

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

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

For The Year Ended September 30, 2011

(With Comparative Totals for September 30, 2010)

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, 2011, 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 2010 financial statements and, in my report dated February 21, 2011 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, 2011, 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 March 28, 2012 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 29 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 63 through 125 and the supplementary information on pages 147 through 158 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 131 to 133, 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
March 28, 2012

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2011

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, 2011. We encourage you to consider the information presented here in conjunction with GHURA's financial statements included in the report on pages 30 through 62.

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 115 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2011

Financial Highlights

The Authority had total operating and non-operating revenues of \$73,053,436 and expenses of \$72,523,794 for the year ended September 30, 2011 (\$68,484,775 and \$66,997,641 for the year ended September 30, 2010), representing increases of \$4,568,661 and \$5,568,661 (approximately 6.7% and 8.3%), respectively, over September 30, 2010 figures.

Total assets of the Authority of \$53,845,611 increased \$418,858 or approximately 0.8% as compared to \$53,426,753 in the prior year.

The Authority's cash and cash equivalents at September 30, 2011 totaled \$15,332,691, an increase of \$7,644,266, or approximately 99.4% as compared to \$7,688,425 as of September 30, 2010.

The Authority's working capital increased by \$1,073,665 or approximately 6.2% as of September 30, 2011.

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2011

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, 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 35 through 62 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 131 through 133 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2011

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:

- AMP 1 – Central Site Base consists of 158 units located at Sinajana, Agana Heights, Mongmong, and Asan.
- AMP 2 – Southeast Site Base consists of 163 units located at Yona, Inarajan, and Talofofo and Talofofo Elderly.
- AMP 3 – Southwest Site Base consists of 195 units located at Agat, Agat Elderly, Merizo, Merizo Elderly, and Umatac.
- AMP 4 – Northern 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 others.

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 2011, the Authority had 703 units occupied with 93% occupancy rate and an adjusted rate of 95% with 34 units under modernization. For the fiscal year ended September 30, 2011, the Authority received \$3.96 million in Operating Subsidy funds and \$2.07 million in Capital Fund Program funds for our Public Housing program.

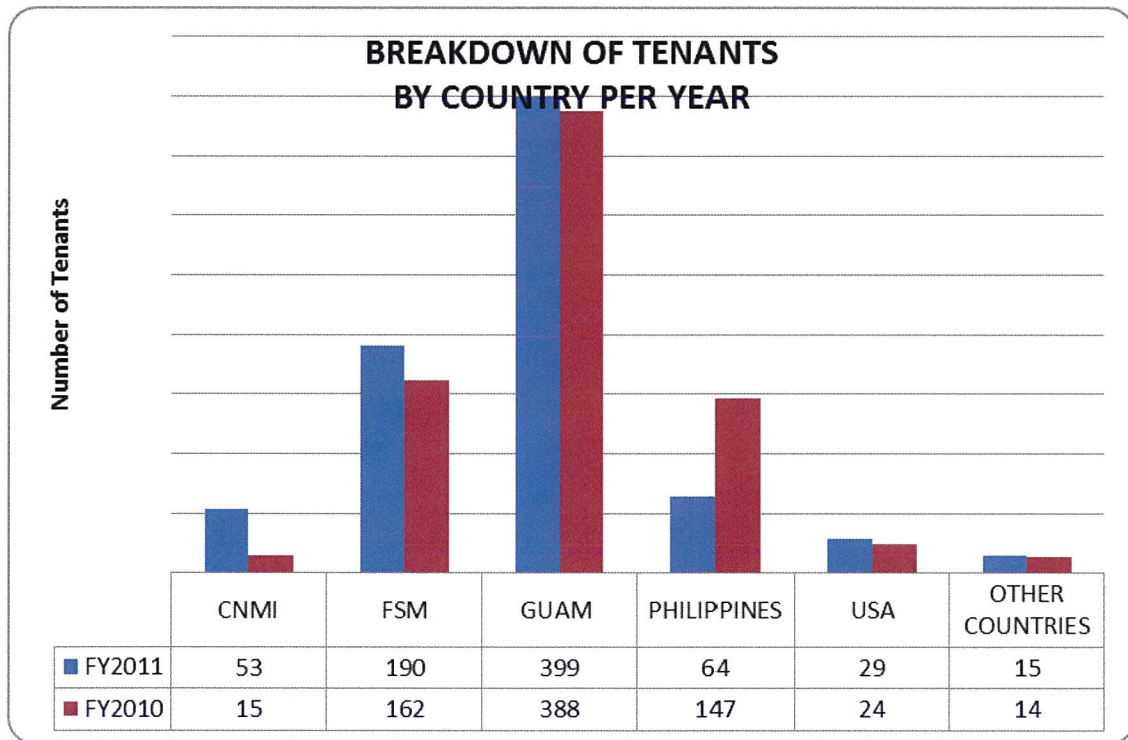
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Table A represents the Head of Household (HOH) tenants' ethnicities in the Public Housing Program for the Fiscal Year 2011.

TABLE A

LOCATION	2011	%	2010	%
CNMI	53	7%	15	2%
FSM	190	25%	162	22%
GUAM	399	53%	388	52%
PHILIPPINES	64	9%	147	19%
USA	29	4%	24	3%
OTHER CONTRIES	15	2%	14	2%
TOTAL	750	100%	750	100%



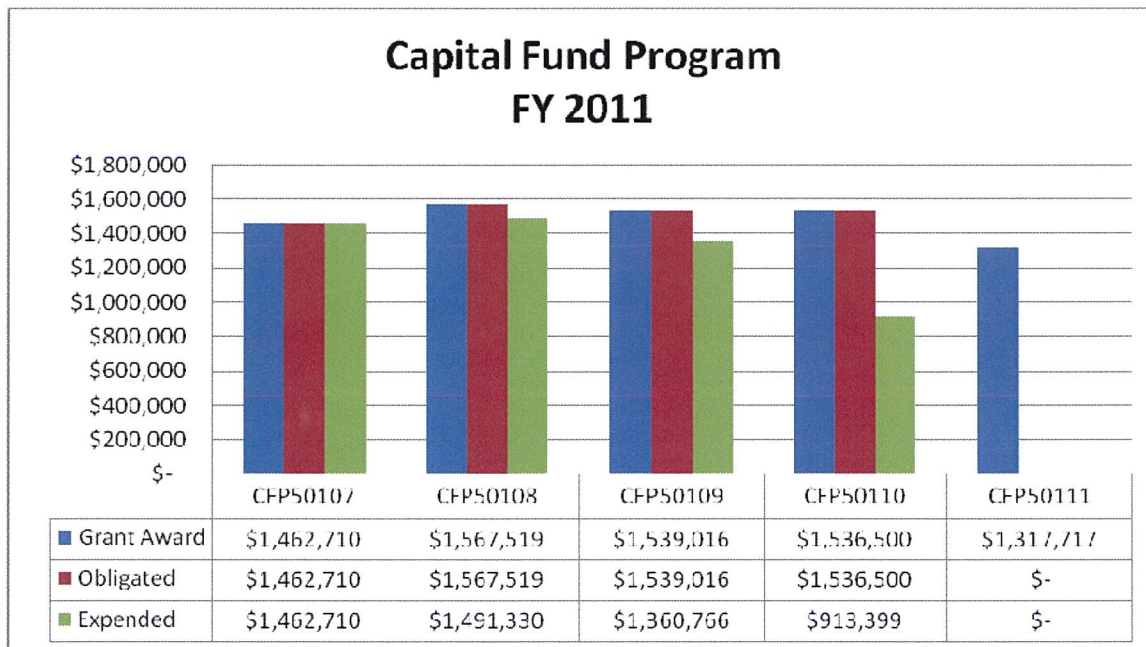
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Capital Fund Program

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 \$1.43 million (based on the two most recent grants) to implement such plans.

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.



THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

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;

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2011

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 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 2011, the Section 8 HCV Program reported the following profile:

- 81 percent of participating families are from female head-of-households and 19 percent from male head-of-households;
- The average annual household income was \$7,064;
- 44 percent of families were in three-bedroom units; 28 percent in two-bedroom units; and 18 percent in four-bedroom units; and the remaining 10 percent occupied one, five and six bedroom units;
- Approximately 98 percent of families receive some form of general assistance or Temporary Assistance for Needy Families (TANF); 59 percent receive income through wages; 33 percent receive child support; and 2 percent own businesses; 19 percent received social security benefits; 4 percent receive income from other sources; and 27 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

Guam Housing and Urban Renewal Authority

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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.

- 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.

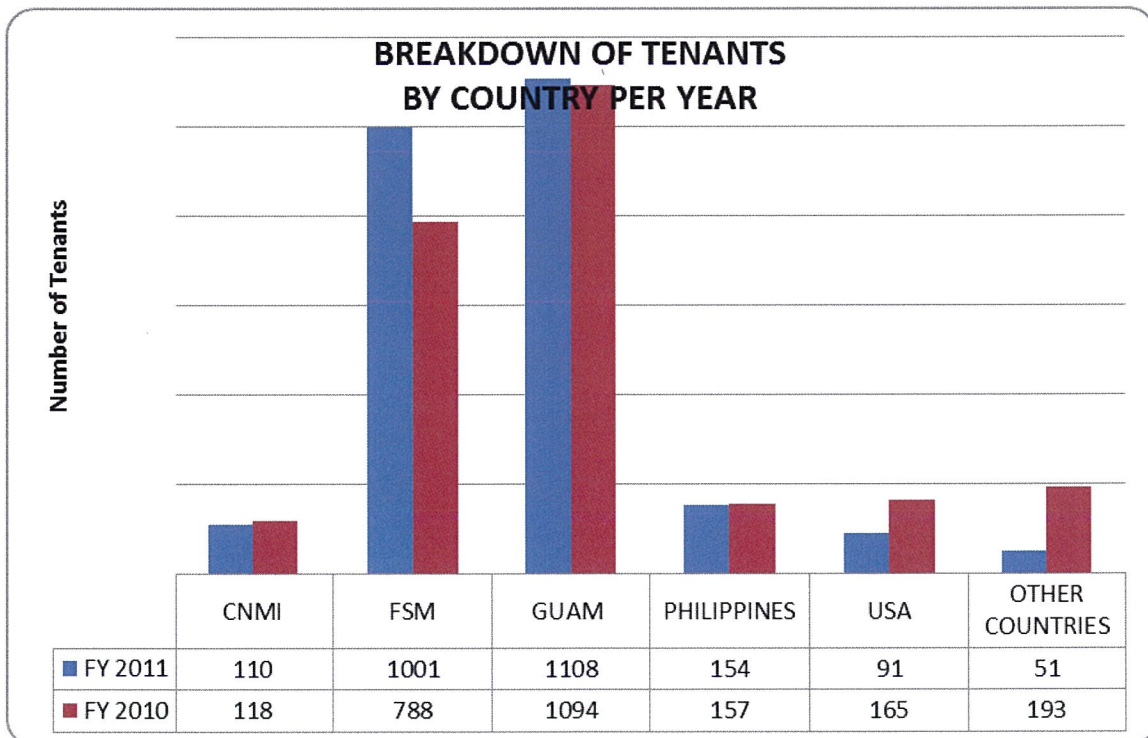
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Table B represents the Head of Household (HOH) tenants' ethnicities in the Section 8 Housing Choice Voucher Program for the Fiscal Year 2011.

TABLE B

LOCATION	2011	%	2010	%
CNMI	110	4%	118	5%
FSM	1,001	40%	788	31%
GUAM	1,108	44%	1,094	43%
PHILIPPINES	154	6%	157	6%
USA	91	4%	165	7%
OTHER COUNTRIES	51	2%	193	8%
TOTAL	2,515	100%	2,515	100%



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Management Discussion and Analysis
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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 FY2011, GHURA administered \$42.3 million in eligible CPD-funded activities. In FY2011 alone, a total of \$5,617,156 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$782,743 were approved for activities in FY2011. 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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Public Facilities and Improvements –

- (1) Ongoing construction of the Northern Region Pool Complex.
- (2) Ongoing expansion and renovation of the Southern Region Community Health Center facility in Inarajan.
- (3) CDBG & CDBG-R funds were used to construct the new Southern Police Precinct facility.
- (4) CDBG & CDBG-R funds were used to construct the relocated Agat/Santa Rita Fire Station.
- (5) Ongoing construction of Sagan Bonita. Funds were used to provide off-site infrastructure development in support of this 56-unit homebuyer affordable housing project.
- (6) Construction of the Macheche Neighborhood Facility. Funds have been authorized to facilitate the construction of a neighborhood community center and basketball court to serve the neighborhood of Macheche, Dededo. The Ilocano Association of Guam will operate the facility and has planned to provide services to senior citizens.
- (7) 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.

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. Nine families were assisted by the REHAB program during FY2011.

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

Emergency Shelter Grant (ESG)

In FY2011, ESG funded activities serving homeless populations. ESG funds were used for such activities as the following:

Operations –

- (1) 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 – The Lighthouse Recovery 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.

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).

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SHP funds in the current reporting year were used to fund five 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.

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, 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 in Ypao Road, Tamuning.

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

As of September 30, 2011, construction of the two projects is still ongoing. Phase I is expected to be completed in late 2011 while Phase II is expected to be completed in late 2012. Once completed, each of the rental housing units will be 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.

Leveraging of HUD CPD Funds

GHURA promotes the use of CPD funds on activities that present the best opportunities for positive leverage of its limited HUD funds. As such, the management of multiple funding sources is frequently necessary. In FY2011, GHURA activities were leveraged by diversity of other sources to its positive advantage. CDBG funds were leveraged by U.S. Department of Interior funds (Compact Impact funds) for the Guam Department of Parks and Recreation in the development and construction of the Northern Region Pool Complex in Dededo. CDBG funds were leverage by U.S. Health and Human Services funding for capital improvements, and the Tobacco Settlement Fund, for the Guam Department of Public Health's renovation and expansion of the Southern Region Community Health Center in Inarajan. HOME funds have been leveraged by funds secured through Micronesian Self-Help Housing Corporation and the Rural Development office of the U.S. Department of Agriculture for the Sagan Bonita Affordable Housing Program, a development of for-purchase housing for low and moderate-income homebuyers.

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.

Guam Housing and Urban Renewal Authority

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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.

TABLE 1

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

	2011	2010	2009
Current assets	\$ 23.6	\$ 22.6	\$ 21.1
Capital assets and other, net	29.3	29.9	30.3
Other noncurrent assets	0.9	1.0	1.0
Total assets	<u>\$ 53.8</u>	<u>\$ 53.5</u>	<u>\$ 52.4</u>
Current liabilities	\$ 5.3	\$ 5.4	\$ 6.0
Long term debt, net	1.3	1.4	1.4
Other noncurrent liabilities	0.7	0.7	0.5
Total liabilities	<u>7.3</u>	<u>7.5</u>	<u>7.9</u>
Net assets:			
Invested in capital assets, net	31.3	31.9	34.3
Restricted	5.1	2.9	2.6
Unrestricted	10.1	11.2	7.6
Total net assets	<u>46.5</u>	<u>46.0</u>	<u>44.5</u>
Total liabilities and net assets	<u>\$ 53.8</u>	<u>\$ 53.5</u>	<u>\$ 52.4</u>

During 2011, there was an overall increase in assets of \$.4 million (\$1.1 million in 2010). The increase was primarily attributable to current year operations and period charges.

For more detailed information see pages 30 and 31 for the Statement of Net Assets.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2011

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, 2011.

TABLE 2
CHANGE IN UNRESTRICTED NET ASSETS
(IN MILLIONS)

	2011	2010	2009
Unrestricted net assets, beginning of year	\$ 11.2	\$ 7.6	\$ 7.8
Results of operations	0.5	1.5	(1.2)
Adjustments:			
Depreciation (1)	2.6	3.3	3.0
Adjusted results from operations	3.1	4.8	1.8
Reclassification to restricted assets	(2.2)	(0.3)	(2.0)
Capital activity, net	(2.0)	(0.9)	-
Prior period adjustment	-	-	-
Unrestricted net assets, end of year	\$ 10.1	\$ 11.2	\$ 7.6

(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 four 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)

	2011	2010	2009
Revenues:			
Operating subsidies and grants	\$ 69.0	\$ 62.2	\$ 42.9
Capital grants	2.1	2.7	2.2
Other income	1.5	2.8	2.1
Tenant revenue	0.5	0.5	0.3
Investment income	-	0.3	0.2
Total revenues	73.1	68.5	47.7
Expenses:			
Housing assistance payments	32.9	32.7	31.5
Maintenance	6.2	12.6	3.5
Administrative	29.1	17.1	9.9
Depreciation	2.6	3.4	3.0
Tenant services	0.4	0.4	0.3
General and other	1.0	0.5	0.4
Utilities	0.4	0.3	0.3
Total expenses	72.6	67.0	48.9
Excess (Deficiency) of revenues over expenses	\$ 0.5	\$ 1.5	\$ (1.2)

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 0.60% of total current year revenues, decreased by \$48,206, or approximately 9.5% (\$211,754 increase, or approximately 72.1%, in 2010). The decrease in the current year revenues is attributed to decrease in tenant income and charges for the period.

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Operating Subsidies and Grants

Operating subsidies, operating and capital grant revenue increased by a net \$6.7 million, or approximately 9.3% from the prior year. The net increase resulted primarily from the following: increase of \$13.2 million for the US Department of the Treasury's IRS Section 1602 funds; \$1.6 million in Department of Interior funds; and \$.1 million for Capital funds; a decrease of \$2.1 million from ARRA program funding; \$.6 million in Low Rent Housing program funding; \$0.3 million in Housing Choice Voucher program activities funding; \$1.4 million in CDBG program funding; \$0.1 million in HOME program funding; and \$3.7 million in Tobacco Backed Asset Bond funds.

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

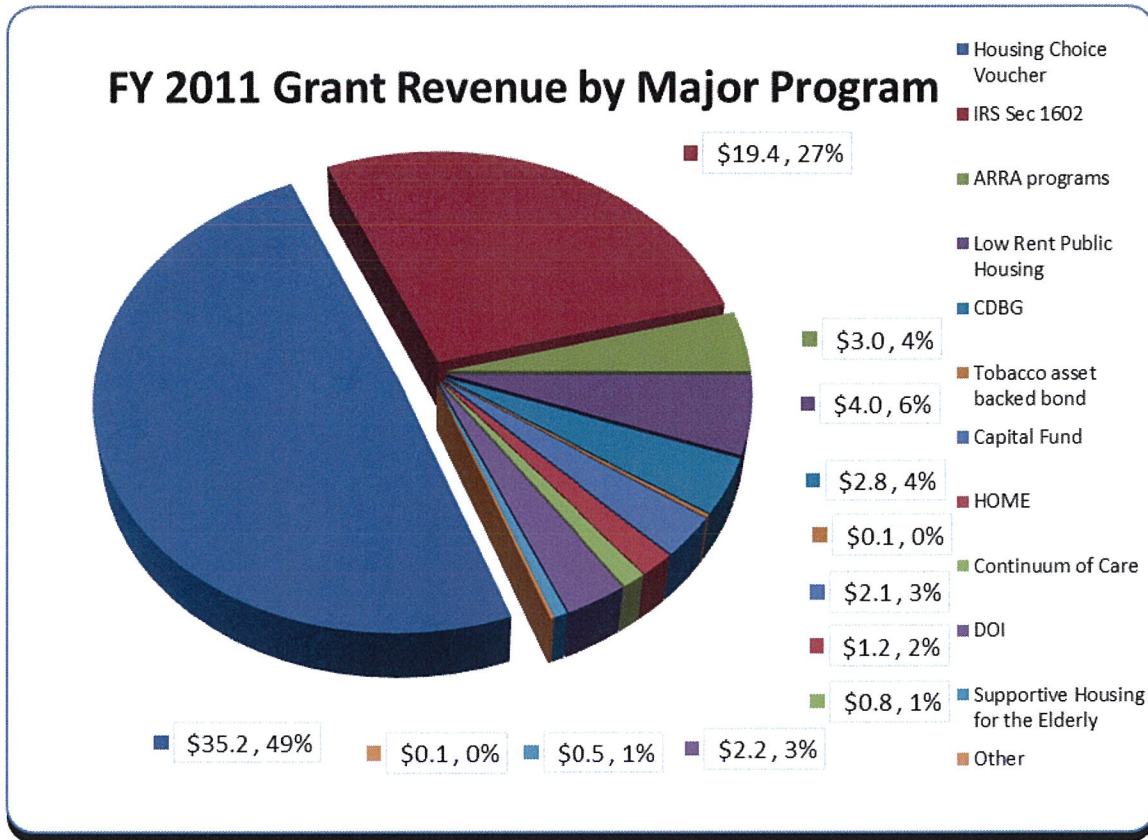
Operating and Capital Grant Revenue by Major Program Sources

TABLE 4
OPERATING SUBSIDIES AND GRANTS
(IN MILLIONS)

	2011	2010	2009
Housing Choice Voucher	\$ 35.2	\$ 35.5	\$ 31.8
IRS Sec 1602	19.4	6.2	-
ARRA programs	3.0	5.2	1.0
Low Rent Public Housing	4.0	4.6	4.2
CDBG	2.8	4.3	3.0
Capital Fund	2.1	2.0	2.1
HOME	1.2	1.3	1.1
Continuum of Care	0.8	0.7	0.7
DOI	2.2	0.7	-
Supportive Housing for the Elderly	0.5	0.4	0.4
Other	0.3	4.0	0.9
	<u>\$ 71.6</u>	<u>\$ 64.9</u>	<u>\$ 45.2</u>

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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.

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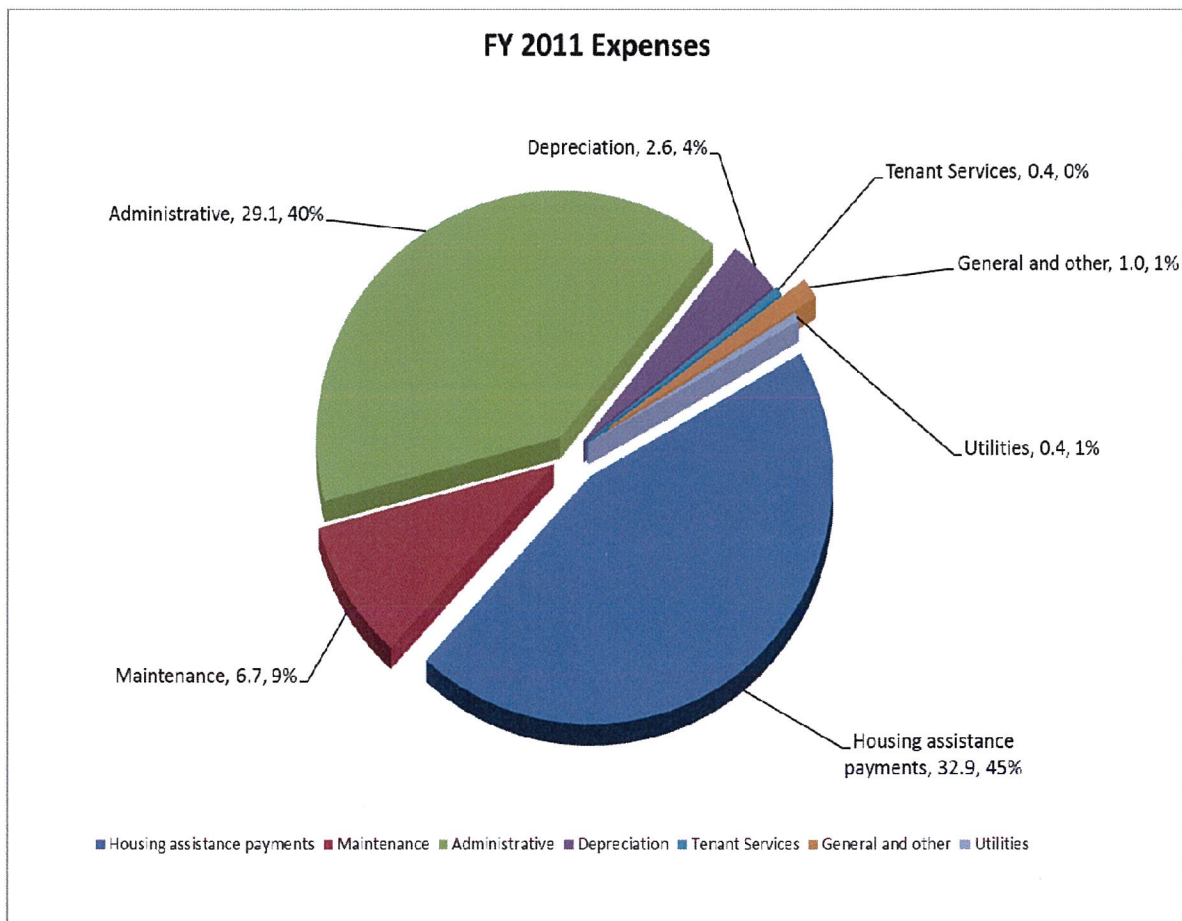
Expenses

Operating Expenses

Operating expenses totaled \$36.9 million in 2011 (\$30.9 million in 2010), which represents a 19.3% increase from prior year. Administrative expense was approximately 40.41% of total revenues in 2011 (24.98% of revenues in 2010).

Other Expenses

During 2011, there was a 0.8% increase in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to higher unit leasing levels (3.8% increase in 2010). Housing assistance payment expenses increased by approximately \$0.3 million in 2011 (increase of \$1.2 million in 2010).



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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the Authority had approximately \$29.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (net of additions and depreciation) of \$569,201, or approximately 1.9% from the end of last year (\$399,522 in 2010 or approximately 1.3%).

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

	2011	2010	2009
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	85.4	83.3	80.6
Equipment - administrative	2.1	2.1	2.1
Equipment - dwelling	1.5	1.5	1.3
	<hr/>	<hr/>	<hr/>
	92.7	90.6	87.7
Accumulated depreciation	(63.4)	(60.7)	(57.4)
	<hr/>	<hr/>	<hr/>
Capital assets, net	\$ 29.3	\$ 29.9	\$ 30.3

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
September 30, 2011

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 54 of the Notes to the accompanying financial statements.

	(IN MILLIONS)		
	2011	2010	2009
Balance at beginning of year	\$ 29.9	\$ 30.3	\$ 31.0
Additions	2.1	2.9	2.3
Disposition/transfers	(0.1)	-	-
Depreciation	(2.6)	(3.3)	(3.0)
Balance at end of year	<u>\$ 29.3</u>	<u>\$ 29.9</u>	<u>\$ 30.3</u>

Major additions are summarized as follows:

Major additions:

	2011	2010	2009
Building improvements and plans	\$ 2.1	\$ 2.7	\$ 2.0
Equipment purchases	-	-	0.3
Total additions	<u>\$ 2.1</u>	<u>\$ 2.7</u>	<u>\$ 2.3</u>

Debt Outstanding

As of year-end, the Authority had \$1,356,328 in debt (mortgage loan) outstanding compared to \$1,400,541 last year, for a \$44,213 decrease (debt retirement):

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

	2011	2010	2009
RD - Guma Trankilidat	<u>\$ 1.36</u>	<u>\$ 1.40</u>	<u>\$ 1.44</u>

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, 2011

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

	2011	2010	2009
Cash flows (used) provided by operations	\$ 0.5	\$ 0.5	\$ 2.3
Cash flows provided (used) in financing activities	1.8	(0.3)	(0.2)
Cash flows provided (used) in investing activities	5.3	0.7	0.0
Net increase (decrease) in cash and cash equivalents	7.6	0.9	2.1
Cash and cash equivalents at beginning of year	7.7	6.8	4.7
Cash and cash equivalents at end of year	<u>\$ 15.3</u>	<u>\$ 7.7</u>	<u>\$ 6.8</u>
Reconciliation of operating income (loss) to net cash (used) provided by operating activities			
Net loss	\$ (1.7)	\$ (1.9)	\$ (3.6)
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities:			
Depreciation	2.6	3.3	3.0
Bad debts	0.1	-	-
(Increase) decrease in assets	5.3	(0.5)	(2.2)
Increase (Decrease) in liabilities	(5.8)	(0.4)	5.1
Net cash (used) provided by operating activities	<u>\$ 0.5</u>	<u>\$ 0.5</u>	<u>\$ 2.3</u>

In 2011, net increase in cash flows resulted primarily from maturity of investments.

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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 will take place by the end of year 2011.

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

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

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

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

Guam Housing and Urban Renewal Authority

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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.

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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis

September 30, 2011

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.

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."

Guam Housing and Urban Renewal Authority

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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 Mr. Ray S. Topasna, 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, 2011
(With comparative totals as of September 30, 2010)

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2011	Total 2010
Current assets:						
Cash: (Notes 1 and 2)						
Unrestricted	\$ 7,980,867	\$ 558,469	\$ 4,148,968	\$ -	\$ 12,688,304	\$ 5,674,593
Restricted - other (Note 3)	989,649	376,938	1,262,128	-	2,628,715	1,999,066
Restricted - security deposits (Note 3)	-	15,672	-	-	15,672	14,766
Total cash	<u>8,970,516</u>	<u>951,079</u>	<u>5,411,096</u>	-	<u>15,332,691</u>	<u>7,688,425</u>
Accounts receivable:						
Notes receivable - current portion (Note 4)	1,471	-	87,017	-	88,488	72,527
Tenants (Note 1)	169,277	8,194	-	-	177,471	43,745
HUD	365,211	238,895	-	-	604,106	1,679,550
Other Government Agencies	-	206,576	-	-	206,576	889,523
Due from other funds (Notes 1 and 5)	6,040,290	134,129	5,169,692	(11,344,111)	-	-
Interest	166	23	-	-	189	870
Other	101,007	2,070	432,785	-	535,862	697,996
	<u>6,677,422</u>	<u>589,887</u>	<u>5,689,494</u>	<u>(11,344,111)</u>	<u>1,612,692</u>	<u>3,384,211</u>
Allowance for doubtful accounts	(30,366)	-	(106,160)	-	(136,526)	(97,388)
Total accounts receivable, net	<u>6,647,056</u>	<u>589,887</u>	<u>5,583,334</u>	<u>(11,344,111)</u>	<u>1,476,166</u>	<u>3,286,823</u>
Investments: (Notes 1, 2, 3 and 11)						
Unrestricted	1,306,076	-	1,359,943	-	2,666,019	4,434,997
Restricted/reserved by fiscal agent	183,593	204,469	-	-	388,062	3,496,707
Total investments	<u>1,489,669</u>	<u>204,469</u>	<u>1,359,943</u>	-	<u>3,054,081</u>	<u>7,931,704</u>
Prepayments and other current assets						
	<u>42,645</u>	<u>2,847</u>	<u>79,157</u>	-	<u>124,649</u>	<u>109,816</u>
Inventories (Note 1)	<u>233,263</u>	<u>8,549</u>	-	-	<u>241,812</u>	<u>193,797</u>
Other real estate (Notes 1 and 6)	-	-	3,398,518	-	3,398,518	3,361,341
Total current assets	<u>17,383,149</u>	<u>1,756,831</u>	<u>15,832,048</u>	<u>(11,344,111)</u>	<u>23,627,917</u>	<u>22,571,906</u>
Noncurrent assets:						
Capital assets, net (Notes 1 and 7)	25,402,969	3,594,252	317,035	-	29,314,256	29,883,457
Notes receivable - noncurrent (Note 4)	-	-	866,382	-	866,382	934,334
Other assets	37,056	-	-	-	37,056	37,056
Total noncurrent assets	<u>25,440,025</u>	<u>3,594,252</u>	<u>1,183,417</u>	-	<u>30,217,694</u>	<u>30,854,847</u>
Total assets	<u>\$ 42,823,174</u>	<u>\$ 5,351,083</u>	<u>\$ 17,015,465</u>	<u>\$ (11,344,111)</u>	<u>\$ 53,845,611</u>	<u>\$ 53,426,753</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, 2011
(With comparative totals as of September 30, 2010)

Liabilities and Net Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2011	Total 2010
Current liabilities:						
Current portion of note payable (Note 8)	\$ -	\$ 46,000	\$ -	\$ -	\$ 46,000	\$ 44,000
Accounts payable	53,732	125,354	24,232	-	203,318	213,948
Current portion of compensated absences (Note 1)	10,159	1,490	3,182	-	14,831	40,988
Due to HUD	38,631	8,215	-	-	46,846	-
Due to other funds (Notes 1 and 5)	2,899,137	1,133,922	7,311,052	(11,344,111)	-	-
Security deposits	128,081	15,672	-	-	143,753	133,000
Accrued salaries and wages	51,707	5,633	-	-	57,340	61,732
Accrued liabilities	84,704	44	293,523	-	378,271	336,836
Deferred revenues	133,533	23,826	1,631,001	-	1,788,360	2,050,093
Other current liabilities	345,572	-	2,334,857	-	2,680,429	2,491,205
Total current liabilities	3,745,256	1,360,156	11,597,847	(11,344,111)	5,359,148	5,371,802
Non-current liabilities:						
Long-term portion of note payable (Notes 8 and 9)	-	1,310,328	-	-	1,310,328	1,356,541
Accrued compensated absences (Notes 1 and 9)	403,230	83,196	163,591	-	650,017	701,934
Total non-current liabilities	403,230	1,393,524	163,591	-	1,960,345	2,058,475
Total liabilities	4,148,486	2,753,680	11,761,438	(11,344,111)	7,319,493	7,430,277
Commitments and contingencies						
Net assets: (Note 11)						
Invested capital assets, net of related debt	25,402,969	2,214,252	3,715,553	-	31,332,774	31,844,257
Restricted	3,279,300	597,079	100,559	-	3,976,938	2,930,074
Unrestricted	9,992,419	(213,928)	1,437,915	-	11,216,406	11,222,145
Total net assets	38,674,688	2,597,403	5,254,027	-	46,526,118	45,996,476
Total liabilities and net assets	\$ 42,823,174	\$ 5,351,083	\$ 17,015,465	\$ (11,344,111)	\$ 53,845,611	\$ 53,426,753

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, 2011

(With comparative totals for the year ended September 30, 2010)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2011	Total 2010
Operating revenues:						
HUD PHA Operating Grants	\$ 42,226,148	\$ 3,118,732	\$ -	\$ -	\$ 45,344,880	\$ 50,774,189
Other Federal Grants (Note 1)	2,244,377	646,889	20,736,389	-	23,627,655	11,385,567
Management fees (Note 1)	-	-	1,162,506	(1,162,506)	-	1,301,021
Other income	131,585	159,464	260,304	-	551,353	620,551
Tenant rental income	368,667	88,593	-	-	457,260	505,466
Bookkeeping fees (Note 1)	-	-	283,567	(283,567)	-	285,705
Asset management fees (Note 1)	-	-	90,000	(90,000)	-	90,000
Property sales	-	-	24,000	-	24,000	29,306
Total operating revenues	<u>44,970,777</u>	<u>4,013,678</u>	<u>22,556,766</u>	<u>(1,536,073)</u>	<u>70,005,148</u>	<u>64,991,805</u>
Operating expenses:						
Housing assistance payments	32,935,455	-	-	-	32,935,455	32,670,091
Repairs and maintenance	4,159,172	690,667	1,329,693	-	6,179,532	12,071,528
Project costs (Note 1)	-	-	19,446,645	-	19,446,645	6,221,796
Other administrative expenses	802,634	2,269,666	600,023	-	3,672,323	4,194,682
Administrative salaries	2,796,494	424,655	1,025,249	-	4,246,398	3,999,038
Depreciation	2,539,785	71,990	35,431	-	2,647,206	3,339,446
Management fees (Note 1)	1,125,258	37,248	-	(1,162,506)	-	1,301,021
Employee benefits	983,475	149,664	347,271	-	1,480,410	1,287,393
Office expense	372,190	46,146	66,495	-	484,831	405,589
Utilities	149,936	158,239	46,240	-	354,415	321,165
Bookkeeping fees (Note 1)	283,567	-	-	(283,567)	-	285,705
Insurance	179,948	11,223	14,125	-	205,296	215,282
Compensated absences	(93,753)	16,330	(650)	-	(78,073)	176,375
Professional fees	54,074	1,721	61,107	-	116,902	128,251
Asset management fees (Note 1)	90,000	-	-	(90,000)	-	90,000
Travel	8,651	3,640	36,819	-	49,110	73,540
Protective services	44,740	298	365	-	45,403	38,737
Bad debts	97,935	-	14,112	-	112,047	35,097
Payments in-lieu of taxes	29,870	-	-	-	29,870	30,041
Advertising and marketing	17,878	3,262	14,239	-	35,379	27,967
Tenant service	-	-	-	-	-	-
Total operating expenses	<u>46,577,309</u>	<u>3,884,749</u>	<u>23,037,164</u>	<u>(1,536,073)</u>	<u>71,963,149</u>	<u>66,912,744</u>
Operating income (loss)	<u>(1,606,532)</u>	<u>128,929</u>	<u>(480,398)</u>	<u>-</u>	<u>(1,958,001)</u>	<u>(1,920,939)</u>
Non-operating revenues (expenses):						
Capital Grants	2,072,675	-	-	-	2,072,675	2,718,055
Interest income on restricted investments	2,251	941	5,645	-	8,837	275,166
Interest income on unrestricted investments	13,870	1,259	-	-	15,129	44,155
Fraud recovery	64,847	-	-	-	64,847	119,972
Other income	201,756	268,939	416,105	-	886,800	335,622
Other expense	(147,250)	(93,929)	(237,199)	-	(478,378)	-
Interest expense	-	(82,267)	-	-	(82,267)	(84,897)
Total non-operating revenues (expenses), net	<u>2,208,149</u>	<u>94,943</u>	<u>184,551</u>	<u>-</u>	<u>2,487,643</u>	<u>3,408,073</u>
Change in net assets	601,617	223,872	(295,847)	-	529,642	1,487,134
Total net assets at beginning of year	<u>38,073,071</u>	<u>2,373,531</u>	<u>5,549,874</u>	<u>-</u>	<u>45,996,476</u>	<u>44,509,342</u>
Total net assets at end of year	<u>\$ 38,674,688</u>	<u>\$ 2,597,403</u>	<u>\$ 5,254,027</u>	<u>\$ -</u>	<u>\$ 46,526,118</u>	<u>\$ 45,996,476</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, 2011
(With comparative totals for the year ended September 30, 2010)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2011	Total 2010
Cash flows from operating activities:						
Operating grants received	\$ 44,646,695	\$ 4,281,615	\$ 20,736,389	\$ -	\$ 69,664,699	\$ 60,960,384
Receipts from customers	500,285	251,148	2,290,275	-	3,041,708	3,039,797
Assistance paid	(32,935,455)	-	-	-	(32,935,455)	(32,670,091)
Cash payments to suppliers for goods and services	(10,603,030)	(3,729,229)	(20,154,282)	-	(34,486,541)	(27,056,144)
Cash payments to employees for services	(2,783,830)	(426,040)	(1,002,779)	-	(4,212,649)	(3,803,993)
Other cash receipts (payments)	-	-	(541,770)	-	(541,770)	-
Net cash provided by (used in) operating activities	<u>(1,175,335)</u>	<u>377,494</u>	<u>1,327,833</u>	<u>-</u>	<u>529,992</u>	<u>469,953</u>
Cash flows from noncapital financing activities:						
Transfer from other funds	<u>1,869,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,869,974</u>	<u>-</u>
Net cash used for noncapital financing activities	<u>1,869,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,869,974</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Interest paid	-	(82,267)	-	-	(82,267)	(84,897)
Repayment of note payable	-	(44,213)	-	-	(44,213)	(41,582)
Capital grants received	2,072,675	-	-	-	2,072,675	2,718,055
Acquisition of fixed assets	(2,126,627)	-	-	-	(2,126,627)	(2,939,923)
Net cash used for capital and related financing activities	<u>(53,952)</u>	<u>(126,480)</u>	<u>-</u>	<u>-</u>	<u>(180,432)</u>	<u>(348,347)</u>
Cash flows from investing activities:						
Interest and other income received	165,378	5,231	184,551	-	355,160	790,155
Deposits to restricted accounts	4,883,611	188,907	(2,946)	-	5,069,572	(48,507)
Net cash provided by investing activities	<u>5,048,989</u>	<u>194,138</u>	<u>181,605</u>	<u>-</u>	<u>5,424,732</u>	<u>741,648</u>
Net increase (decrease) in cash	5,689,676	445,152	1,509,438	-	7,644,266	863,254
Cash at beginning year	<u>3,280,840</u>	<u>505,927</u>	<u>3,901,658</u>	<u>-</u>	<u>7,688,425</u>	<u>6,825,171</u>
Cash and cash equivalents at end of year	<u>\$ 8,970,516</u>	<u>\$ 951,079</u>	<u>\$ 5,411,096</u>	<u>\$ -</u>	<u>\$ 15,332,691</u>	<u>\$ 7,688,425</u>

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

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

Combined Statements of Cash Flows, Continued
For the Year Ended September 30, 2011
(With comparative totals for the year ended September 30, 2010)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2011	Total 2010
Reconciliation in change in net assets to net cash provided by operating activities:						
Operating income (loss)	\$ (1,606,532)	\$ 128,929	\$ (480,398)	\$ -	\$ (1,958,001)	\$ (1,920,939)
Adjustments to reconcile change in net assets cash provided by (used in) operating activities:						
Depreciation	2,539,785	71,990	35,431	-	2,647,206	3,339,446
Bad debts	97,935	-	14,112	-	112,047	35,097
(Increase) decrease in assets:						
Accounts receivable:						
Notes receivable	(1,217)	-	53,208	-	51,991	2,771
Tenant	(135,886)	2,160	-	-	(133,726)	(43,262)
HUD	693,951	439,360	-	-	1,133,311	(255,453)
Other Government Agencies	6,650	(147,256)	830,203	-	689,597	(889,523)
Due from other funds	(26,061)	(88,098)	2,983,814	-	2,869,655	(3,388,909)
Interest	124	35	-	-	159	-
Other	110,361	-	52,161	-	162,522	331,444
Prepayments and other assets	(11,398)	(300)	(3,135)	-	(14,833)	50,781
Inventories	(47,970)	(45)	-	-	(48,015)	3,749
Other real estate	-	-	(37,177)	-	(37,177)	242,571
Increase (decrease) in liabilities:						
Accounts payable	-	115,021	4,199	-	119,220	18,736
Compensated absences	(102,978)	16,328	(649)	-	(87,299)	180,102
Payable to HUD	532	-	-	-	532	(406,166)
Due to other funds	(2,550,587)	(173,305)	(2,410,526)	-	(5,134,418)	3,388,909
Security deposits	9,847	906	-	-	10,753	5,668
Accrued salaries and wages	(2,074)	(2,319)	-	-	(4,393)	14,943
Other current liabilities	(11,620)	-	383,765	-	372,145	(181,989)
Accrued liabilities	29,870	-	9,015	-	38,885	(3,627)
Deferred revenues	(168,067)	14,088	(106,190)	-	(260,169)	(54,396)
Net cash provided by (used in) operating activities						
	<u>\$ (1,175,335)</u>	<u>\$ 377,494</u>	<u>\$ 1,327,833</u>	<u>\$ -</u>	<u>\$ 529,992</u>	<u>\$ 469,953</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, 2011
(With comparative totals as of September 30, 2010)

(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, 703 (out of 737 available) units or 95.39% were leased as of September 30, 2011, while 681 (out of 697 available) units or 97.7% were leased as of September 30, 2010. These properties are modernized under HUD's Capital Funds Program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2011
(With comparative totals as of September 30, 2010)

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

Major Enterprise Funds, continued

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

Housing Assistance Payments - 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, 2,409 or 95.8% and 2,427 or 96.5% were leased as of September 30, 2011 and 2010, respectively.

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.

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

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

Non-Major Enterprise Funds

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.

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 Program

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

HOME Investment Partnership Program

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

Emergency Shelter Grants 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 Opportunities and Supportive Services Program

This program addresses the needs of public housing residents by providing service coordinator positions to coordinate supportive services, resident empowerment activities and/or assisting residents in becoming economically self-sufficient or age-in-place. Grant funds may be used for the salary of Service Coordinator positions, with some administrative and training funds. Only residents of conventional public housing may benefit from this program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2011
(With comparative totals as of September 30, 2010)

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

Non-Major Enterprise Funds, continued

Cooperative Extension Program

Within the states and territories, the CES has repeatedly served as the trusted community organization that has helped 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.

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; 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).

Community Development Block Grants/Special Purpose Grants/Insular Areas – (Recovery Act Funded)

The CDBG Special Purpose Grant/Insular Areas (Recovery Act Funded) program is to provide community development assistance to the Pacific Islands of American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands in the Caribbean. Insular CDBG-R program funds are to be used to maximize job retention and creation, and economic benefit, carry out infrastructure improvements on an expedited basis, carry out activities to encourage energy efficiency, and provide assistance to unemployed persons.

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, 2011

(With comparative totals as of September 30, 2010)

(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 re-house 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.

Other Enterprise Funds

The following funds were determined to be non-major enterprise funds for the years ended September 30, 2011 and 2010:

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 Low-Income Credits Program

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. The Authority disbursed \$19,446,645 to developers during the year ending September 30, 2011. As of September 30, 2011, the cumulative amount of cash assistance disbursed by the Authority for this program totaled \$25,668,442 and \$5,110,058 of the grant funds is available for future disbursement.

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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

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

Other Enterprise Funds, continued

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.

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

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 Financial 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 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 a 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.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(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 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. 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 provisions of this statement are effective for periods beginning after June 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, 2011

(With comparative totals as of September 30, 2010)

(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 in 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, 2010, 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, 2011

(With comparative totals as of September 30, 2010)

(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. During 2010, several budget revisions were necessary and the final Authority-wide budgets to actual amounts were not provided for financial statement presentation.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(I) 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 \$18,384,375 and \$15,617,727 as of September 30, 2011 and 2010, 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, 2011 and 2010 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, 2011 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, 2011

(With comparative totals as of September 30, 2010)

(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, 2011

(With comparative totals as of September 30, 2010)

(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, 2011 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, 2011 and 2010, accrued earned compensated absences totaled \$664,845 and \$742,922, 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, 2011, the total amount of unused sick leave for members under the DCRS plan was \$527,972.27 of which 50%, or \$263,986.14 was accrued in the accompanying financial statements while \$628,374 of which 50% or \$314,187 was accrued as of September 30, 2010.

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, 2011 and 2010, the Authority paid management fees to COCC of \$1,536,073 and \$1,676,726 respectively. HUD regulates the amount of management fees that can be paid. These revenues and related expenses were eliminated for financial statement presentation.

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, 2011
(With comparative totals as of September 30, 2010)

(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, 2011 and 2010, the Authority incurred advertising and marketing costs totaling \$37,540 and \$27,967, 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, 2011
(With comparative totals as of September 30, 2010)

(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, 2011 consist of the following:

	<u>2011</u>	<u>2010</u>
Cash on hand and due from banks	\$15,332,691	\$ 7,688,425
Investments	<u>3,054,081</u>	<u>7,931,704</u>
	<u>\$18,386,772</u>	<u>\$ 15,620,129</u>

Of the above cash and cash equivalents and investments, \$3,032,449 and \$2,944,840 were restricted at September 30, 2011 and 2010, 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, 2011

(With comparative totals as of September 30, 2010)

(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 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, 2011 and 2010, the carrying amount of the Authority's total cash and cash equivalents was \$18,386,776 and \$15,620,129, respectively, with a corresponding bank balance of \$15,427,491 and \$15,617,729, 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, 2011 and 2010, bank deposits in the amount of \$14,890,978 and \$10,370,129 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, 2011

(With comparative totals as of September 30, 2010)

(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, 2011 and 2010, are summarized as follows:

	2011	2010
Restricted cash:		
Supportive Housing for the Elderly	\$ 392,610	\$ 390,763
Section 8 HCV	989,649	362,638
Central Office Cost Center	1,161,569	1,160,060
Revolving Fund	100,559	100,371
Total restricted cash	2,644,387	2,013,832
Restricted Investments:		
Supportive Housing for the Elderly	\$ 204,469	\$ 204,026
Section 8 HCV	-	3,109,485
Low Rent Housing	183,593	183,196
Total restricted investments	388,062	3,496,707
	\$ 3,032,449	\$ 5,510,539

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, 2011, GHURA had \$2,644,387 and \$204,469 and in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$15,672 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, 2011

(With comparative totals as of September 30, 2010)

(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, 2011, FSS escrow amounts held by the Authority for the Section 8 and Low Rent Public Housing participants in the FSS program totaled \$352,777 and \$95,963 respectively.

The Section 8 HCV program also has restricted cash of \$989,649 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, 2011.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,065,606, 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, 2011, there is a balance of \$1,021,307 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, 2011

(With comparative totals as of September 30, 2010)

(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 \$18,000.00 or 18% of the purchase price and are collateralized by second mortgages on real estate and consist of the following:

	<u>2011</u>	<u>2010</u>
Due in varying monthly installments, interest free, with maturities to 2026 including loans	\$ 744,104	\$ 840,301
HOME Rehabilitation loans due in varying monthly installments, interest free, with maturities to 2026, including loans	<u>210,766</u>	<u>166,306</u>
	954,870	1,006,607
Current portion	<u>(88,488)</u>	<u>(72,273)</u>
	<u>\$ 866,382</u>	<u>\$ 934,334</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, 2011
(With comparative totals as of September 30, 2010)

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

The composition of the inter-fund receivable and payable balances as of September 30, 2011 and 2010 are as follows:

September 30, 2011

	<u>Due from other Funds</u>	<u>Due to other Funds</u>	<u>Net Receivable (Payable)</u>
CDBG	\$ -	\$ 121,496	\$ (121,496)
Low Income Housing	5,903,331	500,915	5,402,416
Section 8 Programs	-	2,143,718	(2,143,718)
Capital Fund Project	136,959	133,008	(3,951)
ARRA Funds	123,408	398,619	(275,211)
Non-Major Enterprise Funds	10,721	735,303	(724,582)
Other Enterprise Funds	<u>5,169,692</u>	<u>7,311,052</u>	<u>(2,141,360)</u>
Net Inter-fund balances	<u>\$ 11,344,111</u>	<u>\$ 11,344,111</u>	<u>\$ -</u>

September 30, 2010

	<u>Due from other Funds</u>	<u>Due to other Funds</u>	<u>Net Receivable (Payable)</u>
CDBG	\$ -	\$ 484,714	\$ (484,714)
Low Income Housing	7,839,526	145,498	7,694,028
Section 8 Programs	(2,211)	4,576,560	(4,578,771)
Capital Fund Project	(16,006)	90,765	(106,771)
ARRA Funds	123,158	108,544	14,614
Non-Major Enterprise Funds	41,498	1,192,227	(1,150,729)
Other Enterprise Funds	<u>7,953,339</u>	<u>9,342,996</u>	<u>(1,138,382)</u>
Net Inter-fund balances	<u>\$ 15,941,304</u>	<u>\$ 15,941,304</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, 2011 and 2010, the Authority had ninety-six (96) lots in its inventory with an estimated value of \$3,326,688 and \$3,361,341 respectively. In addition, GHURA has four (4) lots in the Government of Guam Astumbo housing project with an estimated per lot value of \$14,366 for total estimated value of \$71,830 as of September 30, 2011.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(7) Capital Assets

A summary of changes in capital assets for the years ended September 30, 2011 and 2010 are as follows:

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>

September 30, 2010

	Balance 9/30/2009	Additions	Transfers Disposals	Balance 9/30/2010
Structures	\$ 80,643,269	\$ 2,768,402	\$ -	\$ 83,411,671
Furniture, fixtures and equipment	3,411,186	171,521	-	3,582,707
	84,054,455	2,939,923	-	86,994,378
Accumulated depreciation	(57,447,357)	(3,339,446)	-	(60,786,803)
Net depreciable assets	26,607,098	(399,523)	-	26,207,575
Land	3,675,882	-	-	3,675,882
Net capital assets	<u>\$ 30,282,980</u>	<u>\$ (399,523)</u>	<u>\$ -</u>	<u>\$ 29,883,457</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(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>2011</u>	<u>2010</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)	\$ 1,356,328	\$ 1,400,541
Current portion	<u>(46,000)</u>	<u>(44,000)</u>
	<u>\$ 1,310,328</u>	<u>\$ 1,356,541</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>
2012	\$ 46,000	80,480	\$ 126,480
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 through 2021	352,000	280,400	632,400
2022 through 2026	476,000	156,400	632,400
2027 through 2030	<u>267,328</u>	<u>145,291</u>	<u>412,619</u>
	<u>\$ 1,356,328</u>	<u>\$ 953,491</u>	<u>\$ 2,309,819</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(9) Noncurrent Liabilities

Noncurrent liability activities at September 30, 2011 and 2010 are as follows:

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>

September 30, 2010

	Outstanding Balance <u>09/30/09</u>	<u>Increases</u>	<u>Decreases</u>	Outstanding Balance <u>09/30/10</u>	<u>Current</u>	<u>Noncurrent</u>
Note payable	\$ 1,442,123	\$ -	\$ (41,582)	\$ 1,400,541	\$ 44,000	\$ 1,356,541
Compensated Absences	<u>562,820</u>	<u>180,101</u>	<u>-</u>	<u>742,921</u>	<u>40,987</u>	<u>701,934</u>
	<u>\$ 2,004,943</u>	<u>\$ 180,101</u>	<u>\$ (41,582)</u>	<u>\$ 2,143,462</u>	<u>\$ 84,987</u>	<u>\$ 2,058,475</u>

(10) HUD Contributions Earned - HAP

HUD contributions earned by GHURA consist of housing assistance payments and an administrative fee. For fiscal year 2008, the administrative fee changed from a fixed amount to a varied amount based upon the number of units leased. The Authority earned an administrative fee totaling \$2,386,986 and \$2,233,234 for the fiscal years ended September 30, 2011 and 2010, respectively.

(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, 2011

(With comparative totals as of September 30, 2010)

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

As of September 30, 2011 and 2010, the Authority's Section 8 HCV net assets were comprised as following:

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>(15,596)</u>	<u>385,017</u>
Total Administrative Fee Equity	550,549	(54,913)	495,636
HAP Equity:			
Restricted net assets	<u>3,109,485</u>	<u>(13,778)</u>	<u>3,095,707</u>
Total Housing Choice Voucher Equity	<u>\$ 3,660,034</u>	<u>\$ (68,691)</u>	<u>\$ 3,591,343</u>

September 30, 2010

	<u>Balance at</u> <u>9/30/09</u>	<u>Net Change</u>	<u>Balance at</u> <u>9/30/10</u>
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 61,480	\$ 88,456	\$ 149,936
Unrestricted net assets	<u>1,368,293</u>	<u>(967,680)</u>	<u>400,613</u>
Total Administrative Fee Equity	1,429,773	(879,224)	550,549
HAP Equity:			
Restricted net assets	<u>2,202,003</u>	<u>907,482</u>	<u>3,109,485</u>
Total Housing Choice Voucher Equity	<u>\$ 3,631,776</u>	<u>\$ 28,258</u>	<u>\$ 3,660,034</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(12) Commitments

Housing Assistance Payments

At September 30, 2011 and 2010, GHURA had approximately 2,409 and 2,427 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, 2011 and 2010, \$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, 2011 and 2010 are as follows:

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>

September 30, 2010

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Unliquidated Contract</u>
Low Income Housing	\$ 2,601,466	\$ 1,937,864	\$ 663,602
CDBG Grants	<u>5,797,872</u>	<u>4,851,725</u>	<u>946,147</u>
	<u>\$ 8,399,338</u>	<u>\$ 6,789,589</u>	<u>\$ 1,609,749</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(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, 2008, 2007, and 2006, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2011, 2010 and 2009, respectively, have been determined as follows:

	2011	2010	2009
Normal Cost, as % of DB Plan payroll	17.00%	18.34%	17.36%
Employee contributions (DB Plan employees)	9.50%	9.50%	9.50%
Employer portion of normal costs (% of DB Plan payroll)	7.50%	8.84%	7.86%
Employer portion of normal cost, % of total payroll	3.03%	3.73%	3.70%
Unfunded liability costs, as % of total payroll	21.75%	22.69%	19.68%
Government contribution as % of DB Plan payroll	24.78%	26.42%	23.38%

Public Law 31-74 passed in June 2011 provided for a reduction in the employer contribution rate from 27.46% to 21.93% for the period between June 2011 through September 2011.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2011

(With comparative totals as of September 30, 2010)

(13) *Employees Retirement Plan, continued*

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Employer rate	<u>27.46%</u>	<u>26.04%</u>	<u>25.20%</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, 2011 and 2010 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, 2011, the retirement expense contribution was \$435,459 and \$689,617 for the DB and DCRS Plans, respectively and for the year ended September 30, 2010, the retirement expense contribution was \$375,878 and \$648,883 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, 2011

(With comparative totals as of September 30, 2010)

(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, 2011, the Authority had deposited \$1,021,307 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. Although the Authority has been audited in accordance with the provisions of OMB Circular A-133, these programs are still subject to financial and compliance audits by grantor or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the 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, 2011

(With comparative totals as of September 30, 2010)

(15) *Contingencies, continued*

Litigation, continued

There are four claims for an adverse action appeal by employees against GHURA before the Guam Civil Service Commission (CSC) of which three are for wrongful termination and one is pending due to employee's case is pending due to medical reasons. There is one claim for an adverse action appeal by a former employee against GHURA before the Equal Employee Opportunity Commission. These cases are still pending and legal counsel believes there is a likelihood of success that the cases will be dismissed. Therefore, no provision has been made in the accompanying financial statements that may result from this claim.

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.

(16) *Lease Commitments*

The Authority lease office space under an operating lease with original term of two (2) years expiring January 2012. The future minimum annual lease payments for this rental commitment under this non-cancelable operating lease are as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2012	\$ 79,471
2013	<u>27,302</u>
	<u>\$ 106,778</u>

Rent expense for the years ended September 30, 2011 and 2010 was \$74,598 and \$70,719, respectively, which was allocated between the CDBG and HOME programs.

(17) *Economic Dependency*

HUD and other federal government agencies provided approximately \$69.6 million in 2011 and \$62.2 million in 2010 to the Authority, which represents approximately 96% and 96% of the Authority's total revenues for the years ended September 30, 2011 and 2010.

(18) *Subsequent Events*

The Authority evaluated subsequent events from September 30, 2011 through April 5, 2012, 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, 2011

Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	Economic, Social and Political Development of the Territories
Current assets:						
Cash:						
Unrestricted	\$ 7,980,867	\$ -	\$ 3,334,857	\$ 4,646,010	\$ -	\$ -
Restricted - other	989,649	-	-	989,649	-	-
Total cash	8,970,516	-	3,334,857	5,635,659	-	-
Accounts receivable:						
Notes receivable - current portion	1,471	-	1,471	-	-	-
Tenants	169,277	-	42,062	127,215	-	-
HUD	365,211	230,950	812	-	133,449	-
Due from other funds	6,040,290	-	5,903,331	-	136,959	-
Interest	166	-	134	32	-	-
Other	101,007	-	-	101,007	-	-
	6,677,422	230,950	5,947,810	228,254	270,408	-
Allowance for doubtful accounts	(30,366)	-	(30,366)	-	-	-
Total accounts receivable, net	6,647,056	230,950	5,917,444	228,254	270,408	-
Investments:						
Unrestricted	1,306,076	-	1,016,729	289,347	-	-
Restricted/reserved by fiscal agent	183,593	-	183,593	-	-	-
Total investments	1,489,669	-	1,200,322	289,347	-	-
Prepayments and other current assets	42,645	1,327	32,229	9,089	-	-
Inventories	233,263	-	233,263	-	-	-
Total current assets	17,383,149	232,277	10,718,115	6,162,349	270,408	-
Noncurrent assets:						
Capital assets, net	25,402,969	9,115	17,629,843	110,619	7,653,392	-
Other assets	37,056	-	-	37,056	-	-
Total noncurrent assets	25,440,025	9,115	17,629,843	147,675	7,653,392	-
Total assets	\$ 42,823,174	\$ 241,392	\$ 28,347,958	\$ 6,310,024	\$ 7,923,800	\$ -

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, 2011

Liabilities and Net Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	Economic, Social and Political Development of the Territories
Current liabilities:						
Accounts payable	\$ 53,732	\$ 1,978	\$ -	\$ 51,754	\$ -	\$ -
Current portion of compensated absences	10,159	1,946	4,733	3,480	-	-
Due to HUD	38,631	-	38,631	-	-	-
Due to other funds	2,899,137	121,496	500,915	2,143,718	133,008	-
Security deposits	128,081	-	128,081	-	-	-
Accrued salaries and wages	51,707	-	26,301	25,406	-	-
Accrued liabilities - PILOT	84,704	-	84,704	-	-	-
Deferred revenues	133,533	10,087	(13,954)	-	137,400	-
Other current liabilities	345,572	-	916	344,656	-	-
Total current liabilities	3,745,256	135,507	770,327	2,569,014	270,408	-
Noncurrent liabilities:						
Accrued compensated absences	403,230	96,770	156,793	149,667	-	-
Total noncurrent liabilities	403,230	96,770	156,793	149,667	-	-
Total liabilities	4,148,486	232,277	927,120	2,718,681	270,408	-
Net assets:						
Invested capital assets, net of related debt	25,402,969	9,115	17,629,843	110,619	7,653,392	-
Restricted	3,279,300	-	183,593	3,095,707	-	-
Unrestricted	9,992,419	-	9,607,402	385,017	-	-
Total net assets	38,674,688	9,115	27,420,838	3,591,343	7,653,392	-
Total liabilities and net assets	\$ 42,823,174	\$ 241,392	\$ 28,347,958	\$ 6,310,024	\$ 7,923,800	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Statements of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2011

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	Economic, Social and Political Development of the Territories
Operating revenues:						
HUD PHA Operating Grants	\$ 42,226,148	\$ 2,813,895	\$ 3,956,012	\$ 35,200,988	\$ 255,253	\$ -
Other Government Grants	2,244,377	-	-	-	-	2,244,377
Tenant rental income	368,667	-	368,667	-	-	-
Other income	131,585	4,510	127,075	-	-	-
Total operating revenues	44,970,777	2,818,405	4,451,754	35,200,988	255,253	2,244,377
Operating expenses:						
Housing assistance payments	32,935,455	-	-	32,935,455	-	-
Repairs and maintenance	4,159,172	1,579,799	334,996	-	-	2,244,377
Administrative salaries	2,796,494	533,889	1,170,440	1,022,943	69,222	-
Depreciation	2,539,785	-	1,944,553	38,927	556,305	-
Other administrative expenses	802,634	430,277	192,002	130,114	50,241	-
Management fees	1,125,258	-	514,898	495,160	115,200	-
Employee benefits	983,475	188,601	405,887	364,814	24,173	-
Office expense	372,190	72,182	120,566	177,035	2,407	-
Bookkeeping fees	283,567	-	66,570	216,997	-	-
Insurance	179,948	2,460	171,281	6,103	104	-
Utilities	149,936	-	149,936	-	-	-
Bad debts	97,935	-	97,935	-	-	-
Asset management fees	90,000	-	90,000	-	-	-
Professional fees	54,074	12,436	11,495	30,143	-	-
Travel	8,651	4,793	-	-	3,858	-
Protective services	44,740	-	44,740	-	-	-
Payments in-lieu of taxes	29,870	-	29,870	-	-	-
Advertising and marketing	17,878	9,380	4,442	576	3,480	-
Compensated absences	(93,753)	(15,412)	(57,368)	(8,501)	(12,472)	-
Total operating expenses	46,577,309	2,818,405	5,292,243	35,409,766	812,518	2,244,377
Operating loss	(1,606,532)	-	(840,489)	(208,778)	(557,265)	-
Non-operating revenues:						
Capital Grants	2,072,675	-	-	-	2,072,675	-
Interest income on restricted investments	2,251	-	-	2,251	-	-
Interest income on unrestricted investments	13,870	-	1,689	12,181	-	-
Fraud recovery	64,847	-	-	64,847	-	-
Other income	201,756	116,460	23,528	60,808	960	-
Other expense	(147,250)	(147,250)	-	-	-	-
Total non-operating revenues, net	2,208,149	(30,790)	25,217	140,087	2,073,635	-
Change in net assets	601,617	(30,790)	(815,272)	(68,691)	1,516,370	-
Total net assets at beginning of year	38,073,071	39,905	28,236,110	3,660,034	6,137,022	-
Total net assets at end of year	\$ 38,674,688	\$ 9,115	\$ 27,420,838	\$ 3,591,343	\$ 7,653,392	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Statements of Cash Flows
For the Year Ended September 30, 2011

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	Economic, Social and Political Development of the Territories
Cash flows from operating activities:						
Operating grants received	\$ 44,646,695	\$ 3,151,173	\$ 3,953,740	\$ 35,200,988	\$ 96,417	\$ 2,244,377
Receipts from customers	500,285	4,510	495,775	-	-	-
Assistance paid	(32,935,455)	-	-	(32,935,455)	-	-
Payments to suppliers	(10,603,030)	(2,627,892)	(1,804,296)	(3,899,270)	(27,195)	(2,244,377)
Payments to employees	(2,783,830)	(527,791)	(1,176,370)	(1,010,447)	(69,222)	-
Net cash provided by (used in) operating activities	(1,175,335)	-	1,468,849	(2,644,184)	-	-
Cash flows from noncapital financing activities:						
Transfers from Revolving Fund	1,869,974	-	1,869,974	-	-	-
Net cash used for noncapital financing activities	1,869,974	-	1,869,974	-	-	-
Cash flows from capital and related financing activities:						
Capital grants received	2,072,675	-	-	-	2,072,675	-
Acquisition of fixed assets	(2,126,627)	-	(54,342)	390	(2,072,675)	-
Net cash used for capital and related financing activities	(53,952)	-	(54,342)	390	-	-
Cash flows from investing activities:						
Interest and other income received	165,378	-	25,291	140,087	-	-
Deposits to restricted accounts	4,883,611	-	-	4,883,611	-	-
Net cash used in investing activities	5,048,989	-	25,291	5,023,698	-	-
Net increase (decrease) in cash and cash equivalents	5,689,676	-	3,309,772	2,379,904	-	-
Cash and cash equivalents at beginning year	3,280,840	-	25,085	3,255,755	-	-
Cash and cash equivalents at end of year	\$ 8,970,516	\$ -	\$ 3,334,857	\$ 5,635,659	\$ -	\$ -
Cash, including time deposits	\$ 7,980,867	\$ -	\$ 3,334,857	\$ 4,646,010	\$ -	\$ -
Restricted cash, including time deposits	989,649	-	-	989,649	-	-
Total cash and cash equivalents at end of year	\$ 8,970,516	\$ -	\$ 3,334,857	\$ 5,635,659	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Statements of Cash Flows, Continued
For the Year Ended September 30, 2011

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Public Housing Capital Fund Program	Economic, Social and Political Development of the Territories
Reconciliation in operating loss to net cash provided by operating activities:						
Operating loss	\$ (1,606,532)	\$ -	\$ (840,489)	\$ (208,778)	\$ (557,265)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:						
Depreciation	2,539,785	-	1,944,553	38,927	556,305	-
Bad debts	97,935	-	97,935	-	-	-
(Increase) decrease in assets:						
Accounts receivable:						
Notes receivable	(1,217)	-	(1,217)	-	-	-
Tenant receivables	(135,886)	-	(8,671)	(127,215)	-	-
HUD	693,951	395,071	(532)	-	299,412	-
Other Government Agencies	6,650	-	-	-	-	6,650
Due from other funds	(26,061)	-	-	18,719	(44,780)	-
Interest	124	-	74	50	-	-
Other	110,361	-	-	110,361	-	-
Prepayments and other assets	(11,398)	364	(5,462)	(6,300)	-	-
Inventories	(47,970)	-	(47,970)	-	-	-
Increase (decrease) in liabilities:						
Compensated absences and sick leave	(102,978)	(15,412)	(66,593)	(8,501)	(12,472)	-
Payable to HUD	532	-	532	-	-	-
Due to other funds	(2,550,587)	(363,218)	355,417	(2,453,772)	(82,364)	(6,650)
Security deposits	9,847	-	9,847	-	-	-
Accrued salaries and wages	(2,074)	(9,314)	3,295	3,945	-	-
Other current liabilities	(11,620)	-	-	(11,620)	-	-
Accrued liabilities - PILOT	29,870	-	29,870	-	-	-
Deferred revenues	(168,067)	(7,491)	(1,740)	-	(158,836)	-
Net cash provided by (used in) operating activities	\$ (1,175,335)	\$ -	\$ 1,468,849	\$ (2,644,184)	\$ -	\$ -

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, 2011

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
Current assets:								
Cash - restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable - HUD	230,950	-	-	-	24,443	24,256	37,184	145,067
Total current assets	230,950	-	-	-	24,443	24,256	37,184	145,067
Prepayments and other assets	1,327	-	-	-	-	-	120	1,207
Capital assets, net	9,115	-	-	-	9,115	-	-	-
Total Assets	\$ 241,392	\$ -	\$ -	\$ -	\$ 33,558	\$ 24,256	\$ 37,304	\$ 146,274
Liabilities and Net Assets								
Current liabilities:								
Accounts payable	\$ 1,978	\$ -	\$ -	\$ -	\$ -	\$ 35	\$ 1,943	\$ -
Due to other funds	121,496	-	-	-	23,194	24,221	35,361	38,720
Accrued salaries and wages	-	-	-	-	-	-	-	-
Compensated absences - current	1,946	-	-	-	-	-	-	1,946
Deferred revenues	10,087	-	-	-	1,249	-	-	8,838
Total current liabilities	135,507	-	-	-	24,443	24,256	37,304	49,504
Compensated absences - noncurrent	96,770	-	-	-	-	-	-	96,770
Total liabilities	232,277	-	-	-	24,443	24,256	37,304	146,274
Net Assets:								
Invested in capital assets, net of related debt	9,115	-	-	-	9,115	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-
Total net assets	9,115	-	-	-	9,115	-	-	-
Total Liabilities and Net Assets	\$ 241,392	\$ -	\$ -	\$ -	\$ 33,558	\$ 24,256	\$ 37,304	\$ 146,274

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, 2011

	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
Revenues:								
Federal contributions	\$ 2,813,895	\$ -	\$ -	\$ -	\$ (295)	\$ 300,146	\$ 1,150,367	\$ 1,363,677
Other	4,510	-	-	-	1,630	-	-	2,880
Total Revenues	2,818,405	-	-	-	1,335	300,146	1,150,367	1,366,557
Operating expenses:								
Repairs and maintenance	1,579,799	-	-	-	(462)	215,645	680,052	684,564
Other	430,277	-	-	-	-	28,991	62,159	339,127
Administrative salaries	533,889	-	-	-	1,254	40,775	333,108	158,752
Employee benefits	188,601	-	-	-	399	14,411	120,440	53,351
Management fees	-	-	-	-	-	-	-	-
Professional fees	12,436	-	-	-	-	-	9,664	2,772
Advertising and marketing	9,380	-	-	-	-	324	2,252	6,804
Depreciation	-	-	-	-	-	-	-	-
Office expense	72,182	-	-	-	-	-	56,904	15,278
Travel	4,793	-	-	-	-	-	-	4,793
Compensated absences	(15,412)	-	-	-	-	-	(114,128)	98,716
Insurance	2,460	-	-	-	144	-	(84)	2,400
Total operating expenses	2,818,405	-	-	-	1,335	300,146	1,150,367	1,366,557
Operating loss	-	-	-	-	-	-	-	-
Non-operating revenues and expenses:								
Other expense	(147,250)	-	-	-	-	(85,500)	(61,750)	-
Other income	116,460	-	(19,699)	(11,091)	-	85,500	61,750	-
Capital Grants	-	-	-	-	-	-	-	-
Total non-operating revenues (expense), net	(30,790)	-	(19,699)	(11,091)	-	-	-	-
Change in net assets	(30,790)	-	(19,699)	(11,091)	-	-	-	-
Total net assets, beginning of year	39,905	-	19,699	11,091	9,115	-	-	-
Total net assets, end of year	\$ 9,115	\$ -	\$ -	\$ -	\$ 9,115	\$ -	\$ -	\$ -

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, 2011

	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
Cash flows from operating activities:								
Operating grants received	\$ 3,151,173	\$ -	\$ 136,354	\$ 11	\$ 671	\$ 422,233	\$ 1,364,456	\$ 1,227,448
Receipts from customers	4,510	-	-	-	1,630	-	-	2,880
Payments to suppliers	(2,627,892)	-	(136,354)	(11)	(585)	(374,858)	(1,143,224)	(972,860)
Payments to employees	(527,791)	-	-	-	(1,716)	(47,375)	(221,232)	(257,468)
Net cash provided by operating activities	-	-	-	-	-	-	-	-
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 loss	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile net loss to net cash provided by (used) operating activities:								
Depreciation	-	-	-	-	-	-	-	-
(Increase) decrease in assets:								
Accounts receivable - HUD	395,071	66,160	136,825	11	966	122,087	214,089	(145,067)
Prepayments and other assets	364	191	-	-	-	-	1,380	(1,207)
Increase (decrease) in liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Compensated absences	(15,412)	-	-	-	-	-	(114,128)	98,716
Due to other funds	(363,218)	(54,375)	(136,354)	3,871	(504)	(115,487)	(99,089)	38,720
Accrued salaries and wages	(9,314)	-	-	-	(462)	(6,600)	(2,252)	-
Deferred revenues	(7,491)	(11,976)	(471)	(3,882)	-	-	-	8,838
Net cash provided by operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2011

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 3,334,857	\$ 614,137	\$ 817,337	\$ 954,791	\$ 948,592
Restricted Cash - FSS Escrow	-	-	-	-	-
Restricted Cash - other	-	-	-	-	-
Total cash	<u>3,334,857</u>	<u>614,137</u>	<u>817,337</u>	<u>954,791</u>	<u>948,592</u>
Accounts receivable:					
Tenants	42,062	8,737	1,804	(1,693)	33,214
Promissory notes	1,471	770	-	651	50
HUD	812	-	812	-	-
Due from other programs	5,903,331	1,799,883	930,526	906,571	2,266,351
Interest	134	4	21	61	48
Other	-	-	-	-	-
	5,947,810	1,809,394	933,163	905,590	2,299,663
Allowance for doubtful accounts	<u>(30,366)</u>	<u>(3,362)</u>	<u>(225)</u>	<u>(1,841)</u>	<u>(24,938)</u>
Total accounts receivable	<u>5,917,444</u>	<u>1,806,032</u>	<u>932,938</u>	<u>903,749</u>	<u>2,274,725</u>
Inventories	233,263	60,945	47,936	42,724	81,658
Investments:					
General fund	1,016,729	-	142,820	501,405	372,504
Restricted - security deposits	<u>183,593</u>	<u>38,677</u>	<u>39,901</u>	<u>47,734</u>	<u>57,281</u>
Total investments	<u>1,200,322</u>	<u>38,677</u>	<u>182,721</u>	<u>549,139</u>	<u>429,785</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>10,718,115</u>	<u>2,528,808</u>	<u>1,987,486</u>	<u>2,458,093</u>	<u>3,743,728</u>
Noncurrent assets:					
Capital assets:					
Land	2,130,777	299,151	450,147	533,031	848,448
Infrastructure	651,548	85,239	107,587	289,788	168,934
Buildings and improvements, at cost	71,530,778	11,800,439	15,674,746	22,032,814	22,022,779
Furniture and equipment, at cost	2,117,812	741,911	581,074	336,338	458,489
Accumulated depreciation	<u>(58,801,072)</u>	<u>(9,800,243)</u>	<u>(13,049,173)</u>	<u>(18,710,235)</u>	<u>(17,241,421)</u>
Net capital assets	<u>17,629,843</u>	<u>3,126,497</u>	<u>3,764,381</u>	<u>4,481,736</u>	<u>6,257,229</u>
Total assets	<u>\$ 28,347,958</u>	<u>\$ 5,655,305</u>	<u>\$ 5,751,867</u>	<u>\$ 6,939,829</u>	<u>\$ 10,000,957</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, 2011

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Liabilities:					
Accounts payable:					
Trade	\$ -	\$ -	\$ -	\$ -	\$ -
HUD	38,631	-	-	532	38,099
Tenant security deposits	128,081	25,391	25,879	37,157	39,654
Due to other funds	500,915	-	-	500,915	-
Accrued salaries and wages	26,301	7,552	6,869	6,220	5,660
Compensated absences, current portion	4,733	1,595	1,263	1,344	531
Other current liabilities	916	313	-	603	-
Accrued liabilities - PILOT	84,704	40,583	-	-	44,121
Total accounts payable	784,281	75,434	34,011	546,771	128,065
Deferred credits:					
Tenants prepaid rents	-	-	-	-	-
Other	(13,954)	(2,666)	(3,186)	(6,262)	(1,840)
Total deferred credits	(13,954)	(2,666)	(3,186)	(6,262)	(1,840)
Total current liabilities	770,327	72,768	30,825	540,509	126,225
Noncurrent liabilities:					
Compensated absences, net of current portion	104,139	35,146	36,466	19,479	13,048
Other - sick leave, net of current portion	52,654	34,232	18,422	-	-
Total noncurrent liabilities	156,793	69,378	54,888	19,479	13,048
Total liabilities	927,120	142,146	85,713	559,988	139,273
Net assets:					
Invested in capital assets, net of related debt	17,629,843	3,126,497	3,764,381	4,481,736	6,257,229
Restricted	183,593	38,677	39,901	47,734	57,281
Unrestricted	9,607,402	2,347,985	1,861,872	1,850,371	3,547,174
Total net assets	27,420,838	5,513,159	5,666,154	6,379,841	9,861,684
Total liabilities and net assets	\$ 28,347,958	\$ 5,655,305	\$ 5,751,867	\$ 6,939,829	\$ 10,000,957

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, 2011

	<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	\$ 3,956,012	\$ 715,613	\$ 1,047,387	\$ 1,140,864	\$ 1,052,148
Tenant rental income	368,667	151,502	10,496	1,718	204,951
Other income	<u>127,075</u>	<u>27,222</u>	<u>24,712</u>	<u>53,330</u>	<u>21,811</u>
Total operating revenues	<u>4,451,754</u>	<u>894,337</u>	<u>1,082,595</u>	<u>1,195,912</u>	<u>1,278,910</u>
Operating expenses:					
Depreciation	1,944,553	344,582	416,351	535,816	647,804
Management fees	514,898	108,653	113,410	133,191	159,644
Ordinary maintenance - salaries	509,302	163,486	107,457	105,861	132,498
Administrative salaries	374,366	117,225	89,215	67,852	100,074
Ordinary repairs and maintenance	334,996	113,525	68,396	91,190	61,885
Tenant services - salaries	286,772	42,334	75,566	89,710	79,162
Other administrative expenses	192,002	32,741	50,689	54,481	54,091
Insurance	171,281	47,830	34,337	40,192	48,922
Employee benefits - ordinary maintenance	165,812	54,792	33,364	38,303	39,353
Utilities	149,936	23,121	33,644	58,542	34,629
Employee benefits - administrative	133,982	44,673	31,750	23,867	33,692
Offices supplies	120,566	26,755	28,533	34,400	30,878
Employee benefits - tenant services	106,093	12,376	26,079	37,035	30,603
Bad debts	97,935	21,290	19,813	34,214	22,618
Asset management fees	90,000	18,960	19,560	23,400	28,080
Bookkeeping fees	66,570	14,047	14,663	17,220	20,640
Protective services	44,740	960	4,929	21,300	17,551
Payments in-lieu of taxes	29,870	12,838	-	-	17,032
Legal and professional fees	11,495	1,365	1,421	271	8,438
Advertising and marketing	4,442	948	984	1,151	1,359
Compensated absences	<u>(57,368)</u>	<u>6,104</u>	<u>(14,124)</u>	<u>(24,365)</u>	<u>(24,983)</u>
Total operating expenses	<u>5,292,243</u>	<u>1,208,605</u>	<u>1,156,037</u>	<u>1,383,631</u>	<u>1,543,970</u>
Operating loss	<u>(840,489)</u>	<u>(314,268)</u>	<u>(73,442)</u>	<u>(187,719)</u>	<u>(265,060)</u>
Non-operating revenues:					
Interest on general fund investments	1,689	1,689	-	-	-
Other income	<u>23,528</u>	<u>1,131</u>	<u>10,122</u>	<u>6,478</u>	<u>5,797</u>
Total non-operating revenues	<u>25,217</u>	<u>2,820</u>	<u>10,122</u>	<u>6,478</u>	<u>5,797</u>
Changes in net assets	<u>(815,272)</u>	<u>(311,448)</u>	<u>(63,320)</u>	<u>(181,241)</u>	<u>(259,263)</u>
Total net assets, beginning of year	<u>28,236,110</u>	<u>5,824,607</u>	<u>5,729,474</u>	<u>6,561,082</u>	<u>10,120,947</u>
Total net assets, end of year	<u>\$ 27,420,838</u>	<u>\$ 5,513,159</u>	<u>\$ 5,666,154</u>	<u>\$ 6,379,841</u>	<u>\$ 9,861,684</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, 2011

	<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	\$ 3,953,740	\$ 715,612	\$ 1,047,387	\$ 1,138,593	\$ 1,052,148
Receipts from customers	495,775	183,304	44,090	62,249	206,132
Payments to suppliers	(1,804,296)	(516,256)	(470,581)	(219,003)	(598,456)
Payments to employees	<u>(1,176,370)</u>	<u>(321,277)</u>	<u>(270,425)</u>	<u>(270,931)</u>	<u>(313,737)</u>
Net cash provided by operating activities	<u>1,468,849</u>	<u>61,383</u>	<u>350,471</u>	<u>710,908</u>	<u>346,087</u>
Cash flows from noncapital financing activities:					
Transfers from Revolving Fund	<u>1,869,974</u>	<u>568,047</u>	<u>461,576</u>	<u>231,052</u>	<u>609,299</u>
Net cash provided by noncapital financing activities	<u>1,869,974</u>	<u>568,047</u>	<u>461,576</u>	<u>231,052</u>	<u>609,299</u>
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	<u>(54,342)</u>	<u>(21,973)</u>	<u>(6,702)</u>	<u>-</u>	<u>(25,667)</u>
Net cash used in capital and related financing activities	<u>(54,342)</u>	<u>(21,973)</u>	<u>(6,702)</u>	<u>-</u>	<u>(25,667)</u>
Cash flows from investing activities:					
Deposits to investments					
Interest and other income received	<u>25,291</u>	<u>2,820</u>	<u>10,122</u>	<u>6,478</u>	<u>5,871</u>
Net cash used in investing activities	<u>25,291</u>	<u>2,820</u>	<u>10,122</u>	<u>6,478</u>	<u>5,871</u>
Net increase in cash and cash equivalents	3,309,772	610,277	815,467	948,438	935,590
Cash and cash equivalents at beginning of year	<u>25,085</u>	<u>3,860</u>	<u>1,870</u>	<u>6,353</u>	<u>13,002</u>
Cash and cash equivalents at end of year	<u>\$ 3,334,857</u>	<u>\$ 614,137</u>	<u>\$ 817,337</u>	<u>\$ 954,791</u>	<u>\$ 948,592</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (840,489)	\$ (314,268)	\$ (73,442)	\$ (187,719)	\$ (265,060)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	1,944,553	344,582	416,351	535,816	647,804
Bad debts	97,935	21,290	19,813	34,214	22,618
(Increase) decrease in assets:					
Accounts receivable:					
Notes receivable	(1,217)	(770)	109	(651)	95
Tenants	(8,671)	3,302	8,389	6,289	(26,651)
HUD	(532)	-	-	(532)	-
Interest	74	-	-	-	74
Prepaid and other assets	(5,462)	(1,767)	(1,057)	(1,303)	(1,335)
Inventories	(47,970)	(13,743)	(7,765)	894	(27,356)
Increase (decrease) in liabilities:					
Compensated absences	(66,593)	6,104	(14,125)	(33,590)	(24,982)
Accounts payable - HUD	532	-	-	532	-
Due to other funds	355,417	-	-	355,417	-
Security deposits	9,847	2,048	384	1,563	5,852
Accrued salaries and wages	3,295	1,768	1,814	1,717	(2,004)
Accrued liabilities - PILOT	29,870	12,838	-	-	17,032
Deferred credits	<u>(1,740)</u>	<u>(1)</u>	<u>-</u>	<u>(1,739)</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,468,849</u>	<u>\$ 61,383</u>	<u>\$ 350,471</u>	<u>\$ 710,908</u>	<u>\$ 346,087</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, 2011**

Assets	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 4,646,010	\$ -	\$ -	\$ -	\$ 4,646,010
Restricted - FSS escrow account	989,649	-	-	-	989,649
Total cash	<u>5,635,659</u>				<u>5,635,659</u>
Accounts receivable:					
Tenants	127,215	-	-	-	127,215
Interest	32	-	-	-	32
Other	101,007	-	-	-	101,007
Total accounts receivable	<u>228,254</u>				<u>228,254</u>
Prepaid expenses and other assets	9,089	-	-	-	9,089
Investments:					
Unrestricted	289,347	-	-	-	289,347
Restricted reserve fund	-	-	-	-	-
Total investments	<u>289,347</u>				<u>289,347</u>
Total current assets	<u>6,162,349</u>				<u>6,162,349</u>
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	653,117	-	-	-	653,117
Accumulated depreciation	(542,498)	-	-	-	(542,498)
Total capital assets, net	<u>110,619</u>				<u>110,619</u>
Deferred assets	37,056	-	-	-	37,056
Total noncurrent assets	<u>147,675</u>				<u>147,675</u>
Total assets	<u>\$ 6,310,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,310,024</u>
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable	\$ 51,754	\$ -	\$ -	\$ -	\$ 51,754
Accrued salaries and wages	25,406	-	-	-	25,406
Due to other funds	2,143,718	-	-	-	2,143,718
Compensated absences, current portion	3,480	-	-	-	3,480
Other current liabilities	344,656	-	-	-	344,656
Total current liabilities	<u>2,569,014</u>				<u>2,569,014</u>
Noncurrent Liabilities:					
Compensated absences, net of current portion	95,440	-	-	-	95,440
Other liabilities - sick leave	54,227	-	-	-	54,227
Total noncurrent liabilities	<u>149,667</u>				<u>149,667</u>
Total Liabilities	<u>2,718,681</u>				<u>2,718,681</u>
Net Assets:					
Invested in capital assets, net of related debt	110,619	-	-	-	110,619
Restricted	3,095,707	-	-	-	3,095,707
Unrestricted	385,017	-	-	-	385,017
Total Net Assets	<u>3,591,343</u>				<u>3,591,343</u>
Total Liabilities and Net Assets	<u>\$ 6,310,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,310,024</u>

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, 2011

	Contract No. SF-462			
	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Operating revenues:				
Housing Assistance Payments	\$ -	\$ -	\$ -	\$ 35,200,988
Other income	-	-	-	-
Total operating revenues	35,200,988	-	-	35,200,988
Operating expenses:				
Housing assistance payments	-	-	-	32,935,455
Administrative salaries	-	-	-	1,022,943
Other administrative expenses	-	-	-	130,114
Management fees	-	-	-	495,160
Employee benefit contribution	-	-	-	364,814
Bookkeeping fees	-	-	-	216,997
Office expense	-	-	-	177,035
Professional fees	-	-	-	30,143
Depreciation	-	-	-	38,927
Compensated absences	-	-	-	(8,501)
Insurance	-	-	-	6,103
Advertising and marketing	-	-	-	576
Total operating expenses	35,409,766	-	-	35,409,766
Operating loss	(208,778)	-	-	(208,778)
Non-operating revenues:				
Interest on operating reserve investments	-	-	-	2,251
Interest on general fund investments	-	-	-	12,181
Fraud recovery	-	-	-	64,847
Other income	-	-	-	60,808
Total non-operating revenues	140,087	-	-	140,087
Change in net assets	(68,691)	-	-	(68,691)
Total net assets, beginning of year	3,660,034	-	-	3,660,034
Total net assets, end of year	\$ 3,591,343	\$ -	\$ -	\$ 3,591,343

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

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

Combining Statements of Cash Flows
Year Ended September 30, 2011

	Total	Contract No. SF-462			
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Cash flows from operating activities:					
Operating grants received	\$ 35,200,988	\$ -	\$ -	\$ -	\$ 35,200,988
Assistance paid	(32,935,455)	-	-	-	(32,935,455)
Payments to suppliers	(3,899,270)	-	-	-	(3,899,270)
Payments to employees	(1,010,447)	-	-	-	(1,010,447)
Net cash provided by (used in) operating activities	(2,644,184)	-	-	-	(2,644,184)
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	390	-	-	-	390
Net cash flows provided by capital and related financing activities	390	-	-	-	390
Cash flows from investing activities:					
Interest income received	140,087	-	-	-	140,087
Decrease in restricted assets	4,883,611	-	-	-	4,883,611
Net cash provided by (used in) investing activities	5,023,698	-	-	-	5,023,698
Net decrease in cash and cash equivalents	2,379,904	-	-	-	2,379,904
Cash and cash equivalents at beginning of year	3,255,755	-	-	-	3,255,755
Cash and cash equivalents at end of year	\$ 5,635,659	\$ -	\$ -	\$ -	\$ 5,635,659
Unrestricted cash	\$ 4,646,010	-	-	-	4,646,010
Restricted cash	989,649	-	-	-	989,649
Total cash and cash equivalents at end of year	\$ 5,635,659	\$ -	\$ -	\$ -	\$ 5,635,659

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, 2011

	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	\$ (208,778)	\$ -	\$ -	\$ -	\$ (208,778)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	38,927	-	-	-	38,927
(Increase) decrease in assets:					
Accounts receivable:					
Due from other funds	18,719	-	-	-	18,719
Tenants	(127,215)	-	-	-	(127,215)
Interest	50	-	-	-	50
Other	110,361	-	-	-	110,361
Prepayments and other assets	(6,300)	-	-	-	(6,300)
Increase (decrease) in liabilities:					
Compensated absences and sick leave	(8,501)	-	-	-	(8,501)
Due to other funds	(2,453,772)	-	-	-	(2,453,772)
Accrued salaries and wages	3,945	-	-	-	3,945
Other current liabilities	(11,620)	-	-	-	(11,620)
Net cash provided by operating activities	\$ (2,644,184)	\$ -	\$ -	\$ -	\$ (2,644,184)

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, 2011

ASSETS	Total	QO-50104	QO-50105	GO8D001501-03	QO08F001501-06	QO-501-07	QO-501-08	QO-501-09	QO-501-10
Current assets:									
Cash:									
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-	-
Accounts receivable:									
HUD	133,449	-	-	-	-	38,100	2,937	63,637	28,775
Due from other programs	136,959	39,353	11,671	420	85,515	-	-	-	-
Allowance for doubtful accounts	270,408	39,353	11,671	420	85,515	38,100	2,937	63,637	28,775
Total accounts receivable	270,408	39,353	11,671	420	85,515	38,100	2,937	63,637	28,775
Inventories	-	-	-	-	-	-	-	-	-
Investments:									
General fund	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	-	-	-	-	-	-	-	-	-
Total current assets	270,408	39,353	11,671	420	85,515	38,100	2,937	63,637	28,775
Noncurrent assets:									
Capital Assets:									
Land, structures and equipment, at cost	9,220,096	1,121,733	1,652,281	535,370	1,832,828	769,191	1,171,850	1,223,444	913,399
Accumulated depreciation	(1,566,704)	(309,569)	(467,225)	(107,074)	(351,455)	(123,925)	(146,386)	(47,242)	(13,828)
Net capital assets	7,653,392	812,164	1,185,056	428,296	1,481,373	645,266	1,025,464	1,176,202	899,571
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	7,653,392	812,164	1,185,056	428,296	1,481,373	645,266	1,025,464	1,176,202	899,571
Total assets	\$ 7,923,800	\$ 851,517	\$ 1,196,727	\$ 428,716	\$ 1,566,888	\$ 683,366	\$ 1,028,401	\$ 1,239,839	\$ 928,346

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, 2011

LIABILITIES AND NET ASSETS	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10
Liabilities:									
Accounts payable:									
Due to other funds	\$ 133,008	\$ -	\$ -	\$ -	\$ -	\$ 38,100	\$ 2,496	\$ 63,637	\$ 28,775
Compensated absences, current portion	-	-	-	-	-	-	-	-	-
Total accounts payable	<u>133,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,100</u>	<u>2,496</u>	<u>63,637</u>	<u>28,775</u>
Deferred credits:									
Deferred revenue	137,400	39,353	11,671	420	85,515	-	441	-	-
Total deferred credits	<u>137,400</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,515</u>	<u>-</u>	<u>441</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>270,408</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,515</u>	<u>38,100</u>	<u>2,937</u>	<u>63,637</u>	<u>28,775</u>
Noncurrent liabilities:									
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>270,408</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,515</u>	<u>38,100</u>	<u>2,937</u>	<u>63,637</u>	<u>28,775</u>
Net Assets:									
Invested in capital assets, net of related debt	7,653,392	812,164	1,185,056	428,296	1,481,373	645,266	1,025,464	1,176,202	899,571
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-
Total net assets	<u>7,653,392</u>	<u>812,164</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>
Total liabilities and net assets	<u>\$ 7,923,800</u>	<u>\$ 851,517</u>	<u>\$ 1,196,727</u>	<u>\$ 428,716</u>	<u>\$ 1,566,888</u>	<u>\$ 683,366</u>	<u>\$ 1,028,401</u>	<u>\$ 1,239,839</u>	<u>\$ 928,346</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 Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2011

	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10
Operating revenues:								
HUD PHA Grants	\$ -	\$ -	\$ -	\$ 49,318	\$ 43,677	\$ -	\$ 47,058	\$ 115,200
Program income	-	-	-	-	-	-	-	-
Total operating revenues	255,253	255,253	49,318	49,318	43,677	47,058	47,058	115,200
Operating expenses:								
Depreciation	556,305	124,325	35,691	121,352	47,899	88,630	47,242	13,828
Management fees	115,200	-	-	-	-	-	-	115,200
Other miscellaneous expenses	50,241	-	-	2,023	200	-	48,018	-
Salaries and wages	69,222	-	-	45,644	23,578	-	-	-
Employee benefits	24,173	-	-	4,274	19,899	-	-	-
Compensated absences	(12,472)	-	-	(12,472)	-	-	-	-
Office expense	2,407	-	-	2,407	-	-	-	-
Advertising and marketing	3,480	-	-	3,480	-	-	-	-
Insurance	104	-	-	104	-	-	-	-
Travel	3,858	-	-	3,858	-	-	-	-
Total operating expenses	812,518	124,325	35,691	170,670	91,576	88,630	95,260	129,028
Operating loss	(557,265)	(77,338)	(35,691)	(121,352)	(47,899)	(88,630)	(48,202)	(13,828)
Non-operating revenues:								
Capital grants	2,072,675	-	-	67,269	-	-	1,092,007	913,399
Other income	960	-	-	-	-	-	960	-
Total non-operating revenues	2,073,635	67,269	67,269	67,269	1,092,967	913,399	1,092,967	913,399
Change in net assets	1,516,370	(77,338)	(35,691)	(54,083)	(47,899)	(88,630)	1,044,765	899,571
Total net assets, beginning of year	6,137,022	889,502	463,987	1,535,456	693,165	1,114,094	131,437	-
Total net assets, end of year	\$ 7,653,392	\$ 812,164	\$ 428,296	\$ 1,481,373	\$ 645,266	\$ 1,025,464	\$ 1,176,202	\$ 899,571

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, 2011

	QO-50104	QO-50105	QO8D001501-03	QQ08P001501-06	QO-501-07	QO-501-08	QO-501-09	QO-501-10
Cash flows from operating activities:								
Operating grants received	\$ 96,417	\$ -	\$ -	\$ (75,483)	\$ 41,251	\$ (28,383)	\$ 47,058	\$ 115,200
Payments to suppliers	(27,195)	3,226	-	121,127	(17,673)	28,383	(47,058)	(115,200)
Payments to employees	(69,222)	-	-	(45,644)	(23,578)	-	-	-
Net cash provided by operating activities	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:								
Capital grants received	2,072,675	-	-	67,269	-	-	1,092,007	913,399
Acquisition of capital assets	(2,072,675)	-	-	(67,269)	-	-	(1,092,007)	(913,399)
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	\$ (557,265)	\$ (77,338)	\$ (35,691)	\$ (121,352)	\$ (47,899)	\$ (88,630)	\$ (48,202)	\$ (13,828)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation	556,305	77,338	35,691	121,352	47,899	88,630	47,242	13,828
(Increase) decrease in assets:								
Due from HUD	299,412	-	-	-	-	189,137	110,275	-
Due from other funds	(44,780)	-	-	-	-	-	(16,005)	(28,775)
Increase (decrease) in liabilities:								
Due to other funds	(82,364)	-	-	137,273	2,426	(160,754)	(93,310)	28,775
Compensated absences	(12,472)	3,226	-	(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

Non-Major Enterprise Funds

**Combining Statements of Net Assets
September 30, 2011**

ASSETS	TOTAL	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	ARRA - CFDA 14.885 Formula Capital Fund Stimulus	ARRA - Community Development Block Grant	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:																
Check:																
Unrestricted																
Restricted																
Security deposit - restricted																
Total cash																
Accounts receivable:																
Tenants		8,194														
Due from other funds		134,129			8,215			2,506						250		123,158
HUD		238,895			209,223		4,058						13,602			
Federal Government		206,576												206,576		
Interest		23														
Other		2,070														
Total accounts receivable		589,887	12,012		217,438		4,058	2,506				13,602		206,826		123,158
Investments:																
Unrestricted																
Restricted/reserved by fiscal agent																
Total investments		204,469														
Prepaid and other assets		2,847			281											
Inventories		8,549														
Total current assets		1,756,831	958,043	12,012	217,721		4,058	2,506				2,425	32,473	404,435		123,158
Noncurrent assets:																
Capital assets, net:																
Land and infrastructure		2,934,309	1,380,000							1,554,309						
Depreciable buildings, property and equipment, net		659,943	659,943													
Total non-current assets		3,594,252	2,039,943							1,554,309						
Total assets		5,351,083	2,997,986	12,012	217,721		4,058	2,506		1,554,309		2,425	32,473	404,435		123,158

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, 2011

	TOTAL	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	ARRA - CFDA 14,885 Formula Capital Fund Stimulus	ARRA - CFDA Community Development Block Grant	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
LIABILITIES AND NET ASSETS															
Liabilities:															
Current portion of long-term debt	\$ 46,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	125,354	2,126	-	-	19	-	-	-	-	-	-	51	-	-	123,158
Current portion of compensated absences	1,490	344	-	-	1,048	-	2	-	-	-	-	-	-	96	-
Due to HUD	-	-	-	-	8,215	-	-	-	-	-	-	-	-	-	-
Due to other funds	1,133,922	563,965	12,012	-	156,257	-	3,069	-	-	-	-	13,602	-	385,017	-
Security Deposits	15,672	15,672	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	23,826	-	-	-	75	-	-	2,506	-	-	2,425	18,820	-	-	-
Accrued salaries and wages	5,633	2,373	-	-	-	-	892	-	-	-	-	-	-	2,368	-
Accrued liabilities - other	44	-	-	-	-	-	-	-	-	-	-	-	-	44	-
Total current liabilities	1,360,156	630,480	12,012	-	165,614	-	3,963	2,506	-	2,425	32,473	2,425	387,525	404,435	123,158
Noncurrent liabilities:															
Long-term portion of notes payable	1,310,328	1,310,328	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued compensated absences	83,196	14,084	-	-	52,107	-	95	-	-	-	-	-	-	16,910	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	1,393,524	1,324,412	-	-	52,107	-	95	-	-	-	-	-	-	16,910	-
Total liabilities	2,753,680	1,954,892	12,012	-	217,721	-	4,058	2,506	-	2,425	32,473	2,425	387,525	404,435	123,158
Net assets:															
Invested capital assets, net of related debt	2,214,252	659,943	-	-	-	-	-	-	-	1,554,309	-	-	-	-	-
Restricted	597,079	597,079	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	(213,928)	(213,928)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net assets	2,597,403	1,043,094	-	-	-	-	-	-	-	1,554,309	-	-	-	-	-
Total liabilities and net assets	\$ 5,351,083	\$ 2,997,986	\$ 12,012	\$ -	\$ 217,721	\$ -	\$ 4,058	\$ 2,506	\$ -	\$ 1,554,309	\$ -	\$ 2,425	\$ 32,473	\$ 404,435	\$ 123,158

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Revenues, Expenses and Changes in Net Assets Year Ended September 30, 2011

	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	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
Operating revenues:													
HUD PHA Operating Grants	\$ 480,587	\$ 538,208	\$ 298,176	\$ 1,207,896	\$ 107,185	\$ -	\$ -	\$ -	\$ -	\$ 32,129	\$ 454,551	\$ -	\$ -
Other Government Grants	88,593	-	-	-	-	4,058	1,494	-	-	-	-	495,690	145,647
Tenant rental income	88,593	-	-	-	-	-	-	-	-	-	-	-	-
Other income	159,464	-	-	159,464	-	-	-	-	-	-	-	-	-
TOTAL	\$ 3,118,732	\$ 538,208	\$ 298,176	\$ 1,367,360	\$ 107,185	\$ 4,058	\$ 1,494	\$ -	\$ 454,551	\$ 32,129	\$ 454,551	\$ 495,690	\$ 145,647
Total operating revenues	569,180	538,208	298,176	1,367,360	107,185	4,058	1,494	-	454,551	32,129	454,551	495,690	145,647
Operating expenses:													
Repairs and maintenance	690,667	-	-	499,978	-	-	-	-	-	21,681	-	-	145,647
Administrative salaries	424,655	5,625	76	209,163	6,804	2,836	1,388	-	-	6,203	271	112,808	-
Management fees	37,248	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	158,239	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	149,664	1,807	13,085	68,499	2,596	1,125	106	-	-	101	34,292	-	-
Depreciation	71,990	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	11,223	-	-	490	-	-	-	-	-	-	-	1,287	-
Travel	3,640	-	-	3,640	-	-	-	-	-	-	-	-	-
Advertising and Marketing	79	-	-	2,721	30	-	-	-	-	-	-	432	-
Office expense	46,146	-	-	35,256	-	-	-	-	-	-	-	5,532	-
Professional fees	1,721	-	-	1,437	-	-	-	-	-	-	-	-	-
Compensated absences	16,330	-	-	(8,298)	-	97	-	-	-	-	-	17,007	-
Protective services	298	-	-	28	-	-	-	-	-	-	-	-	-
Other	2,269,666	530,776	285,015	554,446	97,755	-	-	-	-	2,170	454,179	324,794	-
TOTAL	\$ 3,884,749	\$ 538,208	\$ 298,176	\$ 1,367,360	\$ 107,185	\$ 4,058	\$ 1,494	\$ -	\$ 454,551	\$ 32,129	\$ 496,152	\$ (462)	\$ 145,647
Total operating expenses	439,789	538,208	298,176	1,367,360	107,185	4,058	1,494	-	454,551	32,129	496,152	(462)	145,647
Operating income (loss)	\$ 129,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-operating revenues (expenses):													
Interest income on unrestricted investments	1,259	-	-	-	-	-	-	-	-	-	-	-	-
Interest income on restricted investments	941	-	-	-	-	-	-	-	-	-	-	-	-
Other income	268,939	-	-	76,096	-	-	-	-	-	-	-	462	-
Other expense	(93,929)	-	-	(93,929)	-	-	-	-	-	-	-	-	-
Interest expense	(82,267)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 94,943	\$ 112,314	\$ (17,833)	\$ (17,833)	\$ (17,833)	\$ 17,833	\$ 1,554,309	\$ -	\$ 1,554,309	\$ -	\$ 462	\$ -	\$ -
Total non-operating revenues (expenses), net	94,943	112,314	(17,833)	(17,833)	(17,833)	17,833	1,554,309	-	1,554,309	-	462	-	-
Changes in net assets	\$ 223,872	\$ 241,705	\$ (17,833)	\$ (17,833)	\$ (17,833)	\$ 17,833	\$ 1,554,309	\$ -	\$ 1,554,309	\$ -	\$ -	\$ -	\$ -
Total net assets at beginning of year	2,373,531	801,389	17,833	17,833	17,833	17,833	1,554,309	-	1,554,309	-	-	-	-
Total net assets at end of year	\$ 2,597,403	\$ 1,043,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,554,309	\$ -	\$ -	\$ -	\$ -

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, 2011

	Supportive Housing for the Elderly	Supportive Housing Program	Shelter Plus Care Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Resident Opportunities and Supportive Services	Cooperative Extension Services	Community Health Centers	ARRA - CFDA 14,885 Formula Capital Fund Stimulus	ARRA - CFDA 14,225 Community Development Block Grant	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
TOTAL														
Cash flows from operating activities:														
Operating grants received	\$ 4,243,615	\$ 695,451	\$ 319,207	\$ 1,532,115	\$ 120,179	\$ -	\$ 1,494	\$ -	\$ -	\$ 41,401	\$ 2,425	\$ 478,386	\$ 361,711	\$ 145,647
Receipts from customers	251,148	91,659	-	159,489	-	-	-	-	-	-	-	-	-	-
Assistance paid	(3,691,229)	(525,813)	(321,795)	(1,478,763)	(113,337)	1,944	(106)	(32,667)	(475,679)	(8,734)	(59,392)	(112,553)	(145,647)	-
Payments to suppliers	(426,040)	(78,320)	2,588	(212,841)	(6,842)	(1,944)	(1,388)	(8,734)	(381)	-	-	-	-	-
Payments to employees														
Net cash used in operating activities	377,494	182,977	-	-	-	-	-	-	2,425	-	-	2,326	189,766	-
Cash flows from capital and related financing activities:														
Interest paid	(82,267)	(82,267)	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of note payable	(44,213)	(44,213)	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flows used for capital and related financing activities	(126,480)	(126,480)	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:														
Interest and other income received	5,231	5,231	-	-	-	-	-	-	-	-	-	-	-	-
Deposits to restricted accounts	188,907	188,907	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	194,138	194,138	-	-	-	-	-	-	-	-	-	-	-	-
Net increase in cash and cash equivalents	445,152	250,635	-	-	-	-	-	-	2,425	-	2,425	2,326	189,766	-
Cash and cash equivalents at beginning of year	505,927	481,539	-	-	-	-	-	-	-	-	-	16,545	7,843	-
Cash and cash equivalents at end of year	\$ 951,079	\$ 732,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,425	\$ -	\$ 2,425	\$ 18,871	\$ 197,609	\$ -
Reconciliation of operating income (loss) provided by (used in) operating activities:														
Operating income (loss)	\$ 128,929	\$ 129,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile changes net assets to net cash provided by operating activities:														
Depreciation	71,990	71,990	-	-	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:														
Accounts receivable:														
Tenants	2,160	2,160	-	-	-	-	-	-	-	-	-	-	-	-
HUD	439,360	214,829	7,391	165,813	12,994	(4,058)	-	9,272	-	-	-	5,014	-	-
Interest	35	35	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	(88,098)	-	-	34,848	-	-	-	-	-	-	-	-	212	(123,158)
Due from other government agencies	(147,256)	(419)	-	119	-	-	-	-	-	-	-	-	(147,256)	-
Prepayments and other assets	(300)	(419)	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	(45)	(45)	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:														
Accounts payable	115,021	58	-	(8,262)	-	-	-	-	-	-	-	23	44	123,158
Compensated absences	16,328	7,524	-	(8,300)	-	97	-	-	-	-	-	-	17,007	-
Due to HUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	(173,305)	(244,613)	(23,619)	(175,363)	(12,956)	3,069	(2,507)	(6,741)	-	-	-	(21,422)	318,238	-
Deposits	906	906	-	(5,179)	-	-	2,507	-	-	-	-	-	-	-
Deferred revenues	14,088	-	(4,486)	(3,676)	(38)	892	-	(2,531)	-	-	-	18,821	-	-
Accrued salaries and wages	(2,319)	1,161	-	(3,676)	(38)	892	-	(2,531)	-	-	-	(10)	1,983	-
Net cash provided by operating activities	\$ 377,494	\$ 182,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,425	\$ -	\$ 2,425	\$ 2,326	\$ 189,766	\$ -

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY
CFDA NO. 14.157

Statement of Net Assets
September 30, 2011

ASSETS

Current assets:	
Cash:	
Unrestricted	\$ 339,564
Restricted	376,938
Security deposits - restricted	15,672
Total cash	732,174
Accounts receivable:	
Tenants	8,194
HUD	-
Interest	23
Other	2,070
Total accounts receivable	10,287
Restricted/reserved investments	204,469
Inventories	8,549
Prepaid and other current assets	2,564
Total current assets	958,043
Noncurrent assets:	
Capital assets:	
Land	1,380,000
Buildings, property and equipment, net	659,943
Capital assets, net	2,039,943
Total Assets	\$ 2,997,986

LIABILITIES AND NET ASSETS

Liabilities:	
Current liabilities:	
Current portion of long-term debt	\$ 46,000
Accounts payable	2,126
Due to other funds	563,965
Security deposits	15,672
Accrued salaries and wages	2,373
Compensated absences - current portion	344
Total current liabilities	630,480
Noncurrent liabilities:	
Long-term debt, net of current portion	1,310,328
Compensated absences	14,084
Total noncurrent liabilities	1,324,412
Total liabilities	1,954,892
Net assets:	
Invested capital assets, net of related debt	659,943
Restricted	597,079
Unrestricted	(213,928)
Total net assets	1,043,094
Total Liabilities and Net Assets	\$ 2,997,986

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**SUPPORTIVE HOUSING FOR THE ELDERLY
CFDA NO. 14.157**

**Statement of Revenues, Expenses and Changes in Net Assets
For the Years Ended September 30, 2011**

Operating revenues:	
HUD PHA grants	\$ 480,587
Tenant income	<u>88,593</u>
Total operating revenues	<u>569,180</u>
Operating expenses:	
Utilities	158,239
Depreciation	71,990
Salaries and wages	79,481
Management fees	37,248
Employee benefits	25,978
Insurance	9,446
Office expense	5,358
Repairs and maintenance	23,361
Advertising and marketing	79
Legal and professional fees	284
Protective services	270
Compensated absences	7,524
Other expenses	<u>20,531</u>
Total operating expenses	<u>439,789</u>
Operating income	<u>129,391</u>
Non-operating revenues (expense):	
Interest income on unrestricted investments	1,259
Interest income on restricted investments	941
Interest expense	(82,267)
Other income	<u>192,381</u>
Total non-operating expenses, net	<u>112,314</u>
Change in net assets	241,705
Total net assets at beginning of year	<u>801,389</u>
Total net assets at end of year	<u>\$ 1,043,094</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY

CFDA NO. 14.157

Statement of Cash Flows
For the Year Ended September 30, 2011

Cash flows from operating activities:	
Operating grants received	\$ 695,451
Receipts from tenants and grants	91,659
Payments to suppliers	(252,813)
Payments to employees	<u>(78,320)</u>
Net cash used in operating activities	<u>182,977</u>
Cash flows from capital and related financing activities:	
Interest paid	(82,267)
Repayment of loan	<u>(44,213)</u>
Net cash used in capital and related financing activities	<u>(126,480)</u>
Cash flows from investing activities:	
Interest income received	5,231
Deposits to restricted cash	<u>188,907</u>
Net cash used in investing activities	<u>194,138</u>
Net increase in cash and cash equivalents	250,635
Cash and cash equivalents at beginning of year	<u>481,539</u>
Cash and cash equivalents at end of year	<u>\$ 732,174</u>
Cash and cash equivalents consist of the following:	
Cash	\$ 339,564
Security deposits	15,672
Restricted cash, including time deposits	<u>376,938</u>
Total cash and cash equivalents at end of year	<u>\$ 732,174</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**SUPPORTIVE HOUSING FOR THE ELDERLY
CFDA NO. 14.157**

**Statement of Cash Flows, Continued
For the Years Ended September 30, 2011**

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 129,391
Adjustments to reconcile change in net assets provided by operating activities:	
Depreciation	71,990
(Increase) decrease in assets:	
Accounts receivable:	
Tenants	2,160
HUD	214,829
Interest	35
Inventories	(45)
Prepaid and other assets	(419)
Increase (decrease) in liabilities:	
Accounts payable	58
Due to other funds	(244,613)
Accrued salaries and wages	1,161
Security deposits	906
Compensated absences	<u>7,524</u>
Net cash used in operating activities	<u>\$ 182,977</u>

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, 2011

ASSETS	Total	GU0002-	GU0006-	GU0002-	GU0003-	GU0004-	GU0006-	GU0007-	GU0007-	GU0003-
		B9C-000801	B9C-000801	B9C-000802	B9C-000802	B9C-000802	B9C-000802	B9C-000802	B9C-000103	B9C-001003
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:										
HUD	12,012	-	-	-	-	-	-	8,647	-	3,365
Due from other funds	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 12,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,647	\$ -	\$ 3,365
LIABILITIES AND NET ASSETS										
Accounts payable:										
Due to other funds	\$ 12,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,647	\$ -	\$ 3,365
HUD	-	-	-	-	-	-	-	-	-	-
Accrued liabilities:										
Compensated absences - current	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-
Net assets	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 12,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,647	\$ -	\$ 3,365

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, 2011

	GU0002- B9C-000801	GU0006- B9C-000801	GU0002- B9C-000802	GU0003- B9C-000802	GU0004- B9C-000802	GU0006- B9C-000802	GU0007- B9C-000802	GU0007- B9C-000103	GU0003- B9C-001003
Revenues:									
Federal contributions	\$ 879	\$ 19,936	\$ 20,915	\$ 256,636	\$ 66,497	\$ 44,846	\$ 113,945	\$ 8,647	\$ 5,907
Other	-	-	-	-	-	-	-	-	-
Total Revenues	879	19,936	20,915	256,636	66,497	44,846	113,945	8,647	5,907
Operating expenses:									
Administrative salaries	-	-	-	5,625	-	-	-	-	-
Employee benefits	-	-	-	1,807	-	-	-	-	-
Repair and maintenance	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Other	879	19,936	20,915	249,204	66,497	44,846	113,945	8,647	5,907
Total operating expenses	879	19,936	20,915	256,636	66,497	44,846	113,945	8,647	5,907
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, 2011**

	GU0002- B9C-000801	GU0006- B9C-000801	GU0002- B9C-000802	GU0003- B9C-000802	GU0004- B9C-000802	GU0006- B9C-000802	GU0007- B9C-000802	GU0007- B9C-000103	GU0003- B9C-001003
Cash flows from operating activities:									
Operating grants received	\$ 879	\$ 19,936	\$ 20,915	\$ 262,221	\$ 70,650	\$ 44,846	\$ 123,610	\$ -	\$ 2,542
Payments to suppliers	(879)	(19,936)	(20,915)	(256,596)	(70,650)	(44,846)	(123,610)	-	(2,542)
Payments to employees	-	-	-	(5,625)	-	-	-	-	-
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	7,391	-	-	5,585	4,153	-	9,665	(8,647)	(3,365)
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:									
Accounts payable - Due to other funds	(7,391)	-	-	(5,585)	(4,153)	-	(9,665)	8,647	3,365
Other liabilities	-	-	-	-	-	-	-	-	-
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, 2011

<u>ASSETS</u>	<u>Total</u>	<u>GUO8-C10- 0001</u>	<u>GUO8-C40- 0001</u>	<u>GUO001-C80- 0801</u>	<u>GUO001-C9C- 000802</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
 <u>LIABILITIES AND NET ASSETS</u>					
Accounts payable:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
HUD	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2011

	Total	GUO8-C10- 0001	GUO8-C40- 0001	GUO001-C9C- 0000801	GUO001-C9C- 0000802
Revenues:					
Federal contributions	\$ 298,176	\$ (2,588)	\$ 193,592	\$ 21,480	\$ 85,692
Other	-	-	-	-	-
Total Revenues	298,176	(2,588)	193,592	21,480	85,692
Operating expenses:					
Administrative salaries	76	(2,588)	2,664	-	-
Employee benefits	13,085	-	13,085	-	-
Depreciation	-	-	-	-	-
Other	285,015	-	177,843	21,480	85,692
Total operating expenses	298,176	(2,588)	193,592	21,480	85,692
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

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

**Combining Statements of Cash Flows
Year Ended September 30, 2011**

	Total	GUO8-C10- 0001	GUO8-C40- 0001	GUO001-C9C- 0000801	GUO001-C9C- 0000802
Cash flows from operating activities:					
Operating grants received	\$ 321,795	\$ -	\$ 191,349	\$ 33,117	\$ 97,329
Payments to suppliers	(321,795)	-	(191,349)	(33,117)	(97,329)
Payments to employees	2,588	2,588	-	-	-
Net cash provided (used) by operating activities	2,588	2,588	-	-	-
Cash flows from investing activities:					
Acquisition of fixed assets	-	-	-	-	-
Net cash provided (used) by investing activities	-	-	-	-	-
Cash flows from capital and related financing activities:					
Transfers from fund balance	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	2,588	2,588	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-
Cash and cash equivalents at end of year	\$ 2,588	\$ 2,588	\$ -	\$ -	\$ -
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	28,105	2,588	2,243	11,637	11,637
Accounts receivable - Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable - Due to other funds	(23,619)	(2,588)	2,243	(11,637)	(11,637)
Accounts payable - HUD	-	-	-	-	-
Accrued expenses	-	-	-	-	-
Deferred revenues	(4,486)	-	(4,486)	-	-
Net cash provided (used) 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, 2011

ASSETS	Total	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
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:										
HUD	209,223	-	-	-	-	-	103,876	-	28,234	77,113
Due from other funds	8,215	-	-	-	-	-	-	8,215	-	-
Prepaid and other assets	283	-	-	-	-	-	-	-	85	198
Capital assets	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Total	\$ 217,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,876	\$ 8,215	\$ 28,319	\$ 77,311

LIABILITIES AND NET ASSETS

Current liabilities:										
Vendors	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -
Due to HUD	8,215	-	-	-	-	-	-	8,215	-	-
Due to other funds	156,257	-	-	-	-	-	103,876	-	28,300	24,081
Accrued salaries and wages	-	-	-	-	-	-	-	-	-	-
Compensated absences - current	1,048	-	-	-	-	-	-	-	-	1,048
Deferred revenues	75	-	-	-	-	-	-	-	-	75
Total current liabilities	165,614	-	-	-	-	-	103,876	8,215	28,319	25,204
Noncurrent liabilities:										
Compensated absences -noncurrent	31,334	-	-	-	-	-	-	-	-	31,334
Other liabilities - sick leave	20,773	-	-	-	-	-	-	-	-	20,773
Total noncurrent liabilities	52,107	-	-	-	-	-	-	-	-	52,107
Total liabilities	217,721	-	-	-	-	-	103,876	8,215	28,319	77,311
Net assets:										
Invested in capital, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total net assets	-	-	-	-	-	-	-	-	-	-
Total	\$ 217,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,876	\$ 8,215	\$ 28,319	\$ 77,311

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, 2011

	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
Revenues:									
PHA Operating grants	\$ 1,207,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 578,540	\$ 429,604	\$ 199,752
Other	159,464	-	-	-	-	-	-	(25)	159,489
Total Revenues	1,367,360	-	-	-	-	-	578,540	429,579	359,241
Operating expenses:									
Repairs and maintenance	499,978	-	-	-	-	-	403,569	48,044	48,365
Administrative salaries	209,163	-	-	-	-	-	1,508	69,237	138,418
Employee benefits	68,499	-	-	-	-	-	515	22,886	45,098
Management fees	-	-	-	-	-	-	-	-	-
Compensated absences	(8,298)	-	-	-	-	-	-	(61,453)	53,155
Office expense	35,256	-	-	-	-	-	-	16,821	18,435
Travel	3,640	-	-	-	-	-	-	-	3,640
Professional fees	1,437	-	-	-	-	-	-	1,555	(118)
Advertising and marketing	2,721	-	-	-	-	-	-	302	2,419
Depreciation	-	-	-	-	-	-	-	-	-
Insurance	490	-	-	-	-	-	-	-	490
Protective services	28	-	-	-	-	-	-	28	-
Other	554,446	-	-	-	-	-	172,948	332,159	49,339
Total operating expenses	1,367,360	-	-	-	-	-	578,540	429,579	359,241
Operating loss	-	-	-	-	-	-	-	-	-
Non-operating revenues:									
Capital grants	-	-	-	-	-	-	-	-	-
Other income	76,096	-	-	-	-	4,725	71,371	13,854	-
Other expense	(93,929)	(15,574)	-	(2,259)	-	(4,725)	(71,371)	(13,854)	-
Total non-operating revenues, net	(17,833)	(15,574)	-	(2,259)	-	-	-	-	-
Change in net assets	(17,833)	(15,574)	-	(2,259)	-	-	-	-	-
Total net assets, beginning of year	17,833	15,574	-	2,259	-	-	-	-	-
Total net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2011

	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
Cash flows from operating activities:									
Operating grants received	\$ 1,368,505	\$ 70,973	\$ 23,472	\$ (3,281)	\$ (1,733)	\$ 4,725	\$ 633,481	\$ 517,494	\$ 122,715
Receipts from customers	159,489	-	-	-	-	-	-	-	159,489
Payments to suppliers	(1,315,153)	(70,973)	(23,472)	3,281	1,733	(4,725)	(631,973)	(445,154)	(143,211)
Payments to employees	(212,841)	-	-	-	-	-	(1,508)	(72,340)	(138,993)
Net cash provided by (used in) operating activities	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:									
Acquisition of fixed assets	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:									
Transfers from fund balance	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-	-	-	-	-	-	-
Net decrease in cash and cash equivalents	-	-	-	-	-	-	-	-	-
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 loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:									
Depreciation	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:									
Accounts receivable - HUD	165,813	70,973	23,472	(3,281)	(1,733)	4,725	54,941	87,915	(77,112)
Accounts receivable - Due from other funds	34,848	56,556	-	-	6,828	(28,536)	-	-	-
Prepaid and other assets	119	-	75	-	-	-	-	242	(198)
Inventories	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:									
Accounts payable	(8,262)	(8,250)	-	-	-	-	-	(12)	-
Accrued salaries and wages	(3,676)	-	-	-	-	-	-	(3,102)	(574)
Compensated absences	(8,300)	-	-	-	-	-	-	(61,454)	53,154
Accounts payable - Due to other funds	(175,363)	(119,279)	(734)	3,281	(5,095)	23,811	(54,941)	(23,589)	24,655
Deferred revenues	(5,179)	-	(5,254)	-	-	-	-	-	75
Net cash provided by (used in) operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SHELTER GRANTS
CFDA NO. 14.231

Combining Statements of Net Assets
September 30, 2011

<u>ASSETS</u>	<u>Total</u>	<u>S-10-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-07-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
TOTAL	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 <u>LIABILITIES AND NET ASSETS</u>					
Accounts payable:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
HUD	-	-	-	-	-
Accrued liabilities:					
Compensated absences - current	-	-	-	-	-
Salaries and wages	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-
Net assets	-	-	-	-	-
TOTAL	<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 Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2011

	<u>Total</u>	<u>S-10-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-07-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Revenues:					
Federal contributions	\$ 107,185	\$ 50,124	\$ 57,061	\$ -	\$ -
Other	-	-	-	-	-
Total Revenues	<u>107,185</u>	<u>50,124</u>	<u>57,061</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Administrative salaries	6,804	4,608	2,196	-	-
Employee benefits	2,596	1,773	823	-	-
Repair and maintenance	-	-	-	-	-
Depreciation	-	-	-	-	-
Advertising and marketing	30	30	-	-	-
Legal	-	-	-	-	-
Travel	-	-	-	-	-
Other	97,755	43,713	54,042	-	-
Total operating expenses	<u>107,185</u>	<u>50,124</u>	<u>57,061</u>	<u>-</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	-	-	-	-	-
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

EMERGENCY SHELTER GRANTS
CFDA NO. 14.231

Combining Statements of Cash Flows
Year Ended September 30, 2011

	<u>Total</u>	<u>S-09-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-07-DC- 66-0001</u>	<u>S-08-DC- 66-0001</u>
Cash flows from operating activities:					
Operating grants received	\$ 120,179	\$ 50,124	\$ 69,279	\$ 527	\$ 249
Payments to suppliers	(113,337)	(45,516)	(67,045)	(527)	(249)
Payments to employees	(6,842)	(4,608)	(2,234)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	-	-	-	-	-
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	-	-	-	-	-
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	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning year	-	-	-	-	-
Cash and cash equivalents at end of year	<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	12,994	-	12,218	527	249
Increase (decrease) in liabilities:					
Accrued salaries and wages	(38)	-	(38)	-	-
Accounts payable - Due to other funds	(12,956)	-	(12,180)	(527)	(249)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Weatherization Assistance for Low Income Persons
CFDA NO. 81.042

Combining Statements of Net Assets
September 30, 2011

Assets	Total	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #81.042 Weatherization Assistance
Current assets:			
Cash:			
Unrestricted	\$ 197,609	\$ 197,609	\$ -
Restricted - other	-	-	-
Total cash	<u>197,609</u>	<u>197,609</u>	<u>-</u>
Accounts receivable:			
Notes receivable - current portion	-	-	-
Tenants	-	-	-
HUD	-	-	-
Other Governments	206,576	193,761	12,815
Due from other funds	250	-	250
Interest	-	-	-
Other	-	-	-
	<u>206,826</u>	<u>193,761</u>	<u>13,065</u>
Allowance for doubtful accounts	-	-	-
Total accounts receivable, net	<u>206,826</u>	<u>193,761</u>	<u>13,065</u>
Investments:			
Unrestricted	-	-	-
Restricted/reserved by fiscal agent	-	-	-
Total investments	<u>-</u>	<u>-</u>	<u>-</u>
Prepayments and other current assets	<u>-</u>	<u>-</u>	<u>-</u>
Inventories	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>404,435</u>	<u>391,370</u>	<u>13,065</u>
Noncurrent assets:			
Capital assets, net	-	-	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 404,435</u>	<u>\$ 391,370</u>	<u>\$ 13,065</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Weatherization Assistance for Low Income Persons
CFDA NO. 81.042

Combining Statements of Net Assets, Continued
September 30, 2011

Liabilities and Net Assets	Total	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #81.042 Weatherization Assistance
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Current portion of compensated absences	96	96	-
Due to HUD	-	-	-
Due to other funds	385,017	372,816	12,201
Security deposits	-	-	-
Accrued salaries and wages	2,368	1,504	864
Accrued liabilities	-	-	-
Deferred revenues	-	-	-
Other current liabilities	44	44	-
Total current liabilities	387,525	374,460	13,065
Noncurrent liabilities:			
Accrued compensated absences	16,910	16,910	-
Total noncurrent liabilities	16,910	16,910	-
Total liabilities	404,435	391,370	13,065
Net assets:			
Invested capital assets, net of related debt	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
Total net assets	-	-	-
Total liabilities and net assets	\$ 404,435	\$ 391,370	\$ 13,065

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Weatherization Assistance for Low Income Persons
CFDA NO. 81.042

Statements of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2011

	<u>Total</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>
Operating revenues:			
HUD PHA Operating Grants	\$ -	\$ -	\$ -
Other Government Grants	495,690	477,207	18,483
Tenant rental income	-	-	-
Other income	-	-	-
Total operating revenues	<u>495,690</u>	<u>477,207</u>	<u>18,483</u>
Operating expenses:			
Depreciation	-	-	-
Administrative salaries	112,808	99,090	13,718
Other administrative expenses	324,794	324,794	-
Management fees	-	-	-
Employee benefits	34,292	29,277	5,015
Office expense	5,532	5,532	-
Bookkeeping fees	-	-	-
Insurance	1,287	1,287	-
Utilities	-	-	-
Compensated absences	17,007	17,007	-
Professional fees	-	-	-
Advertising and marketing	432	432	-
Bad debts	-	-	-
Total operating expenses	<u>496,152</u>	<u>477,419</u>	<u>18,733</u>
Operating loss	<u>(462)</u>	<u>(212)</u>	<u>(250)</u>
Non-operating revenues:			
Capital Grants	-	-	-
Interest income on restricted investments	-	-	-
Fraud recovery	-	-	-
Other income	462	212	250
Interest income on unrestricted investments	-	-	-
Total non-operating revenues	<u>462</u>	<u>212</u>	<u>250</u>
Change in net assets	-	-	-
Total net assets at beginning of year	-	-	-
Total net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Weatherization Assistance for Low Income Persons

CFDA NO. 81.042

Statements of Cash Flows
For the Year Ended September 30, 2011

	<u>Total</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>
Cash flows from operating activities:			
Operating grants received	\$ 361,711	\$ 342,978	\$ 18,733
Receipts from customers	-	-	-
Assistance paid	-	-	-
Payments to suppliers	(59,392)	(55,241)	(4,151)
Payments to employees	<u>(112,553)</u>	<u>(97,971)</u>	<u>(14,582)</u>
Net cash provided by operating activities	<u>189,766</u>	<u>189,766</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Capital grants received	-	-	-
Acquisition of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest and other income received	-	-	-
Deposits to restricted accounts	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	189,766	189,766	-
Cash and cash equivalents at beginning year	<u>7,843</u>	<u>7,843</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 197,609</u>	<u>\$ 197,609</u>	<u>\$ -</u>
Cash, including time deposits	\$ 197,609	\$ 197,609	\$ -
Restricted cash, including time deposits	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents at end of year	<u>\$ 197,609</u>	<u>\$ 197,609</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Weatherization Assistance for Low Income Persons
CFDA NO. 81.042

Statements of Cash Flows, Continued
For the Year Ended September 30, 2011

	<u>Total</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>
Reconciliation in operating loss to net cash provided by operating activities:			
Operating loss	\$ (462)	\$ (212)	\$ (250)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
Bad debts	-	-	-
(Increase) decrease in assets:			
Accounts receivable:			
Notes receivable	-	-	-
Tenant receivables	-	-	-
HUD	-	-	-
Other Government Agencies	(147,256)	(134,441)	(12,815)
Due from other funds	(250)	-	(250)
Interest	-	-	-
Other	-	-	-
Prepayments and other assets	-	-	-
Inventories	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	44	44	-
Compensated absences and sick leave	17,007	17,007	-
Payable to HUD	-	-	-
Due to other funds	318,238	306,037	12,201
Security deposits	-	-	-
Accrued salaries and wages	1,983	1,119	864
Other current liabilities	-	-	-
Accrued liabilities	-	-	-
Deferred revenues	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 189,304</u>	<u>\$ 189,554</u>	<u>\$ (250)</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, 2011

ASSETS	TOTAL	Local Funds	Revolving Funds	Section 1602 Low-Income Housing Credits	Trust Funds	Other Funds
Current assets:						
Cash						
Unrestricted	\$ 4,148,968	\$ 2,365,392	\$ 182,051	\$ 1,601,525	\$ -	\$ -
Restricted	1,262,128	1,161,569	100,559	-	-	-
Total cash	5,411,096	3,526,961	282,610	1,601,525	-	-
Accounts receivable:						
Due from other funds	5,169,692	1,022,657	3,593,165	-	7,062	546,808
Promissory notes, current portion	87,017	87,017	-	-	-	-
Allowance for doubtful accounts	(106,160)	(96,560)	(9,600)	-	-	-
Other	432,785	399,520	29,825	-	-	3,440
Total accounts receivable	5,583,334	1,412,634	3,613,390	-	7,062	550,248
Investments	1,359,943	652,376	-	-	71,460	636,107
Prepaid and other assets	79,157	7,378	71,779	-	-	-
Other real estate	3,398,518	3,398,518	-	-	-	-
Total current assets	15,832,048	8,997,867	3,967,779	1,601,525	78,522	1,186,355
Noncurrent assets:						
Capital assets, net	317,035	51,072	41,598	-	-	224,365
Promissory notes - noncurrent	866,382	866,382	-	-	-	-
Total non-current assets	1,183,417	917,454	41,598	-	-	224,365
Total Assets	17,015,465	9,915,321	4,009,377	1,601,525	78,522	1,410,720
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable:						
Due to other funds	\$ 7,311,052	\$ 2,836,500	\$ 1,432,855	\$ 1,601,265	\$ -	\$ 1,440,432
Vendors and contractors	24,232	13,932	10,040	260	-	-
Compensated absences - current portion	3,182	3,182	-	-	-	-
Other	2,334,857	-	2,334,857	-	-	-
Accrued liabilities	293,523	152,812	140,711	-	-	-
Deferred revenues	1,631,001	1,601,374	29,627	-	-	-
Total Current Liabilities	11,597,847	4,607,800	3,948,090	1,601,525	-	1,440,432
Noncurrent liabilities:						
Accrued compensated absences	163,591	163,591	-	-	-	-
Accrued sick leave	-	-	-	-	-	-
Total noncurrent liabilities	163,591	163,591	-	-	-	-
Total Current Liabilities	11,761,438	4,771,391	3,948,090	1,601,525	-	1,440,432
Net Assets:						
Invested capital assets, net of related debt	3,715,553	3,449,590	41,598	-	-	224,365
Restricted	100,559	-	100,559	-	-	-
Unrestricted	1,437,915	1,694,340	(80,870)	-	78,522	(254,077)
Total Net Assets	5,254,027	5,143,930	61,287	-	78,522	(29,712)
Total Liabilities and Net Assets	17,015,465	9,915,321	4,009,377	1,601,525	78,522	1,410,720

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, 2011

	TOTAL	Local Funds	Revolving Funds	Section 1602 Low-Income Housing Credits	Trust Funds	Other Funds
Operating revenues:						
Property Sales	\$ 24,000	\$ 5,000	-	\$ -	\$ -	\$ 19,000
Management fees	1,162,506	1,162,506	-	-	-	-
Asset management fees	90,000	90,000	-	-	-	-
Bookkeeping fees	283,567	283,567	-	-	-	-
Other Federal Grants	20,736,389	-	1,289,744	19,446,645	-	-
Other	260,304	118,046	142,258	-	-	-
Total operating revenues	22,556,766	1,659,119	1,432,002	19,446,645	-	19,000
Operating expenses:						
Project costs	19,446,645	-	-	19,446,645	-	-
Repairs and maintenance	1,329,693	1,949	1,327,744	-	-	-
Administrative salaries	1,025,249	1,023,645	1,604	-	-	-
Employee benefits	347,271	346,673	598	-	-	29,736
Depreciation	35,431	5,695	-	-	-	-
Office expense	66,495	65,544	951	-	-	-
Legal and professional fees	61,107	46,347	14,191	-	-	569
Utilities	46,240	46,240	-	-	-	-
Compensated absences	(650)	(650)	-	-	-	-
Travel	36,819	33,056	3,763	-	-	-
Insurance	14,125	14,125	-	-	-	-
Bad debts	14,112	11,112	3,000	-	-	-
Advertising and marketing	14,239	7,647	6,592	-	-	-
Protective services	365	365	-	-	-	-
Other	600,023	87,303	512,720	-	-	-
Total operating expenses	23,037,164	1,689,051	1,871,163	19,446,645	-	30,305
Operating income (loss)	(480,398)	(29,932)	(439,161)	-	-	(11,305)
Non-operating revenues and (expense):						
Other income	416,105	120,486	295,619	-	-	-
Other expense	(237,199)	(237,199)	-	-	-	-
Investment income	5,645	4,189	125	-	134	1,197
Total non-operating revenues and (expenses), net	184,551	(112,524)	295,744	-	134	1,197
Change in net assets	(295,847)	(142,456)	(143,417)	-	134	(10,108)
Total net assets at beginning of year	5,549,874	5,286,386	204,704	-	78,388	(19,604)
Total net assets at end of year	\$ 5,254,027	\$ 5,143,930	\$ 61,287	\$ -	\$ 78,522	\$ (29,712)

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, 2011

	Section 1602				
	Local Funds	Revolving Funds	Low-Income Housing Credits	Trust Funds	Other Funds
TOTAL					
Cash flows from operating activities:					
Operating grants received	\$ 1,289,744	\$ 1,289,744	\$ 19,446,645	\$ -	\$ -
Receipts from customers	2,290,275	-	-	20	19,182
Payments to suppliers	(2,309,157)	(1,659,990)	(17,845,125)	-	(569)
Payments to employees	(1,002,779)	(1,604)	-	-	-
Other cash receipts (payments)	(541,770)	(455,443)	-	-	(18,431)
Net cash provided by operating activities	<u>(273,687)</u>	<u>(827,293)</u>	<u>1,601,520</u>	<u>20</u>	<u>182</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	184,551	295,744	-	134	1,197
Deposits in restricted accounts	(2,946)	-	-	(154)	(1,379)
Net cash used for investing activities	<u>181,605</u>	<u>295,744</u>	<u>-</u>	<u>(20)</u>	<u>(182)</u>
Net increase in cash and cash equivalents	(92,082)	(531,549)	1,601,520	-	-
Cash and cash equivalents at beginning of year	3,901,663	814,159	5	-	-
Cash and cash equivalents at end of year	<u>\$ 3,809,581</u>	<u>\$ 282,610</u>	<u>\$ 1,601,525</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ (480,398)	\$ (439,161)	\$ -	\$ -	\$ (11,305)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation	35,431	-	-	-	29,736
Bad debts	14,112	3,000	-	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Promissory notes	53,208	-	-	-	-
Other Government Agencies	1,660,406	-	830,203	-	-
Due from other funds	2,983,814	(575,504)	-	-	-
Others	52,161	4,292	-	20	182
Prepaid expenses and other assets	(3,135)	(3,146)	-	-	-
Land held for sale	(37,177)	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable	4,454	2,685	255	-	-
Compensated absences	(649)	-	-	-	-
Due to other funds	(1,639,464)	(202,310)	771,062	-	(18,431)
Other current liabilities	383,765	383,765	-	-	-
Accrued liabilities	9,015	(1)	-	-	-
Deferred revenues	(106,190)	(913)	-	-	-
Other	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 2,929,353</u>	<u>\$ (827,293)</u>	<u>\$ 1,601,520</u>	<u>\$ 20</u>	<u>\$ 182</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, 2011

ASSETS	Sinjana Non-Title I	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Current assets:								
Cash - unrestricted	\$ 2,365,392	\$ -	\$ -	\$ -	\$ 470,291	\$ 1,871,598	\$ 21,268	\$ 2,235
Cash - restricted for FSS	95,963	-	-	-	-	95,963	-	-
Cash - other restricted	1,065,606	-	-	-	-	1,065,606	-	-
Total cash	<u>3,526,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,291</u>	<u>3,033,167</u>	<u>21,268</u>	<u>2,235</u>
Accounts receivable:								
Due from other funds	1,022,657	776,148	4,835	43,727	-	-	129,498	66,783
Promissory notes, current portion	87,017	-	-	-	-	-	73,145	13,872
Allowance for doubtful accounts	(96,560)	-	-	-	-	-	(96,560)	-
Other	399,520	1,746	-	-	139	-	397,635	-
Total accounts receivable	<u>1,412,634</u>	<u>777,894</u>	<u>4,835</u>	<u>43,727</u>	<u>139</u>	<u>-</u>	<u>503,718</u>	<u>80,655</u>
Investments	652,376	-	-	-	652,376	-	-	-
Prepaid and other assets	7,378	-	-	-	-	7,378	-	-
Land held for sale	3,398,518	71,830	-	-	3,326,688	-	-	-
Total current assets	<u>8,997,867</u>	<u>849,724</u>	<u>4,835</u>	<u>43,727</u>	<u>4,449,494</u>	<u>3,040,545</u>	<u>524,986</u>	<u>82,890</u>
Noncurrent assets:								
Capital assets	150,457	1,774	-	-	1,385	147,298	-	-
Accumulated depreciation	(99,385)	(1,774)	-	-	-	(97,611)	-	-
Capital assets, net	<u>51,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385</u>	<u>49,687</u>	<u>-</u>	<u>-</u>
Promissory notes, noncurrent	866,382	-	-	-	-	-	669,489	196,893
Other assets	-	-	-	-	-	-	-	-
Total non-current assets	<u>917,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385</u>	<u>49,687</u>	<u>669,489</u>	<u>196,893</u>
Total assets	<u>\$ 9,915,321</u>	<u>\$ 849,724</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 4,450,879</u>	<u>\$ 3,090,232</u>	<u>\$ 1,194,475</u>	<u>\$ 279,783</u>
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable:								
Vendors	\$ 13,932	\$ -	\$ -	\$ -	\$ -	\$ 13,917	\$ 15	\$ -
Due to other funds	2,836,500	227,979	-	-	83,998	2,524,523	-	-
Compensated absences - current portion	3,182	-	-	-	-	3,182	-	-
Accrued liabilities	152,812	4,046	-	-	25,597	123,169	-	-
Deferred revenues	1,601,374	-	-	-	-	56,451	1,294,999	249,924
Total current liabilities	<u>4,607,800</u>	<u>232,025</u>	<u>-</u>	<u>-</u>	<u>109,595</u>	<u>2,721,242</u>	<u>1,295,014</u>	<u>249,924</u>
Noncurrent liabilities:								
Accrued compensated absences	163,591	-	-	-	-	163,591	-	-
Accrued sick leave	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>163,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,591</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,771,391</u>	<u>232,025</u>	<u>-</u>	<u>-</u>	<u>109,595</u>	<u>2,884,833</u>	<u>1,295,014</u>	<u>249,924</u>
Net assets:								
Invested capital assets, net of related debt	3,449,590	71,830	-	-	3,328,073	49,687	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	1,694,340	545,869	4,835	43,727	1,013,211	155,712	(100,539)	29,859
Total net assets	<u>5,143,930</u>	<u>617,699</u>	<u>4,835</u>	<u>43,727</u>	<u>4,341,284</u>	<u>205,399</u>	<u>(100,539)</u>	<u>29,859</u>
Total liabilities and net assets	<u>\$ 9,915,321</u>	<u>\$ 849,724</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 4,450,879</u>	<u>\$ 3,090,232</u>	<u>\$ 1,194,475</u>	<u>\$ 279,783</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 Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2011

	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
Operating revenues:									
Property Sales	\$ 5,000	-	\$ -	-	\$ -	5,000	-	-	\$ -
Management fees	1,162,506	-	-	-	-	-	1,162,506	-	-
Asset management fees	90,000	-	-	-	-	-	90,000	-	-
Bookkeeping fees	283,567	-	-	-	-	-	283,567	-	-
Other Federal Grants	-	-	-	-	-	-	-	-	-
Other	118,046	-	-	-	-	-	109,782	7,197	1,067
Total operating revenues	1,659,119	-	-	-	-	5,000	1,645,855	7,197	1,067
Operating expenses:									
Administrative salaries	1,023,645	-	3,744	-	-	3,353	1,016,548	-	-
Employee benefits	346,673	-	1,167	-	-	989	344,517	-	-
Professional fees	46,347	-	1,850	-	-	-	44,497	-	-
Travel	33,056	-	-	-	-	-	33,056	-	-
Project costs	-	-	-	-	-	-	-	-	-
Insurance	14,125	-	-	-	-	-	14,125	-	-
Protective services	365	-	-	-	-	-	365	-	-
Repairs and maintenance	1,949	-	-	-	-	-	1,949	-	-
Office expense	65,544	-	4,084	-	-	-	61,460	-	-
Depreciation	5,695	-	1,758	-	-	-	3,937	-	-
Compensated absences	(650)	-	-	-	-	-	(650)	-	-
Advertising and marketing	7,647	-	1,152	-	-	-	6,495	-	-
Utilities	46,240	-	-	-	-	-	46,240	-	-
Bad debts	11,112	-	-	-	-	-	-	11,112	-
Other	87,303	-	2,072	-	-	34,653	50,165	413	-
Total operating expenses	1,689,051	-	15,827	-	-	38,995	1,622,704	11,525	-
Operating income (loss)	(29,932)	-	(15,827)	-	-	(33,995)	23,151	(4,328)	1,067
Non-operating revenues and expenses:									
Other income	120,486	-	120,486	-	-	-	-	-	-
Other expense	(237,199)	-	-	-	-	-	(237,199)	-	-
Investment income	4,189	-	1,794	-	-	2,395	-	-	-
Total non-operating revenues and (expense), net	(112,524)	-	122,280	-	-	2,395	(237,199)	-	-
Change in net assets	(142,456)	-	106,453	-	-	(31,600)	(214,048)	(4,328)	1,067
Total net assets at beginning of year	5,286,386	1,666	511,246	4,835	43,727	4,372,884	419,447	(96,211)	28,792
Total net assets at end of year	\$ 5,143,930	\$ 1,666	\$ 617,699	\$ 4,835	\$ 43,727	\$ 4,341,284	\$ 205,399	\$ (100,539)	\$ 29,859

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, 2011

	TOTAL	Sinjana Non-Title I	Gov Guam Astumbo	Naturu Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation
Cash flows from operating activities:									
Operating grants received	\$ 2,271,073	-	-	-	-	\$ 5,000	2,258,876	7,197	-
Receipts from customers	(648,598)	-	(10,325)	-	-	(35,642)	(602,218)	(413)	-
Payments to suppliers	(1,001,175)	-	(3,744)	-	-	(3,353)	(994,078)	-	-
Payments to employees	(67,896)	-	(108,211)	-	-	39,180	-	1,419	(284)
Other cash receipts (payments)	553,404	-	(122,280)	-	-	5,185	662,580	8,203	(284)
Net cash provided by (used in) operating activities									
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	(112,524)	-	122,280	-	-	2,395	(237,199)	-	-
Deposits in restricted accounts	(1,413)	-	-	-	-	(1,413)	-	-	-
Net cash used in investing activities	(113,937)	-	122,280	-	-	982	(237,199)	-	-
Net increase (decrease) in cash and cash equivalents	439,467	-	-	-	-	6,167	425,381	8,203	(284)
Cash and cash equivalents at beginning of year	3,087,494	-	-	-	-	464,124	2,607,786	13,065	2,519
Cash and cash equivalents at end of year	\$ 3,526,961	\$ -	\$ (15,827)	\$ -	\$ -	\$ 470,291	\$ 3,033,167	\$ 21,268	\$ 2,235
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (29,932)	\$ -	\$ (15,827)	\$ -	\$ -	\$ (33,995)	\$ 23,151	\$ (4,328)	\$ 1,067
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:									
Depreciation	5,695	-	1,758	-	-	-	3,937	-	-
Bad debts	11,112	-	-	-	-	-	-	11,112	-
(Increase) decrease in assets:									
Accounts receivable:									
Promissory notes	53,208	-	-	-	-	-	-	97,667	(44,459)
Other Governments	-	-	-	-	-	-	-	-	-
Due from other funds	3,559,318	-	-	-	-	-	3,557,902	(200)	1,616
Other	47,667	-	(1,746)	-	-	186	-	49,227	-
Prepaid and other assets	11	-	-	-	-	-	11	-	-
Land held for sale	(37,177)	-	(71,830)	-	-	34,653	-	-	-
Increase (decrease) in liabilities:									
Accounts payable	1,259	-	-	-	-	-	1,244	15	-
Compensated absences	(649)	-	-	-	-	-	(649)	-	-
Due to other funds	(2,960,847)	-	(38,681)	-	-	4,341	(2,927,462)	2,306	(1,351)
Other current liabilities	-	-	-	-	-	-	-	-	-
Accrued liabilities	9,016	-	4,046	-	-	-	4,970	-	-
Deferred revenue	(105,277)	-	-	-	-	-	(524)	(147,596)	42,843
Other	-	-	-	-	-	-	-	-	-
Net cash provided by operating activities	\$ 553,404	\$ -	\$ (122,280)	\$ -	\$ -	\$ 5,185	\$ 662,580	\$ 8,203	\$ (284)

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, 2011

<u>ASSETS</u>	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Current Assets:			
Cash:			
Unrestricted	\$ 182,051	\$ 50,078	\$ 131,973
Restricted	100,559	-	100,559
Total cash	<u>282,610</u>	<u>50,078</u>	<u>232,532</u>
Accounts Receivable:			
Due from other funds	3,593,165	-	3,593,165
Other	29,825	-	29,825
Travel advances	-	-	-
Allowance for doubtful accounts - other	(9,600)	-	(9,600)
Total accounts receivable	<u>3,613,390</u>	<u>-</u>	<u>3,613,390</u>
Investments	-	-	-
Prepaid and other assets	<u>71,779</u>	<u>-</u>	<u>71,779</u>
Total current assets	<u>3,967,779</u>	<u>50,078</u>	<u>3,917,701</u>
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	<u>41,598</u>	<u>41,598</u>	<u>-</u>
Total assets	<u>\$ 4,009,377</u>	<u>\$ 91,676</u>	<u>\$ 3,917,701</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 1,432,855	\$ 189,884	\$ 1,242,971
Vendors	10,040	-	10,040
Other	2,334,857	-	2,334,857
Other accrued liabilities	140,711	-	140,711
Deferred revenues	29,627	-	29,627
Total liabilities	<u>3,948,090</u>	<u>189,884</u>	<u>3,758,206</u>
Net assets:			
Invested in capital assets, net of related debt	41,598	41,598	-
Restricted	100,559	-	100,559
Unrestricted	(80,870)	(139,806)	58,936
Total net assets (deficit)	<u>61,287</u>	<u>(98,208)</u>	<u>159,495</u>
Total liabilities and net assets	<u>\$ 4,009,377</u>	<u>\$ 91,676</u>	<u>\$ 3,917,701</u>

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, 2011

	Total	Local Revolving Fund	Revolving Fund
Operating revenues:			
Other Government Grants	\$ 1,289,744	\$ -	\$ 1,289,744
Other	142,258	104,258	38,000
Total operating revenues	1,432,002	104,258	1,327,744
Operating Expenses:			
Administrative salaries	1,604	-	1,604
Employee benefits	598	-	598
Advertising and marketing	6,592	5,824	768
Office expense	951	940	11
Legal and professional fees	14,191	-	14,191
Depreciation	-	-	-
Travel	3,763	3,763	-
Bad debts	3,000	-	3,000
Repairs and maintenance	1,327,744	-	1,327,744
Other	512,720	12,605	500,115
Total operating expenses	1,871,163	23,132	1,848,031
Operating income (loss)	(439,161)	81,126	(520,287)
Non-operating revenues:			
Investment income	125	125	-
Other income	295,619	-	295,619
Total non-operating revenues	295,744	125	295,619
Change in net assets	(143,417)	81,251	(224,668)
Total net assets (deficit) at beginning of year	204,704	(179,459)	384,163
Total net assets (deficit) at end of year	\$ 61,287	\$ (98,208)	\$ 159,495

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, 2011

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Cash flows from operating activities:			
Operating grants received	\$ 1,289,744	\$ -	\$ 1,289,744
Payments to suppliers	(1,659,990)	(23,132)	(1,636,858)
Payments to employees	(1,604)	-	(1,604)
Other cash receipts (payments)	<u>(455,443)</u>	<u>23,132</u>	<u>(478,575)</u>
Net cash provided by (used in) operating activities	<u>(827,293)</u>	<u>-</u>	<u>(827,293)</u>
Cash flows from investing activities:			
Investment income received	<u>295,744</u>	<u>125</u>	<u>295,619</u>
Net cash provided by (used in) investing activities	<u>295,744</u>	<u>125</u>	<u>295,619</u>
Net increase (decrease) in cash and cash equivalents	(531,549)	125	(531,674)
Cash and cash equivalents at beginning of year	<u>814,159</u>	<u>49,953</u>	<u>764,206</u>
Cash and cash equivalents at end of year	<u>\$ 282,610</u>	<u>\$ 50,078</u>	<u>\$ 232,532</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (439,161)	\$ 81,126	\$ (520,287)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Bad debts	3,000	-	3,000
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	(575,504)	-	(575,504)
Other	4,292	-	4,292
Prepaid expenses and other assets	(3,146)	-	(3,146)
Increase (decrease) in liabilities:			
Accounts payable:			
Vouchers	2,685	-	2,685
Due to other funds	(202,310)	(81,126)	(121,184)
Other	383,765	-	383,765
Other accrued liabilities	(1)	-	(1)
Deferred revenues	<u>(913)</u>	<u>-</u>	<u>(913)</u>
Net cash provided by (used in) operating activities	<u>\$ (827,293)</u>	<u>\$ -</u>	<u>\$ (827,293)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

SECTION 1602 LOW-INCOME HOUSING CREDITS PROGRAM

Combining Statement of Net Assets
September 30, 2011

ASSETS		
Current assets:		
Cash - unrestricted	\$	1,601,525
Cash - other restricted		-
Total cash		1,601,525
Accounts receivable:		
Due from other funds		-
Other		-
Total accounts receivable		-
Total current assets		1,601,525
Noncurrent assets:		
Capital assets		-
Accumulated depreciation		-
Capital assets, net		-
Total non-current assets		-
Total assets	\$	1,601,525
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable:		
Vendors	\$	260
Due to other funds		1,601,265
Deferred revenues		-
Total liabilities		1,601,525
Net assets:		
Invested capital assets, net of related debt		-
Restricted		-
Unrestricted		-
Total net assets		-
Total liabilities and net assets	\$	1,601,525

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

SECTION 1602 LOW-INCOME HOUSING CREDITS PROGRAM

Combining Statement of Revenues, Expenses and Net Assets
September 30, 2011

Operating revenues:	
Other Federal Grants	\$ 19,446,645
Other	-
Total operating revenues	<u>19,446,645</u>
Operating expenses:	
Project costs	19,446,645
Administrative salaries	-
Employee benefits	-
Professional fees	-
Advertising and marketing	-
Other	-
Total operating expenses	<u>19,446,645</u>
Operating income (loss)	<u>-</u>
Non-operating revenues and expenses:	
Other income	-
Other expense	-
Investment income	-
Total non-operating revenues and (expense), net	<u>-</u>
Change in net assets	-
Total net assets at beginning of year	<u>-</u>
Total net assets at end of year	<u><u>\$ -</u></u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

SECTION 1602 LOW-INCOME CREDITS PROGRAM

Combining Statement of Cash Flows
Year Ended September 30, 2011

Cash flows from operating activities:	
Operating grants received	\$ 19,446,645
Payments to suppliers	<u>(17,845,125)</u>
Net cash provided by (used in) operating activities	<u>1,601,520</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>-</u>
Net cash used in capital and related financing activities	<u>-</u>
Cash flows from investing activities:	
Interest and other income received	-
Deposits in restricted accounts	<u>-</u>
Net cash used in investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,601,520
Cash and cash equivalents at beginning of year	<u>5</u>
Cash and cash equivalents at end of year	<u>\$ 1,601,525</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	-
Bad debts	-
Decrease in assets:	
Accounts receivable:	
Other Governments	830,203
Increase in liabilities:	
Accounts payable	255
Due to other funds	771,062
Deferred revenue	-
Other	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,601,520</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 Net Assets

September 30, 2011

Assets	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Accounts receivable:				
Due from other funds	\$ 7,062	\$ 900	\$ 3,197	\$ 2,965
Interest	-	-	-	\$ -
Investments	<u>71,460</u>	<u>-</u>	<u>71,460</u>	<u>-</u>
 Total assets	 <u>\$ 78,522</u>	 <u>\$ 900</u>	 <u>\$ 74,657</u>	 <u>\$ 2,965</u>
 <u>Liabilities and Net Assets</u>				
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Net assets:				
Invested capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	<u>78,522</u>	<u>900</u>	<u>74,657</u>	<u>2,965</u>
 Total net assets	 <u>78,522</u>	 <u>900</u>	 <u>74,657</u>	 <u>2,965</u>
 Total liabilities and net assets	 <u>\$ 78,522</u>	 <u>\$ 900</u>	 <u>\$ 74,657</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 Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2011

	<u>Total</u>	<u>Yona Rehab Loan Escrow</u>	<u>Sinajana Rehabilitation Escrow</u>	<u>War in the Pacific</u>
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income	-	-	-	-
Investment income	<u>134</u>	<u>-</u>	<u>134</u>	<u>-</u>
Change in net assets	134	-	134	-
Net assets at beginning of year	<u>78,388</u>	<u>900</u>	<u>74,523</u>	<u>2,965</u>
Net assets at end of year	<u>\$ 78,522</u>	<u>\$ 900</u>	<u>\$ 74,657</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, 2011

	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Cash flows from operating activities:				
Receipts from customers	\$ 20	\$ -	\$ 20	\$ -
Net cash provided by operating activities	20	-	20	-
Cash flows from investing activities:				
Interest income received	134	-	134	-
Deposits in restricted accounts	(154)	-	(154)	-
Net cash used in investing activities	(20)	-	(20)	-
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 to net cash provided by operating activities:				
Operating income	\$ -	\$ -	\$ -	\$ -
(Increase) decrease in assets:				
Accounts receivable - interest	20	-	20	-
Increase (decrease) in liabilities:				
Other current liabilities	-	-	-	-
Net cash provided by operating activities	\$ 20	\$ -	\$ 20	\$ -

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, 2011

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	-	-	-	-	-	-	-
Other	<u>3,440</u>	-	-	3,440	-	-	-
	<u>550,248</u>	-	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	-
Investments	<u>636,107</u>	<u>636,107</u>	-	-	-	-	-
Total current assets	<u>1,186,355</u>	<u>636,107</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	-
Noncurrent assets:							
Capital assets, net	<u>224,365</u>	-	<u>38,815</u>	-	<u>85,668</u>	<u>99,882</u>	-
Total non-current assets	<u>224,365</u>	-	<u>38,815</u>	-	<u>85,668</u>	<u>99,882</u>	-
Total assets	<u>\$ 1,410,720</u>	<u>\$ 636,107</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 524,948</u>	<u>\$ 205,249</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS							
Liabilities:							
Accounts payable:							
Due to other funds	\$ 1,440,432	\$ 60,142	\$ 12,488	\$ 95	\$ 1,176,423	\$ 63,037	\$ 128,247
Accrued liabilities	-	-	-	-	-	-	-
Total liabilities	<u>1,440,432</u>	<u>60,142</u>	<u>12,488</u>	<u>95</u>	<u>1,176,423</u>	<u>63,037</u>	<u>128,247</u>
Net assets:							
Invested capital assets, net of related debt	224,365	-	38,815	-	85,668	99,882	-
Unrestricted	<u>(254,077)</u>	<u>575,965</u>	<u>(10,327)</u>	<u>3,345</u>	<u>(737,143)</u>	<u>42,330</u>	<u>(128,247)</u>
Total net assets	<u>(29,712)</u>	<u>575,965</u>	<u>28,488</u>	<u>3,345</u>	<u>(651,475)</u>	<u>142,212</u>	<u>(128,247)</u>
Total liabilities and net assets	<u>\$ 1,410,720</u>	<u>\$ 636,107</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 524,948</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, 2011

	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
TOTAL	-	-	-	-	-	-
Operating revenues:						
Property Sales	\$ 19,000	\$ -	\$ -	\$ -	\$ 19,000	\$ -
Other	-	-	-	-	-	-
Total operating revenues	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,000</u>	<u>-</u>
Operating expenses:						
Administrative salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Depreciation	29,736	-	-	29,736	-	-
Asset management fee	-	-	-	-	-	-
Legal and professional fees	569	-	-	-	569	-
Advertising and marketing	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total operating expenses	<u>30,305</u>	<u>-</u>	<u>-</u>	<u>29,736</u>	<u>569</u>	<u>-</u>
Operating income (loss)	<u>(11,305)</u>	<u>-</u>	<u>-</u>	<u>(29,736)</u>	<u>18,431</u>	<u>-</u>
Non-operating revenues:						
Investment income	1,197	-	-	-	-	-
Total non-operating revenues (expenses)	<u>1,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(10,108)	1,197	-	(29,736)	18,431	-
Total net assets at beginning of year	<u>(19,604)</u>	<u>574,768</u>	<u>3,345</u>	<u>(621,739)</u>	<u>123,781</u>	<u>(128,247)</u>
Total net assets at end 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>

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, 2011

	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Cash flows from operating activities:						
Receipts from customers	\$ 182	\$ -	\$ -	\$ -	\$ 19,000	\$ -
Payments to suppliers	(569)	-	-	-	(569)	-
Payments to employees	-	-	-	-	-	-
Other cash receipts (payments)	(18,431)	-	-	-	(18,431)	-
Net cash provided by operating activities	<u>182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	1,197	-	-	-	-	-
Increase in investments	(1,379)	-	-	-	-	-
Net cash used in investing activities	<u>(182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at beginning of year	<u>-</u>	<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>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (11,305)	\$ -	\$ -	\$ (29,736)	\$ 18,431	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	29,736	-	-	29,736	-	-
Bad debts	-	-	-	-	-	-
(Increase) decrease in assets:						
Due from other funds	-	-	-	-	-	-
Interest	182	-	-	-	-	-
Others	-	-	-	-	-	-
Increase (decrease) in liabilities:						
Accounts payable:						
Due to other funds	(18,431)	-	-	-	(18,431)	-
Other current liabilities	-	-	-	-	-	-
Others	-	-	-	-	-	-
Net cash provided by operating activities	<u>\$ 182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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