing Voucher Program is a referral-based program. GHURA accepts applicant referrals from partnering non-profit and other government organizations who provide services to persons with disabilities.

Partnering organizations include the Department of Mental Health, Department of Integrated Services for Individuals with Disabilities; Guma Mami; the Developmental Disabilities Council, the Salvation Army and Catholic Social Services.

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- The ***Family Unification Program (FUP)***: A target voucher program designed to assist families who have lost or are at risk of losing their children to foster care as a result of inadequate housing. There are 133 housing vouchers available for families who meet the program criteria. FUP is a referral-based program and applicants are received from Guam's Department of Public Health and Social Services' Child Protective Service Division.
- The ***Veteran Affairs Supportive Housing Program (VASH)***: A target voucher program for homeless veterans. There are 30 VASH vouchers available strictly for homeless veterans. The Program is a referral-based program and clients are received from the Department of Veteran Affairs (VA). Families are selected for referral and are provided one-to-one case management by VA personnel.
- The ***Family Self-sufficiency Program (FSS)***: The FSS Program is a housing service available to Section 8 participants who have the desire to achieve economic and social independence. The Program links clients to various employment opportunities available in the community as well as provide basic life skills to the elderly and the disabled clients. One of the significant services provided by the FSS Program is the escrow program. Families who work and earn income sign up for the escrow account and the increase earned from wages are put into escrow. The escrow is a form of savings account that is allowed to accumulate for a period of five years. When the family reaches its goal in the fifth-year and has achieved economic self-sufficiency, the family is paid its escrow and may use it toward furthering their goal of self-sufficiency such as purchasing a home, or paying college tuition.
- The ***Section 8 Homeownership Program***: Participants of the Section 8 Program may use Section 8 assistance toward paying a mortgage in lieu of monthly rental payments. The participant is required to secure a mortgage loan and GHURA will pay up to 70 percent of the monthly mortgage payment. Compliance requirements for Section 8 Homeownership Program are similar to the regular Section 8 HCV program, except the housing quality standard inspection is performed only prior to occupancy.

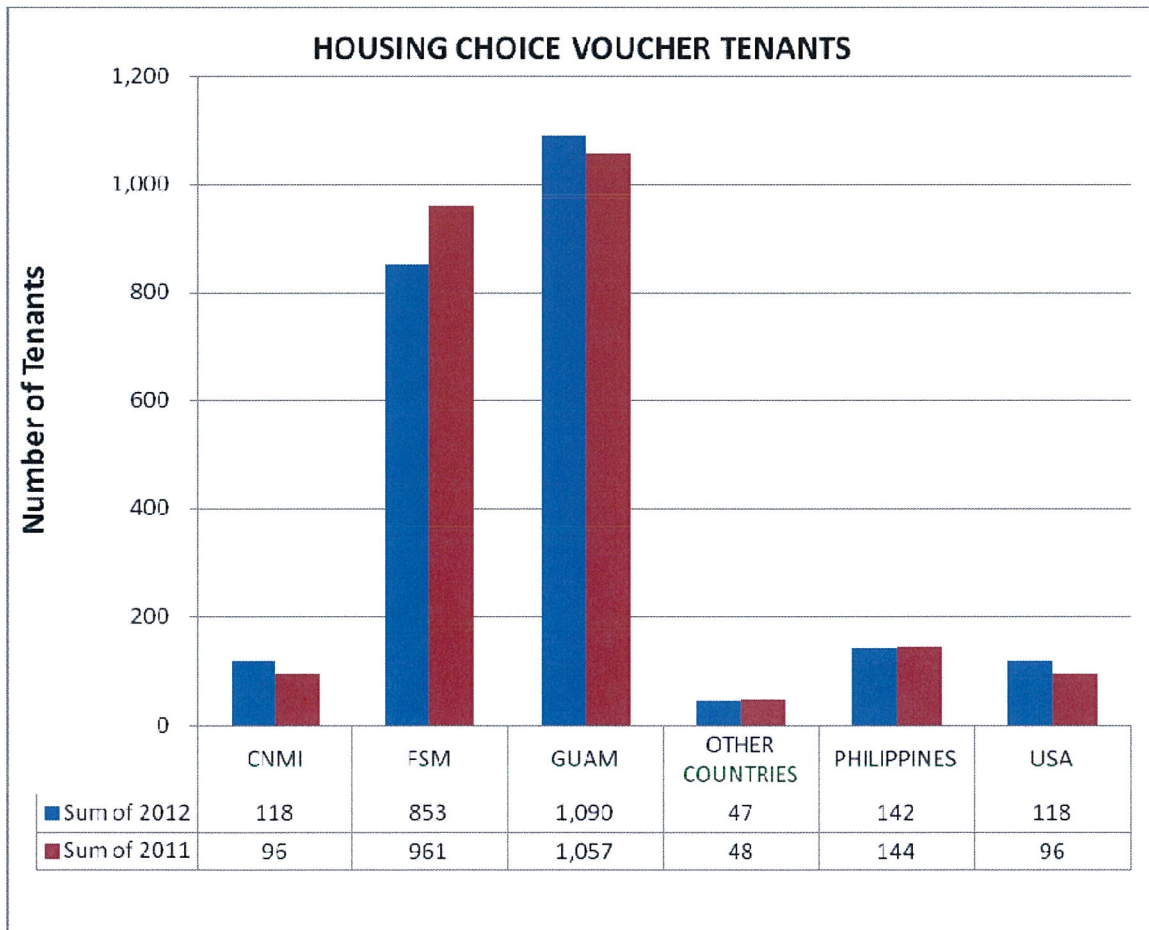
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Table B represents the Head of Household (HOH) tenants' ethnicities in the Section 8 Housing Choice Voucher Program for the Fiscal Year 2012.

TABLE B

LOCATION	2012	%	2011	%
CNMI	118	5%	96	4%
FSM	853	36%	961	40%
GUAM	1,090	46%	1,057	44%
PHILIPPINES	142	6%	144	6%
USA	118	5%	96	4%
OTHER COUNTRIES	47	2%	48	2%
TOTAL	2,369	100%	2,402	100%



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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 Shelter Grant (ESG). GHURA also administers funds competitively awarded under the Continuum of Care (CoC), grants for the Supportive Housing Program (SHP) and the Shelter Plus Care (S+C/SPC) Program to address the needs of homeless populations.

During FY2012, GHURA administered \$10.4 million in eligible CPD-funded activities. In FY2012 alone, a total of \$4,543,718 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$1,124,575 were approved for activities in FY2012. 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 (2010-2014) Strategic Plan*".

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) Guma Hinemlo is a facility to service individuals with disabilities operated by the Department of Mental Health and Substance Abuse. Funds were used to provide cash match support and leverage funding for the operations of this permanent supportive housing facility.

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- (4) Nurturing Neighborhood Networks is a program administered by the Community Services and Resources, Inc. to provide Community-Based Family Education and Youth Development programs to low-to-moderate income residents of Pagachao, Agat, Gil-Baza, Yigo, and Sagan Linahyan, Dededo.

Public Facilities and Improvements –

- (1) Construction of Sagan Bonita. Funds were used to provide off-site infrastructure development in support of this 56-unit homebuyer affordable housing project.
- (2) Construction of the Macheche Neighborhood Facility. Funds were utilized for the construction of a neighborhood community center and basketball court to serve the neighborhood of Macheche, Dededo. The facility is operated by the Ilocano Association of Guam .
- (3) Renovation of the Liheng Apartments for the Elderly. Funds were utilized to provide renovation assistance for a 10-unit apartment complex serving elderly tenants. The facility is operated by the Catholic Social Services.
- (4) Construction of Catherine's Home. Funds were utilized for the construction of a facility to provide shelter for victims of domestic abuse and family violence. The facility is operated by the Catholic Social Services.
- (5) Staff Housing Rental Rehabilitation (Renaissance Homes)-Rehabilitation of 10 abandoned homes in Talofofu and Merizo to be used as affordable rental housing to eligible and qualified low and moderate income individuals or families.
- (6) Sagan Linahyan Rental Rehabilitation-Rehabilitation of 10 abandoned homes in northern neighborhood of Sagan Linahyan to be used as affordable rental housing to eligible and qualified low and moderate income individuals or families.

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) The Micronesian Self-Help Housing Corporation, in partnership with GHURA and USDA Rural Development continued the development of the 56-unit Sagan Bonita Affordable Housing project in Mangilao. The units upon completion will be sold to eligible homebuyers.

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- (2) **Renewal Homes.** GHURA will fund and construct 10 units of affordable housing. The units will be sold to eligible homebuyers and will include opportunities for purchase by participants of the Housing Choice Voucher Homeownership Program.

Homeowner – GHURA continued to fund the Homeowner Rehabilitation Loan Program. Eligible low-income families may receive low rate or deferred interest loans to fund rehabilitation work on their homes to bring them up to local building code standards. Six families were assisted by the REHAB program during FY2012.

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

Emergency Shelter Grant (ESG)

In FY2012, ESG funded activities serving homeless populations. ESG funds were used for such activities as the following:

Operations – The Lighthouse Recovery Center receives ESG funds to operate a transitional housing facility providing shelter and supportive services to homeless men recovering from chronic substance abuse. Operational costs include such items as maintenance, occupancy costs, food, furnishings and equipment.

Essential Services – Family Services Center/One-Stop Homeless Assistance Center received ESG funds to provide essential services to homeless individuals. Essential services include the provision of case management (including staff salaries and benefits) and self-sufficiency training for homeless individuals.

Homeless Prevention – Family Services Center/One-Stop Homeless Assistance Center received ESG funds to provide rental and utility assistance to individuals and families who are homeless or at-risk or are currently experiencing homelessness.

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

Continuum of Care Grant Funds

Shelter Plus Care (S+C/SPC) – GHURA's SPC 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, SPC participants receive support services through a network of local service agencies. SPC funds in the reporting year were used to fund two programs: 1) Housing First Voucher Program; and 2) The Lighthouse Recovery Center Aftercare Program.

Supportive Housing Program (SHP) - SHP is designed to develop supportive housing and services that will allow homeless persons to live as independently as possible. SHP assistance is provided to help homeless persons meet three overall goals. These goals are to achieve residential stability; to increase their skill levels and/or incomes; and to obtain greater self-determination (i.e. more influence over decisions that affect their lives).

Guam Housing and Urban Renewal Authority

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SHP funds in the current reporting year were used to fund six programs:

- (1) Karidat Support Services Only (SSO). Karidat SSO is a program serving persons with disabilities.
- (2) Guma' Hinemlo. Guma' Hinemlo is an 8-unit residential facility serving persons with disabilities.
- (3) 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.
- (4) LIHENG Transitional Housing Case Management. Catholic Social Services operates 30 units of transitional housing.
- (5) Oasis Empowerment Center. Elim Pacific Ministries operates a facility serving women in recovery from substance abuse.
- (6) Sagan Ayudan Maisa (Oasis Sobriety House). Elim Pacific Ministries provides permanent housing to homeless women who have completed their six-month residential treatment program.

Other HUD Community Planning and Development (CPD) Funding

In a typical year, the preceding grants represent the extent of HUD CPD funding administered by GHURA. However, in the wake of the national housing and financial crises of the recent past two years, Guam received and continues to manage additional funds.

The United States Congress enacted the Housing and Economic Recovery Act of 2008 (HERA) from which the Neighborhood Stabilization Program (NSP) was funded. GHURA was awarded \$100,674 of NSP funds to mitigate the impacts of foreclosure activities in Guam. The national financial crisis in 2009 led to Congressional passage of the American Recovery and Reinvestment Act of 2009 (ARRA). From ARRA, GHURA participated in the Community Development Block Grant-Recovery (CDBG-R) Program and the Homelessness Prevention and Rapid Re-Housing (HPRP) Program.

CDBG-R provided Guam with access to \$2,851,151 to fund CDBG eligible activities and to increase new and sustainable employment opportunities. GHURA funded three activities and the administration of CDBG-R with these funds. These three projects were the construction of the Guma' San Jose Emergency Shelter; the new Southern Police Precinct; and the new Agat/Santa Rita Fire Station.

HPRP funds were used to assist homeless persons with housing and re-housing needs. Guam received \$1,221,922 of HPRP funds for eligible activities in support of the homeless for a defined three-year period. The HPRP program will conclude in the calendar year 2012. GHURA will continue to monitor and provide federal reporting for the various economic recovery program-funded activities until completed or concluded.

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The Section 1602 Low-Income Housing Credits Program authorizes the U.S. Department of the Treasury to make cash assistance available to State housing credit agencies for sub-award to developers of qualified buildings. The purpose of the cash assistance is to finance the construction or acquisition and rehabilitation of rental housing for low-income families and individuals.

Section 1602 grant funds are being used to finance the construction of low-income rental housing on Guam. Two projects have been funded and consist of the following:

Ironwood Heights, Phase I – Consisting of 72 rental housing units, entirely funded by Section 1602 grant, located on Ypao Road, Tamuning, Guam.

Ironwood Heights, Phase II – Consisting of 60 rental housing units, partially funded by Section 1602 grant, located on Ypao Road, Tamuning, Guam.

As of September 30, 2012, construction of the two projects has been completed. Phase I and Phase II was placed in service November 2011 and July 2012, respectively. Each of the rental housing units is reserved for households earning equal to or less than 60% of the area median income, as determined by U.S. Housing and Urban Development, adjusted for family size.

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 Assets compared to prior years. The Authority is engaged only in Business-Type Activities.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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TABLE 1

**STATEMENT OF NET ASSETS
(IN MILLIONS)**

	2012	2011	2010
Current assets	\$ 19.1	\$ 23.6	\$ 22.6
Capital assets and other, net	27.8	29.3	29.9
Other noncurrent assets	0.8	0.9	1.0
Total assets	<u>\$ 47.7</u>	<u>\$ 53.8</u>	<u>\$ 53.5</u>
Current liabilities	\$ 3.7	\$ 5.3	\$ 5.4
Long term debt, net	1.3	1.3	1.4
Other noncurrent liabilities	0.6	0.7	0.7
Total liabilities	<u>5.6</u>	<u>7.3</u>	<u>7.5</u>
Net assets:			
Invested in capital assets, net	29.9	31.3	31.9
Restricted	4.0	5.1	2.9
Unrestricted	8.2	10.1	11.2
Total net assets	<u>42.1</u>	<u>46.5</u>	<u>46.0</u>
Total liabilities and net assets	<u>\$ 47.7</u>	<u>\$ 53.8</u>	<u>\$ 53.5</u>

During 2012, there was an overall decrease in assets of \$6.1 million (\$0.4 million in 2011). The decrease was primarily attributable to current year operations and period charges.

For more detailed information see pages 29 and 30 for the Statement of Net Assets.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Major Factors Affecting the Statement of Net Assets

Table 2 presents details on the change in Unrestricted Net Assets for the fiscal year ended September 30, 2012.

TABLE 2
CHANGE IN UNRESTRICTED NET ASSETS
(IN MILLIONS)

	2012	2011	2010
Unrestricted net assets, beginning of year	\$ 11.2	\$ 11.2	\$ 7.6
Results of operations	(4.5)	0.5	1.5
Adjustments:			
Depreciation (1)	2.6	2.6	3.3
Adjusted results from operations	(1.9)	3.1	4.8
Reclassification to restricted assets	-	(1.1)	(0.3)
Capital activity, net	(1.1)	(2.0)	(0.9)
Prior period adjustment	-	-	-
Unrestricted net assets, end of year	\$ 8.2	\$ 11.2	\$ 11.2

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

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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**TABLE 3
STATEMENT OF REVENUES AND EXPENSES
(IN MILLIONS)**

	2012	2011	2010
Revenues:			
Operating subsidies and grants	\$ 47.8	\$ 69.0	\$ 62.2
Capital grants	0.6	2.1	2.7
Other income	1.1	1.5	2.8
Tenant revenue	0.4	0.5	0.5
Investment income	-	-	0.3
Total revenues	49.9	73.1	68.5
Expenses:			
Housing assistance payments	33.0	32.9	32.7
Maintenance	4.0	6.2	12.6
Administrative	13.8	29.1	17.1
Depreciation	2.6	2.6	3.4
Tenant services	0.3	0.4	0.4
General and other	0.3	1.0	0.5
Utilities	0.4	0.4	0.3
Total expenses	54.4	72.6	67.0
Excess (Deficiency) of revenues over expenses	\$ (4.5)	\$ 0.5	\$ 1.5

Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Assets

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 .90% of total current year revenues, decreased by \$26,149, or approximately 5.7% (\$48,206 decrease, or approximately 9.5%, in 2011). The decrease in the current year revenues is attributed to decrease in tenant income and charges for the period.

Guam Housing and Urban Renewal Authority

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Operating Subsidies and Grants

Operating subsidies, operating and capital grant revenue decreased by a net \$23.2 million, or approximately 47.8% from the prior year. The net decrease resulted primarily from the following: decrease of \$14.3 million for the US Department of the Treasury's IRS Section 1602 funds; \$2.3 million in Department of Interior funds; and \$1.2 million for Capital funds; \$2.6 million from ARRA program funding; \$2.2 million in Low Rent Housing program funding; \$2 million in Housing Choice Voucher program activities funding; \$.4 million in HOME program funding; and \$.1 million in Tobacco Backed Asset Bond funds; \$.1 million in Supportive Housing for the Elderly program funding; \$.1 million in Continuum of Care program funding. There was slight increase of \$.3 million in CDBG program funding.

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

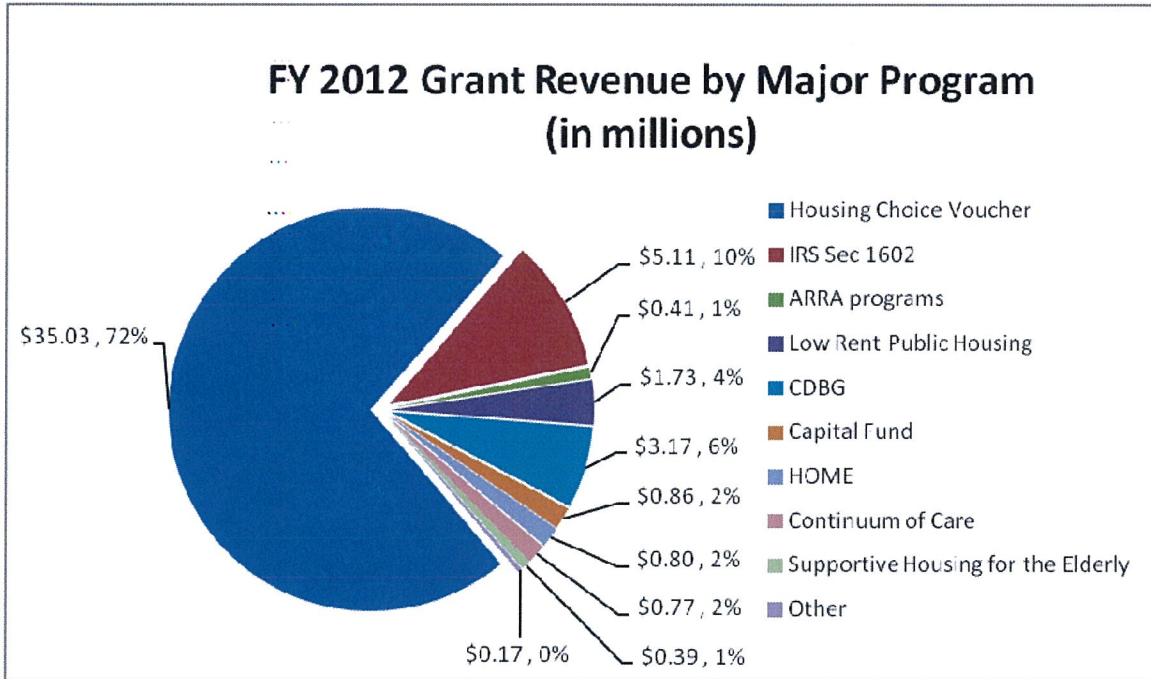
Operating and Capital Grant Revenue by Major Program Sources

TABLE 4
OPERATING SUBSIDIES AND GRANTS
(IN MILLIONS)

	2012	2011	2010
Housing Choice Voucher	\$ 35.0	\$ 35.2	\$ 35.5
IRS Sec 1602	5.1	19.4	6.2
CDBG	3.2	2.8	4.3
Low Rent Public Housing	1.7	4.0	4.6
Capital Fund	0.9	2.1	2.0
HOME	0.8	1.2	1.3
Continuum of Care	0.8	0.8	0.7
ARRA programs	0.4	3.0	5.2
DOI	-	2.2	0.7
Supportive Housing for the Elderly	0.4	0.5	0.4
Other	0.1	0.3	4.0
	<u>\$ 48.4</u>	<u>\$ 71.6</u>	<u>\$ 64.9</u>

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Other Revenue

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

Expenses

Operating Expenses

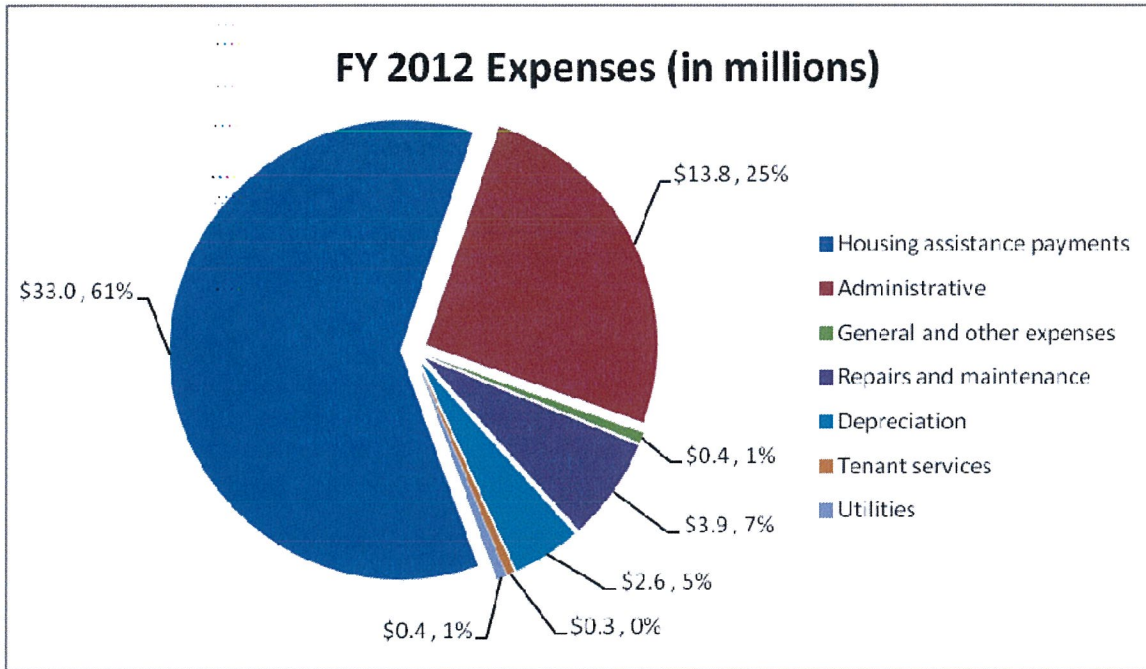
Operating expenses totaled \$54.3 million in 2012 (\$72 million in 2011), which represents a 24.9% decrease from prior year. Administrative expense was approximately 27.6% of total revenues in 2012 (39.9% of revenues in 2011).

Other Expenses

During 2012, there was a 0.3% increase in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to higher unit month leasing costs (0.8% increase in 2011). Housing assistance payment expenses increased by approximately \$0.1 million in 2012 (increase of \$0.3 million in 2011).

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the Authority had approximately \$27.8 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 \$1,474,619, or approximately 5.0% from the end of last year (\$569,201 in 2011 or approximately 1.9%).

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

	2012	2011	2010
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	86.1	85.4	83.3
Equipment - administrative	2.1	2.1	2.1
Equipment - dwelling	1.9	1.5	1.5
	<u>93.8</u>	<u>92.7</u>	<u>90.6</u>
Accumulated depreciation	<u>(66.0)</u>	<u>(63.4)</u>	<u>(60.7)</u>
Capital assets, net	<u>\$ 27.8</u>	<u>\$ 29.3</u>	<u>\$ 29.9</u>

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The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 55 of the Notes to the accompanying financial statements.

**TABLE 6
CHANGE IN CAPITAL ASSETS
(IN MILLIONS)**

	2012	2011	2010
Balance at beginning of year	\$ 29.3	\$ 29.9	\$ 30.3
Additions	1.1	2.1	2.9
Disposition/transfers	-	(0.1)	-
Depreciation	(2.6)	(2.6)	(3.3)
Balance at end of year	\$ 27.8	\$ 29.3	\$ 29.9

Major additions are summarized as follows:

Major additions:

	2012	2011	2010
Building improvements and plans	\$ 1.1	\$ 2.1	\$ 2.9
Equipment purchases	-	-	-
Total additions	\$ 1.1	\$ 2.1	\$ 2.9

Debt Outstanding

As of year-end, the Authority had \$1,310,139 in debt (mortgage loan) outstanding compared to \$1,356,328 last year, for a \$46,189 decrease (debt retirement):

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

	2012	2011	2010
RD - Guma Trankilidat	\$ 1.31	\$ 1.36	\$ 1.40

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2012

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

	2012	2011	2010
Cash flows (used) provided by operations	\$ (4.3)	\$ 0.5	\$ 0.5
Cash flows provided (used) in financing activities	(0.6)	1.8	(0.3)
Cash flows provided (used) in investing activities	0.6	5.3	0.7
Net increase (decrease) in cash and cash equivalents	(4.3)	7.6	0.9
Cash and cash equivalents at beginning of year	15.3	7.7	6.8
Cash and cash equivalents at end of year	\$ 11.0	\$ 15.3	\$ 7.7
Reconciliation of operating income (loss) to net cash (used) provided by operating activities			
Net loss	\$ (5.5)	\$ (1.7)	\$ (1.9)
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities:			
Depreciation	2.6	2.6	3.3
Bad debts	-	0.1	-
(Increase) decrease in assets	4.9	5.3	(0.5)
Increase (Decrease) in liabilities	(6.4)	(5.8)	(0.4)
Net cash (used) provided by operating activities	\$ (4.4)	\$ 0.5	\$ 0.5

In 2012, net increase in cash flows resulted primarily from maturity of investments.

Guam Housing and Urban Renewal Authority

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Economic factors

Significant economic factors that affect the Authority are as follows:

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.

On September 19, 2005, the Public Housing Operating Fund final rule was published. This rule required that PHAs implement asset management at an asset management project level, to include project-based funding, project-based management, project-based budgeting, and project-based accounting. The implementation dates began in calendar year 2007 with the new Operating Fund formula. The project-based budgeting, funding, and year-end project-based financial statement reporting became effective in FY 2008. Since that time, the Authority has implemented HUD's asset management model. Under this method, the Authority implemented management fees or fee-for-service concepts in accordance with HUD's phase-in requirements for asset management. Full implementation of the final rule took place during fiscal year 2011.

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.

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,

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2012

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.

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2012

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, Shelter Plus Care, CDBG-R, and HPRP. 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.

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.

Guam Housing and Urban Renewal Authority

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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.

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 Assets
September 30, 2012
(With comparative totals as of September 30, 2011)

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2012	Total 2011
Current assets:						
Cash: (Notes 1 and 2)						
Unrestricted	\$ 5,968,765	\$ 8,089	\$ 2,975,280	\$ -	\$ 8,952,134	\$ 12,688,304
Restricted - other (Note 3)	782,016	-	1,263,834	-	2,045,850	2,628,715
Restricted - security deposits (Note 3)	17,952	-	-	-	17,952	15,672
Total cash	<u>6,768,733</u>	<u>8,089</u>	<u>4,239,114</u>	<u>-</u>	<u>11,015,936</u>	<u>15,332,691</u>
Accounts receivable:						
Notes receivable - current portion (Note 4)	-	-	73,924	-	73,924	88,488
Tenants (Note 1)	113,390	-	-	-	113,390	177,471
HUD	566,183	417,907	-	-	984,090	604,106
Other Government Agencies	-	66,969	-	-	66,969	206,576
Due from other funds (Notes 1 and 5)	5,155,844	180,518	4,301,617	(9,637,979)	-	-
Interest	190	-	129	-	319	189
Other	49,752	-	415,373	-	465,125	535,862
	<u>5,885,359</u>	<u>665,394</u>	<u>4,791,043</u>	<u>(9,637,979)</u>	<u>1,703,817</u>	<u>1,612,692</u>
Allowance for doubtful accounts	(30,244)	-	(107,686)	-	(137,930)	(136,526)
Total accounts receivable, net	<u>5,855,115</u>	<u>665,394</u>	<u>4,683,357</u>	<u>(9,637,979)</u>	<u>1,565,887</u>	<u>1,476,166</u>
Investments: (Notes 1, 2, and 3)						
Unrestricted	1,307,634	-	1,220,496	-	2,528,130	2,666,019
Restricted/reserved by fiscal agent	388,526	-	-	-	388,526	388,062
Total investments	<u>1,696,160</u>	<u>-</u>	<u>1,220,496</u>	<u>-</u>	<u>2,916,656</u>	<u>3,054,081</u>
Prepayments and other current assets						
Inventories (Note 1)	33,556	283	82,166	-	116,005	124,649
Other real estate (Notes 1 and 6)	145,086	-	-	-	145,086	241,812
	<u>-</u>	<u>-</u>	<u>3,329,212</u>	<u>-</u>	<u>3,329,212</u>	<u>3,398,518</u>
Total current assets	<u>14,498,650</u>	<u>673,766</u>	<u>13,554,345</u>	<u>(9,637,979)</u>	<u>19,088,782</u>	<u>23,627,917</u>
Noncurrent assets:						
Capital assets, net (Notes 1 and 7)	19,923,433	7,604,817	311,387	-	27,839,637	29,314,256
Notes receivable - noncurrent (Note 4)	-	-	765,434	-	765,434	866,382
Other assets	-	-	-	-	-	37,056
Total noncurrent assets	<u>19,923,433</u>	<u>7,604,817</u>	<u>1,076,821</u>	<u>-</u>	<u>28,605,071</u>	<u>30,217,694</u>
Total assets	<u>\$ 34,422,083</u>	<u>\$ 8,278,583</u>	<u>\$ 14,631,166</u>	<u>\$ (9,637,979)</u>	<u>\$ 47,693,853</u>	<u>\$ 53,845,611</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 Assets, Continued
September 30, 2012
(With comparative totals as of September 30, 2011)

Liabilities and Net Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2012	Total 2011
Current liabilities:						
Accounts payable	\$ 78,171	\$ 74	\$ 625,393	\$ -	\$ 703,638	\$ 203,318
Current portion of note payable (Note 8)	49,000	-	-	-	49,000	46,000
Current portion of compensated absences (Note 1)	30,433	2,390	11,772	-	44,595	14,831
Due to HUD	38,631	(12,939)	-	-	25,692	46,846
Due to other funds (Notes 1 and 5)	2,457,322	406,458	6,774,199	(9,637,979)	-	-
Security deposits	147,302	-	3,173	-	150,475	143,753
Accrued salaries and wages	90,273	6,006	-	-	96,279	57,340
Accrued liabilities	111,504	-	291,453	-	402,957	378,271
Deferred revenues (Note 1)	65,158	216,878	1,578,325	-	1,860,361	1,788,360
Other current liabilities	175,675	-	200,052	-	375,727	2,680,429
Total current liabilities	3,243,469	618,867	9,484,367	(9,637,979)	3,708,724	5,359,148
Non-current liabilities:						
Long-term portion of note payable (Notes 8 and 9)	1,261,139	-	-	-	1,261,139	1,310,328
Accrued compensated absences (Notes 1 and 9)	434,274	54,899	169,407	-	658,580	650,017
Total non-current liabilities	1,695,413	54,899	169,407	-	1,919,719	1,960,345
Total liabilities	4,938,882	673,766	9,653,774	(9,637,979)	5,628,443	7,319,493
Commitments and contingencies (Notes 8, 12, 15 and 16)						
Net assets: (Notes 1 and 11)						
Invested capital assets, net of related debt	18,613,294	7,604,817	3,709,905	-	29,928,016	31,332,774
Restricted	3,788,732	-	100,749	-	3,889,481	3,976,938
Unrestricted	7,081,175	-	1,166,738	-	8,247,913	11,216,406
Total net assets	29,483,201	7,604,817	4,977,392	-	42,065,410	46,526,118
Total liabilities and net assets	\$ 34,422,083	\$ 8,278,583	\$ 14,631,166	\$ (9,637,979)	\$ 47,693,853	\$ 53,845,611

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 Assets
For the Year Ended September 30, 2012
(With comparative totals for the year ended September 30, 2011)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2012	Total 2011
Operating revenues:						
HUD PHA Operating Grants	\$ 40,307,094	\$ 2,042,085	\$ -	\$ -	\$ 42,349,179	\$ 45,344,880
Other Federal Grants (Note 1)	-	324,140	5,110,058	-	5,434,198	23,627,655
Management fees (Note 1)	-	-	1,147,716	(1,147,716)	-	-
Other income	106,919	186,527	270,687	-	564,133	551,353
Tenant rental income	431,111	-	-	-	431,111	457,260
Bookkeeping fees (Note 1)	-	-	278,685	(278,685)	-	-
Asset management fees (Note 1)	-	-	90,000	(90,000)	-	-
Property sales	-	-	31,084	-	31,084	24,000
Total operating revenues	<u>40,845,124</u>	<u>2,552,752</u>	<u>6,928,230</u>	<u>(1,516,401)</u>	<u>48,809,705</u>	<u>70,005,148</u>
Operating expenses:						
Housing assistance payments	33,042,007	-	-	-	33,042,007	32,935,455
Repairs and maintenance	3,440,287	481,484	7,329	-	3,929,100	6,179,532
Project costs (Note 1)	-	-	5,110,058	-	5,110,058	19,446,645
Other administrative expenses	790,511	1,481,083	225,081	-	2,496,675	3,672,323
Administrative salaries	2,856,328	262,362	1,173,449	-	4,292,139	4,246,398
Depreciation	1,856,528	694,237	22,974	-	2,573,739	2,647,206
Management fees (Note 1)	981,638	166,078	-	(1,147,716)	-	-
Employee benefits	1,012,245	100,852	400,365	-	1,513,462	1,480,410
Office expense	338,564	38,975	46,841	-	424,380	484,831
Utilities	326,444	-	53,826	-	380,270	354,415
Bookkeeping fees (Note 1)	278,685	-	-	(278,685)	-	-
Insurance	164,405	429	12,963	-	177,797	205,296
Compensated absences	69,193	(12,966)	14,408	-	70,635	(78,073)
Professional fees	48,498	4,173	93,815	-	146,486	116,902
Asset management fees (Note 1)	90,000	-	-	(90,000)	-	-
Travel	35,539	16,187	48,692	-	100,418	49,110
Protective services	6,404	-	742	-	7,146	45,403
Bad debts	9,760	-	8,026	-	17,786	112,047
Payments in-lieu of taxes	26,800	-	-	-	26,800	29,870
Advertising and marketing	13,824	6,726	16,321	-	36,871	35,379
Relocation costs	62	-	-	-	62	-
Total operating expenses	<u>45,387,722</u>	<u>3,239,620</u>	<u>7,234,890</u>	<u>(1,516,401)</u>	<u>54,345,831</u>	<u>71,963,149</u>
Operating loss	<u>(4,542,598)</u>	<u>(686,868)</u>	<u>(306,660)</u>	<u>-</u>	<u>(5,536,126)</u>	<u>(1,958,001)</u>
Non-operating revenues (expenses):						
Capital Grants	-	637,397	-	-	637,397	2,072,675
Interest income on restricted investments	873	-	2,847	-	3,720	8,837
Interest income on unrestricted investments	9,059	101	-	-	9,160	15,129
Fraud recovery	29,901	-	-	-	29,901	64,847
Recovery of bad debts	94,434	-	6,500	-	100,934	-
Other income	346,487	795	26,800	-	374,082	886,800
Gain on sale of capital assets	6,637	-	-	-	6,637	-
Other expense	-	-	(6,122)	-	(6,122)	(478,378)
Interest expense	(80,291)	-	-	-	(80,291)	(82,267)
Total non-operating revenues (expenses), net	<u>407,100</u>	<u>638,293</u>	<u>30,025</u>	<u>-</u>	<u>1,075,418</u>	<u>2,487,643</u>
Change in net assets	(4,135,498)	(48,575)	(276,635)	-	(4,460,708)	529,642
Total net assets at beginning of year	32,064,390	9,207,701	5,254,027	-	46,526,118	45,996,476
Equity transfers in (out)	<u>1,554,309</u>	<u>(1,554,309)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets at end of year	<u>\$ 29,483,201</u>	<u>\$ 7,604,817</u>	<u>\$ 4,977,392</u>	<u>\$ -</u>	<u>\$ 42,065,410</u>	<u>\$ 46,526,118</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, 2012
(With comparative totals for the year ended September 30, 2011)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2012	Total 2011
Cash flows from operating activities:						
Operating grants received	\$ 40,496,156	\$ 2,489,112	\$ 5,110,058	\$ -	\$ 48,095,326	\$ 69,664,699
Receipts from customers	520,224	185,890	2,256,237	(1,516,401)	1,445,950	3,041,708
Assistance paid	(33,042,007)	-	-	-	(33,042,007)	(32,935,455)
Cash payments to suppliers for goods and services	(7,692,197)	(2,436,501)	(7,597,043)	1,516,401	(16,209,340)	(34,486,541)
Cash payments to employees for services	(3,894,992)	(268,046)	(1,187,857)	-	(5,350,895)	(4,212,649)
Other cash receipts (payments)	747,555	(173,407)	83,651	-	657,799	(541,770)
Net cash provided by (used in) operating activities	(2,865,261)	(202,952)	(1,334,954)	-	(4,403,167)	529,992
Cash flows from noncapital financing activities:						
Transfer from other funds	1,554,309	-	-	-	1,554,309	1,869,974
Net cash used for noncapital financing activities	1,554,309	-	-	-	1,554,309	1,869,974
Cash flows from capital and related financing activities:						
Interest paid	(80,291)	-	-	-	(80,291)	(82,267)
Repayment of note payable	(46,189)	-	-	-	(46,189)	(44,213)
Capital grants received	-	216,311	-	-	216,311	2,072,675
Acquisition of fixed assets	(2,000,185)	(224,576)	-	-	(2,224,761)	(2,126,627)
Net cash used for capital and related financing activities	(2,126,665)	(8,265)	-	-	(2,134,930)	(180,432)
Cash flows from investing activities:						
Interest and other income received	545,351	401	23,525	-	569,277	355,160
Deposits to restricted accounts	(41,691)	-	139,447	-	97,756	5,069,572
Net cash provided by investing activities	503,660	401	162,972	-	667,033	5,424,732
Net increase (decrease) in cash	(2,933,957)	(210,816)	(1,171,982)	-	(4,316,755)	7,644,266
Cash at beginning year	9,702,690	218,905	5,411,096	-	15,332,691	7,688,425
Cash and cash equivalents at end of year	\$ 6,768,733	\$ 8,089	\$ 4,239,114	\$ -	\$ 11,015,936	\$ 15,332,691

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, 2012
(With comparative totals for the year ended September 30, 2011)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2012	Total 2011
Reconciliation in change in net assets to net cash provided by operating activities:						
Operating loss	\$ (4,542,598)	\$ (686,868)	\$ (306,660)	\$ -	\$ (5,536,126)	\$ (1,958,001)
Adjustments to reconcile change in net assets cash provided by (used in) operating activities:						
Depreciation	1,856,528	694,237	22,974	-	2,573,739	2,647,206
Bad debts	9,760	-	8,026	-	17,786	112,047
(Increase) decrease in assets:						
Accounts receivable:						
Notes receivable	-	-	114,041	-	114,041	51,991
Tenant	64,081	-	-	-	64,081	(133,726)
HUD	187,818	431,719	-	-	619,537	1,133,311
Other Government Agencies	-	140,344	-	-	140,344	689,597
Due from other funds	747,487	57,611	3,028,649	-	3,833,747	2,869,655
Travel advances	-	-	(12,369)	-	(12,369)	-
Interest	(1)	-	(129)	-	(130)	159
Other	53,494	-	29,781	-	83,275	162,522
Prepayments and other assets	12,017	119	(3,009)	-	9,127	(14,833)
Inventories	96,726	-	-	-	96,726	(48,015)
Other real estate	-	-	69,306	-	69,306	(37,177)
Increase (decrease) in liabilities:						
Accounts payable	347	(131,460)	601,161	-	470,048	119,220
Compensated absences	25,046	(19,447)	14,406	-	20,005	(87,299)
Payable to HUD	-	19,085	-	-	19,085	532
Due to other funds	(1,240,481)	(527,866)	(2,727,880)	-	(4,496,227)	(5,134,418)
Security deposits	3,549	-	3,173	-	6,722	10,753
Accrued salaries and wages	11,552	(3,737)	-	-	7,815	(4,393)
Other current liabilities	(169,897)	-	(2,134,335)	-	(2,304,232)	372,145
Accrued liabilities	26,800	-	10,588	-	37,388	38,885
Deferred revenues	(7,489)	(176,689)	(52,677)	-	(236,855)	(260,169)
Net cash provided by (used in) operating activities	<u>\$ (2,865,261)</u>	<u>\$ (202,952)</u>	<u>\$ (1,334,954)</u>	<u>\$ -</u>	<u>\$ (4,403,167)</u>	<u>\$ 529,992</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(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 to 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, of which, 729 (out of 738 available) units or 98.78% were leased as of September 30, 2012, while 703 (out of 737 available) units or 95.39% were leased as of September 30, 2011. These properties are modernized under HUD's Capital Funds Program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(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 Choice Voucher 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. GHURA was authorized by HUD to approve housing assistance payment contracts for 2,515 dwelling units, of which, 2,335 or 92.84% and 2,409 or 95.8% were leased as of September 30, 2012 and 2011, respectively.

Supportive Housing for the Elderly

The Supportive Housing for the Elderly project is designed to provide housing accommodations for elderly residents of Guam. The land on which this project was built was 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 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.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

Non-Major Enterprise Funds, continued

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.

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 Shelter Grant Program

This program provides grants to help increase both the number and quality of emergency shelters for homeless individuals and families, to operate these facilities and provide essential supportive services, and to help prevent homelessness.

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.

Cooperative Extension Services

Within the states and territories, this program has serves as the community organization that helps to enable families, communities, and businesses to successfully prepare for, respond to and cope with disaster losses and critical incidents. Once a disaster has occurred, the local extension outreach includes: 1) communicating practical science-based risk information, 2) developing relevant educational experiences and programs, 3) Working with individuals and communities to open new communication channels; and 4) mitigating losses and facilitating recovery.

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2012
(With comparative totals as of September 30, 2011)

Non-Major Enterprise Funds, continued

Community Health Centers

The purpose of this program is to improve the health of the Nation's underserved communities and vulnerable populations by assuring access to comprehensive, culturally competent, quality primary health care services. Individual health center grant mechanisms include: (1) Community Health Centers; (2) Migrant Health Centers; (3) Health Care for the Homeless; and (4) Public Housing Primary Care Program.

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.

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.

Public Housing Capital Fund Stimulus (formula) Recovery Act Funded

The Public Housing Capital Fund Stimulus (formula) Recovery Act Funded program provides funds for the capital and management activities including modernization and development of public housing with the exception that funds cannot be used for operations or rental assistance.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

Non-Major Enterprise Funds, continued

Homeless Prevention and Rapid Re-Housing Program – Recovery Act Fund

The objectives of this program are to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly rehouse persons who are homeless. It will provide temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would have been homeless if it were not for this assistance.

Weatherization Assistance for Low-Income Persons – Recovery Act Funded

The objective of the Weatherization Assistance for Low-Income Persons program is to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total expenditures on energy, and improve their health and safety. This program has a special interest in addressing these needs for low-income persons who are particularly vulnerable, such as the elderly, disabled persons, and families with children, as well as those with high energy usage and high energy burdens.

Health Care and Other Facilities

The objective of the Health Care and Other Facilities Program funded by ARRA is to provide funds to support grants to establish new access points that will increase the number of underserved and uninsured persons with access to comprehensive primary and preventive health care (new access point); to enable health centers to increase services at existing sites and to address spikes in demand to serve uninsured persons (increased demand for services); to enable health centers to carry out alteration/repair/renovation projects; construction projects; health information technology and other equipment purchases (capital improvement projects); and to support selected competitively-reviewed applications submitted by health centers to address significant and pressing capital improvement needs, including modernization, renovation and construction (facility improvement projects).

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

Other Enterprise Funds

The following funds were determined to be non-major enterprise funds for the years ended September 30, 2012 and 2011:

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.

Section 1602 Grant

The program authorizes the U.S. Department of the Treasury to make cash assistance available to State housing credit agencies for sub-award to developers of qualified buildings. The purpose of the cash assistance is to pay the developer's costs for construction or acquisition and rehabilitation of rental housing for low-income families and individuals. It provides affordable rental units to families earning 60% of HUD area median income and below. Pursuant to the U.S. Department of the Treasury, this program is not subject to OMB Circular A-133 and is not considered federal financial assistance.

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

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(1) Summary of Significant Accounting Policies, continued

b) Reporting Entity

The administration and operation of GHURA is under the control of a seven-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

GASB Statement No. 57 – In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*, and addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. The provisions of Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011. Management does not believe that the implementation of this Statement will have material effect on the financial statements of the Authority.

GASB Statement No. 59 – In June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*, which updates and improves existing standards regarding financial reporting of certain financial instruments and external investing pools. The provisions of this Statement are effective for periods beginning after June 15, 2010. Management has not evaluated the effect that the implementation of this Statement will have on the financial statements of the Authority.

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership. The provisions of this Statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

c) New Accounting Standards, continued

GASB Statement No. 61 – In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. Management has not evaluated the effect that the implementation of this Statement will have on the financial statements of the Authority.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this Statement will have a material effect on the financial statements of the Authority.

In July 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The provisions of this statement are effective for periods beginning after December 15, 2011. Management has not yet determined the effect of implementation of this Statement on the financial statements of the Authority.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), which will improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty’s credit support provider, is replaced. The implementation of this Statement did not have a material effect on the accompanying financial statements of the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

c) New Accounting Standards, continued

In April 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this Statement on the financial statements of the Authority.

In April 2012, GASB issued Statement No. 66, *Technical Corrections - 2012, an amendment of GASB Statements No. 10 and No. 62*, which enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The provisions of this statement are effective for periods beginning after December 15, 2012. Management has not yet determined the effect of implementation of this statement on the financial statements of the Authority.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which revises existing guidance for the financial reports of most pension plans, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The provisions in Statement 67 are effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2014. Management has not yet determined the effect of implementation of these Statements on the financial statements of the Authority.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations include mergers, acquisitions and transfers of operations. The Statement requires assets acquired and liabilities assumed to be measured at carrying values in an acquisition. The Statement requires disclosures to be made about government combinations and disposals of government operations so that financial statement users can evaluate the nature and financial effects of those combinations. The Statement is effective for financial statements for periods beginning after December 15, 2013.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(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 assets, 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 asset 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, 2012, from which the summarized information was derived.

e) Basis of Accounting

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. 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. Depreciation of assets is recognized in the statements of revenues, expenses and net assets. All assets and liabilities that are associated with the operation of the Authority are included in the statement of net assets. The principal operating revenues of the Authority are operating subsidies and administrative fees received from HUD and rental revenues received from residents.

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 operating revenues. Other expenses for the Authority include the cost of operating housing units, administrative expenses, depreciation 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2012
(With comparative totals as of September 30, 2011)

(1) Summary of Significant Accounting Policies, continued

e) Basis of Accounting, continued

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, all proprietary funds must follow Financial Accounting Standards Board (FASB) issued on or before November 30, 1989. However, subsequent to that date, proprietary funds must choose (1) not apply all new FASB Standards (including amendments of earlier pronouncements), or (2) to continue to follow all new FASB pronouncements (unless they conflict with GASB guidance). The Authority has chosen not to apply new FASB standards subsequent to November 30, 1989.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(1) Summary of Significant Accounting Policies, continued

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 \$13,930,192 and \$18,384,375 as of September 30, 2012 and 2011, respectively, are deposited in financial institutions subject to coverage by the Federal Deposit Insurance Corporation (FDIC).

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, 2012 and 2011 are classified as due from other funds or due to other funds and are eliminated on the statement of net assets 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 periods beyond September 30, 2012 are recorded as prepaid items.

l) Restricted Assets

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

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. 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
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.

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

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

o) Compensated Absences

Earned employee vacation due is accrued at year end for financial statement reporting purposes. Included in the accounts payable and accrued liabilities at September 30, 2012 are amounts related to compensated absences earned but unused. The amounts are included as a component of operating expense in the Statement of Revenues, Expenses and Changes in Net Assets. As of September 30, 2012 and 2011, accrued earned compensated absences totaled \$703,178 and \$664,845, 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, 2012, the total amount of unused sick leave for members under the DCRS plan was \$564,519 of which 50%, or \$282,260 was accrued in the accompanying financial statements while \$527,972 of which 50% or \$263,986 was accrued as of September 30, 2011.

p) Deferred Revenues

The Authority reports deferred revenues on its Statement of Net Assets. Deferred 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 deferred revenue is removed from the Statement of Net Assets, and the revenue is recognized.

q) 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.

r) 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 per AMP unit). Such fees are accounted for in the Authority's newly created Central Office Cost Center (COCC) which is reported in the Other Enterprise Funds. For the years ended September 30, 2012 and 2011, the Authority paid management fees to COCC of \$1,516,401 and \$1,536,073 respectively. HUD regulates the amount of management fees that can be paid.

s) 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(1) Summary of Significant Accounting Policies, continued

t) Net Assets

Net assets represent the residual interest in the Authority's assets after liabilities are deducted and consist of three categories: net assets invested in capital assets, net of related debt; restricted and unrestricted. Net assets invested in capital assets, net of related debt include capital assets, restricted and unrestricted, net of related accumulated depreciation, reduced by outstanding debt. Net assets are reported as restricted when constraints are imposed by third parties, grantors or enabling legislation. The Authority's restricted are net assets expendable. All other net assets are unrestricted.

u) 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 Assets. 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 Assets.

v) 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.

w) 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.

x) Advertising and Marketing Expenses

For the fiscal years ending September 30, 2012 and 2011, the Authority incurred advertising and marketing costs totaling \$36,871 and \$35,379, respectively. These costs primarily relate to construction bids and related procurement solicitation costs.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

y) *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 cash equivalents and investments at September 30, 2012 consist of the following:

	<u>2012</u>	<u>2011</u>
Cash on hand and due from banks	\$11,015,936	\$ 15,332,692
Investments	<u>2,916,656</u>	<u>3,054,084</u>
	<u>\$13,932,592</u>	<u>\$ 18,386,776</u>

Of the above cash and cash equivalents and investments, \$2,452,328 and \$3,032,449 were restricted at September 30, 2012 and 2011, respectively. 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.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(2) *Cash and Investments, continued*

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 to 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, 2012 and 2011, the carrying amount of the Authority's total cash and cash equivalents was \$13,932,592 and \$18,386,776, respectively, with a corresponding bank balance of \$13,930,192 and \$15,427,491, 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, 2012 and 2011, bank deposits in the amount of \$13,599,857 and \$14,890,978 were in excess of FDIC insured limits of \$250,000 until December 31, 2013; are fully collateralized by U.S. securities. Accordingly, these deposits are exposed to custodial credit risk.

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, 2010, 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 US securities.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(2) Cash and Investments, continued

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.

(3) Restricted Cash and Investments

The restriction of the Authority's restricted cash and investments as of September 30, 2012 and 2011, are summarized as follows:

	2012	2011
Restricted cash:		
Supportive Housing for the Elderly	\$ 395,836	\$ 392,610
Section 8 HCV	404,132	989,649
Central Office Cost Center	1,163,085	1,161,569
Revolving Fund	100,749	100,559
Total restricted cash	2,063,802	2,644,387
Restricted Investments:		
Supportive Housing for the Elderly	\$ 204,713	\$ 204,469
Low Rent Housing	183,813	183,593
Total restricted investments	388,526	388,062
	\$ 2,452,328	\$ 3,032,449

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, 2012, GHURA had \$2,063,802 and \$204,713 and in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$17,952 in a restricted cash account tenant security deposits. Interest income earned is reinvested when related time certificates of deposit mature.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(3) *Restricted Cash and Investments, continued*

Section 8 HCV and Low Rent Housing

An escrow account has 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. For the year ended September 30, 2012, FSS escrow amounts held by the Authority for the Section 8 and Low Rent Public Housing participants in the FSS program totaled \$161,887 and \$96,198 respectively.

The Section 8 HCV program also has restricted cash of \$404,132 which represents the remaining housing assistance payment (HAP) revenue that has accumulated since January 1, 2005. HUD PIH 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. This amount also represents HAP restricted equity balance as of September 30, 2012.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,066,887, 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. As of September 30, 2012, there is a balance of \$1,022,588 in the self-insurance account which is maintained in the Central Office Cost Center fund and reported in Other Enterprise Funds.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(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 and consist of the following:

	2012	2011
Due in varying monthly installments, interest free, with maturities to 2026 including loans	\$ 646,466	\$ 742,634
HOME Rehabilitation loans due in varying monthly installments, interest free, with maturities to 2026, including loans	<u>192,892</u>	<u>210,766</u>
Current portion	<u>839,358</u> <u>(73,924)</u>	<u>953,400</u> <u>(87,017)</u>
	<u>\$ 765,434</u>	<u>\$ 866,383</u>

Maturities of the above principal balances subsequent to September 30, 2012, will be as follows:

Fully matured and others	\$ 11,505
1-to 6 months	34,204
7-to 18 months	68,408
19 months to 3 years	102,613
After 3 years	<u>622,628</u>
	<u>\$ 839,358</u>

(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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(5) Inter-fund Receivable/Payable Accounts, continued

The composition of the inter-fund receivable and payable balances as of September 30, 2012 and 2011 are as follows:

September 30, 2012

	Due from other Funds	Due to other Funds	Net Receivable (Payable)
CDBG	\$ -	\$ 315,775	\$ (315,775)
Low Income Housing	5,155,775	1,053,432	4,102,343
Section Housing Choice Voucher	69	625,274	(625,205)
Supportive Housing for the Elderly	-	462,841	(462,841)
Non-Major Programs	180,518	406,458	(225,940)
Other Enterprise Funds	<u>4,301,617</u>	<u>6,774,199</u>	<u>(2,472,582)</u>
Net Inter-fund balances	<u>\$ 9,637,979</u>	<u>\$ 9,637,979</u>	<u>\$ -</u>

September 30, 2011

	Due from other Funds	Due to other Funds	Net Receivable (Payable)
CDBG	\$ -	\$ 450,653	\$ (450,653)
Low Income Housing	5,902,653	470,833	5,431,820
Section Housing Choice Voucher	12,438	2,156,156	(2,143,718)
Capital Fund Project	-	307,233	(307,233)
ARRA Funds	250	398,618	(398,368)
Non-Major Programs	88,764	985,213	(896,449)
Other Enterprise Funds	<u>3,790,389</u>	<u>5,025,788</u>	<u>(1,235,399)</u>
Net Inter-fund balances	<u>\$ 9,794,494</u>	<u>\$ 9,794,494</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, 2012 and 2011, the Authority had ninety-four (94) lots in its inventory with an estimated value of \$3,257,382 and \$3,326,688 respectively. In addition, the Authority has four (4) 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, 2012.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(7) Capital Assets

A summary of changes in capital assets for the years ended September 30, 2012 and 2011 are as follows:

September 30, 2012

	Balance 9/30/2011	Additions	Transfers/ Disposals	Balance 9/30/2012
Structures	\$ 85,396,529	\$ 1,879,896	\$ (1,129,106)	\$ 86,147,319
Furniture, fixtures, and equipment	3,675,854	344,865	-	4,020,719
	89,072,383	2,224,761	(1,129,106)	90,168,038
Accumulated depreciation	(63,434,009)	(2,570,274)	-	(66,004,283)
Net depreciable assets	25,638,374	(345,513)	(1,129,106)	24,163,755
Land	3,675,882	-	-	3,675,882
Net capital assets	<u>\$ 29,314,256</u>	<u>\$ (345,513)</u>	<u>\$ (1,129,106)</u>	<u>\$ 27,839,637</u>

September 30, 2011

	Balance 9/30/2010	Additions	Transfers/ Disposals	Balance 9/30/2011
Structures	\$ 83,411,671	\$ 2,033,480	\$ (48,622)	\$ 85,396,529
Furniture, fixtures, and equipment	3,582,707	93,147	-	3,675,854
	86,994,378	2,126,627	(48,622)	89,072,383
Accumulated depreciation	(60,786,803)	(2,647,206)	-	(63,434,009)
Net depreciable assets	26,207,575	(520,579)	(48,622)	25,638,374
Land	3,675,882	-	-	3,675,882
Net capital assets	<u>\$ 29,883,457</u>	<u>\$ (520,579)</u>	<u>\$ (48,622)</u>	<u>\$ 29,314,256</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(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:

	<u>2012</u>	<u>2011</u>
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)	\$ 1,310,139	\$ 1,356,328
Current portion	<u>(49,000)</u>	<u>(46,000)</u>
	<u>\$ 1,261,139</u>	<u>\$ 1,310,328</u>

Maturities of long-term debt are as follows:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 49,000	\$ 77,480	\$ 126,480
2014	52,000	74,480	126,480
2015	55,000	71,480	126,480
2016	59,000	67,480	126,480
2017	62,000	64,480	126,480
2018 through 2022	375,000	257,400	632,400
2023 through 2027	506,000	126,400	632,400
2028 through 2030	<u>152,139</u>	<u>5,738</u>	<u>157,877</u>
	<u>\$ 1,310,139</u>	<u>\$ 744,938</u>	<u>\$ 2,055,077</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(9) Noncurrent Liabilities

Noncurrent liability activities at September 30, 2012 and 2011 are as follows:

September 30, 2012

	Outstanding Balance <u>09/30/11</u>	<u>Increases</u>	<u>Decreases</u>	Outstanding Balance <u>09/30/12</u>	<u>Current</u>	<u>Noncurrent</u>
Note payable	\$ 1,356,328	\$ -	\$ (46,189)	\$ 1,310,139	\$ 49,000	\$ 1,261,139
Compensated Absences	<u>664,848</u>	<u>38,327</u>	<u>-</u>	<u>703,175</u>	<u>44,595</u>	<u>658,580</u>
	<u>\$ 2,021,176</u>	<u>\$ 38,327</u>	<u>\$ (46,189)</u>	<u>\$ 2,013,314</u>	<u>\$ 93,595</u>	<u>\$ 1,919,719</u>

September 30, 2011

	Outstanding Balance <u>09/30/10</u>	<u>Increases</u>	<u>Decreases</u>	Outstanding Balance <u>09/30/11</u>	<u>Current</u>	<u>Noncurrent</u>
Note payable	\$ 1,400,541	\$ -	\$ (44,213)	\$ 1,356,328	\$ 46,000	\$ 1,310,328
Compensated Absences	<u>742,921</u>	<u>-</u>	<u>(78,073)</u>	<u>664,848</u>	<u>14,831</u>	<u>650,017</u>
	<u>\$ 2,143,462</u>	<u>\$ -</u>	<u>\$ (122,286)</u>	<u>\$ 2,021,176</u>	<u>\$ 60,831</u>	<u>\$ 1,960,345</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 leased. The Authority earned an administrative fee totaling \$2,219,579 and \$2,386,986 for the fiscal years ended September 30, 2012 and 2011, respectively, and is reported as a component of HUD PHA operating grants on the statement of revenues, expenses and changes in net assets.

(11) Net Assets - 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

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

As of September 30, 2012 and 2011, the Authority's Section 8 HCV net assets were comprised as following:

September 30, 2012

	<u>Balance at</u> <u>9/30/11</u>	<u>Net Change</u>	<u>Balance at</u> <u>9/30/12</u>
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 110,619	\$ 2,521	\$ 113,140
Unrestricted net assets	<u>460,735</u>	<u>(206,879)</u>	<u>253,856</u>
Total Administrative Fee Equity	571,354	(204,358)	366,996
HAP Equity:			
Restricted net assets	<u>3,019,989</u>	<u>2,379</u>	<u>3,022,368</u>
Total Housing Choice Voucher Equity	<u>\$ 3,591,343</u>	<u>\$ (201,980)</u>	<u>\$ 3,389,364</u>

September 30, 2011

	<u>Balance at</u> <u>9/30/10</u>	<u>Net Change</u>	<u>Balance at</u> <u>9/30/11</u>
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 149,936	\$ (39,317)	\$ 110,619
Unrestricted net assets	<u>400,613</u>	<u>60,122</u>	<u>460,735</u>
Total Administrative Fee Equity	550,549	20,805	571,354
HAP Equity:			
Restricted net assets	<u>3,109,485</u>	<u>(89,496)</u>	<u>3,019,989</u>
Total Housing Choice Voucher Equity	<u>\$ 3,660,034</u>	<u>\$ (68,690)</u>	<u>\$ 3,591,343</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(12) Commitments

Housing Assistance Payments

At September 30, 2012 and 2011, GHURA had approximately 2,335 and 2,409 voucher contracts, respectively, with dwelling owners, all of which are funded for a period of twelve months. 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. As of September 30, 2012 and 2011, \$459,403 and \$459,403, respectively, has been expended for the construction project.

GHURA 500 proceeds in the amount of \$320,000 have been restricted pending notification from the Government of Guam as to when the amount should be remitted to the General fund.

Construction Work-in-Progress

GHURA has entered into development stage contracts for certain programs. Unliquidated contracts as of September 30, 2012 and 2011 are as follows:

September 30, 2012

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Unliquidated Contract</u>
Low Income Housing	\$ 4,147,461	\$ 4,107,051	\$ 40,410
CDBG Grants	<u>8,793,630</u>	<u>6,980,233</u>	<u>1,813,397</u>
	<u>\$ 12,941,091</u>	<u>\$11,087,284</u>	<u>\$ 1,853,807</u>

September 30, 2011

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Unliquidated Contract</u>
Low Income Housing	\$ 5,491,375	\$ 3,981,193	\$ 1,510,182
CDBG Grants	<u>16,333,226</u>	<u>12,641,231</u>	<u>3,691,995</u>
	<u>\$ 21,824,601</u>	<u>\$16,622,424</u>	<u>\$ 5,202,177</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(13) Employees Retirement Plan

Defined Benefit Plan

Plan Description:

The Authority participates in the Government of Guam Defined Benefit (DB) Plan, a cost-sharing multiple-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.

Funding Policy:

As a result of actuarial valuations performed as of September 30, 2010, 2009, and 2008, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2012, 2011 and 2010, respectively, have been determined as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Normal Cost, as % of DB Plan payroll	17.07%	17.00%	18.34%
Employee contributions (DB Plan employees)	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>7.57%</u>	<u>7.50%</u>	<u>8.84%</u>
Employer portion of normal cost, % of total payroll	3.03%	3.03%	3.73%
Unfunded liability costs, as % of total payroll	<u>23.75%</u>	<u>21.75%</u>	<u>22.69%</u>
Government contribution as % of DB Plan payroll	<u>26.78%</u>	<u>24.78%</u>	<u>26.42%</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2012

(With comparative totals as of September 30, 2011)

(13) *Employees Retirement Plan, continued*

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Employer rate	<u>28.30%</u>	<u>27.46%</u>	<u>26.04%</u>
Employee rate	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>

Defined Contribution Plan

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, 2012 and 2011 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, 2012, the retirement expense contribution was \$431,274 and \$760,696 for the DB and DCRS Plans, respectively and for the year ended September 30, 2011, the retirement expense contribution was \$435,459 and \$689,617 for the DB and DCRS Plans, respectively.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(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, 2012, the Authority had deposited \$1,022,588 into the typhoon coverage escrow account.

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

(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, 2012. 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.

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 a defendant, along with other Government of Guam agencies, in special proceeding cash involving a petition for peremptory writ of mandate. The petition seeks to compel the Authority to pay merit bonuses to all Government of Guam employees who received a superior performance rating pursuant to 4 GCA § 6203. Merit bonuses consist of lump sum bonus payment of 3.5% of an employee's salary. It is unlikely that insurance will cover any potential damages. Legal counsel asserts that it is unknown at this time the amount of monetary damages sought and as such, no provision has been made in the accompanying financial statements that may result from this case.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2012

(With comparative totals as of September 30, 2011)

(15) Contingencies, continued

Litigation, continued

The Authority has various special proceedings involving petitions of writ of mandamus concerning the Low-Income Housing Tax Credit reservation and procurement. Legal counsel asserts that these proceedings are immaterial cases, and as such, no provision has been made in the accompanying financial statements that may result from this case.

Merit System

In 1991, Public Law 21-59 was enacted to establish a bonus system for employees of the Government of Guam (GovGuam), autonomous agencies and semi-autonomous agencies, public corporations and other public instrumentalities of GovGuam who earn a superior performance grade. The bonus is calculated at 3.5% of the employee's base salary commencing 1991. The Authority did not calculate or pay any bonuses pursuant to the law from 1991 through 2011. In May 2011, the Authority adopted a new compensation system that does not include the merit bonus system. As of September 30, 2012, the Authority has not assessed the impact of the requirements of the law for fiscal years 1991 to 2011. Therefore, no liability which may ultimately arise from this matter has been recorded in the accompanying financial statements.

(16) Lease Commitments

The Authority lease office space under an operating lease with original term of two (2) years expiring January 2015. The future minimum annual lease payments for this rental commitment under this non-cancelable operating lease are as follows:

<u>Year ending</u> <u>September 30</u>	<u>Amount</u>
2013	\$ 81,900
2014	81,896
2015	<u>27,299</u>
	<u>\$191,095</u>

Rent expense for the years ended September 30, 2012 and 2011 was \$79,471 and \$74,598, respectively, which was allocated between the CDBG and HOME programs.

(17) Economic Dependency

HUD and other federal government agencies provided approximately \$48.3 million in 2012 and \$69.6 million in 2011 to the Authority, which represents approximately 99% and 96% of the Authority's total revenues for the years ended September 30, 2012 and 2011 respectively.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2012

(With comparative totals as of September 30, 2011)

(18) *Reclassifications*

Certain amounts presented in 2011 have been reclassified to conform to the 2012 financial statement presentation. These reclassifications had no impact on previously reported results of operations or net assets.

(19) *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.

(20) *Subsequent Events*

The Authority evaluated subsequent events from September 30, 2012 through May 29, 2013, the date the financial statements were available to be issued. The Authority did not note any subsequent events requiring disclosure or adjustment to the statement of financial condition.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Assets

September 30, 2012

Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Supportive Housing for the Elderly
Current assets:					
Cash:					
Unrestricted	\$ 5,968,765	\$ -	\$ 2,260,373	\$ 3,479,875	\$ 228,517
Restricted - security deposits	17,952	-	-	-	17,952
Restricted - other	782,016	-	-	404,132	377,884
Total cash	<u>6,768,733</u>	<u>-</u>	<u>2,260,373</u>	<u>3,884,007</u>	<u>624,353</u>
Accounts receivable:					
Tenants	113,390	-	27,665	79,634	6,091
HUD	566,183	506,334	812	59,037	-
Due from other funds	5,155,844	-	5,155,775	69	-
Interest	190	-	135	32	23
Other	49,752	-	2,784	40,290	6,678
	5,885,359	506,334	5,187,171	179,062	12,792
Allowance for doubtful accounts	(30,244)	-	(20,484)	-	(9,760)
Total accounts receivable, net	<u>5,855,115</u>	<u>506,334</u>	<u>5,166,687</u>	<u>179,062</u>	<u>3,032</u>
Investments:					
Unrestricted	1,307,634	-	1,017,942	289,692	-
Restricted/reserved by fiscal agent	388,526	-	183,813	-	204,713
Total investments	<u>1,696,160</u>	<u>-</u>	<u>1,201,755</u>	<u>289,692</u>	<u>204,713</u>
Prepayments and other current assets	<u>33,556</u>	<u>1,327</u>	<u>32,229</u>	<u>-</u>	<u>-</u>
Inventories	<u>145,086</u>	<u>-</u>	<u>134,993</u>	<u>-</u>	<u>10,093</u>
Total current assets	<u>14,498,650</u>	<u>507,661</u>	<u>8,796,037</u>	<u>4,352,761</u>	<u>842,191</u>
Noncurrent assets:					
Capital assets, net	19,923,433	24,464	17,817,876	113,140	1,967,953
Other assets	-	-	-	-	-
Total noncurrent assets	<u>19,923,433</u>	<u>24,464</u>	<u>17,817,876</u>	<u>113,140</u>	<u>1,967,953</u>
Total assets	<u>\$ 34,422,083</u>	<u>\$ 532,125</u>	<u>\$ 26,613,913</u>	<u>\$ 4,465,901</u>	<u>\$ 2,810,144</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Assets, Continued

September 30, 2012

Liabilities and Net Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Supportive Housing for the Elderly
Current liabilities:					
Accounts payable	\$ 78,171	\$ 1,978	\$ -	\$ 73,720	\$ 2,473
Current portion of long-term debt	49,000	-	-	-	49,000
Current portion of compensated absences	30,433	4,878	12,763	11,995	797
Due to HUD	38,631	-	38,631	-	-
Due to other funds	2,457,322	315,775	1,053,432	625,274	462,841
Security deposits	147,302	-	129,350	-	17,952
Accrued salaries and wages	90,273	15,789	39,859	30,766	3,859
Accrued liabilities - PILOT	111,504	-	111,504	-	-
Deferred revenues	65,158	78,971	(13,813)	-	-
Other current liabilities	175,675	-	916	174,759	-
Total current liabilities	3,243,469	417,391	1,372,642	916,514	536,922
Noncurrent liabilities:					
Long-term debt, net of current portion	1,261,139	-	-	-	1,261,139
Accrued compensated absences	305,995	90,270	102,150	100,772	12,803
Other long-term liabilities	128,279	-	69,028	59,251	-
Total noncurrent liabilities	1,695,413	90,270	171,178	160,023	1,273,942
Total liabilities	4,938,882	507,661	1,543,820	1,076,537	1,810,864
Net assets:					
Invested capital assets, net of related debt	18,613,294	24,464	17,817,876	113,140	657,814
Restricted	3,788,732	-	183,767	3,022,368	582,597
Unrestricted	7,081,175	-	7,068,450	253,856	(241,131)
Total net assets	29,483,201	24,464	25,070,093	3,389,364	999,280
Total liabilities and net assets	\$ 34,422,083	\$ 532,125	\$ 26,613,913	\$ 4,465,901	\$ 2,810,144

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 Assets

For the Year Ended September 30, 2012

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Supportive Housing for the Elderly
Operating revenues:					
HUD PHA Operating Grants	\$ 40,307,094	\$ 3,168,423	\$ 1,725,318	\$ 35,028,743	\$ 384,610
Tenant rental income	431,111	-	336,329	-	94,782
Other income	106,919	30,680	76,239	-	-
Total operating revenues	<u>40,845,124</u>	<u>3,199,103</u>	<u>2,137,886</u>	<u>35,028,743</u>	<u>479,392</u>
Operating expenses:					
Housing assistance payments	33,042,007	-	-	33,042,007	-
Repairs and maintenance	3,440,287	2,079,318	1,356,464	-	4,505
Salaries and wages	2,856,328	521,628	1,213,188	1,044,431	77,081
Depreciation	1,856,528	-	1,743,930	40,608	71,990
Other administrative expenses	790,511	314,181	330,268	123,723	22,339
Management fees	981,638	-	510,373	435,553	35,712
Employee benefits	1,012,245	188,366	428,098	365,259	30,522
Office expense	338,564	67,685	96,279	170,728	3,872
Bookkeeping fees	278,685	-	65,985	212,700	-
Insurance	164,405	716	147,491	6,510	9,688
Utilities	326,444	-	146,416	-	180,028
Asset management fees	90,000	-	90,000	-	-
Professional fees	48,498	11,629	5,754	26,660	4,455
Travel	35,539	2,029	13,255	20,255	-
Protective services	6,404	-	6,029	-	375
Bad debts	9,760	-	-	-	9,760
Payments-in-lieu of taxes	26,800	-	26,800	-	-
Relocation costs	62	-	62	-	-
Advertising and marketing	13,824	4,214	6,048	3,483	79
Compensated absences	69,193	(3,568)	17,660	55,929	(828)
Total operating expenses	<u>45,387,722</u>	<u>3,186,198</u>	<u>6,204,100</u>	<u>35,547,846</u>	<u>449,578</u>
Operating income (loss)	<u>(4,542,598)</u>	<u>12,905</u>	<u>(4,066,214)</u>	<u>(519,103)</u>	<u>29,814</u>
Non-operating revenues:					
Interest income on restricted investments	873	-	-	873	-
Interest income on unrestricted investments	9,059	2,444	2,045	4,326	244
Interest expense	(80,291)	-	-	-	(80,291)
Recovery of bad debts	94,434	-	94,434	-	-
Fraud recovery	29,901	-	-	29,901	-
Gain on sale of capital assets	6,637	-	6,637	-	-
Other income	346,487	-	58,044	282,024	6,419
Total non-operating revenues, net	<u>407,100</u>	<u>2,444</u>	<u>161,160</u>	<u>317,124</u>	<u>(73,628)</u>
Change in net assets	(4,135,498)	15,349	(3,905,054)	(201,979)	(43,814)
Total net assets at beginning of year	32,064,390	9,115	27,420,838	3,591,343	1,043,094
Equity transfer-in	1,554,309	-	1,554,309	-	-
Total net assets at end of year	<u>\$ 29,483,201</u>	<u>\$ 24,464</u>	<u>\$ 25,070,093</u>	<u>\$ 3,389,364</u>	<u>\$ 999,280</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, 2012

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Housing Assistance Payments</u>	<u>Supportive Housing for the Elderly</u>
Cash flows from operating activities:					
Operating grants received	\$ 40,496,156	\$ 3,357,485	\$ 1,725,318	\$ 35,028,743	\$ 384,610
Receipts from tenants	520,224	-	425,619	-	94,605
Assistance paid	(33,042,007)	-	-	(33,042,007)	-
Payments to suppliers	(7,692,197)	(2,900,972)	(1,442,226)	(2,974,695)	(374,304)
Payments to employees	(3,894,992)	(443,608)	(2,304,384)	(1,096,365)	(50,635)
Other cash receipts (payments)	747,555	-	747,555	-	-
Net cash provided by (used in) operating activities	<u>(2,865,261)</u>	<u>12,905</u>	<u>(848,118)</u>	<u>(2,084,324)</u>	<u>54,276</u>
Cash flows from noncapital financing activities:					
Transfers from Revolving Fund	1,554,309	-	1,554,309	-	-
Net cash used for noncapital financing activities	<u>1,554,309</u>	<u>-</u>	<u>1,554,309</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Repayment of note payable	(46,189)	-	-	-	(46,189)
Interest paid	(80,291)	-	-	-	(80,291)
Acquisition of fixed assets	(2,000,185)	(15,349)	(1,984,836)	-	-
Net cash used for capital and related financing activities	<u>(2,126,665)</u>	<u>(15,349)</u>	<u>(1,984,836)</u>	<u>-</u>	<u>(126,480)</u>
Cash flows from investing activities:					
Interest and other income received	545,351	2,444	204,161	332,327	6,419
Deposits to restricted accounts	(41,691)	-	-	345	(42,036)
Net cash used in investing activities	<u>503,660</u>	<u>2,444</u>	<u>204,161</u>	<u>332,672</u>	<u>(35,617)</u>
Net increase (decrease) in cash and cash equivalents	(2,933,957)	-	(1,074,484)	(1,751,652)	(107,821)
Cash and cash equivalents at beginning year	9,702,690	-	3,334,857	5,635,659	732,174
Cash and cash equivalents at end of year	<u>\$ 6,768,733</u>	<u>\$ -</u>	<u>\$ 2,260,373</u>	<u>\$ 3,884,007</u>	<u>\$ 624,353</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, Continued

For the Year Ended September 30, 2012

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Housing Assistance Payments</u>	<u>Supportive Housing for the Elderly</u>
Reconciliation in operating loss to net cash provided by operating activities:					
Operating income (loss)	\$ (4,542,598)	\$ 12,905	\$ (4,066,214)	\$ (519,103)	\$ 29,814
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,856,528	-	1,743,930	40,608	71,990
Bad debts	9,760	-	-	-	9,760
(Increase) decrease in assets:					
Accounts receivable:					
Tenant receivables	64,081	-	14,397	47,581	2,103
HUD	187,818	246,855	-	(59,037)	-
Due from other funds	747,487	-	747,556	(69)	-
Interest	(1)	-	(1)	-	-
Other	53,494	-	(2,615)	60,717	(4,608)
Prepayments and other assets	12,017	364	-	9,089	2,564
Inventories	96,726	-	98,270	-	(1,544)
Increase (decrease) in liabilities:					
Account payable	347	-	-	-	347
Compensated absences and sick leave	25,046	(15,412)	22,415	18,871	(828)
Due to other funds	(1,240,481)	(215,466)	552,517	(1,518,444)	(59,088)
Security deposits	3,549	-	1,269	-	2,280
Accrued salaries and wages	11,552	(8,852)	13,558	5,360	1,486
Other current liabilities	(169,897)	-	-	(169,897)	-
Accrued liabilities - PILOT	26,800	-	26,800	-	-
Deferred revenues	(7,489)	(7,489)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (2,865,261)</u>	<u>\$ 12,905</u>	<u>\$ (848,118)</u>	<u>\$ (2,084,324)</u>	<u>\$ 54,276</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 Statement of Net Assets
September 30, 2012**

Assets	TOTAL	B-04-ST- 66-0001	B-05-ST- 66-0001	B-06-ST- 66-0001	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
Current assets:										
Cash - restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable - HUD	506,334	-	-	-	24,443	21,968	35,035	14,879	410,009	-
Total current assets	506,334	-	-	-	24,443	21,968	35,035	14,879	410,009	-
Prepayments and other assets	1,327	-	-	-	-	120	-	1,207	-	-
Capital assets	30,540	-	-	-	15,191	-	-	15,349	-	-
Accumulated depreciation	(6,076)	-	-	-	(6,076)	-	-	-	-	-
Capital assets, net	24,464	-	-	-	9,115	-	-	15,349	-	-
Total assets	\$ 532,125	\$ -	\$ -	\$ -	\$ 33,558	\$ 21,968	\$ 35,155	\$ 31,435	\$ 410,009	\$ -
Liabilities and Net Assets										
Current liabilities:										
Accounts payable	\$ 1,978	\$ -	\$ -	\$ -	\$ -	\$ 35	\$ 1,943	\$ -	\$ -	\$ -
Due to other funds	315,775	-	-	-	23,192	21,933	33,212	7,248	230,190	-
Accrued salaries and wages	15,789	-	-	-	-	-	-	-	15,789	-
Compensated absences - current	4,878	-	-	-	-	-	-	-	4,878	-
Deferred revenues	78,971	-	-	-	1,251	-	-	8,838	68,882	-
Total current liabilities	417,391	-	-	-	24,443	21,968	35,155	16,086	319,739	-
Compensated absences - noncurrent	90,270	-	-	-	-	-	-	-	90,270	-
Total liabilities	507,661	-	-	-	24,443	21,968	35,155	16,086	410,009	-
Net Assets:										
Invested in capital assets, net of related debt	24,464	-	-	-	9,115	-	-	15,349	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total net assets	24,464	-	-	-	9,115	-	-	15,349	-	-
Total liabilities and net assets	\$ 532,125	\$ -	\$ -	\$ -	\$ 33,558	\$ 21,968	\$ 35,155	\$ 31,435	\$ 410,009	\$ -

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 Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2012**

	TOTAL	B-04-ST- 66-0001	B-05-ST- 66-0001	B-06-ST- 66-0001	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
Revenues:										
Federal contributions	\$ 3,168,423	\$ -	\$ -	\$ -	\$ -	\$ 14,496	\$ 172,836	\$ 1,645,249	\$ 1,335,842	\$ -
Other	30,680	-	-	-	-	-	-	-	30,680	-
Total Revenues	3,199,103	-	-	-	-	14,496	172,836	1,645,249	1,366,522	-
Operating expenses:										
Repairs and maintenance	2,079,318	-	-	-	-	-	156,253	1,154,268	768,797	-
Other	314,181	-	-	-	-	-	-	70,213	243,968	-
Administrative salaries	521,628	-	-	-	1,759	10,394	11,533	316,793	181,149	-
Employee benefits	188,366	-	-	-	636	4,102	5,050	115,156	63,422	-
Management fees	-	-	-	-	-	-	-	-	-	-
Professional fees	11,629	-	-	-	-	-	-	5,597	6,032	-
Advertising and marketing	4,214	-	-	-	49	-	-	1,440	2,725	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Office expense	67,685	-	-	-	-	-	-	65,068	2,617	-
Travel	2,029	-	-	-	-	-	-	-	2,029	-
Compensated absences	(3,568)	-	-	-	-	-	-	(98,716)	95,148	-
Insurance	716	-	-	-	-	-	-	81	635	-
Total operating expenses	3,186,198	-	-	-	2,444	14,496	172,836	1,629,900	1,366,522	-
Operating income (loss)	12,905	-	-	-	(2,444)	-	-	15,349	-	-
Non-operating revenues and exxpenses:										
Interest income	2,444	-	-	-	2,444	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues and (expense), net	2,444	-	-	-	2,444	-	-	-	-	-
Change in net assets	15,349	-	-	-	-	-	-	15,349	-	-
Total net assets, beginning of year	9,115	-	-	-	9,115	-	-	-	-	-
Total net assets, end of year	\$ 24,464	\$ -	\$ -	\$ -	\$ 9,115	\$ -	\$ -	\$ 15,349	\$ -	\$ -

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 Statement of Cash Flows
For the Year Ended September 30, 2012**

	TOTAL	B-04-ST- 66-0001	B-05-ST- 66-0001	B-06-ST- 66-0001	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
Cash flows from operating activities:										
Operating grants received	\$ 3,357,485	\$ -	\$ 136,354	\$ 11	\$ -	\$ 51,083	\$ 325,175	\$ 1,509,020	\$ 1,335,842	\$ -
Receipts from customers	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(2,900,972)	-	(136,354)	(11)	(685)	(34,089)	(197,262)	(1,473,026)	(1,059,545)	-
Payments to employees	(443,608)	-	-	-	(1,759)	(16,994)	(127,913)	(20,645)	(276,297)	-
Net cash provided by operating activities	12,905	-	-	-	(2,444)	-	-	15,349	-	-
Cash flows from capital and related financing activities:										
Capital grants received	-	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	(15,349)	-	-	-	-	-	-	(15,349)	-	-
Net cash used for capital and related financing activities	(15,349)	-	-	-	-	-	-	(15,349)	-	-
Cash flows from investing activities:										
Interest and other income received	2,444	-	-	-	2,444	-	-	-	-	-
Net cash provided from investing activities	2,444	-	-	-	2,444	-	-	-	-	-
Net increase (decrease) in cash	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of change in net assets to net cash provided by (used in) operating activities:										
Operating income (loss)	12,905	\$ -	\$ -	\$ -	\$ (2,444)	\$ -	\$ -	\$ 15,349	\$ -	\$ -
Adjustments to reconcile net income (loss) to net cash provided by (used) operating activities:										
Depreciation	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:										
Accounts receivable - HUD	246,855	66,160	136,825	11	-	36,587	152,339	(145,067)	(410,009)	-
Prepayments and other assets	364	191	-	-	-	-	1,380	(1,207)	-	-
Increase (decrease) in liabilities:										
Accounts payable	-	-	-	-	-	-	-	-	-	-
Compensated absences	(15,412)	-	-	-	-	-	(114,128)	98,716	95,148	-
Due to other funds	(215,466)	(54,375)	(136,354)	3,871	(2)	(29,987)	(37,339)	38,720	230,190	-
Accrued salaries and wages	(8,852)	-	-	-	-	(6,600)	(2,252)	-	15,789	-
Deferred revenues	(7,489)	(11,976)	(471)	(3,882)	2	-	-	8,838	68,882	-
Net cash provided by operating activities	\$ 12,905	\$ -	\$ -	\$ -	\$ (2,444)	\$ -	\$ -	\$ 15,349	\$ -	\$ -

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

Statements of Net Assets
September 30, 2012

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 2,260,373	\$ 372,019	\$ 427,042	\$ 776,046	\$ 685,266
Restricted cash - FSS Escrow	-	-	-	-	-
Restricted cash - other	-	-	-	-	-
Total cash	<u>2,260,373</u>	<u>372,019</u>	<u>427,042</u>	<u>776,046</u>	<u>685,266</u>
Accounts receivable:					
Tenants	27,665	9,021	2,040	6,781	9,823
HUD	812	-	812	-	-
Due from other programs	5,155,775	1,578,398	620,762	906,730	2,049,885
Interest	135	4	21	61	49
Other	2,784	1,541	1,193	-	50
	5,187,171	1,588,964	624,828	913,572	2,059,807
Allowance for doubtful accounts	<u>(20,484)</u>	<u>(3,921)</u>	<u>(1,098)</u>	<u>(5,699)</u>	<u>(9,766)</u>
Total accounts receivable	<u>5,166,687</u>	<u>1,585,043</u>	<u>623,730</u>	<u>907,873</u>	<u>2,050,041</u>
Inventories	134,993	31,163	30,380	30,999	42,451
Investments:					
General fund	1,017,942	-	142,991	502,003	372,948
Restricted - security deposits	<u>183,813</u>	<u>38,723</u>	<u>39,949</u>	<u>47,782</u>	<u>57,359</u>
Total investments	<u>1,201,755</u>	<u>38,723</u>	<u>182,940</u>	<u>549,785</u>	<u>430,307</u>
Prepaid and other current assets	<u>32,229</u>	<u>9,017</u>	<u>6,554</u>	<u>7,690</u>	<u>8,968</u>
Total current assets	<u>8,796,037</u>	<u>2,035,965</u>	<u>1,270,646</u>	<u>2,272,393</u>	<u>3,217,033</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	73,514,947	12,589,240	15,992,602	22,096,579	22,836,526
Furniture and equipment, at cost	2,449,594	793,781	664,890	420,179	570,744
Accumulated depreciation	<u>(60,966,118)</u>	<u>(10,139,438)</u>	<u>(13,435,407)</u>	<u>(19,182,819)</u>	<u>(18,208,454)</u>
Net capital assets	<u>17,817,876</u>	<u>3,627,973</u>	<u>3,779,819</u>	<u>4,156,758</u>	<u>6,253,326</u>
Total assets	<u>\$ 26,613,913</u>	<u>\$ 5,663,938</u>	<u>\$ 5,050,465</u>	<u>\$ 6,429,151</u>	<u>\$ 9,470,359</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

Statements of Net Assets, Continued
September 30, 2012

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Liabilities:					
Accounts payable:					
HUD	\$ 38,631	\$ -	\$ -	\$ 532	\$ 38,099
Tenant security deposits	129,350	26,232	26,280	38,780	38,058
Due to other funds	1,053,432	159	-	1,053,273	-
Accrued salaries and wages	39,859	9,650	8,616	9,559	12,034
Compensated absences, current portion	12,763	4,496	3,943	2,839	1,485
Other current liabilities	916	313	-	603	-
Accrued liabilities - PILOT	111,504	52,016	-	-	59,488
Total accounts payable	<u>1,386,455</u>	<u>92,866</u>	<u>38,839</u>	<u>1,105,586</u>	<u>149,164</u>
Deferred credits:					
Tenants prepaid rents	-	-	-	-	-
Other	(13,813)	(2,666)	(3,186)	(6,262)	(1,699)
Total deferred credits	<u>(13,813)</u>	<u>(2,666)</u>	<u>(3,186)</u>	<u>(6,262)</u>	<u>(1,699)</u>
Total current liabilities	<u>1,372,642</u>	<u>90,200</u>	<u>35,653</u>	<u>1,099,324</u>	<u>147,465</u>
Noncurrent liabilities:					
Compensated absences, net of current portion	102,150	34,835	35,338	13,619	18,358
Other - sick leave, net of current portion	69,028	39,449	22,445	4,350	2,784
Total noncurrent liabilities	<u>171,178</u>	<u>74,284</u>	<u>57,783</u>	<u>17,969</u>	<u>21,142</u>
Total liabilities	<u>1,543,820</u>	<u>164,484</u>	<u>93,436</u>	<u>1,117,293</u>	<u>168,607</u>
Net assets:					
Invested in capital assets, net of related debt	17,817,876	3,627,973	3,779,819	4,156,758	6,253,326
Restricted	183,767	38,677	39,949	47,782	57,359
Unrestricted	7,068,450	1,832,804	1,137,261	1,107,318	2,991,067
Total net assets	<u>25,070,093</u>	<u>5,499,454</u>	<u>4,957,029</u>	<u>5,311,858</u>	<u>9,301,752</u>
Total liabilities and net assets	<u>\$ 26,613,913</u>	<u>\$ 5,663,938</u>	<u>\$ 5,050,465</u>	<u>\$ 6,429,151</u>	<u>\$ 9,470,359</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

Statements of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	<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	\$ 1,725,318	\$ 320,213	\$ 422,597	\$ 447,306	\$ 535,202
Tenant rental income	336,329	137,988	25,642	(20,017)	192,716
Other income	76,239	22,996	20,352	19,734	13,157
Total operating revenues	<u>2,137,886</u>	<u>481,197</u>	<u>468,591</u>	<u>447,023</u>	<u>741,075</u>
Operating expenses:					
Depreciation	1,743,930	308,519	370,342	469,041	596,028
Management fees	510,373	108,595	113,178	133,655	154,945
Ordinary maintenance - salaries	545,186	166,714	129,048	96,179	153,245
Administrative salaries	421,047	108,184	101,380	96,909	114,574
Ordinary repairs and maintenance	1,356,464	228,678	391,264	424,674	311,848
Tenant services - salaries	246,955	45,774	78,203	77,724	45,254
Other administrative expenses	330,268	63,464	101,862	72,877	92,065
Insurance	147,491	39,995	29,194	34,771	43,531
Employee benefits - ordinary maintenance	187,444	56,743	40,071	37,704	52,926
Utilities	146,416	23,658	34,254	49,459	39,045
Employee benefits - administrative	145,471	39,552	33,855	33,102	38,962
Offices supplies	96,279	25,921	18,226	19,483	32,649
Employee benefits - tenant services	95,183	13,366	31,684	30,390	19,743
Asset management fees	90,000	18,960	19,560	23,400	28,080
Bookkeeping fees	65,985	14,040	14,633	17,280	20,032
Protective services	6,029	450	867	2,595	2,117
Travel	13,255	458	465	8,538	3,794
Relocation costs	62	-	62	-	-
Payments in-lieu of taxes	26,800	11,433	-	-	15,367
Legal and professional fees	5,754	529	874	1,030	3,321
Advertising and marketing	6,048	798	2,572	1,369	1,309
Compensated absences	17,660	7,807	5,573	(14)	4,294
Total operating expenses	<u>6,204,100</u>	<u>1,283,638</u>	<u>1,517,167</u>	<u>1,630,166</u>	<u>1,773,129</u>
Operating loss	<u>(4,066,214)</u>	<u>(802,441)</u>	<u>(1,048,576)</u>	<u>(1,183,143)</u>	<u>(1,032,054)</u>
Non-operating revenues and expenses:					
Interest on general fund investments	2,045	2,045	-	-	-
Gain on sale of capital assets	6,637	-	-	-	6,637
Recoveries of bad debts	94,434	23,134	16,605	38,977	15,718
Casualty loss	(2,500)	-	-	-	(2,500)
Other income	60,544	5,432	20,883	15,961	18,268
Total non-operating revenues, net	<u>161,160</u>	<u>30,611</u>	<u>37,488</u>	<u>54,938</u>	<u>38,123</u>
Changes in net assets	(3,905,054)	(771,830)	(1,011,088)	(1,128,205)	(993,931)
Total net assets, beginning of year	27,420,838	5,513,159	5,666,154	6,379,841	9,861,684
Equity transfer-in	1,554,309	758,125	301,963	60,222	433,999
Total net assets, end of year	<u>\$ 25,070,093</u>	<u>\$ 5,499,454</u>	<u>\$ 4,957,029</u>	<u>\$ 5,311,858</u>	<u>\$ 9,301,752</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**

**Statements of Cash Flows
Year Ended September 30, 2012**

	<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	\$ 1,725,318	\$ 320,213	\$ 422,597	\$ 447,306	\$ 535,202
Receipts from customers	425,619	160,770	44,966	(7,785)	227,668
Payments to suppliers	(1,442,226)	(422,362)	(502,004)	20,706	(538,566)
Payments to employees	(2,304,384)	(501,478)	(619,943)	(614,424)	(568,539)
Other cash receipts (payments)	<u>747,555</u>	<u>221,485</u>	<u>309,764</u>	<u>(159)</u>	<u>216,465</u>
Net cash provided by operating activities	<u>(848,118)</u>	<u>(221,372)</u>	<u>(344,620)</u>	<u>(154,356)</u>	<u>(127,770)</u>
Cash flows from noncapital financing activities:					
Transfers from Capital Fund Project	<u>1,554,309</u>	<u>758,125</u>	<u>301,963</u>	<u>60,222</u>	<u>433,999</u>
Net cash provided by noncapital financing activities	<u>1,554,309</u>	<u>758,125</u>	<u>301,963</u>	<u>60,222</u>	<u>433,999</u>
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	<u>(1,984,836)</u>	<u>(822,320)</u>	<u>(385,126)</u>	<u>(139,549)</u>	<u>(637,841)</u>
Net cash used in capital and related financing activities	<u>(1,984,836)</u>	<u>(822,320)</u>	<u>(385,126)</u>	<u>(139,549)</u>	<u>(637,841)</u>
Cash flows from investing activities:					
Deposits to investments	-	-	-	-	-
Interest and other income received	<u>204,161</u>	<u>43,449</u>	<u>37,488</u>	<u>54,938</u>	<u>68,286</u>
Net cash used in investing activities	<u>204,161</u>	<u>43,449</u>	<u>37,488</u>	<u>54,938</u>	<u>68,286</u>
Net increase in cash and cash equivalents	(1,074,484)	(242,118)	(390,295)	(178,745)	(263,326)
Cash and cash equivalents at beginning of year	<u>3,334,857</u>	<u>614,137</u>	<u>817,337</u>	<u>954,791</u>	<u>948,592</u>
Cash and cash equivalents at end of year	<u>\$ 2,260,373</u>	<u>\$ 372,019</u>	<u>\$ 427,042</u>	<u>\$ 776,046</u>	<u>\$ 685,266</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (4,066,214)	\$ (802,441)	\$ (1,048,576)	\$ (1,183,143)	\$ (1,032,054)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	1,743,930	308,519	370,342	469,041	596,028
Bad debts	-	-	-	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	14,397	(284)	(236)	(8,474)	23,391
HUD	-	-	-	-	-
Due from other funds	747,556	221,485	309,764	(159)	216,466
Interest	(1)	-	-	-	(1)
Other	(2,615)	(771)	(1,193)	(651)	-
Prepaid and other assets	-	-	-	-	-
Inventories	98,270	29,782	17,556	11,725	39,207
Increase (decrease) in liabilities:					
Compensated absences	22,415	7,807	5,575	(15)	9,048
Accounts payable - HUD	-	-	-	-	-
Due to other funds	552,517	159	-	552,358	-
Security deposits	1,269	841	401	1,623	(1,596)
Accrued salaries and wages	13,558	2,098	1,747	3,339	6,374
Accrued liabilities - PILOT	26,800	11,433	-	-	15,367
Deferred credits	-	-	-	-	-
Net cash provided by operating activities	<u>\$ (848,118)</u>	<u>\$ (221,372)</u>	<u>\$ (344,620)</u>	<u>\$ (154,356)</u>	<u>\$ (127,770)</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 Assets
September 30, 2012

Assets	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 3,479,875	\$ -	\$ -	\$ -	\$ 3,479,875
Restricted - FSS escrow account	404,132	-	-	-	404,132
Total cash	<u>3,884,007</u>				<u>3,884,007</u>
Accounts receivable:					
Tenants	79,634	-	-	-	79,634
HUD	59,037	-	-	-	59,037
Due from other funds	69	-	-	-	69
Interest	32	-	-	-	32
Other	40,290	-	-	-	40,290
Total accounts receivable	<u>179,062</u>				<u>179,062</u>
Investments:					
Unrestricted	289,692	-	-	-	289,692
Restricted reserve fund	-	-	-	-	-
Total investments	<u>289,692</u>				<u>289,692</u>
Total current assets	<u>4,352,761</u>				<u>4,352,761</u>
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	686,812	-	-	-	686,812
Accumulated depreciation	(573,672)	-	-	-	(573,672)
Total capital assets, net	<u>113,140</u>				<u>113,140</u>
Total assets	<u>\$ 4,465,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,465,901</u>
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable	\$ 73,720	\$ -	\$ -	\$ -	\$ 73,720
Accrued salaries and wages	30,766	-	-	-	30,766
Due to other funds	625,274	-	-	-	625,274
Compensated absences, current portion	11,995	-	-	-	11,995
Other current liabilities	174,759	-	-	-	174,759
Total current liabilities	<u>916,514</u>				<u>916,514</u>
Noncurrent Liabilities:					
Compensated absences, net of current portion	100,772	-	-	-	100,772
Other liabilities - sick leave	59,251	-	-	-	59,251
Total noncurrent liabilities	<u>160,023</u>				<u>160,023</u>
Total Liabilities	<u>1,076,537</u>				<u>1,076,537</u>
Net Assets:					
Invested in capital assets, net of related debt	113,140	-	-	-	113,140
Restricted	3,022,368	-	-	-	3,022,368
Unrestricted	253,856	-	-	-	253,856
Total Net Assets	<u>3,389,364</u>				<u>3,389,364</u>
Total Liabilities and Net Assets	<u>\$ 4,465,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,465,901</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 Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2012

	Contract No. SF-462			
	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Operating revenues:				
Housing assistance payments	\$ 32,752,446	\$ -	\$ -	\$ 32,752,446
Ongoing administrative fees earned	2,219,579	-	-	2,219,579
Other grants - FSS	56,718	-	-	56,718
Total operating revenues	35,028,743	-	-	35,028,743
Operating expenses:				
Housing assistance payments	33,042,007	-	-	33,042,007
Administrative salaries	1,044,431	-	-	1,044,431
Other administrative expenses	123,723	-	-	123,723
Management fees	435,553	-	-	435,553
Employee benefit contribution	365,259	-	-	365,259
Bookkeeping fees	212,700	-	-	212,700
Office expense	170,728	-	-	170,728
Professional fees	26,660	-	-	26,660
Depreciation	40,608	-	-	40,608
Compensated absences	55,929	-	-	55,929
Travel	20,255	-	-	20,255
Insurance	6,510	-	-	6,510
Advertising and marketing	3,483	-	-	3,483
Total operating expenses	35,547,846	-	-	35,547,846
Operating loss	(519,103)	-	-	(519,103)
Non-operating revenues:				
Interest on operating reserve investments	873	-	-	873
Interest on general fund investments	4,326	-	-	4,326
Fraud recovery	29,901	-	-	29,901
Other income	282,024	-	-	282,024
Total non-operating revenues	317,124	-	-	317,124
Change in net assets	(201,979)	-	-	(201,979)
Total net assets, beginning of year	3,591,343	-	-	3,591,343
Total net assets, end of year	\$ 3,389,364	\$ -	\$ -	\$ 3,389,364

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

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

Combining Statements of Cash Flows
Year Ended September 30, 2012

	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Cash flows from operating activities:					
Operating grants received	\$ 35,028,743	\$ -	\$ -	\$ -	\$ 35,028,743
Assistance paid	(33,042,007)	-	-	-	(33,042,007)
Payments to suppliers	(2,974,695)	-	-	-	(2,974,695)
Payments to employees	(1,096,365)	-	-	-	(1,096,365)
Net cash provided by (used in) operating activities	(2,084,324)	-	-	-	(2,084,324)
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	-	-	-	-
Net cash flows provided by capital and related financing activities	-	-	-	-	-
Cash flows from investing activities:					
Interest income received	332,327	-	-	-	332,327
Decrease in restricted assets	345	-	-	-	345
Net cash provided by (used in) investing activities	332,672	-	-	-	332,672
Net decrease in cash and cash equivalents	(1,751,652)	-	-	-	(1,751,652)
Cash and cash equivalents at beginning of year	5,635,659	-	-	-	5,635,659
Cash and cash equivalents at end of year	\$ 3,884,007	\$ -	\$ -	\$ -	\$ 3,884,007
Unrestricted cash	\$ 3,479,875	-	-	-	3,479,875
Restricted cash	404,132	-	-	-	404,132
Total cash and cash equivalents at end of year	\$ 3,884,007	\$ -	\$ -	\$ -	\$ 3,884,007

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, 2012

	Total	Contract No. SF-462			
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	\$ (519,103)	\$ -	\$ -	\$ -	\$ (519,103)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	40,608	-	-	-	40,608
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	47,581	-	-	-	47,581
HUD	(59,037)	-	-	-	(59,037)
Due from other funds	(69)	-	-	-	(69)
Interest	-	-	-	-	-
Other	60,717	-	-	-	60,717
Prepayments and other assets	9,089	-	-	-	9,089
Increase (decrease) in liabilities:					
Compensated absences and sick leave	18,871	-	-	-	18,871
Due to other funds	(1,518,444)	-	-	-	(1,518,444)
Accrued salaries and wages	5,360	-	-	-	5,360
Other current liabilities	(169,897)	-	-	-	(169,897)
Net cash provided by operating activities	\$ (2,084,324)	\$ -	\$ -	\$ -	\$ (2,084,324)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Statements of Net Assets

September 30, 2012

<u>ASSETS</u>	<u>2012</u>
Current assets:	
Cash:	
Unrestricted	\$ 228,517
Restricted	377,884
Security deposits - restricted	17,952
Total cash	<u>624,353</u>
Accounts receivable:	
Tenants	6,091
Other	6,678
Interest	23
	<u>12,792</u>
Allowance for doubtful accounts	<u>(9,760)</u>
Total accounts receivable	<u>3,032</u>
Restricted/reserved investments	204,713
Inventories	10,093
Total current assets	<u>842,191</u>
Noncurrent assets:	
Capital assets:	
Land	1,380,000
Buildings, property and equipment, net	587,953
Capital assets, net	<u>1,967,953</u>
Total Assets	<u>\$ 2,810,144</u>
<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:	
Current portion of long-term debt	\$ 49,000
Accounts payable	2,473
Due to other funds	462,841
Security deposits	17,952
Accrued salaries and wages	3,859
Compensated absences - current portion	797
Total current liabilities	<u>536,922</u>
Noncurrent liabilities:	
Long-term debt, net of current portion	1,261,139
Compensated absences	12,803
Total noncurrent liabilities	<u>1,273,942</u>
Total liabilities	<u>1,810,864</u>
Net assets:	
Invested capital assets, net of related debt	657,814
Restricted	582,597
Unrestricted	(241,131)
Total net assets	<u>999,280</u>
Total Liabilities and Net Assets	<u>\$ 2,810,144</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 Assets For the Year Ended September 30, 2012

	<u>2012</u>
Operating revenues:	
HUD PHA grants	\$ 384,610
Tenant income	<u>94,782</u>
Total operating revenues	<u>479,392</u>
Operating expenses:	
Utilities	180,028
Depreciation	71,990
Salaries and wages	77,081
Management fees	35,712
Employee benefits	30,522
Other expenses	22,339
Bad debts	9,760
Insurance	9,688
Repairs and maintenance	4,505
Legal and professional fees	4,455
Office expense	3,872
Protective services	375
Advertising and marketing	79
Compensated absences	<u>(828)</u>
Total operating expenses	<u>449,578</u>
Operating income	<u>29,814</u>
Non-operating revenues (expense):	
Interest expense	(80,291)
Interest income on unrestricted investments	244
Other income	<u>6,419</u>
Total non-operating expenses, net	<u>(73,628)</u>
Change in net assets	(43,814)
Total net assets at beginning of year	<u>1,043,094</u>
Total net assets at end of year	<u>\$ 999,280</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, 2012

	<u>2012</u>
Cash flows from operating activities:	
Operating grants received	\$ 384,610
Receipts from tenants	94,605
Payments to suppliers	(374,304)
Payments to employees	<u>(50,635)</u>
Net cash provided by (used in) operating activities	<u>54,276</u>
Cash flows from capital and related financing activities:	
Interest paid	(80,291)
Repayment of note payable	<u>(46,189)</u>
Net cash used in capital and related financing activities	<u>(126,480)</u>
Cash flows from investing activities:	
Interest and other income received	6,419
Deposits to restricted accounts	<u>(42,036)</u>
Net cash provided by investing activities	<u>(35,617)</u>
Net increase in cash and cash equivalents	(107,821)
Cash and cash equivalents at beginning of year	<u>732,174</u>
Cash and cash equivalents at end of year	<u>\$ 624,353</u>
Cash and cash equivalents consist of the following:	
Cash	\$ 228,517
Security deposits	17,952
Restricted cash, including time deposits	<u>377,884</u>
Total cash and cash equivalents at end of year	<u>\$ 624,353</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, 2012

	<u>2012</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 29,814
Adjustments to reconcile change in net assets provided by operating activities:	
Depreciation	71,990
Bad debts	9,760
(Increase) decrease in assets:	
Accounts receivable:	
Tenants	2,103
HUD	-
Interest	-
Other	(4,608)
Inventories	(1,544)
Prepaid and other assets	2,564
Increase (decrease) in liabilities:	
Accounts payable	347
Due to other funds	(59,088)
Accrued salaries and wages	1,486
Security deposits	2,280
Compensated absences	(828)
Net cash used in operating activities	<u>\$ 54,276</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 Assets
September 30, 2012**

ASSETS	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14,885 Formula Capital Fund Stimulus	ARRA - CFDA 14,256 Neighborhood Stabilization	ARRA - CFDA 14,257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81,042 Weatherization Assistance	ARRA - CFDA 93,224 Health Care and Other Facilities
Current assets:															
Cash:															
Unrestricted	\$ 8,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,066	\$ 55	\$ 1,968	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash	8,089	-	-	-	-	-	-	-	-	-	-	6,066	55	1,968	-
Accounts receivable:															
Tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	180,518	-	210,739	(28,536)	-	-	-	-	-	-	-	(1,935)	-	250	-
HUD	417,907	1,207	185,791	168,940	18,500	15,813	-	21,472	737	-	-	-	-	66,232	-
Federal Government	66,969	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowance for doubtful accounts	665,394	1,207	396,530	140,404	18,500	15,813	-	21,472	737	-	-	(1,935)	-	66,482	-
Total accounts receivable	665,394	1,207	396,530	140,404	18,500	15,813	-	21,472	737	-	-	(1,935)	-	66,482	-
Investments:															
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted/reserved by fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	283	-	-	283	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	673,766	6,184	1,207	140,687	18,500	15,813	-	21,472	737	21,472	-	4,131	55	68,450	-
Noncurrent assets:															
Capital assets, net:															
Land and infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciable buildings, property and equipment, net	7,604,817	-	7,596,552	8,265	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	7,604,817	-	7,596,552	8,265	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 8,278,583	\$ 6,184	\$ 1,207	\$ 148,952	\$ 18,500	\$ 15,813	\$ -	\$ 21,472	\$ 737	\$ 21,472	\$ -	\$ 4,131	\$ 55	\$ 68,450	\$ -

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 Assets, Continued
September 30, 2012**

	Total	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	Economic, Social and Political Development of the Territories	Multifamily Housing Services Coordinator	ARRA - CFDA 14,885 Formula Capital Fund Stimulus	ARRA - CFDA Neighborhood Stabilization	ARRA - CFDA 14,257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81,042 Weatherization Assistance	ARRA - CFDA 93,224 Health Care and Other Facilities
LIABILITIES AND NET ASSETS																
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	74	-	-	-	19	-	-	-	-	-	-	-	-	55	-	-
Current portion of compensated absences	2,390	-	-	-	1,992	-	-	-	-	-	7	-	-	-	391	-
Due to HUD	(12,939)	-	-	-	(12,939)	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	406,458	5,608	1,037	185,791	111,862	18,386	14,608	-	-	737	21,018	-	(1,933)	-	49,344	-
Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	216,878	-	-	210,739	75	-	-	-	-	-	-	-	6,064	-	-	-
Accrued salaries and wages	6,006	576	170	-	2,807	116	947	-	-	-	-	-	-	-	1,390	-
Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	618,867	6,184	1,207	396,530	103,816	18,502	15,555	-	-	737	21,025	-	4,131	55	51,125	-
Noncurrent liabilities:																
Long-term portion of notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued compensated absences	41,179	-	-	-	36,871	-	258	-	-	-	447	-	-	-	3,603	-
Other liabilities	13,720	-	-	-	-	(2)	-	-	-	-	-	-	-	-	13,722	-
Total noncurrent liabilities	54,899	-	-	-	36,871	(2)	258	-	-	-	447	-	-	-	17,325	-
Total liabilities	673,766	6,184	1,207	396,530	140,687	18,500	15,813	-	-	737	21,472	-	4,131	55	68,450	-
Net assets:																
Invested capital assets, net of related debt	7,604,817	-	-	7,596,552	8,265	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net assets	7,604,817	-	-	7,596,552	8,265	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and net assets	\$ 8,278,583	\$ 6,184	\$ 1,207	\$ 7,593,082	\$ 148,952	\$ 18,500	\$ 15,813	-	\$ -	\$ 737	\$ 21,472	\$ -	\$ 4,131	\$ 55	\$ 68,450	\$ -

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Revenues, Expenses and Changes in Net Assets Year Ended September 30, 2012

	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Resident Supportive Services	Cooperative Extension Services	Community Health Centers	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14,885 Formula Capital Fund Stimulus	ARRA - CFDA 14,257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81,042 Weatherization Assistance	ARRA - CFDA 93,224 Health Care and Other Facilities
Operating revenues:														
HUD PHA Operating Grants	\$ 502,847	\$ 264,536	\$ 222,477	\$ 798,528	\$ 79,262	\$ -	\$ -	\$ -	\$ -	\$ 38,987	\$ -	\$ 135,448	\$ -	\$ -
Other Government Grants	-	-	-	-	-	41,676	943	5,463	737	-	-	-	275,321	-
Tenant rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	662	-	185,865	-	-	-	-	-	-	-	-	-	-
Total	502,847	265,198	222,477	984,393	79,262	41,676	943	5,463	737	38,987	-	135,448	275,321	-
Operating expenses:														
Repairs and maintenance	481,484	-	-	476,021	-	-	-	5,463	-	-	-	-	-	-
Administrative salaries	262,362	4,868	36,403	90,831	694	29,135	782	-	508	21,644	-	-	66,313	-
Management fees	100,852	3,877	1,572	32,118	251	12,380	60	-	229	8,256	-	-	27,923	-
Employee benefits	694,237	-	694,237	-	-	-	-	-	-	-	-	-	-	-
Depreciation	429	-	-	429	-	-	-	-	-	4,917	-	-	8,662	-
Insurance	16,187	-	1,960	648	-	-	-	-	-	-	-	-	-	-
Travel	6,726	-	3,492	2,466	768	-	-	-	-	-	-	-	-	-
Advertising and Marketing	38,975	-	-	36,452	25	-	101	-	-	1,303	-	-	1,094	-
Office expense	4,173	-	-	4,173	-	-	-	-	-	-	-	-	-	-
Professional fees	(12,966)	-	-	(14,291)	-	161	-	-	-	454	-	-	710	-
Compensated absences	-	-	-	-	77,524	-	-	-	-	2,413	-	135,448	171,020	-
Other	1,481,083	258,758	853	347,281	-	-	-	-	-	-	-	-	-	-
Total operating expenses	502,847	265,198	917,209	976,128	79,262	41,676	943	5,463	737	38,987	-	135,448	275,722	-
Operating income (loss)	(686,868)	-	(694,732)	8,265	-	-	-	-	-	-	-	(401)	-	-
Non-operating revenues (expenses):														
Capital grants	637,397	-	637,397	-	-	-	-	-	-	-	-	-	-	-
Interest income on unrestricted investments	101	-	-	-	-	-	-	-	-	-	-	-	101	-
Other income	795	-	495	-	-	-	-	-	-	-	-	-	300	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses), net	638,293	-	637,892	8,265	-	-	-	-	-	-	-	-	401	-
Changes in net assets	(48,575)	-	(56,840)	8,265	-	-	-	-	-	-	-	-	-	-
Total net assets at beginning of year	9,207,701	-	7,653,392	-	-	-	-	-	-	-	1,554,309	-	-	-
Equity transfer out	(1,554,309)	-	-	-	-	-	-	-	-	-	(1,554,309)	-	-	-
Total net assets at end of year	\$ 7,604,817	\$ -	\$ 7,596,552	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2012

TOTAL	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14,885 Formula Capital Fund Stimulus	ARRA - CFDA Neighborhood Stabilization	ARRA - CFDA 14,257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81,042 Weatherization Assistance	ARRA - CFDA 93,224 Health Care and Other Facilities
\$ 2,489,112	\$ 508,675	\$ 263,499	\$ 63,641	\$ 1,122,747	\$ 60,760	\$ 41,676	\$ 943	\$ 943	\$ 737	\$ 17,515	\$ -	\$ 2,425	\$ 130,230	\$ 275,321	\$ -
185,890	-	-	-	185,890	-	-	-	-	-	-	-	-	-	-	-
(2,436,501)	(498,067)	(263,499)	(14,766)	(1,211,856)	(60,182)	(12,380)	(782)	(229)	(16,889)	-	-	(149,046)	(208,699)	-	-
(268,046)	(10,608)	-	(48,875)	(88,516)	(578)	(29,296)	(837)	(161)	(508)	(21,644)	-	-	(67,023)	-	-
(173,407)	-	-	-	-	-	-	-	-	-	21,018	-	1,216	-	(195,641)	-
(202,952)	-	-	-	8,265	-	-	-	-	-	3,641	-	(188,616)	-	(196,042)	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
216,311	-	-	216,311	-	-	-	-	-	-	-	-	-	-	-	-
(224,576)	-	-	(216,311)	(8,265)	-	-	-	-	-	-	-	-	-	-	-
(8,265)	-	-	-	(8,265)	-	-	-	-	-	-	-	-	-	-	-
401	-	-	-	-	-	-	-	-	-	-	-	-	-	401	-
401	-	-	-	-	-	-	-	-	-	-	-	-	-	401	-
(210,816)	-	-	-	-	-	-	-	-	-	-	-	-	(18,816)	(195,641)	-
218,905	-	-	-	-	-	-	-	-	-	3,641	-	2,425	18,871	197,609	-
\$ 8,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,066	\$ 55	\$ 1,968	\$ -
\$ (886,868)	\$ -	\$ -	\$ (694,732)	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (401)	\$ -
694,237	-	-	694,237	-	-	-	-	-	-	-	-	-	-	-	-
431,719	5,828	(1,207)	299,412	165,813	(18,502)	(11,755)	-	-	(21,472)	-	-	-	13,602	-	-
57,611	-	-	(102,330)	34,848	-	-	-	-	-	-	-	1,935	-	-	123,158
140,344	-	-	-	-	-	-	-	-	-	-	-	-	-	140,344	-
119	-	-	-	119	-	-	-	-	-	-	-	-	-	-	-
(131,460)	-	-	-	(8,262)	-	-	-	-	-	-	-	-	-	-	-
(19,447)	-	-	(12,472)	(8,300)	161	-	-	-	454	-	-	-	4	(44)	(123,158)
19,085	-	-	-	-	-	-	-	-	21,018	-	-	-	-	710	-
(527,866)	(6,404)	1,037	(25,279)	(175,363)	18,386	11,539	(2,507)	-	(1,933)	-	-	-	(13,602)	(335,673)	-
(176,689)	-	-	(158,836)	(5,179)	-	-	2,507	-	-	-	-	3,639	(18,820)	-	-
(3,737)	576	170	-	(3,676)	116	55	-	-	-	-	-	-	-	(978)	-
(202,952)	\$ -	\$ -	\$ -	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,641	\$ (188,616)	\$ (196,042)	\$ -

Cash flows from operating activities:
 Operating grants received
 Receipts from customers
 Assistance paid
 Payments to suppliers
 Payments to employees
 Other cash receipts (payments)
 Net cash used in operating activities

Cash flows from capital and related financing activities:
 Interest paid
 Repayment of note payable
 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
 Deposits to restricted accounts
 Net cash used in investing activities

Net increase in cash and cash equivalents
 Cash and cash equivalents at beginning of year
 Cash and cash equivalents at end of year

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:
 Operating income (loss)
 Adjustments to reconcile change net assets to net cash provided by operating activities:
 Depreciation
 (Increase) decrease in assets:
 Accounts receivable:
 Tenants
 HUD
 Due from other funds
 Due from other government agencies
 Prepayments and other assets
 Inventories
 Increase (decrease) in liabilities:
 Accounts payable
 Compensated absences
 Due to HUD
 Due to other funds
 Deposits
 Deferred revenues
 Accrued salaries and wages

Net cash provided by operating activities

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING PROGRAM
CFDA NO. 14.235

Combining Statements of Net Assets
September 30, 2012

ASSETS	GU0004-		GU0006-		GU0007-		GU0003-		GU0002-		GU0003-		GU0002-		GU0006-		GU0009-		GU0013-		GU007	
	Total	B9C-001003	B9C-000802	B9C-000103	B9C-000103	B9C-001104	B9C-001003	B9C-001104	B9C-001104	B9C-001003	B9C-001104	B9C-001104	B9C-001003	B9C-001003	B9C-001003	B9C-000900	B9C-001000	B9C-001104	B9C-001000	B9C-001104	B9C-001104	B9C-001104
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:																						
HUD	6,184	-	-	-	-	366	-	5,818	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 6,184	\$ -	\$ -	\$ -	\$ -	\$ 366	\$ -	\$ 5,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LIABILITIES AND NET ASSETS

Accounts payable:																						
Due to other funds	\$ 5,608	\$ -	\$ -	\$ -	\$ 366	\$ -	\$ 5,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HUD	576	-	-	-	-	-	576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities:																						
Compensated absences - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 6,184	\$ -	\$ -	\$ -	\$ 366	\$ -	\$ 5,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING PROGRAM

CFDA NO. 14.235

Combining Statements of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	GU0004- B9C-001003	GU0006- B9C-000802	GU0007- B9C-000103	GU0003- B9C-001003	GU0002- B9C-001104	GU0003- B9C-001104	GU0002- B9C-001003	GU0006- B9C-001003	GU0009- B9C-000900	GU0013- B9C-001000	GU0007 B9C-001104
Revenues:											
Federal contributions	\$ 79,082	\$ 10,823	\$ 106,869	\$ 243,602	\$ 366	\$ 5,818	\$ 12,009	\$ 32,774	\$ 8,068	\$ 3,436	\$ -
Other	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	79,082	10,823	106,869	243,602	366	5,818	12,009	32,774	8,068	3,436	-
Operating expenses:											
Administrative salaries	-	-	2,609	5,383	269	433	342	649	1,499	-	-
Employee benefits	-	-	956	1,878	-	143	125	238	537	-	-
Repair and maintenance	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-
Other	79,082	10,823	103,304	236,341	97	5,242	11,542	31,887	6,032	3,436	-
Total operating expenses	79,082	10,823	106,869	243,602	366	5,818	12,009	32,774	8,068	3,436	-
Operating income	-	-	-	-	-	-	-	-	-	-	-
Non-operating revenues (expenditures):											
Interest income	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-	-
Change in net assets	-	-	-	-	-	-	-	-	-	-	-
Total net assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-
Total net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**SUPPORTIVE HOUSING PROGRAM
CFDA NO. 14.235**

**Combining Statements of Cash Flows
Year Ended September 30, 2012**

	GU0004- B9C-001003	GU0006- B9C-000802	GU0007- B9C-000103	GU0003- B9C-001003	GU0002- B9C-001104	GU0003- B9C-001104	GU0002- B9C-001003	GU0006- B9C-001003	GU0006- B9C-001003	GU0006- B9C-001003	GU0003- B9C-001000	GU0007- B9C-001104	GU0007
Cash flows from operating activities:													
Operating grants received	\$ 79,082	\$ 10,823	\$ 115,516	\$ 246,967	\$ -	\$ -	\$ 12,009	\$ 32,774	\$ 8,068	\$ 3,436	\$ -	\$ -	\$ -
Payments to suppliers	(79,082)	(10,823)	(111,951)	(239,706)	269	-	(11,542)	(31,887)	(6,032)	(3,436)	-	-	-
Payments to employees	(14,485)	-	(3,565)	(7,261)	(269)	-	(467)	(887)	(2,036)	-	-	-	-
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	5,828	-	8,647	3,365	(366)	(5,818)	-	-	-	-	-	-	-
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:													
Accounts payable - Due to other funds	(6,404)	-	(8,647)	(3,365)	366	5,242	-	-	-	-	-	-	-
Accrued salaries and wages	576	-	-	-	-	576	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**SHELTER PLUS CARE PROGRAM
CFDA NO. 14.238**

Combining Statements of Net Assets
September 30, 2012

<u>ASSETS</u>	<u>Total</u>	<u>GU0001-C9C- 000802</u>	<u>GU0011-C9C- 001001</u>	<u>GU0001-C9C- 001003</u>	<u>GU0011-C9C- 001102</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	1,207	-	1,037	-	170
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
TOTAL	\$ 1,207	\$ -	\$ 1,037	\$ -	\$ 170
 <u>LIABILITIES AND NET ASSETS</u>					
Accounts payable:					
Due to other funds	\$ 1,037	\$ -	\$ 1,037	\$ -	\$ -
Accrued salaries and wages	170	-	-	-	170
HUD	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	1,207	-	1,037	-	170
Net assets	-	-	-	-	-
TOTAL	\$ 1,207	\$ -	\$ 1,037	\$ -	\$ 170

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**SHELTER PLUS CARE PROGRAM
CFDA NO. 14.238**

Combining Statements of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	<u>Total</u>	<u>GU0001-C9C- 000802</u>	<u>GU0011-C9C- 001001</u>	<u>GU0001-C9C- 001003</u>	<u>GU0011-C9C- 001102</u>
Revenues:					
Federal contributions	\$ 264,536	\$ 27,522	\$ 156,287	\$ 80,557	\$ 170
Other	662	-	662	-	-
Total Revenues	<u>265,198</u>	<u>27,522</u>	<u>156,949</u>	<u>80,557</u>	<u>170</u>
Operating expenses:					
Administrative salaries	4,868	-	4,739	-	129
Employee benefits	1,572	-	1,531	-	41
Depreciation	-	-	-	-	-
Other	258,758	27,522	150,679	80,557	-
Total operating expenses	<u>265,198</u>	<u>27,522</u>	<u>156,949</u>	<u>80,557</u>	<u>170</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenditures):					
Interest income	-	-	-	-	-
Interest expense	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	-	-	-	-	-
Total net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, end of year	<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

SHELTER PLUS CARE PROGRAM

CFDA NO. 14.238

Combining Statements of Cash Flows

Year Ended September 30, 2012

	<u>Total</u>	<u>GU0001-C9C- 000802</u>	<u>GU0011-C9C- 001001</u>	<u>GU0001-C9C- 001003</u>	<u>GU0011-C9C- 001102</u>
Cash flows from operating activities:					
Operating grants received	\$ 263,499	\$ 27,522	\$ 155,250	\$ 80,557	\$ 170
Payments to suppliers	(263,499)	(27,522)	(155,250)	(80,557)	(170)
Payments to employees	-	-	-	-	-
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Acquisition of fixed assets	-	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Transfers from fund balance	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<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>	<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>	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided (used) by 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	(1,207)	-	(1,037)	-	(170)
Accounts receivable - Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable - Due to other funds	1,037	-	1,037	-	-
Accounts payable - HUD	-	-	-	-	-
Accrued salaries and wages	170	-	-	-	170
Deferred revenues	-	-	-	-	-
Net cash provided (used) by operating activities	<u><u>\$ -</u></u>	<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

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Net Assets
September 30, 2012

ASSETS	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12
Current assets:											
Cash:											
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable:											
HUD	185,791	-	11,671	-	38,100	-	-	63,637	-	84,054	-
Due from other programs	210,739	39,353	11,671	420	85,602	73,693	73,693	63,637	-	84,054	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	396,530	39,353	11,671	420	85,602	38,100	73,693	63,637	-	84,054	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Investments:											
General fund	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	-	-	-	-	-	-	-	-	-	-	-
Total current assets	396,530	39,353	11,671	420	85,602	38,100	73,693	63,637	-	84,054	-
Noncurrent assets:											
Capital Assets:											
Land, structures and equipment, at cost	9,857,493	1,121,733	1,652,281	535,370	1,832,828	769,191	1,171,850	1,223,444	1,334,485	216,311	-
Accumulated depreciation	(2,260,941)	(386,975)	(584,469)	(142,765)	(487,965)	(188,558)	(235,016)	(128,805)	(102,794)	(3,594)	-
Net capital assets	7,596,552	734,758	1,067,812	392,605	1,344,863	580,633	936,834	1,094,639	1,231,691	212,717	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	7,596,552	734,758	1,067,812	392,605	1,344,863	580,633	936,834	1,094,639	1,231,691	212,717	-
Total assets	\$ 7,993,082	\$ 774,111	\$ 1,079,483	\$ 393,025	\$ 1,430,465	\$ 618,733	\$ 1,010,527	\$ 1,158,276	\$ 1,231,691	\$ 296,771	\$ -

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 Assets, Continued
September 30, 2012

LIABILITIES AND NET ASSETS	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ8P001501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12
Liabilities:											
Accounts payable:											
Due to other funds	\$ 185,791	\$ -	\$ -	\$ -	\$ 38,100	\$ -	\$ -	\$ 63,637	\$ -	\$ 84,054	\$ -
Compensated absences, current portion	-	-	-	-	-	-	-	-	-	-	-
Total accounts payable	185,791	-	-	-	38,100	-	-	63,637	-	84,054	-
Deferred credits:											
Deferred revenue	210,739	39,353	11,671	420	85,602	-	73,693	-	-	-	-
Total deferred credits	210,739	39,353	11,671	420	85,602	-	73,693	-	-	-	-
Total current liabilities	396,530	39,353	11,671	420	85,602	38,100	73,693	63,637	-	84,054	-
Noncurrent liabilities:											
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	396,530	39,353	11,671	420	85,602	38,100	73,693	63,637	-	84,054	-
Net Assets:											
Invested in capital assets, net of related debt	7,596,552	734,758	1,067,812	392,605	1,344,863	580,633	936,834	1,094,639	1,231,691	212,717	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-
Total net assets	7,596,552	734,758	1,067,812	392,605	1,344,863	580,633	936,834	1,094,639	1,231,691	212,717	-
Total liabilities and net assets	\$ 7,993,082	\$ 774,111	\$ 1,079,483	\$ 393,025	\$ 1,430,465	\$ 618,733	\$ 1,010,527	\$ 1,158,276	\$ 1,231,691	\$ 296,771	\$ -

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 Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2012

	GO-50104	GO-50105	GO8D001501-03	GO08P001501-06	GO-501-07	GO-501-08	GO-501-09	GO-501-10	GO-501-11	GO-501-12
Operating revenues:										
HUD PHA Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,450	\$ 184,027	\$ -
Program income	-	-	-	-	-	-	-	-	-	-
Total operating revenues	<u>222,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,450</u>	<u>184,027</u>	<u>-</u>
Operating expenses:										
Depreciation	694,237	117,244	35,691	136,510	64,633	88,630	81,563	88,966	3,594	-
Management fees	166,078	-	-	-	-	-	-	38,450	127,628	-
Other miscellaneous expenses	853	-	-	-	-	-	-	-	853	-
Salaries and wages	36,403	-	-	-	-	-	-	-	36,403	-
Employee benefits	14,186	-	-	-	-	-	-	-	14,186	-
Compensated absences	-	-	-	-	-	-	-	-	-	-
Office expense	-	-	-	-	-	-	-	-	-	-
Advertising and marketing	3,492	-	-	-	-	-	-	-	3,492	-
Insurance	-	-	-	-	-	-	-	-	-	-
Travel	1,960	-	-	-	-	-	-	-	1,960	-
Total operating expenses	<u>917,209</u>	<u>117,244</u>	<u>35,691</u>	<u>136,510</u>	<u>64,633</u>	<u>88,630</u>	<u>81,563</u>	<u>127,416</u>	<u>188,116</u>	<u>-</u>
Operating loss	<u>(694,732)</u>	<u>(117,244)</u>	<u>(35,691)</u>	<u>(136,510)</u>	<u>(64,633)</u>	<u>(88,630)</u>	<u>(81,563)</u>	<u>(88,966)</u>	<u>(4,089)</u>	<u>-</u>
Non-operating revenues:										
Capital grants	637,397	-	-	-	-	-	-	421,086	216,311	-
Other income	495	-	-	-	-	-	-	-	495	-
Total non-operating revenues	<u>637,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>421,086</u>	<u>216,806</u>	<u>-</u>
Change in net assets	<u>(56,840)</u>	<u>(117,244)</u>	<u>(35,691)</u>	<u>(136,510)</u>	<u>(64,633)</u>	<u>(88,630)</u>	<u>(81,563)</u>	<u>332,120</u>	<u>212,717</u>	<u>-</u>
Total net assets, beginning of year	<u>7,653,392</u>	<u>1,185,056</u>	<u>428,296</u>	<u>1,481,373</u>	<u>645,266</u>	<u>1,025,464</u>	<u>1,176,202</u>	<u>899,571</u>	<u>-</u>	<u>-</u>
Total net assets, end of year	<u>\$ 7,596,552</u>	<u>\$ 1,067,812</u>	<u>\$ 392,605</u>	<u>\$ 1,344,863</u>	<u>\$ 580,633</u>	<u>\$ 936,834</u>	<u>\$ 1,094,639</u>	<u>\$ 1,231,691</u>	<u>\$ 212,717</u>	<u>\$ -</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
For the Year Ended September 30, 2012

	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12
Total										
Cash flows from operating activities:										
Operating grants received	\$ 63,641	\$ (3,226)	\$ -	\$ (124,801)	\$ (2,426)	\$ (28,383)	\$ -	\$ 38,450	\$ 184,027	\$ -
Payments to suppliers	(14,766)	3,226	-	137,273	2,426	28,383	-	(38,450)	(147,624)	-
Payments to employees	(48,875)	-	-	(12,472)	-	-	-	-	(36,403)	-
Net cash provided by operating activities	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:										
Capital grants received	216,311	-	-	-	-	-	-	-	216,311	-
Acquisition of capital assets	(216,311)	-	-	-	-	-	-	-	(216,311)	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:										
Investment in time certificate of deposit	-	-	-	-	-	-	-	-	-	-
Net cash used for 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 income (loss) to net cash provided by (used in) by operating activities:										
Operating loss	\$ (694,732)	\$ (77,406)	\$ (117,244)	\$ (35,691)	\$ (64,633)	\$ (88,630)	\$ (81,563)	\$ (88,966)	\$ (4,089)	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:										
Depreciation	694,237	77,406	117,244	35,691	64,633	88,630	81,563	88,966	3,594	-
(Increase) decrease in assets:										
Due from HUD	299,412	-	-	-	-	189,137	110,275	-	-	-
Due from other funds	(102,330)	-	-	-	-	-	(16,005)	(28,775)	(28,775)	(28,775)
Increase (decrease) in liabilities:										
Due to other funds	(25,279)	-	3,226	-	2,426	(160,754)	(94,270)	28,775	29,270	28,775
Compensated absences	(12,472)	-	-	(12,472)	-	-	-	-	-	-
Deferred credits	(158,836)	(3,226)	-	(124,801)	(2,426)	(28,383)	-	-	-	-
Net cash provided by 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 Assets
September 30, 2012

ASSETS	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST- 66-0202	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
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:											
HUD	168,940	-	-	-	-	108,601	(12,939)	28,208	(7,349)	52,419	-
Due from other funds	(28,536)	-	-	-	-	(28,536)	-	-	-	-	-
Prepaid and other assets	283	-	-	-	-	-	-	85	198	-	-
Capital assets	8,265	-	-	-	-	-	-	-	-	8,265	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 148,952	\$ -	\$ -	\$ -	\$ -	\$ 80,065	\$ (12,939)	\$ 28,293	\$ (7,151)	\$ 60,684	\$ -
LIABILITIES AND NET ASSETS											
Current liabilities:											
Vendors	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -
Due to HUD	(12,939)	-	-	-	-	-	(12,939)	-	-	-	-
Due to other funds	111,862	-	-	-	-	80,065	-	28,274	(7,226)	10,749	-
Accrued salaries and wages	2,807	-	-	-	-	-	-	-	-	2,807	-
Compensated absences - current	1,992	-	-	-	-	-	-	-	-	1,992	-
Deferred revenues	75	-	-	-	-	-	-	-	75	-	-
Total current liabilities	103,816	-	-	-	-	80,065	(12,939)	28,293	(7,151)	15,548	-
Noncurrent liabilities:											
Compensated absences - noncurrent	18,345	-	-	-	-	-	-	-	-	18,345	-
Other liabilities - sick leave	18,526	-	-	-	-	-	-	-	-	18,526	-
Total noncurrent liabilities	36,871	-	-	-	-	-	-	-	-	36,871	-
Total liabilities	140,687	-	-	-	-	80,065	(12,939)	28,293	(7,151)	52,419	-
Net assets:											
Invested in capital, net of related debt	8,265	-	-	-	-	-	-	-	-	8,265	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-
Total net assets	8,265	-	-	-	-	-	-	-	-	8,265	-
Total	\$ 148,952	\$ -	\$ -	\$ -	\$ -	\$ 80,065	\$ (12,939)	\$ 28,293	\$ (7,151)	\$ 60,684	\$ -

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 Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST6 66-0202	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
Revenues:											
PHA Operating grants	\$ 798,528	\$ -	\$ -	\$ -	\$ -	\$ 113,239	\$ -	\$ 431,010	\$ 162,868	\$ 91,411	\$ -
Other	185,865	-	-	-	-	-	-	-	20,273	165,592	-
Total Revenues	984,393	-	-	-	-	113,239	-	431,010	183,141	257,003	-
Operating expenses:											
Repairs and maintenance	476,021	-	-	-	-	112,001	-	154,866	131,926	77,228	-
Administrative salaries	90,831	-	-	-	-	1,238	-	7,561	39,977	42,055	-
Employee benefits	32,118	-	-	-	-	-	-	2,567	14,499	15,052	-
Management fees	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	(14,291)	-	-	-	-	-	-	-	(53,154)	38,863	-
Office expense	36,452	-	-	-	-	-	-	-	27,955	8,497	-
Travel	648	-	-	-	-	-	-	-	-	648	-
Professional fees	4,173	-	-	-	-	-	-	-	1,942	2,231	-
Advertising and marketing	2,466	-	-	-	-	-	-	-	1,847	619	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Insurance	429	-	-	-	-	-	-	-	44	385	-
Protective services	-	-	-	-	-	-	-	-	-	-	-
Other	347,281	-	-	-	-	-	-	266,016	18,105	63,160	-
Total operating expenses	976,128	-	-	-	-	113,239	-	431,010	183,141	248,738	-
Operating income	8,265	-	-	-	-	-	-	-	-	8,265	-
Non-operating revenues:											
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues, net	-	-	-	-	-	-	-	-	-	-	-
Change in net assets	8,265	-	-	-	-	-	-	-	-	8,265	-
Total net assets, beginning of year	-	-	-	-	-	-	-	-	-	-	-
Total net assets, end of year	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,265	\$ -

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, 2012

	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST- 66-0202	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
Total											
Cash flows from operating activities:											
Operating grants received	\$ 899,445	\$ -	\$ -	\$ -	\$ -	\$ 108,514	\$ 21,154	\$ 431,036	\$ 247,330	\$ 91,411	\$ -
Receipts from customers	185,865	-	-	-	-	-	-	-	20,273	165,592	-
Payments to suppliers	(947,350)	-	-	-	-	(107,276)	(21,154)	(423,475)	(227,625)	(167,820)	-
Payments to employees	(129,695)	-	-	-	-	(1,238)	-	(7,561)	(39,978)	(80,918)	-
Net cash provided by (used in) operating activities	8,265	-	-	-	-	-	-	-	-	8,265	-
Cash flows from investing activities:											
Acquisition of fixed assets	(8,265)	-	-	-	-	-	-	-	-	(8,265)	-
Net cash used in investing activities	(8,265)	-	-	-	-	-	-	-	-	(8,265)	-
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	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,265	\$ -
Adjustments to reconcile change in net assets to net provided by (used in) operating activities:											
Depreciation	-	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:											
Accounts receivable - HUD	48,498	-	-	-	-	(4,725)	21,154	26	84,462	(52,419)	-
Accounts receivable - Due from other funds	28,536	-	-	-	-	28,536	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	2,807	-	-	-	-	-	-	-	-	2,807	-
Compensated absences	(14,292)	-	-	-	-	-	-	-	(53,155)	38,863	-
Accounts payable - Due to other funds	(65,549)	-	-	-	-	(23,811)	(21,154)	(26)	(31,307)	10,749	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,265	\$ -

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SHELTER GRANTS
CFDA NO. 14.231

Combining Statements of Net Assets
September 30, 2012

ASSETS	Total	S-10-DC- 66-0001	S-09-DC- 66-0001	S-11-DC- 66-0001	S-08-DC- 66-0001
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	18,500	18,182	-	318	-
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
TOTAL	\$ 18,500	\$ 18,182	\$ -	\$ 318	\$ -

LIABILITIES AND NET ASSETS

Accounts payable:					
Due to other funds	\$ 18,386	\$ 18,182	\$ 2	\$ 202	\$ -
HUD	-	-	-	-	-
Accrued salaries and wages	116	-	-	116	-
Accrued liabilities:					
Compensated absences - current	-	-	-	-	-
Salaries and wages	-	-	-	-	-
Deferred revenue	(2)	-	(2)	-	-
Compensated absences - noncurrent	-	-	-	-	-
Net assets	-	-	-	-	-
TOTAL	\$ 18,500	\$ 18,182	\$ -	\$ 318	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SHELTER GRANTS

CFDA NO. 14.231

Combining Statements of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	<u>Total</u>	<u>S-10-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-11-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Revenues:					
Federal contributions	\$ 79,262	\$ 53,294	\$ -	\$ 25,968	\$ -
Other	-	-	-	-	-
Total Revenues	<u>79,262</u>	<u>53,294</u>	<u>-</u>	<u>25,968</u>	<u>-</u>
Operating expenses:					
Administrative salaries	694	-	-	694	-
Employee benefits	251	-	-	251	-
Repair and maintenance	-	-	-	-	-
Office expenses	25	-	-	25	-
Depreciation	-	-	-	-	-
Advertising and marketing	768	-	-	768	-
Legal	-	-	-	-	-
Travel	-	-	-	-	-
Other	77,524	53,294	-	24,230	-
Total operating expenses	<u>79,262</u>	<u>53,294</u>	<u>-</u>	<u>25,968</u>	<u>-</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenses):					
Interest income	-	-	-	-	-
Interest expense	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets, end of year	<u><u>\$ -</u></u>	<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

**EMERGENCY SHELTER GRANTS
CFDA NO. 14.231**

Combining Statements of Cash Flows
Year Ended September 30, 2012

	<u>Total</u>	<u>S-10-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-11-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Cash flows from operating activities:					
Operating grants received	\$ 60,760	\$ 35,112	\$ (2)	\$ 25,650	\$ -
Payments to suppliers	(60,182)	(35,112)	2	(25,072)	-
Payments to employees	<u>(578)</u>	<u>-</u>	<u>-</u>	<u>(578)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>-</u>	<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>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<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>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<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>	<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>	<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	(18,502)	(18,182)	(2)	(318)	-
Increase (decrease) in liabilities:					
Accrued salaries and wages	116	-	-	116	-
Accounts payable - Due to other funds	<u>18,386</u>	<u>18,182</u>	<u>2</u>	<u>202</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>	<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 Statement of Net Assets
September 30, 2012

ASSETS	Section 1602				
	Local Funds	Revolving Funds	Low-Income Housing Credits	Trust Funds	Other Funds
Current assets:					
Cash					
Unrestricted	\$ 2,975,280	\$ 2,892,336	\$ -	\$ -	\$ -
Restricted	1,263,834	1,163,085	-	-	-
Total cash	4,239,114	4,055,421	-	-	-
Accounts receivable:					
Due from other funds	4,301,617	2,929,790	-	3,873	546,808
Promissory notes, current portion	73,924	73,924	-	-	-
Travel advances	12,369	12,369	-	-	-
Accrued interest	129	64	-	-	65
Other	403,004	379,836	-	-	3,440
Total accounts receivable	4,791,043	2,961,887	-	3,873	550,313
Allowance for doubtful accounts	(107,686)	(3,100)	-	-	-
Total accounts receivable, net	4,683,357	2,958,787	-	3,873	550,313
Investments	1,220,496	569,081	-	-	576,670
Prepaid and other assets	82,166	7,378	-	74,745	-
Other real estate	3,329,212	3,329,212	-	-	-
Total current assets	13,554,345	9,131,476	-	78,618	1,126,983
Noncurrent assets:					
Capital assets, net	311,387	64,695	-	-	205,094
Promissory notes - noncurrent	765,434	-	-	-	-
Total non-current assets	1,076,821	830,129	-	-	205,094
Total Assets	14,631,166	9,961,605	-	78,618	1,332,077
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable:					
Due to other funds	\$ 6,774,199	\$ 3,106,030	\$ 2,272,051	\$ -	\$ 1,396,118
Vendors and contractors	625,393	14,470	610,923	-	-
Compensated absences - current portion	11,772	11,772	-	-	-
Other	200,052	-	200,052	-	-
Accrued liabilities	195,255	71,623	123,632	-	-
Accrued FSS Escrow liabilities	96,198	96,198	-	-	-
Security deposits	3,173	3,173	-	-	-
Deferred revenues	1,578,325	1,558,935	19,390	-	-
Total Current Liabilities	9,484,367	4,862,201	3,226,048	-	1,396,118
Noncurrent liabilities:					
Accrued compensated absences	99,985	99,985	-	-	-
Accrued sick leave	69,422	69,422	-	-	-
Total noncurrent liabilities	169,407	169,407	-	-	-
Total Current Liabilities	9,653,774	5,031,608	3,226,048	-	1,396,118
Net Assets:					
Invested capital assets, net of related debt	3,709,905	3,463,213	-	-	205,094
Restricted	100,749	-	-	-	-
Unrestricted	1,166,738	1,466,784	(109,529)	78,618	(269,135)
Total Net Assets	4,977,392	4,929,997	32,818	78,618	(64,041)
Total Liabilities and Net Assets	14,631,166	9,961,605	-	78,618	1,332,077

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

Section 1602

	Local		Revolving	Low-Income		Trust	Other
	Funds	Funds		Housing	Credits		
TOTAL	Funds	Funds	Funds	Funds	Funds	Funds	Funds
Operating revenues:							
Property Sales	\$ 31,084	\$ 31,084	\$ -	\$ -	\$ -	\$ -	\$ -
Management fees	1,147,716	1,147,716	-	-	-	-	-
Asset management fees	90,000	90,000	-	-	-	-	-
Bookkeeping fees	278,685	278,685	-	-	-	-	-
Other Federal Grants	5,110,058	-	-	5,110,058	-	-	-
Other	270,687	142,686	128,001	-	-	-	-
Total operating revenues	6,928,230	1,690,171	128,001	5,110,058	-	-	-
Operating expenses:							
Project costs	5,110,058	-	-	5,110,058	-	-	-
Repairs and maintenance	7,329	7,329	-	-	-	-	-
Administrative salaries	1,173,449	1,135,378	27,479	-	-	-	10,592
Employee benefits	400,365	386,783	10,171	-	-	-	3,411
Depreciation	22,974	3,703	-	-	-	-	19,271
Office expense	46,841	46,816	25	-	-	-	-
Legal and professional fees	93,815	44,362	47,628	-	-	-	1,825
Utilities	53,826	53,826	-	-	-	-	-
Compensated absences	14,408	14,408	-	-	-	-	-
Travel	48,692	48,692	-	-	-	-	-
Insurance	12,963	12,963	-	-	-	-	-
Bad debts	8,026	8,026	-	-	-	-	-
Advertising and marketing	16,321	11,043	5,278	-	-	-	-
Protective services	742	742	-	-	-	-	-
Other	225,081	125,862	99,219	-	-	-	-
Total operating expenses	7,234,890	1,899,933	189,800	5,110,058	-	-	35,099
Operating income (loss)	(306,660)	(209,762)	(61,799)	-	-	-	(35,099)
Non-operating revenues and (expense):							
Other income	26,800	-	26,800	-	-	-	-
Recovery of bad debts	6,500	-	6,500	-	-	-	-
Other expense	(6,122)	(6,122)	-	-	-	-	-
Investment income	2,847	1,951	30	-	-	96	770
Total non-operating revenues and (expense)	30,025	(4,171)	33,330	-	-	96	770
Change in net assets	(276,635)	(213,933)	(28,469)	-	-	96	(34,329)
Total net assets at beginning of year	5,254,027	5,143,930	61,287	-	-	78,522	(29,712)
Total net assets at end of year	\$ 4,977,392	\$ 4,929,997	\$ 32,818	\$ -	\$ -	\$ 78,618	\$ (64,041)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statement of Cash Flows
Year Ended September 30, 2012

	TOTAL	Section 1602				Other Funds
		Local Funds	Revolving Funds	Low-Income Housing Credits	Trust Funds	
Cash flows from operating activities:						
Operating grants received	\$ 5,110,058	\$ -	\$ -	\$ 5,110,058	\$ -	\$ -
Receipts from customers	2,256,237	2,256,237	-	-	-	-
Payments to suppliers	(7,597,043)	(721,092)	(162,321)	(6,711,583)	3,189	(5,236)
Payments to employees	(1,187,857)	(1,149,786)	(27,479)	-	-	(10,592)
Other cash receipts (payments)	83,651	63,977	64,053	-	-	(44,379)
Net cash provided by operating activities	<u>(1,334,954)</u>	<u>449,336</u>	<u>(125,747)</u>	<u>(1,601,525)</u>	<u>3,189</u>	<u>(60,207)</u>
Cash flows from capital and related financing activities:						
Acquisition of fixed assets	-	-	-	-	-	-
Net cash flows used for capital and related financing activities	-	-	-	-	-	-
Cash flows from investing activities:						
Interest and other income received	23,525	(4,171)	26,830	-	96	770
Deposits in restricted accounts	139,447	83,295	-	-	(3,285)	59,437
Net cash used for investing activities	<u>162,972</u>	<u>79,124</u>	<u>26,830</u>	<u>-</u>	<u>(3,189)</u>	<u>60,207</u>
Net increase in cash and cash equivalents	<u>(1,171,982)</u>	<u>528,460</u>	<u>(98,917)</u>	<u>(1,601,525)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at beginning of year	5,411,096	3,526,961	282,610	1,601,525	-	-
Cash and cash equivalents at end of year	<u>\$ 4,239,114</u>	<u>\$ 4,055,421</u>	<u>\$ 183,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:						
Operating loss	\$ (306,660)	\$ (209,762)	\$ (61,799)	\$ -	\$ -	\$ (35,099)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	22,974	3,703	-	-	-	19,271
Bad debts	8,026	8,026	-	-	-	-
(Increase) decrease in assets:						
Accounts receivable:						
Promissory notes	114,041	114,041	-	-	-	-
Other Government Agencies	-	-	-	-	-	-
Due from other funds	3,028,649	2,365,274	663,375	-	-	-
Travel advances	(12,369)	-	(12,369)	-	-	-
Accrued interest	(129)	(64)	-	-	-	(65)
Other	29,781	19,684	10,097	-	-	-
Prepaid expenses and other assets	(3,009)	-	(3,009)	-	-	-
Land held for sale	69,306	69,306	-	-	-	-
Increase (decrease) in liabilities:						
Accounts payable	601,161	538	600,883	(260)	-	-
Compensated absences	14,406	14,406	-	-	-	-
Due to other funds	(2,727,880)	(1,911,558)	826,068	(1,601,265)	3,189	(44,314)
Security deposits	3,173	3,173	-	-	-	-
Other current liabilities	(2,134,335)	470	(2,134,805)	-	-	-
Accrued liabilities	10,588	14,539	(3,951)	-	-	-
Deferred revenues	(52,677)	(42,440)	(10,237)	-	-	-
Net cash provided by (used for) operating activities	<u>\$ (1,334,954)</u>	<u>\$ 449,336</u>	<u>\$ (125,747)</u>	<u>\$ (1,601,525)</u>	<u>\$ 3,189</u>	<u>\$ (60,207)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

LOCAL FUNDS
Combining Statement of Net Assets
September 30, 2012

ASSETS	TOTAL	Sinajana Non-Title I	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation	As-Aid-as Project	ASSETS	
Current assets:												
Cash - unrestricted	\$ 2,892,336	\$ -	\$ -	\$ -	\$ -	\$ 463,959	\$ 2,324,990	\$ 4,907	\$ 790	\$ 97,690		
Cash - restricted for FSS	96,198	-	-	-	-	-	96,198	-	-	-		
Cash - other restricted	1,066,887	-	-	-	-	-	1,066,887	-	-	-		
Total cash	4,055,421	-	-	-	-	463,959	3,488,075	4,907	790	97,690		
Accounts receivable:												
Due from other funds	821,146	1,666	771,148	4,835	43,727	-	-	1,565	(1,795)	-		
Promissory notes, current portion	73,924	-	-	-	-	-	-	56,057	17,867	-		
Allowance for doubtful accounts	(104,586)	-	-	-	-	-	-	(104,586)	-	-		
Accrued interest	64	-	-	-	-	64	-	-	-	-		
Other	379,836	-	9,519	-	-	139	-	370,178	-	-		
Total accounts receivable	1,170,384	1,666	780,667	4,835	43,727	203	-	323,214	16,072	-		
Investments	569,081	-	-	-	-	569,081	-	-	-	-		
Prepaid and other assets	7,378	-	-	-	-	-	7,378	-	-	-		
Land held for sale	3,329,212	-	71,830	-	-	3,257,382	-	-	-	-		
Total current assets	9,131,476	1,666	852,497	4,835	43,727	4,290,625	3,495,453	328,121	16,862	97,690		
Noncurrent assets:												
Capital assets	167,783	-	1,774	-	-	1,385	164,624	-	-	-		
Accumulated depreciation	(103,088)	-	(1,774)	-	-	-	(101,314)	-	-	-		
Capital assets, net	64,695	-	-	-	-	1,385	63,310	-	-	-		
Promissory notes, noncurrent	765,434	-	-	-	-	-	-	590,408	175,026	-		
Total non-current assets	830,129	-	-	-	-	1,385	63,310	590,408	175,026	-		
Total assets	\$ 9,961,605	\$ 1,666	\$ 852,497	\$ 4,835	\$ 43,727	\$ 4,292,010	\$ 3,558,763	\$ 918,529	\$ 191,888	\$ 97,690		
LIABILITIES AND NET ASSETS												
Liabilities:												
Accounts payable:												
Vendors	\$ 14,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,455	\$ 15	\$ -	\$ -		
Security deposits	3,173	-	3,173	-	-	-	-	-	-	-		
Due to other funds	3,106,030	-	205,517	-	-	2,254	3,104,982	(141,421)	(66,713)	1,411		
Compensated absences - current portion	11,772	-	-	-	-	-	11,772	-	-	-		
Accrued FSS Escrow liabilities	96,198	-	-	-	-	-	96,198	-	-	-		
Accrued liabilities	71,623	-	209	-	-	26,067	44,582	1,174,154	232,052	765		
Deferred revenues	1,558,935	-	-	-	-	-	56,450	-	-	96,279		
Total current liabilities	4,862,201	-	208,899	-	-	28,321	3,328,439	1,032,748	165,339	98,455		
Noncurrent liabilities:												
Accrued compensated absences	99,985	-	-	-	-	-	99,985	-	-	-		
Accrued sick leave	69,422	-	-	-	-	-	69,422	-	-	-		
Total noncurrent liabilities	169,407	-	-	-	-	-	169,407	-	-	-		
Total liabilities	5,031,608	-	208,899	-	-	28,321	3,497,846	1,032,748	165,339	98,455		
Net assets:												
Invested capital assets, net of related debt	3,463,213	-	71,830	-	-	3,328,073	63,310	-	-	-		
Restricted	-	-	-	-	-	-	-	-	-	-		
Unrestricted	1,466,784	1,666	571,768	4,835	43,727	935,616	(2,393)	(114,219)	26,549	(765)		
Total net assets	4,929,997	1,666	643,598	4,835	43,727	4,263,689	60,917	(114,219)	26,549	(765)		
Total liabilities and net assets	\$ 9,961,605	\$ 1,666	\$ 852,497	\$ 4,835	\$ 43,727	\$ 4,292,010	\$ 3,558,763	\$ 918,529	\$ 191,888	\$ 97,690		

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

LOCAL FUNDS

Combining Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	TOTAL	Sinjajana Non-Title I	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation	As-Aids Project
Operating revenues:										
Property Sales	\$ 31,084	\$ -	\$ 26,084	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Management fees	1,147,716	-	-	-	-	-	1,147,716	-	-	-
Asset management fees	90,000	-	-	-	-	-	90,000	-	-	-
Bookkeeping fees	278,685	-	-	-	-	-	278,685	-	-	-
Other Federal Grants	-	-	-	-	-	-	-	-	-	-
Other	142,686	-	44,580	-	-	-	94,385	-	-	3,721
Total operating revenues	1,690,171	-	70,664	-	-	5,000	1,610,786	-	-	3,721
Operating expenses:										
Administrative salaries	1,135,378	-	25,472	-	-	11,304	1,095,255	-	-	3,347
Employee benefits	386,783	-	8,338	-	-	3,570	373,733	-	-	1,142
Professional fees	44,362	-	200	-	-	-	44,162	-	-	-
Travel	48,692	-	4,032	-	-	-	42,199	2,461	-	-
Project costs	-	-	-	-	-	-	-	-	-	-
Insurance	12,963	-	-	-	-	-	12,963	-	-	-
Protective services	742	-	-	-	-	-	742	-	-	-
Repairs and maintenance	7,329	-	-	-	-	-	7,329	-	-	-
Office expense	46,816	-	-	-	-	33	46,783	-	-	-
Depreciation	3,703	-	-	-	-	-	3,703	-	-	-
Compensated absences	14,408	-	-	-	-	-	14,408	-	-	-
Advertising and marketing	11,043	-	2,960	-	-	-	8,083	-	-	-
Utilities	53,826	-	-	-	-	-	53,826	-	-	-
Bad debts	8,026	-	-	-	-	-	-	8,026	-	-
Other	125,862	-	3,763	-	-	69,631	52,082	381	-	5
Total operating expenses	1,899,933	-	44,765	-	-	84,538	1,755,268	10,868	-	4,494
Operating income (loss)	(209,762)	-	25,899	-	-	(79,538)	(144,482)	(10,868)	-	(773)
Non-operating revenues and expenses:										
Other income	-	-	-	-	-	-	-	-	-	-
Other expense	(6,122)	-	-	-	-	-	-	(2,812)	(3,310)	-
Investment income	1,951	-	-	-	-	1,943	-	-	-	8
Total non-operating revenues and (expense), net	(4,171)	-	-	-	-	1,943	-	(2,812)	(3,310)	8
Change in net assets	(213,933)	-	25,899	-	-	(77,595)	(144,482)	(13,680)	(3,310)	(765)
Total net assets at beginning of year	5,143,930	1,666	617,699	4,835	43,727	4,341,284	205,399	(100,539)	29,859	-
Total net assets at end of year	\$ 4,929,997	\$ 1,666	\$ 643,598	\$ 4,835	\$ 43,727	\$ 4,263,689	\$ 60,917	\$ (114,219)	\$ 26,549	\$ (765)

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

LOCAL FUNDS
Combining Statement of Cash Flows
Year Ended September 30, 2012

	Sinjajana Non-Title I	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation	As-Aidas Project
Cash flows from operating activities:									
Operating grants received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers	2,256,237	44,765	-	-	5,000	2,206,472	-	-	-
Payments to suppliers	(721,092)	(19,293)	-	-	(73,234)	(624,576)	(2,842)	(1,147)	(1,147)
Payments to employees	(1,149,786)	(25,472)	-	-	(11,304)	(1,109,663)	-	(3,347)	(3,347)
Other cash receipts (payments)	63,977	-	-	-	(12,032)	(17,325)	(10,707)	1,865	102,176
Net cash provided by (used in) operating activities	449,336	-	-	-	(91,570)	454,908	(13,549)	1,865	97,682
Cash flows from capital and related financing activities:									
Acquisition of capital assets	-	-	-	-	-	-	-	-	-
Net cash used in capital and related financing activities	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:									
Interest and other income received	(4,171)	-	-	-	1,943	-	(2,812)	(3,310)	8
Deposits in restricted accounts	83,295	-	-	-	83,295	-	-	-	-
Net cash used in investing activities	79,124	-	-	-	85,238	-	(2,812)	(3,310)	8
Net increase (decrease) in cash and cash equivalents	528,460	-	-	-	(6,332)	454,908	(16,361)	(1,445)	97,690
Cash and cash equivalents at beginning of year	3,526,961	-	-	-	470,291	3,033,167	21,268	2,235	-
Cash and cash equivalents at end of year	4,055,421	\$ -	\$ -	\$ -	463,959	3,488,075	4,907	790	97,690
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (209,762)	\$ -	\$ 25,899	\$ -	\$ (79,538)	\$ (144,482)	\$ (10,868)	\$ -	\$ (773)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:									
Depreciation	3,703	-	-	-	-	3,703	-	-	-
Bad debts	8,026	-	-	-	-	-	8,026	-	-
(Increase) decrease in assets:									
Accounts receivable:									
Promissory notes	114,041	-	-	-	-	-	96,169	17,872	-
Due from other funds	2,365,274	5,000	-	-	-	2,163,763	127,933	68,578	-
Accrued interest	(64)	-	-	-	(64)	-	-	-	-
Other	19,684	(7,773)	-	-	-	-	27,457	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-
Land held for sale	69,306	-	-	-	69,306	-	-	-	-
Increase (decrease) in liabilities:									
Accounts payable	538	-	-	-	-	538	-	-	-
Compensated absences	14,406	-	-	-	-	14,406	-	-	-
Due to other funds	(1,911,558)	(22,462)	-	-	(81,744)	(1,600,629)	(141,421)	(66,713)	1,411
Security deposits	3,173	3,173	-	-	-	-	-	-	-
Accrued liabilities	14,539	(3,837)	-	-	-	17,611	-	-	765
Deferred revenue	(42,440)	-	-	-	-	(2)	(120,845)	(17,872)	96,279
Other	470	-	-	-	470	-	-	-	-
Net cash provided by operating activities	\$ 449,336	\$ -	\$ -	\$ -	\$ (91,570)	\$ 454,908	\$ (13,549)	\$ 1,865	\$ 97,682

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

REVOLVING FUNDS
Combining Statement of Net Assets
September 30, 2012

ASSETS	Total	Local Revolving Fund	Revolving Fund
Current Assets:			
Cash:			
Unrestricted	\$ 82,944	\$ 82	\$ 82,862
Restricted	100,749	-	100,749
Total cash	183,693	82	183,611
Accounts Receivable:			
Due from other funds	2,929,790	26,709	2,903,081
Other	19,728	-	19,728
Travel advances	12,369	-	12,369
Allowance for doubtful accounts - other	(3,100)	-	(3,100)
Total accounts receivable	2,958,787	26,709	2,932,078
Investments	-	-	-
Prepaid and other assets	74,788	-	74,788
Total current assets	3,217,268	26,791	3,190,477
Noncurrent Assets:			
Capital Assets:			
Land	41,598	41,598	-
Furniture and equipment	37,434	37,434	-
Accumulated depreciation	(37,434)	(37,434)	-
Total non-current assets	41,598	41,598	-
Total assets	\$ 3,258,866	\$ 68,389	\$ 3,190,477
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 2,272,051	\$ 159,665	\$ 2,112,386
Vendors	610,923	-	610,923
Other	200,052	-	200,052
Other accrued liabilities	123,632	-	123,632
Deferred revenues	19,390	-	19,390
Total liabilities	3,226,048	159,665	3,066,383
Net assets:			
Invested in capital assets, net of related debt	41,598	41,598	-
Restricted	100,749	-	100,749
Unrestricted	(109,529)	(132,874)	23,345
Total net assets (deficit)	32,818	(91,276)	124,094
Total liabilities and net assets	\$ 3,258,866	\$ 68,389	\$ 3,190,477

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

REVOLVING FUNDS

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended September 30, 2012

	Total	Local Revolving Fund	Revolving Fund
Operating revenues:			
Other Government Grants	\$ -	\$ -	\$ -
Other	128,001	-	128,001
	128,001	-	128,001
Total operating revenues	128,001	-	128,001
Operating Expenses:			
Administrative salaries	27,479	-	27,479
Employee benefits	10,171	-	10,171
Advertising and marketing	5,278	-	5,278
Office expense	25	-	25
Legal and professional fees	47,628	-	47,628
Depreciation	-	-	-
Travel	-	-	-
Bad debts	-	-	-
Repairs and maintenance	-	-	-
Other	99,219	19,898	79,321
	189,800	19,898	169,902
Total operating expenses	189,800	19,898	169,902
Operating income (loss)	(61,799)	(19,898)	(41,901)
Non-operating revenues:			
Investment income	30	30	-
Recovery of bad debts	6,500	-	6,500
Other income	26,800	26,800	-
	33,330	26,830	6,500
Total non-operating revenues	33,330	26,830	6,500
Change in net assets	(28,469)	6,932	(35,401)
Total net assets (deficit) at beginning of year	61,287	(98,208)	159,495
Total net assets (deficit) at end of year	\$ 32,818	\$ (91,276)	\$ 124,094

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statement of Cash Flows

Year Ended September 30, 2012

	Total	Local Revolving Fund	Revolving Fund
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Operating grants received	\$ -	\$ -	\$ -
Payments to suppliers	(162,321)	(19,898)	(142,423)
Payments to employees	(27,479)	-	(27,479)
Other cash receipts (payments)	64,053	(56,928)	120,981
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	(125,747)	(76,826)	(48,921)
Cash flows from investing activities:			
Investment and other income received	26,830	26,830	-
Net cash provided by (used in) investing activities	26,830	26,830	-
	<u> </u>	<u> </u>	<u> </u>
Net increase (decrease) in cash and cash equivalents	(98,917)	(49,996)	(48,921)
Cash and cash equivalents at beginning of year	282,610	50,078	232,532
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at end of year	\$ 183,693	\$ 82	\$ 183,611
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (61,799)	\$ (19,898)	\$ (41,901)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Bad debts	-	-	-
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	663,375	(26,709)	690,084
Travel advances	(12,369)	-	(12,369)
Other	10,097	-	10,097
Prepaid expenses and other assets	(3,009)	-	(3,009)
Increase (decrease) in liabilities:			
Accounts payable:			
Vouchers	600,883	-	600,883
Due to other funds	826,068	(30,219)	856,287
Other	(2,134,805)	-	(2,134,805)
Other accrued liabilities	(3,951)	-	(3,951)
Deferred revenues	(10,237)	-	(10,237)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	\$ (125,747)	\$ (76,826)	\$ (48,921)
	<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

TRUST FUNDS

Combining Statement of Revenues, Expenses and Changes in Net Assets

Year Ended September 30, 2012

	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Operating income	-	-	-	-
Investment income	96	-	96	-
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	96	-	96	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at beginning of year	78,522	900	74,657	2,965
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at end of year	<u>\$ 78,618</u>	<u>\$ 900</u>	<u>\$ 74,753</u>	<u>\$ 2,965</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

TRUST FUNDS

Combining Statement of Cash Flows

Year Ended September 30, 2012

	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Cash flows from operating activities:				
Receipts from customers	\$ 3,189	\$ -	\$ 3,189	\$ -
Other cash receipts (payments)	-	-	-	-
Net cash provided by operating activities	<u>3,189</u>	<u>-</u>	<u>3,189</u>	<u>-</u>
Cash flows from investing activities:				
Interest income received	96	-	96	-
Deposits in restricted accounts	<u>(3,285)</u>	<u>-</u>	<u>(3,285)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,189)</u>	<u>-</u>	<u>(3,189)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-
Cash and cash equivalents 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	3,189	-	3,189	-
Increase (decrease) in liabilities:				
Other current liabilities	-	-	-	-
Net cash provided by operating activities	<u>\$ 3,189</u>	<u>\$ -</u>	<u>\$ 3,189</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 Statement of Net Assets
September 30, 2012

ASSETS	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Current assets:							
Accounts receivable:							
Due from other funds	\$ 546,808	\$ -	\$ 2,161	\$ -	\$ 439,280	\$ 105,367	\$ -
Interest	65	65	-	-	-	-	-
Other	3,440	-	-	3,440	-	-	-
	<u>550,313</u>	<u>65</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	<u>-</u>
Investments	576,670	576,670	-	-	-	-	-
Total current assets	<u>1,126,983</u>	<u>576,735</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	<u>-</u>
Noncurrent assets:							
Capital assets, net	205,094	-	38,815	-	66,397	99,882	-
Total non-current assets	<u>205,094</u>	<u>-</u>	<u>38,815</u>	<u>-</u>	<u>66,397</u>	<u>99,882</u>	<u>-</u>
Total assets	<u>\$ 1,332,077</u>	<u>\$ 576,735</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 505,677</u>	<u>\$ 205,249</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS							
Liabilities:							
Accounts payable:							
Due to other funds	\$ 1,396,118	\$ 1,090	\$ 12,488	\$ 95	\$ 1,176,423	\$ 77,775	\$ 128,247
Accrued liabilities	-	-	-	-	-	-	-
Total liabilities	<u>1,396,118</u>	<u>1,090</u>	<u>12,488</u>	<u>95</u>	<u>1,176,423</u>	<u>77,775</u>	<u>128,247</u>
Net assets:							
Invested capital assets, net of related debt	205,094	-	38,815	-	66,397	99,882	-
Unrestricted	(269,135)	575,645	(10,327)	3,345	(737,143)	27,592	(128,247)
Total net assets	<u>(64,041)</u>	<u>575,645</u>	<u>28,488</u>	<u>3,345</u>	<u>(670,746)</u>	<u>127,474</u>	<u>(128,247)</u>
Total liabilities and net assets	<u>\$ 1,332,077</u>	<u>\$ 576,735</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 505,677</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 Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
TOTAL						
Operating revenues:						
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Total operating revenues	-	-	-	-	-	-
Operating expenses:						
Administrative salaries	10,592	814	-	-	9,778	-
Employee benefits	3,411	276	-	-	3,135	-
Depreciation	19,271	-	-	19,271	-	-
Asset management fee	-	-	-	-	-	-
Legal and professional fees	1,825	-	-	-	1,825	-
Advertising and marketing	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total operating expenses	<u>35,099</u>	<u>1,090</u>	-	<u>19,271</u>	<u>14,738</u>	-
Operating income loss	<u>(35,099)</u>	<u>(1,090)</u>	-	<u>(19,271)</u>	<u>(14,738)</u>	-
Non-operating revenues:						
Investment income	770	770	-	-	-	-
Total non-operating revenues (expenses)	<u>770</u>	<u>770</u>	-	-	-	-
Change in net assets	(34,329)	(320)	-	(19,271)	(14,738)	-
Total net assets at beginning of year	<u>(29,712)</u>	<u>575,965</u>	<u>3,345</u>	<u>(651,475)</u>	<u>142,212</u>	<u>(128,247)</u>
Total net assets at end of year	<u>\$ (64,041)</u>	<u>\$ 575,645</u>	<u>\$ 3,345</u>	<u>\$ (670,746)</u>	<u>\$ 127,474</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 Statement of Cash Flows
Year Ended September 30, 2012

	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
TOTAL						
Cash flows from operating activities:						
Receipts from customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to suppliers	(5,236)	(276)	-	-	(4,960)	-
Payments to employees	(10,592)	(814)	-	-	(9,778)	-
Other cash receipts (payments)	(44,379)	(59,117)	-	-	14,738	-
Net cash provided by operating activities	(60,207)	(60,207)	-	-	-	-
Cash flows from capital and related financing activities:						
Acquisition of fixed assets	-	-	-	-	-	-
Net cash flows (used for) provided by capital and related financing activities	-	-	-	-	-	-
Cash flows from investing activities:						
Interest and other income earned	770	770	-	-	-	-
Increase in investments	59,437	59,437	-	-	-	-
Net cash used in investing activities	60,207	60,207	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (35,099)	\$ (1,090)	\$ -	\$ (19,271)	\$ (14,738)	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	19,271	-	-	19,271	-	-
Bad debts	-	-	-	-	-	-
(Increase) decrease in assets:						
Due from other funds	-	-	-	-	-	-
Interest	(65)	(65)	-	-	-	-
Others	-	-	-	-	-	-
Increase (decrease) in liabilities:						
Accounts payable:						
Due to other funds	(44,314)	(59,052)	-	-	14,738	-
Other current liabilities	-	-	-	-	-	-
Others	-	-	-	-	-	-
Net cash provided by operating activities	\$ (60,207)	\$ (60,207)	\$ -	\$ -	\$ -	\$ -

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