

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

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

For The Year Ended September 30, 2013

(With Comparative Totals for September 30, 2012)

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Guam Housing and Urban Renewal Authority

Report on the Financial Statements

I have audited the accompanying statements of net position, revenues, expenses and changes in position 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, 2013, and the related notes to the financial statements, which collectively comprise the GHURA's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from GHURA's 2012 financial statements and, in my report dated May 29, 2013, I expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audits. I conducted my audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position each major fund and the aggregate remaining fund information of the Guam Housing and Urban Renewal Authority as of September 30, 2013, and the respective changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Financial Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Guam Housing and Urban Renewal Authority's basic financial statements taken as a whole. The combining financial statements on pages 65 through 123 and the supplementary information on pages 176 through 187 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures and federal awards on pages 129 and 130, 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*, and is not a required part of the basic financial statements.

The combining financial statements, supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining financial statements, supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 11, 2014 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.

A handwritten signature in black ink that reads "J. Scott Magliari & Company". The signature is written in a cursive style with a large, stylized initial "J".

Hagåtña, Guam
March 11, 2014

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

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, 2013. We encourage you to consider the information presented here in conjunction with GHURA's financial statements included in the report on pages 30 through 34.

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

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

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

Financial Highlights

The Authority had total operating and non-operating revenues of \$45,243,273 and expenses of \$48,884,778 for the year ended September 30, 2013 (\$49,870,602 and \$54,331,310 for the year ended September 30, 2012), representing decreases of \$4,627,329 and \$5,446,532 (approximately 9.3% and 10.0%), respectively, over September 30, 2012 figures.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

Total assets of the Authority of \$43,733,831 decreased \$3,960,022 or approximately 8.3% as compared to \$47,693,853 in the prior year.

The Authority's cash and cash equivalents at September 30, 2013 totaled \$8,710,177, a decrease of \$2,305,759, or approximately 20.9% as compared to \$11,015,936 as of September 30, 2012.

The Authority's working capital decreased by \$2,289,654 or approximately 14.9% as of September 30, 2013.

Overview of the Financial Statements

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

Authority-Wide Financial Statements

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

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

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

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

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the authority-wide financial statements. The notes to the financial statements can be found on pages 35 through 64 of this report.

Supplementary Information

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. The Schedule of Expenditures of Federal Awards can be found on pages 129 and 130 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, 2013

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

Each AMP has a manager directly responsible for not only the AMP's budget, but also for the daily operation of public housing residents' homes. AMP managers oversee resident services, work orders, income reexaminations, evictions, and other matters.

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

At the end of FY 2013, the Authority had 722 units occupied with 96.3% occupancy rate and an adjusted rate of 98.9% with 20 units under modernization. For the fiscal year ended September 30, 2013, the Authority received \$1.73 million in Operating Subsidy funds.

Table A represents the Occupancy and Adjusted Rate per AMP Site Base.

TABLE A

AMP SITE	NO. OF UNITS	TOTAL OCCUPIED	TOTAL VACANT	TOTAL MOD UNITS	OCCUPANCY RATE	ADJUSTED OCCUPANCY RATE
AMP1	158	158	0	0	100%	100%
AMP2	163	163	0	0	100%	100%
AMP3	195	168	27	20	86%	96%
AMP4	234	233	1	0	99%	99%
TOTAL	750	722	28	20	96.3%	98.9%

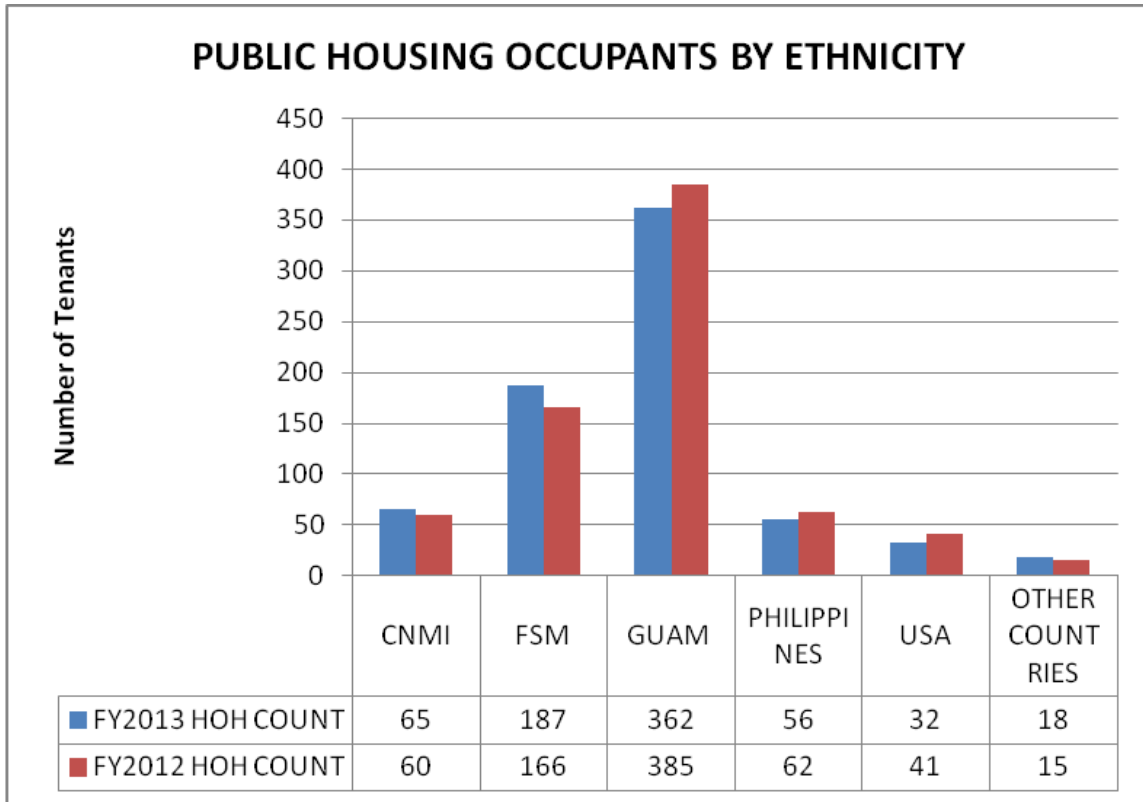
Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Table B represents the Head of Household (HOH) tenants' ethnicities in the Public Housing Program for the Fiscal Year 2013.

TABLE B

LOCATION	2013	%	2012	%
CNMI	65	9%	60	8%
FSM	187	26%	166	23%
GUAM	362	50%	385	53%
PHILIPPINES	56	8%	62	8%
USA	32	4%	41	6%
OTHER CONTRIES	18	3%	15	2%
TOTAL	720	100%	729	100%



Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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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 \$1.08 million (based on the most recent grant) to implement such plan.

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

THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (HCV)

The Section 8 Housing Choice Voucher Program was the result of the Quality Housing and Work Responsibility Act (QHWRA) of 1998. Prior to QHWRA the Section 8 Program was known as the Section 8 Certificate Program and during the Public Housing Reform HUD issued three conforming rules that initiated the conversion from the Certificate Program to the Voucher program. By October 2001, the Certificate Program was completely phased out. . Although the HCV Program is quite similar to the former Certificate Program, there are some key differences that include the implementation of the following:

- **Payment Standards Schedule:** PHAs are mandated to develop and maintain a Payment Standards Schedule annually. The Payment Standard Schedule is a table listing the maximum assistance GHURA may provide per bedroom size. The payment standard is set between 90 to 110 percent of the Fair Market Rent (FMR) and families are permitted to lease a unit that rents for more or less than the payment standard.
- **Family's Share of Rent:** When the gross rent exceeds the Payment Standard, the family pays the TTP plus the amount by which the gross rent exceeds the payment standards.
- **Affordability:** Under the Certificate Program, the family's rent was based on income and there was no affordability standard. Under the HCV Program, the family may not pay more than 40 percent of the monthly adjusted income at the time of admission or whenever the family moves to a new unit.
- **Rent increases:** Increases are no longer limited by the annual adjustment factor. Under the HCV program, increases are determined by performing a rent reasonableness test.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

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.

GHURA is authorized to administer up to 2,545 combined program vouchers consisting of regular tenant-based and target-funded vouchers with a budget of more than \$32 million. However, in 2013, GHURA's Housing Assistance Payment (HAP) budget was reduced to \$31,045,409 and Administrative Fees reduced by 69 percent per leased unit. The budget reduction was the result of the Budget Control Act of 2011 passed and carried over by the U.S. Congress in an effort to reduce the nation's deficit. GHURA's HAP budget pays rental assistance payment to private property owners on behalf of the eligible participants, including the participant's utility allowance for those who pay their own utilities.

The budget sequestration passed by Congress mandated HUD to implement a six percent budget cut of all HAP and Administrative Fees. To mitigate the reduction of funding, GHURA implemented internal measures to reduce program expenditures, including reducing its HAP by decreasing the number of program participants by not re-issuing turnover vouchers; offering smaller units to families, while being careful not to create overcrowding; reducing the payment standards; reducing the number of staffing, and operational expenses.

In 2013, the Section 8 HCV Program reported the following profile:

- 81.7 percent of participating families are from female head-of-households and 18.3 percent from male head-of-households;
- The average annual household income was \$12,364;
- 46 percent of families were in three-bedroom units; 27 percent in two-bedroom units; and 17 percent in four-bedroom units; and the remaining 10 percent occupied one, five and six bedroom units;
- Approximately 99 percent of families receive some form of general assistance or Temporary Assistance for Needy Families (TANF); 62 percent receive income through wages; 34 percent receive child support; and 2.6 percent own businesses; 22 percent received social security benefits; 3 percent receive income from other sources; and 30 percent receive non-cash items from various sources.
- 48 percent from Guam; 36 percent from the Federated States of Micronesia; 5.7 percent from the Commonwealth of the Northern Mariana Islands 5 percent from the Philippines; 3 percent from the United States of America and the remaining 2.3 percent from other countries.

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

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

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

- 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.

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- 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.

SUPPORTIVE HOUSING FOR THE ELDERLY (Guma Trankilidat Project)

The Guma Trankilidat Project is an elderly housing rental program, consisting of 50 dwelling units (49 one-bedroom and 1 two-bedroom unit). Construction of Guma Trankilidat Project was financed through a loan from the U.S. Department of Agriculture Section 515 Rural Rental Housing Program in the amount of \$2.0 Million and amortized for a 50 year period beginning March 26, 1980. Annual rental subsidies of approximately \$394,000 are provided through project-based vouchers through the U.S. Department of Housing and Urban Development's Multifamily Housing program. These subsidies cover both the annual operating expenses and mortgage payments.

In compliance with Federal Regulation, a Capital Needs Assessment (CNA) and Section 504 Transition Plan was conducted on October 2013. An estimate of \$2.6 Million was identified to address improvements in order to operate over the next 20 years. Approximately \$670 Thousand is necessary to fund the Health and Safety portion of the CNA and the ADA Compliance identified in the 504 Transition Plan. GHURA has identified partial funding in Project Reserves to address this requirement and is currently exploring other funding sources and financing options.

COMMUNITY PLANNING AND DEVELOPMENT FUNDS

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

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

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During FY2013, GHURA administered \$5.3 million in eligible CPD-funded activities. In fiscal year 2013 alone, a total of \$4,183,778 was received to fund eligible projects and activities with formula grant funds. CoC funds totaling \$1,125,484 were approved for activities in fiscal year 2013. 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.
- (4) Nurturing Neighborhood Networks is a program administered by the Community Services and Resources, Inc. to provide Community-Based Family Education and Youth Development programs to low-to-moderate income residents of Pagachao, Agat, Gil-Baza, Yigo, and Sagan Linahyan, Dededo.

Public Facilities and Improvements –

- (1) Construction of the Macheche Neighborhood Facility. Funds were utilized for the construction of a neighborhood community center and basketball court to serve the neighborhood of Macheche, Dededo. The facility is operated by the Ilocano Association of Guam .
- (2) Staff Housing Rental Rehabilitation (Renaissance Homes)-Rehabilitation of 10 abandoned homes in Talofofu and Merizo to be used as affordable rental housing to eligible and qualified low and moderate income individuals or families.
- (3) Staff Housing Rental Rehabilitation (Renaissance Homes)-Rehabilitation of 10 abandoned homes in Dededo and Yigo to be used as affordable rental housing to eligible and qualified low and moderate income individuals or families.

Guam Housing and Urban Renewal Authority

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- (4) Sagan Linahyan Rental Rehabilitation – Rehabilitation of 10 abandoned homes in northern neighborhood of Sagan Linahyan to be used as affordable rental housing to eligible and qualified low and moderate income individuals or families.
- (5) Construction of Emergency Receiving Home – Funds were used to construct a facility to provide temporary shelter for elderly and adults with a disability who are victims of abuse.
- (6) Kurason Ysengsong – Funds were used to rehabilitate six staff housing units in the northern village of Dededo. The units will be managed by a local nonprofit organization to provide community services geared towards strengthening families.
- (7) Homebuyer Infrastructure (Renewal Homes) – Funds were used for the infrastructure upgrade and improvement to support the construction of 10 units of affordable housing funded with HOME funds for sale to eligible homebuyers. The infrastructure upgrade and improvement included sewer and water line upgrades, sewer manholes installation, and pavement of roadway serving the units.

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) 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. Two families were assisted by the REHAB program during FY2013.

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

Guam Housing and Urban Renewal Authority

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Emergency Shelter Grant (ESG)

In FY2013, ESG funded activities serving homeless populations. ESG funds were used for such activities as the following:

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

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

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

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

Continuum of Care Grant Funds

Shelter Plus Care (S+C/SPC) – GHURA's SPC Program provides rental voucher assistance to homeless individuals. To qualify for assistance, participants must be homeless and disabled by chronic alcohol or drug problems, serious mental illness, or other disabilities. In addition to receiving a rental subsidy, SPC participants receive support services through a network of local service agencies. SPC funds in the reporting year were used to fund two programs: 1) Housing First Voucher Program; and 2) The Lighthouse Recovery Center Aftercare Program.

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

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

- (1) Karidat Support Services Only (SSO). Karidat SSO is a program serving persons with disabilities.
- (2) Guma' Hinemlo. Guma' Hinemlo is an 8-unit residential facility serving persons with disabilities.
- (3) Homeless Management Information System (HMIS). HMIS is the data repository to record the provision of services and track participants receiving assistance for homelessness. The service is intended as a tool to improve the provision of services by the numerous service providers.

Guam Housing and Urban Renewal Authority

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- (4) LIHENG Transitional Housing Case Management. Catholic Social Services operates 30 units of transitional housing.
- (5) Oasis Empowerment Center. Elim Pacific Ministries operates a facility serving women in recovery from substance abuse.
- (6) Sagan Ayudan Maisa (Oasis Sobriety House). Elim Pacific Ministries provides permanent housing to homeless women who have completed their six-month residential treatment program.
- (7) Empowered Together. Elim Pacific Ministries provides permanent housing and supportive services to chronic homeless women with children who are recovering from substance abuse.
- (8) Forrester's Refuge. Sanctuary Incorporated provides permanent housing and supportive services to homeless/chronic homeless individuals with disabilities.

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

TABLE 1

**STATEMENTS OF NET POSITION
(IN MILLIONS)**

	2013	2012	2011
Current assets	\$ 16.5	\$ 19.1	\$ 23.6
Capital assets and other, net	26.5	27.8	29.3
Other noncurrent assets	0.7	0.8	0.9
Total assets	<u>\$ 43.7</u>	<u>\$ 47.7</u>	<u>\$ 53.8</u>
Current liabilities	\$ 3.5	\$ 3.7	\$ 5.3
Long term debt, net	1.2	1.3	1.3
Other noncurrent liabilities	0.6	0.6	0.7
Total liabilities	<u>5.3</u>	<u>5.6</u>	<u>7.3</u>
Net position:			
Investment in capital assets, net	28.4	29.9	31.3
Restricted	2.1	4.0	5.1
Unrestricted	7.9	8.2	10.1
Total net position	<u>38.4</u>	<u>42.1</u>	<u>46.5</u>
Total liabilities and net position	<u>\$ 43.7</u>	<u>\$ 47.7</u>	<u>\$ 53.8</u>

During FY2013, there was an overall decrease in assets of \$4.0 million (\$6.1 million in 2012). The decrease was primarily attributable to current year operations and period charges.

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

Guam Housing and Urban Renewal Authority

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

Table 2 presents details on the change in Unrestricted Net Position for the fiscal year ended September 30, 2013.

TABLE 2
CHANGE IN UNRESTRICTED NET POSITION
(IN MILLIONS)

	2013	2012	2011
Unrestricted net position, beginning of year	\$ 8.2	\$ 11.2	\$ 11.2
Results of operations	(3.6)	(4.5)	0.5
Adjustments:			
Depreciation (1)	2.5	2.6	2.6
Adjusted results from operations	(1.1)	(1.9)	3.1
Reclassification to restricted assets	1.9	-	(1.1)
Capital activity, net	(1.1)	(1.1)	(2.0)
Prior period adjustment	-	-	-
Unrestricted net position, end of year	<u>\$ 7.9</u>	<u>\$ 8.2</u>	<u>\$ 11.2</u>

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

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

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

Guam Housing and Urban Renewal Authority

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TABLE 3
STATEMENT OF REVENUES AND EXPENSES
(IN MILLIONS)

	2013	2012	2011
Revenues:			
Operating subsidies and grants	\$ 42.3	\$ 47.8	\$ 69.0
Capital grants	1.2	0.6	2.1
Other income	1.2	1.1	1.5
Tenant revenue	0.5	0.4	0.5
Investment income	-	-	-
Total revenues	45.2	49.9	73.1
Expenses:			
Housing assistance payments	33.2	33.0	32.9
Maintenance	3.1	4.0	6.2
Administrative	8.9	13.8	29.1
Depreciation	2.5	2.6	2.6
Tenant services	0.3	0.3	0.4
General and other	0.4	0.3	1.0
Utilities	0.4	0.4	0.4
Total expenses	48.8	54.4	72.6
Change in net position	\$ (3.6)	\$ (4.5)	\$ 0.5

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

Revenues

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

Tenant Revenue

Tenant revenue, which accounted for 1.10% of total current year revenues, increased by \$65,009, or approximately 15.1% (\$26,149 decrease, or approximately 5.7%, in 2012). The increase in the current year revenues is attributed to increase in tenant income and charges for the period.

Guam Housing and Urban Renewal Authority

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Operating Subsidies and Grants

Operating subsidies, operating and capital grant revenue decreased by a net \$4.9 million, or approximately 10.08% from the prior year. The net decrease resulted primarily from the following: A decrease of \$1.7 million in Housing Choice Voucher program activities funding; \$5.1 million for the U.S. Department of the Treasury's IRS Section 1602 funds; \$4 million in CDBG program funding; and \$.1 million from ARRA program funding; This is offset by increases in the following: \$1.2 million in Low Rent Housing program funding; \$.4 million of HOME program funds; \$.3 million of Capital funds; \$.2 million of Department of Interior funds; \$.1 million of Continuum of Care program funding; and \$.2 million of other grants.

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

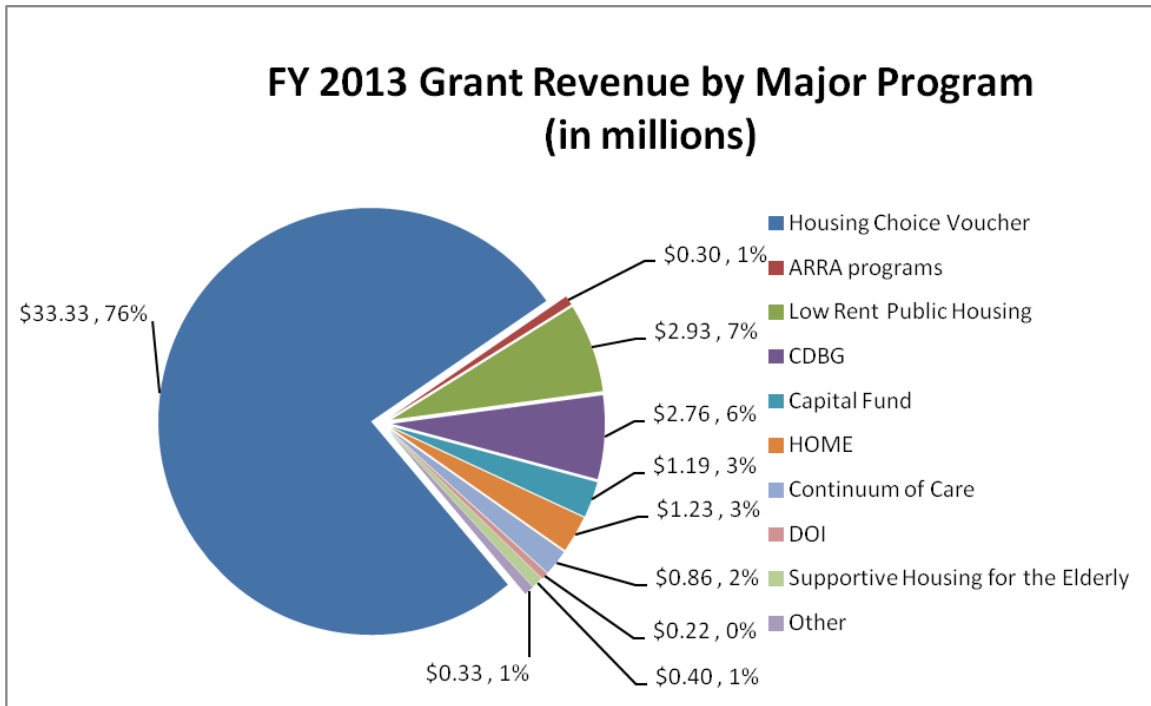
Operating and Capital Grant Revenue by Major Program Sources

TABLE 4
OPERATING SUBSIDIES AND GRANTS
(IN MILLIONS)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Housing Choice Voucher	\$ 33.3	\$ 35.0	\$ 35.2
Low Rent Public Housing	2.9	1.7	4.0
CDBG	2.8	3.2	2.8
Capital Fund	1.2	0.9	2.1
HOME	1.2	0.8	1.2
Continuum of Care	0.9	0.8	0.8
ARRA programs	0.3	0.4	3.0
Supportive Housing for the Elderly	0.4	0.4	0.5
Other	0.3	0.1	0.4
DOI	0.2	-	2.2
IRS Sec 1602	-	5.1	19.4
	<u>\$ 43.5</u>	<u>\$ 48.4</u>	<u>\$ 71.6</u>

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis
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Other Revenue

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

Expenses

Operating Expenses

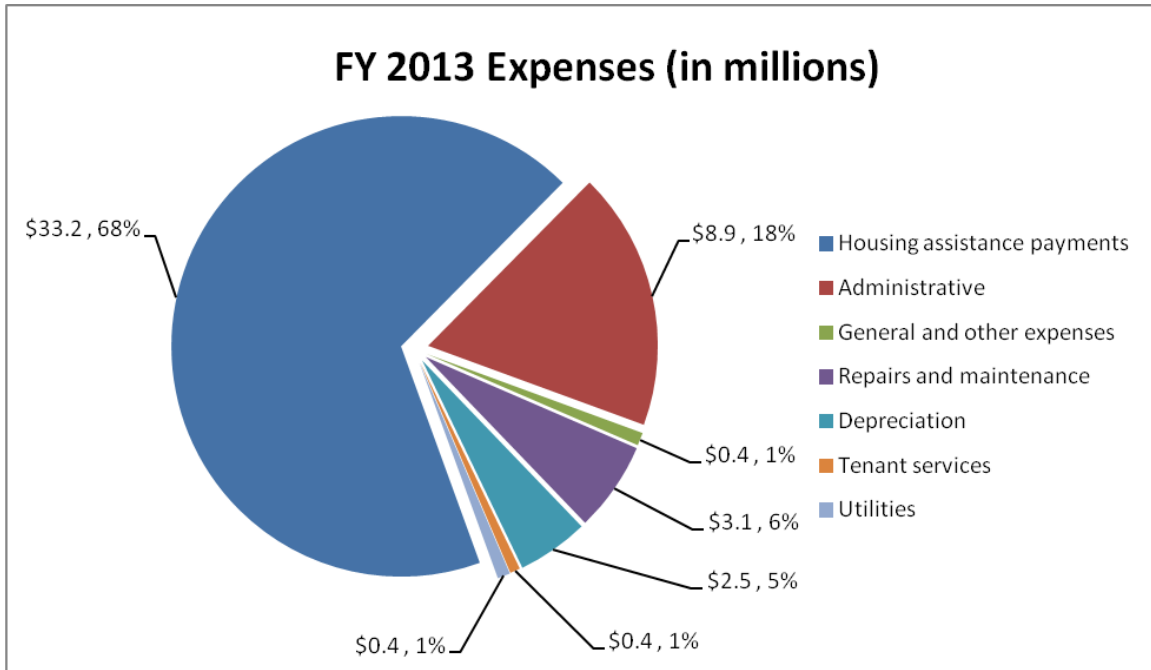
Operating expenses totaled \$48.8 million in 2013 (\$54.3 million in 2012), which represents a 10.0% decrease from prior year. Administrative expense was approximately 19.6% of total revenues in 2013 (27.6% of revenues in 2012).

Other Expenses

During 2013, there was a 0.5% increase in housing assistance payment activity for the Section 8 Housing Choice Voucher program due to higher unit month leasing costs (0.3% increase in 2012). Housing assistance payment expenses increased by approximately \$0.2 million in 2013 (increase of \$0.1 million in 2012).

Guam Housing and Urban Renewal Authority

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2013, the Authority had approximately \$26.5 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (net of additions and depreciation) of \$1,333,743, or approximately 4.8% from the end of last year (\$1,474,619 in 2012 or approximately 5.0%).

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

	2013	2012	2011
Land	\$ 3.7	\$ 3.7	\$ 3.7
Buildings	87.3	86.1	85.4
Equipment - administrative	2.1	2.1	2.1
Equipment - dwelling	1.9	1.9	1.5
	<u>95.0</u>	<u>93.8</u>	<u>92.7</u>
Accumulated depreciation	<u>(68.5)</u>	<u>(66.0)</u>	<u>(63.4)</u>
Capital assets, net	<u><u>\$ 26.5</u></u>	<u><u>\$ 27.8</u></u>	<u><u>\$ 29.3</u></u>

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

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

	2013	2012	2011
Balance at beginning of year	\$ 27.8	\$ 29.3	\$ 29.9
Additions	1.1	1.1	2.1
Disposition/transfers	-	-	(0.1)
Depreciation	(2.4)	(2.6)	(2.6)
Balance at end of year	<u>\$ 26.5</u>	<u>\$ 27.8</u>	<u>\$ 29.3</u>

Major additions are summarized as follows:

Major additions:

	2013	2012	2011
Building improvements and plans	\$ 1.1	\$ 1.1	\$ 2.1
Equipment purchases	-	-	-
Total additions	<u>\$ 1.1</u>	<u>\$ 1.1</u>	<u>\$ 2.1</u>

Debt Outstanding

As of year-end, the Authority had \$1,260,729 in debt (mortgage loan) outstanding compared to \$1,310,139 last year, for a \$49,410 decrease (debt retirement):

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

	2013	2012	2011
RD - Guma Trankilidat	<u>\$ 1.26</u>	<u>\$ 1.31</u>	<u>\$ 1.36</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, 2013

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

	2013	2012	2011
Cash flows provided by (used in) operations	\$ (2.4)	\$ (4.4)	\$ 0.5
Cash flows provided by (used in) financing activities	(0.4)	(0.6)	1.8
Cash flows provided by investing activities	0.5	0.7	5.3
	(2.3)	(4.3)	7.6
Net increase (decrease) in cash and cash equivalents	(2.3)	(4.3)	7.6
Cash and cash equivalents at beginning of year	11.0	15.3	7.7
	\$ 8.7	\$ 11.0	\$ 15.3
Reconciliation of operating loss to net cash (used) provided by operating activities			
Operating loss	\$ (4.9)	\$ (5.5)	\$ (1.7)
Adjustments to reconcile net income (loss) to net cash (used) provided by operating activities:			
Depreciation	2.5	2.6	2.6
Bad debts	-	-	0.1
(Increase) decrease in assets	0.2	4.9	5.3
Increase (Decrease) in liabilities	(0.2)	(6.4)	(5.8)
	\$ (2.4)	\$ (4.4)	\$ 0.5

In 2013, net decrease in cash flows resulted primarily from maturity of investments.

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.

Guam Housing and Urban Renewal Authority

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

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

On March 1, 2013, the President of the United States, as required by the Budget Control Act of 2011, issued a sequestration order cancelling \$85 billion in Federal budgetary resources across the Federal government for FY 2013. As a result of the sequestration, those major HUD programs administered by the Agency that are expected to be most impacted by funding reductions are as follows:

- Housing Choice Voucher (HCV) program housing payments assistance program - approximately 94.1%;
- HCV program funding for administrative fees at 69.1%; and
- Low Rent Public Housing Operating Fund at 73% to 77%.

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

The local economy is heavily dependent on the tourism industry, the source of which is from Asian markets, primarily Japan. Unlike most public housing authorities in the U. S. mainland, the local economy does not follow the U. S. national economic trends. The tourism industry appears to be in an initial recovery stage. However, adverse economic conditions, compounded by the effects of ever-increasing worldwide prices of oil, are and will continue to impact residents, 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.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

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

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

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

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

Audit and Compliance

In order to ensure accountability for performance and results, the Executive Management is using a Management Scorecard. The Executive Management will use this scorecard to track how well departments are executing the management initiatives, and where they stand at a given point in time against the overall standards for success.

Scores are based on standards established under the Public Housing Assessment System, Section Eight Management Assessment System, Voucher Management System, Rental Integrity Monitoring Reviews, and independent audits, to name a few.

Over time, the scores should improve as departments correct the problems. The Executive Management will update this report twice a year and issue a mid-year report. We will hold ourselves responsible and report honestly when progress is too slow.

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

Systems, Controls, and Legal Compliance

Systems

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

The software exchanges data with HUD's web-based reporting requirements, transmits and receives electronic banking payment (receivables) on a daily basis, as well as other various Government of Guam agencies. All modules are accessible simultaneously by the approximate 90 staff via remote sites, designed to improve our customer service and support. These remote locations in Agat, Yona, Toto, Tumon, and Agana all access the main host server located in Sinajana via a common telecommunications media.

Additionally, a second software is utilized to effectively track and forecast grant expenditures managed by CPD. These grants include CDBG, Home, ESG, Shelter Plus Care, CDBG-R, and HPRP. Data from both systems are exchanged and utilized in the reconciliation process, payment, and reporting requirements.

Numerous controls, interface programs, and preventive measures have been developed, tested and implemented to ensure the integrity and accuracy of the data, to include quality control and discrepancy reports.

Controls

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

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

Guam Housing and Urban Renewal Authority

Management Discussion and Analysis September 30, 2013

Legal Compliance

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

Accountability

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

Fraud, Waste, and Abuse

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

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

GHURA must ensure that the Authority operates legally and with integrity. The central principle underlying the public ethics codes is the Conflict of Interest, more specifically, the conflict between a public official’s individual self-interest and the public interest.

We, as public officials, are held to a higher standard than individuals in the private sector. Public officials are repositories of the public trust and as such have a duty to faithfully and honestly represent the interests of the public.

Financial Contact

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

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

Combined Statements of Net Position
September 30, 2013
(With comparative totals as of September 30, 2012)

Assets	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2013	Total 2012
Current assets:						
Cash: (Notes 1 and 2)						
Unrestricted	\$ 1,821,013	\$ 10,218	\$ 3,479,452	\$ -	\$ 5,310,683	\$ 8,952,134
Restricted - other (Note 3)	1,989,597	-	1,264,458	-	3,254,055	2,045,850
Restricted - security deposits (Note 3)	142,266	-	3,173	-	145,439	17,952
Total cash	<u>3,952,876</u>	<u>10,218</u>	<u>4,747,083</u>	<u>-</u>	<u>8,710,177</u>	<u>11,015,936</u>
Accounts receivable:						
Notes receivable - current portion (Note 4)	-	-	75,240	-	75,240	73,924
Tenants (Note 1)	175,569	-	-	-	175,569	113,390
HUD	518,070	299,129	-	-	817,199	984,090
Other Government Agencies	-	124,709	-	-	124,709	66,969
Due from other funds (Notes 1 and 5)	5,216,494	180,791	4,170,809	(9,568,094)	-	-
Interest	178	-	118	-	296	319
Other	27,684	-	353,177	-	380,861	465,125
	<u>5,937,995</u>	<u>604,629</u>	<u>4,599,344</u>	<u>(9,568,094)</u>	<u>1,573,874</u>	<u>1,703,817</u>
Allowance for doubtful accounts	(59,574)	-	(105,202)	-	(164,776)	(137,930)
Total accounts receivable, net	<u>5,878,421</u>	<u>604,629</u>	<u>4,494,142</u>	<u>(9,568,094)</u>	<u>1,409,098</u>	<u>1,565,887</u>
Investments: (Notes 1, 2, and 3)						
Unrestricted	1,493,232	-	1,198,629	-	2,691,861	2,528,130
Restricted/reserved by fiscal agent	204,958	-	-	-	204,958	388,526
Total investments	<u>1,698,190</u>	<u>-</u>	<u>1,198,629</u>	<u>-</u>	<u>2,896,819</u>	<u>2,916,656</u>
Prepayments and other current assets						
	<u>52,556</u>	<u>285</u>	<u>83,286</u>	<u>-</u>	<u>136,127</u>	<u>116,005</u>
Inventories (Note 1)	<u>240,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,498</u>	<u>145,086</u>
Other real estate (Notes 1 and 6)	<u>-</u>	<u>-</u>	<u>3,155,947</u>	<u>-</u>	<u>3,155,947</u>	<u>3,329,212</u>
Total current assets	<u>11,822,541</u>	<u>615,132</u>	<u>13,679,087</u>	<u>(9,568,094)</u>	<u>16,548,666</u>	<u>19,088,782</u>
Noncurrent assets:						
Capital assets, net (Notes 1 and 7)	18,511,404	7,683,642	310,848	-	26,505,894	27,839,637
Notes receivable - noncurrent (Note 4)	-	-	679,271	-	679,271	765,434
Total noncurrent assets	<u>18,511,404</u>	<u>7,683,642</u>	<u>990,119</u>	<u>-</u>	<u>27,185,165</u>	<u>28,605,071</u>
Total assets	<u>\$ 30,333,945</u>	<u>\$ 8,298,774</u>	<u>\$ 14,669,206</u>	<u>\$ (9,568,094)</u>	<u>\$ 43,733,831</u>	<u>\$ 47,693,853</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

(A Component Unit of the Government of Guam)

Combined Statements of Net Position, Continued

September 30, 2013

(With comparative totals as of September 30, 2012)

Liabilities and Net Position	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2013	Total 2012
Current liabilities:						
Accounts payable	\$ 7,481	\$ 74	\$ 567,796	\$ -	\$ 575,351	\$ 703,638
Current portion of note payable (Note 8)	52,000	-	-	-	52,000	49,000
Current portion of compensated absences (Note 1)	71,449	4,904	24,202	-	100,555	44,595
Due to HUD	38,632	-	-	-	38,632	25,692
Due to other funds (Notes 1 and 5)	2,097,561	267,098	7,203,435	(9,568,094)	-	-
Security deposits	142,266	-	3,173	-	145,439	150,475
Accrued salaries and wages	125,970	6,676	50,095	-	182,741	96,279
Accrued liabilities	56,670	-	261,094	-	317,764	402,957
Deferred revenues (Note 1)	48,757	299,746	1,332,507	-	1,681,010	1,860,361
Other current liabilities	137,049	-	227,721	-	364,770	375,727
Total current liabilities	2,777,835	578,498	9,670,023	(9,568,094)	3,458,262	3,708,724
Non-current liabilities:						
Long-term portion of note payable (Notes 8 and 9)	1,208,729	-	-	-	1,208,729	1,261,139
Accrued compensated absences (Notes 1 and 9)	436,459	36,634	169,842	-	642,935	658,580
Total non-current liabilities	1,645,188	36,634	169,842	-	1,851,664	1,919,719
Total liabilities	4,423,023	615,132	9,839,865	(9,568,094)	5,309,926	5,628,443
Commitments and contingencies (Notes 8, 12, 15, 16 and 20)						
Net position: (Notes 1 and 11)						
Investment in capital assets, net of related debt	17,250,675	7,683,642	3,463,795	-	28,398,112	29,928,016
Restricted	2,059,961	-	100,889	-	2,160,850	3,889,481
Unrestricted	6,600,286	-	1,264,657	-	7,864,943	8,247,913
Total net position	25,910,922	7,683,642	4,829,341	-	38,423,905	42,065,410
Total liabilities and net position	\$ 30,333,945	\$ 8,298,774	\$ 14,669,206	\$ (9,568,094)	\$ 43,733,831	\$ 47,693,853

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

(A Component Unit of the Government of Guam)

Combined Statements of Revenues, Expenses and Changes in Net Position

For the Year Ended September 30, 2013

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

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2013	Total 2012
Operating revenues:						
HUD PHA Operating Grants	\$ 39,408,948	\$ 2,754,410	\$ -	\$ -	\$ 42,163,358	\$ 42,349,179
Other Federal Grants (Note 1)	-	527,352	-	-	527,352	5,434,198
Management fees (Note 1)	-	-	1,192,899	(1,192,899)	-	-
Other income	158,774	128,535	413,350	-	700,659	564,133
Tenant rental income	496,120	-	-	-	496,120	431,111
Bookkeeping fees (Note 1)	-	-	278,167	(278,167)	-	-
Asset management fees (Note 1)	-	-	90,000	(90,000)	-	-
Property sales	-	-	22,008	-	22,008	31,084
Total operating revenues	<u>40,063,842</u>	<u>3,410,297</u>	<u>1,996,424</u>	<u>(1,561,066)</u>	<u>43,909,497</u>	<u>48,809,705</u>
Operating expenses:						
Housing assistance payments	33,221,541	-	-	-	33,221,541	33,042,007
Repairs and maintenance	1,830,918	1,251,646	8,954	-	3,091,518	3,929,100
Project costs (Note 1)	-	-	-	-	-	5,110,058
Other administrative expenses	816,058	1,582,979	274,087	-	2,673,124	2,496,675
Administrative salaries	2,884,286	301,376	1,163,364	-	4,349,026	4,292,139
Depreciation	1,678,828	772,177	539	-	2,451,544	2,573,739
Management fees (Note 1)	975,443	117,456	100,000	(1,192,899)	-	-
Employee benefits	1,098,242	121,663	417,948	-	1,637,853	1,513,462
Office expense	324,745	38,734	37,788	-	401,267	424,380
Utilities	355,147	-	82,103	-	437,250	380,270
Bookkeeping fees (Note 1)	278,167	-	-	(278,167)	-	-
Insurance	302,513	2,181	17,934	-	322,628	177,797
Compensated absences	(37,551)	(15,752)	12,864	-	(40,439)	70,635
Professional fees	68,594	2,232	65,357	-	136,183	146,486
Asset management fees (Note 1)	90,000	-	-	(90,000)	-	-
Travel	2,820	84	9,186	-	12,090	100,418
Protective services	3,472	-	413	-	3,885	7,146
Bad debts	80,137	-	1,875	-	82,012	17,786
Payments in-lieu of taxes	-	-	-	-	-	26,800
Advertising and marketing	11,092	7,845	9,316	-	28,253	36,871
Relocation costs	-	-	-	-	-	62
Total operating expenses	<u>43,984,452</u>	<u>4,182,621</u>	<u>2,201,728</u>	<u>(1,561,066)</u>	<u>48,807,735</u>	<u>54,345,831</u>
Operating loss	<u>(3,920,610)</u>	<u>(772,324)</u>	<u>(205,304)</u>	<u>-</u>	<u>(4,898,238)</u>	<u>(5,536,126)</u>
Non-operating revenues (expenses):						
Capital Grants	-	851,002	-	-	851,002	637,397
Interest income on restricted investments	683	-	-	-	683	3,720
Interest income on unrestricted investments	12,331	144	2,419	-	14,894	9,160
Fraud recovery	63,497	-	-	-	63,497	29,901
Recovery of bad debts	27	-	-	-	27	100,934
Other income	348,863	3	54,834	-	403,700	374,082
Gain on sale of capital assets	-	-	-	-	-	6,637
Other expense	-	-	-	-	-	(6,122)
Interest expense	(77,070)	-	-	-	(77,070)	(80,291)
Total non-operating revenues (expenses), net	<u>348,331</u>	<u>851,149</u>	<u>57,253</u>	<u>-</u>	<u>1,256,733</u>	<u>1,075,418</u>
Change in net position	(3,572,279)	78,825	(148,051)	-	(3,641,505)	(4,460,708)
Total net position - beginning of year	<u>29,483,201</u>	<u>7,604,817</u>	<u>4,977,392</u>	<u>-</u>	<u>42,065,410</u>	<u>46,526,118</u>
Total net position - end of year	<u>\$ 25,910,922</u>	<u>\$ 7,683,642</u>	<u>\$ 4,829,341</u>	<u>\$ -</u>	<u>\$ 38,423,905</u>	<u>\$ 42,065,410</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, 2013
(With comparative totals for the year ended September 30, 2012)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2013	Total 2012
Cash flows from operating activities:						
Operating grants received	\$ 39,416,499	\$ 3,301,023	\$ 173,381	\$ -	\$ 42,890,903	\$ 48,095,326
Receipts from tenants	610,118	128,535	2,247,025	(1,516,401)	1,469,277	1,445,950
Assistance paid	(33,221,541)	-	-	-	(33,221,541)	(33,042,007)
Cash payments to suppliers for goods and services	(6,670,639)	(3,104,943)	(829,559)	1,516,401	(9,088,740)	(16,209,340)
Cash payments to employees for services	(2,785,878)	(322,633)	(1,178,304)	-	(4,286,815)	(5,350,895)
Other cash receipts (payments)	(143,704)	-	19,407	-	(124,297)	657,799
Net cash provided by (used for) operating activities	<u>(2,795,145)</u>	<u>1,982</u>	<u>431,950</u>	<u>-</u>	<u>(2,361,213)</u>	<u>(4,403,167)</u>
Cash flows from noncapital financing activities:						
Transfer from other funds	-	-	-	-	-	1,554,309
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,554,309</u>
Cash flows from capital and related financing activities:						
Interest paid	(77,070)	-	-	-	(77,070)	(80,291)
Repayment of note payable	(49,410)	-	-	-	(49,410)	(46,189)
Capital grants received	-	851,002	-	-	851,002	216,311
Acquisition of capital assets	(279,067)	(851,002)	-	-	(1,130,069)	(2,224,761)
Net cash used for capital and related financing activities	<u>(405,547)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(405,547)</u>	<u>(2,134,930)</u>
Cash flows from investing activities:						
Interest and other income received	385,427	147	56,152	-	441,726	569,277
Deposits to restricted accounts	(592)	-	21,867	-	21,275	97,756
Net cash provided by investing activities	<u>384,835</u>	<u>147</u>	<u>78,019</u>	<u>-</u>	<u>463,001</u>	<u>667,033</u>
Net increase (decrease) in cash	(2,815,857)	2,129	509,969	-	(2,303,759)	(4,316,755)
Cash at beginning year	<u>6,768,733</u>	<u>8,089</u>	<u>4,237,114</u>	<u>-</u>	<u>11,013,936</u>	<u>15,332,691</u>
Cash at end of year	<u>\$ 3,952,876</u>	<u>\$ 10,218</u>	<u>\$ 4,747,083</u>	<u>\$ -</u>	<u>\$ 8,710,177</u>	<u>\$ 11,015,936</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, 2013
(With comparative totals for the year ended September 30, 2012)

	Major Enterprise Funds	Non-Major Enterprise Funds	Other Enterprise Funds	Eliminations	Total 2013	Total 2012
Reconciliation of operating loss to net cash provided by (used for) operating activities:						
Operating loss	\$ (3,920,610)	\$ (772,324)	\$ (205,304)	\$ -	\$ (4,898,238)	\$ (5,536,126)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation	1,678,828	772,177	539	-	2,451,544	2,573,739
Bad debts	80,137	-	1,875	-	82,012	17,786
(Increase) decrease in assets:						
Accounts receivable:						
Notes receivable	-	-	84,849	-	84,849	114,041
Tenant	(62,179)	-	-	-	(62,179)	64,081
HUD	48,111	118,780	-	-	166,891	619,537
Other Government Agencies	-	(57,740)	-	-	(57,740)	140,344
Due from other funds	(60,653)	(126,614)	129,241	-	(58,026)	3,833,747
Travel advances	-	-	418	-	418	(12,369)
Interest	12	-	11	-	23	(130)
Other	22,068	-	61,778	-	83,846	83,275
Prepayments and other assets	(18,999)	(2)	(1,120)	-	(20,121)	9,127
Inventories	(95,411)	-	-	-	(95,411)	96,726
Other real estate	-	-	173,265	-	173,265	69,306
Increase (decrease) in liabilities:						
Accounts payable	(71,606)	-	(57,597)	-	(129,203)	470,048
Compensated absences	43,199	(131,085)	12,865	-	(75,021)	20,005
Payable to HUD	1	19,659	-	-	19,660	19,085
Due to other funds	(359,762)	95,589	429,236	-	165,063	(4,496,227)
Security deposits	(5,036)	-	-	-	(5,036)	6,722
Accrued salaries and wages	35,697	670	50,095	-	86,462	7,815
Other current liabilities	(37,710)	-	(107,439)	-	(145,149)	(2,304,232)
Accrued liabilities	(54,834)	-	(30,063)	-	(84,897)	37,388
Deferred revenues	(16,398)	82,872	(110,699)	-	(44,225)	(236,855)
Net cash provided by (used for) operating activities	<u>\$ (2,795,145)</u>	<u>\$ 1,982</u>	<u>\$ 431,950</u>	<u>\$ -</u>	<u>\$ (2,361,213)</u>	<u>\$ (4,403,167)</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, 2013

(With comparative totals as of September 30, 2012)

(1) Summary of Significant Accounting Policies

a) Organization and Program Descriptions

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

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

Major Enterprise Funds

Community Development Block Grants (CDBG)

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

Low Income Housing Program

Under this program, the Authority rents its own units to low-income households. The Low Income Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidies to enable the Authority to provide the housing at a rent that is based on 30 percent of household income. GHURA entered into an ACC which allowed the Authority to develop and operate a Low-Income Housing Program. Since that time, nine projects were developed: Guam 1-1 through 1-9. These completed projects provided a total of 750 units, of which, 722 (out of 742 available) units or 97.30% were leased as of September 30, 2013, while 729 (out of 738 available) units or 98.78% were leased as of September 30, 2012. These properties are modernized under HUD's Capital Funds Program.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

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

Major Enterprise Funds, continued

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

Housing Choice Voucher Program

The Housing Choice Voucher Program is funded by HUD. The principal purpose of the program is to enable lower income families to reside in existing privately owned housing. Assistance is calculated according to family needs and paid directly to the dwelling owner. GHURA was authorized by HUD to approve housing assistance payment contracts for 2,515 dwelling units, of which, 2,286 or 90.89% and 2,335 or 92.84% were leased as of September 30, 2013 and 2012, respectively.

Supportive Housing for the Elderly

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

Non-Major Enterprise Funds

Supportive Housing Program

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

Shelter Plus Care

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013
(With comparative totals as of September 30, 2012)

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

Non-Major Enterprise Funds, continued

Public Housing Capital Fund Program

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

HOME Investment Partnership Program

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

Emergency Shelter Grant Program

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

Resident Opportunity and Supportive Services

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013
(With comparative totals as of September 30, 2012)

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

Non-Major Enterprise Funds, continued

Energy Efficiency and Conservation Block Grant

The program provides financial and technical assistance to assist State and local governments create and implement a variety of energy efficiency and conservation projects. The program's objectives are to reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities; to reduce the total energy use of the eligible entities; and to improve energy efficiency in the transportation, building, and other sectors.

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

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

Multifamily Housing Service Coordinator

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

Public Housing Capital Fund Stimulus (formula) Recovery Act Funded

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

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

Non-Major Enterprise Funds, continued

Neighborhood Stabilization Program – Recovery Act Fund

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

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

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

Weatherization Assistance for Low-Income Persons – Recovery Act Funded

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

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

Other Enterprise Funds

The following funds were determined to be non-major enterprise funds for the years ended September 30, 2013 and 2012:

Local Funds

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

Section 1602 Grant

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

Other Funds

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

Revolving and Trust Funds

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

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

b) Reporting Entity

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

c) New Accounting Standards

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

GASB 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. The implementation of this Statement did not have a material effect on the financial statements of the Authority.

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. This Statement superceded GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*. The implementation of this Statement did not have a material effect on the financial statements of the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

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

c) New Accounting Standards, continued

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, established guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. These Statements amend the net asset reporting requirements in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. With the implementation of GASB Statement No. 63 and Statement No. 65, the Statement of Net Assets was renamed the Statement of Net Position. In addition, the Statement of Net Position includes two new classifications separate from assets and liabilities. Amounts reported as deferred outflows of resources are reported in a separate section following assets. Likewise, amounts reported as deferred inflows of resources are reported in a separate section following liabilities.

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

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013
(With comparative totals as of September 30, 2012)

(1) Summary of Significant Accounting Policies, continued

c) New Accounting Standards, continued

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. The provisions in this Statement are effective for fiscal years beginning after June 15, 2013. Management has not yet determined the effect of implementation of this Statement on the financial statements of the Authority.

d) Fund Financial Statements

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

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

The financial statements include certain prior-year summarized comparative information in total but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the GHURA's financial statements for the year ended September 30, 2013, from which the summarized information was derived.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(1) Summary of Significant Accounting Policies, continued

e) Measurement Focus and Basis of Accounting

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

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

f) Budgets

Budgets are adopted for applicable enterprise funds on a basis consistent with generally accepted accounting principles. GHURA is not legally required to adopt budgets for such funds. However, GHURA has contractual requirements to adopt budgets for applicable HUD programs. The Authority's governing body, the Board of Commissioners, adopts budgets on a program or fund level basis. These budgets are submitted by the Authority's Executive Director, and approved by resolutions of the Board of Commissioners. The Authority is segmented into divisions and/or cost centers. These organizational units, individually and collectively, are expressed financially by program or fund source and budgets are developed annually for 12 months term, which begin October 1st and ends September 30th of fiscal each year. Annual budgets are adopted for all enterprise funds. Throughout the fiscal year, the Authority monitors and evaluates expenditure rates and patterns. The Authority's Board of Commissioners may authorize amendments to the budget based on the availability of financial resources. Formal budget revisions are authorized in the same manner as original budget submissions. When necessary, all HUD grant program revisions are submitted to HUD for required approval.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013
(With comparative totals as of September 30, 2012)

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

g) Cash and Investments

For purposes of the statement of cash flows, the Authority considers cash to be cash on hand, cash in checking and savings account and time certificates of deposit with original maturities of less than three months.

GHURA's investments consist solely of restricted and unrestricted bank certificates of deposit with original maturities of more than three months. Time certificates of deposit with initial maturities of less than three months are included in cash and cash equivalents. Investments are stated at amortized costs including accrued interest.

All of GHURA's certificates of deposit and bank accounts are held with FDIC insured banks. GHURA maintains collateralization on all bank accounts and certificates of deposit. Of GHURA's cash and investment accounts, approximately \$11,604,895 and \$13,930,192 as of September 30, 2013 and 2012, 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, 2013 and 2012 are classified as due from other funds or due to other funds and are eliminated on the statement of net position for financial statement presentation.

j) Inventories

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

k) Prepayments

Payments made to vendors for services that will benefit periods beyond September 30, 2013 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, 2013

(With comparative totals as of September 30, 2012)

(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.

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

n) Other Real Estate

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(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, 2013 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 position. As of September 30, 2013 and 2012, accrued earned compensated absences totaled \$743,490 and \$703,175, 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, 2013, the total amount of unused sick leave for members under the DCRS plan was \$298,906 of which 50%, or \$149,453 was accrued in the accompanying financial statements while \$564,519 of which 50% or \$282,260 was accrued as of September 30, 2012.

p) Deferred Revenues

The Authority reports deferred revenues on its Statement of Net position. 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 position, 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 (\$10.00 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, 2013 and 2012, the Authority paid management fees to COCC of \$1,561,066 and \$1,516,401 respectively. HUD regulates the amount of management fees that can be paid.

s) Administrative and General Expenses

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013
(With comparative totals as of September 30, 2012)

(1) Summary of Significant Accounting Policies, continued

t) Net Position

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

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

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

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

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 position. HUD contributions for project acquisition and development or modernization are recorded under non-operating revenues as capital grants in the accompanying Statement of Revenues, Expenses and Changes in Net position.

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, 2013 and 2012, the Authority incurred advertising and marketing costs totaling \$28,253 and \$36,871, 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, 2013
(With comparative totals as of September 30, 2012)

(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 investments at September 30, 2013 consist of the following:

	<u>2013</u>	<u>2012</u>
Cash on hand and due from banks	\$ 8,710,177	\$ 11,015,936
Investments	<u>2,896,819</u>	<u>2,916,656</u>
	<u>\$ 11,606,996</u>	<u>\$ 13,932,592</u>

Of the above cash and investments, \$3,604,452 and \$2,452,328 were restricted at September 30, 2013 and 2012, 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, 2013

(With comparative totals as of September 30, 2012)

(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, 2013 and 2012, the carrying amount of the Authority's total cash and cash equivalents was \$11,606,996 and \$13,932,592, respectively, with a corresponding bank balance of \$11,604,894 and \$13,930,192, 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, 2013 and 2012, bank deposits in the amount of \$11,462,252 and \$13,599,857 were in excess of FDIC insured limits of \$250,000 per depositor; are fully collateralized by U.S. securities. Accordingly, these deposits are exposed to custodial credit risk.

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, 2013

(With comparative totals as of September 30, 2012)

(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, 2013 and 2012, are summarized as follows:

	2013	2012
Restricted cash:		
Section 8 HCV	\$ 1,611,014	\$ 404,132
Central Office Cost Center	1,163,569	1,163,085
Supportive Housing for the Elderly	397,589	395,836
Public Housing	121,135	-
Revolving Fund	104,062	100,749
CDBG	2,125	-
Total restricted cash	3,399,494	2,063,802
Restricted Investments:		
Supportive Housing for the Elderly	\$ 204,958	\$ 204,713
Low Rent Housing	-	183,813
Total restricted investments	204,958	388,526
	\$ 3,604,452	\$ 2,452,328

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, 2013, GHURA had \$378,583 and \$204,958 and in a restricted cash account and in time certificates of deposit, respectively, for the Supportive Housing for the Elderly. GHURA had \$19,006 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, 2013

(With comparative totals as of September 30, 2012)

(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, 2013 and September 30, 2012, FSS escrow amounts held by the Authority for the Section 8 and Low Rent Public Housing participants in the FSS program totaled \$134,594 and \$161,887, respectively.

The Section 8 HCV program also has restricted cash of \$1,476,420 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, 2013.

The Low Rent Housing program also has additional restricted cash funds totaling \$1,068,166, 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, 2013, there is a balance of \$1,023,867 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, 2013

(With comparative totals as of September 30, 2012)

(4) Notes Receivable

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

	<u>2013</u>	<u>2012</u>
Due in varying monthly installments, interest free, with maturities to 2026 including loans	\$ 579,489	\$ 646,466
HOME Rehabilitation loans due in varying monthly installments, interest free, with maturities to 2026, including loans	<u>175,022</u>	<u>192,892</u>
	754,511	839,358
Current portion	<u>(75,240)</u>	<u>(73,924)</u>
	<u>\$ 679,271</u>	<u>\$ 765,434</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, 2013

(With comparative totals as of September 30, 2012)

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

The composition of the inter-fund receivable and payable balances as of September 30, 2013 and 2012 are as follows:

September 30, 2013

	Due from other Funds	Due to other Funds	Net Receivable (Payable)
CDBG	\$ -	\$ (355,600)	\$ (355,600)
Low Income Housing	5,216,494	(1,096,714)	4,119,780
Section Housing Choice Voucher	-	(393,319)	(393,319)
Supportive Housing for the Elderly	-	(251,928)	(251,928)
Non-Major Programs	180,791	(267,098)	(86,307)
Other Enterprise Funds	<u>4,170,809</u>	<u>(7,203,435)</u>	<u>(3,032,626)</u>
Net Inter-fund balances	<u>\$ 9,568,094</u>	<u>\$ (9,568,094)</u>	<u>\$ -</u>

September 30, 2012

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

(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, 2013 and 2012, the Authority had eighty-nine (89) lots in its inventory with an estimated value of \$3,084,117 and \$3,257,382 respectively. In addition, the Authority has four (4) lots in the Government of Guam Astumbo Housing Project with estimated per lot value of \$14,366 for a total estimated value of \$71,830 as of September 30, 2013.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013

(With comparative totals as of September 30, 2012)

(7) **Capital Assets**

A summary of changes in capital assets for the years ended September 30, 2013 and 2012 are as follows:

September 30, 2013

	Balance 9/30/2012	Additions	Transfers/ Disposals	Balance 9/30/2013
Structures	\$ 86,147,319	\$ 1,121,976	\$ -	\$ 87,269,295
Furniture, fixtures, and equipment	4,020,719	8,093	(12,268)	4,016,544
	90,168,038	1,130,069	(12,268)	91,285,839
Accumulated depreciation	(66,004,283)	(2,451,544)	-	(68,455,827)
Net depreciable assets	24,163,755	(1,321,475)	(12,268)	22,830,012
Land	3,675,882	-	-	3,675,882
Net capital assets	\$ 27,839,637	\$ (1,321,475)	\$ (12,268)	\$ 26,505,894

September 30, 2012

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(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>2013</u>	<u>2012</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)	\$ 1,260,729	\$ 1,310,139
Current portion	<u>(52,000)</u>	<u>(49,000)</u>
	<u>\$ 1,208,729</u>	<u>\$ 1,261,139</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>
2014	\$ 52,000	\$ 74,480	\$ 126,480
2015	55,400	71,080	126,480
2016	58,800	67,680	126,480
2017	62,400	64,080	126,480
2018	66,300	60,180	126,480
2019 through 2023	398,100	234,300	632,400
2024 through 2028	537,200	95,200	632,400
2029 through 2030	<u>30,529</u>	<u>103</u>	<u>30,632</u>
	<u>\$ 1,260,729</u>	<u>\$ 667,103</u>	<u>\$ 1,927,832</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013

(With comparative totals as of September 30, 2012)

(9) Noncurrent Liabilities

Noncurrent liability activities at September 30, 2013 and 2012 are as follows:

September 30, 2013

	Outstanding Balance <u>09/30/12</u>	<u>Increases</u>	<u>Decreases</u>	Outstanding Balance <u>09/30/13</u>	<u>Current</u>	<u>Noncurrent</u>
Note payable	\$ 1,310,139	\$ -	\$ (49,410)	\$ 1,260,729	\$ 52,000	\$ 1,208,729
Compensated Absences	<u>703,175</u>	<u>40,315</u>	<u>-</u>	<u>743,490</u>	<u>100,555</u>	<u>642,935</u>
	<u>\$ 2,013,314</u>	<u>\$ 40,315</u>	<u>\$ (49,410)</u>	<u>\$ 2,004,219</u>	<u>\$ 152,555</u>	<u>\$ 1,851,664</u>

September 30, 2012

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

(10) HUD Contributions Earned - HAP

HUD contributions earned by GHURA consist of housing assistance payments and an administrative fee. The administrative fee is based on the number of units leased. The Authority earned an administrative fee totaling \$1,931,882 and \$2,219,579 for the fiscal years ended September 30, 2013 and 2012, respectively, and is reported as a component of HUD PHA operating grants on the statement of revenues, expenses and changes in net position.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

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

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

As of September 30, 2013 and 2012, the net position of the Authority's Section 8 HCV program was comprised as following:

September 30, 2013

	Balance at 9/30/2012	Net Change	Balance at 9/30/2013
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 113,140	\$ (16,841)	\$ 96,299
Unrestricted net position	<u>253,856</u>	<u>(359,984)</u>	<u>(106,128)</u>
Total Administrative Fee Equity	366,996	(376,825)	(9,829)
HAP Equity:			
Restricted net position	<u>3,022,368</u>	<u>(1,545,948)</u>	<u>1,476,420</u>
Total HCV Net Position	<u>\$ 3,389,364</u>	<u>\$ (1,922,773)</u>	<u>\$ 1,466,591</u>

September 30, 2012

	Balance at 9/30/2011	Net Change	Balance at 9/30/2012
Administrative Fee Equity:			
Invested in capital assets, net of related debt	\$ 110,619	\$ 2,521	\$ 113,140
Unrestricted net position	<u>460,735</u>	<u>(206,879)</u>	<u>253,856</u>
Total Administrative Fee Equity	571,354	(204,358)	366,996
HAP Equity:			
Restricted net position	<u>3,019,989</u>	<u>2,379</u>	<u>3,022,368</u>
Total HCV Net Position	<u>\$ 3,591,343</u>	<u>\$ (201,979)</u>	<u>\$ 3,389,364</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(12) Commitments

Housing Assistance Payments

At September 30, 2013 and 2012, GHURA had approximately 2,348 and 2,335 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, 2013 and 2012, \$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, 2013 and 2012 are as follows:

September 30, 2013

	<u>Contract Amount</u>	<u>Liquidations</u>	<u>Unliquidated Contract</u>
Low Income Housing	\$ 1,467,341	\$1,157,648	\$ 309,693
CDBG Grants	<u>6,037,981</u>	<u>5,020,289</u>	<u>1,017,092</u>
	<u>\$ 7,505,322</u>	<u>\$6,177,937</u>	<u>\$ 1,326,785</u>

September 30, 2012

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(13) *Employees Retirement Plan*

Defined Benefit Plan

Plan Description:

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

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

Funding Policy:

As a result of actuarial valuations performed as of September 30, 2010, 2009, and 2008, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2013, 2012 and 2011, respectively, have been determined as follows:

	2013	2012	2011
Normal Cost, as % of DB Plan payroll	17.52%	17.07%	17.00%
Employee contributions (DB Plan employees)	9.50%	9.50%	9.50%
Employer portion of normal costs (% of DB Plan payroll)	8.02%	7.57%	7.50%
Employer portion of normal cost, % of total payroll	3.00%	3.03%	3.03%
Unfunded liability costs, as % of total payroll	24.33%	23.75%	21.75%
Government contribution as % of DB Plan payroll	27.33%	26.78%	24.78%

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements
September 30, 2013
(With comparative totals as of September 30, 2012)

(13) *Employees Retirement Plan, continued*

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Employer rate	<u>30.09%</u>	<u>28.30%</u>	<u>27.46%</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, 2013 and 2012 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, 2013, the retirement expense contribution was \$409,269 and \$854,235 for the DB and DCRS Plans, respectively, and for the year ended September 30, 2012, the retirement expense contribution was \$431,274 and \$760,696 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, 2013

(With comparative totals as of September 30, 2012)

(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, 2013, the Authority had deposited \$1,023,867 into the typhoon coverage escrow account.

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

(15) Contingencies

Federal Award Programs

The Authority participates in a number of federal award programs for specific purposes that are subject to review and audit by grantor agencies, namely the U.S. Department of Housing and Urban Development. Cumulative questioned costs of \$97,751 exist from these audits as of September 30, 2013. The questioned costs will be resolved by the applicable grantor agency and due to the Authority's inability to predict the ultimate outcome of this matter, no provision for any liability, if any that may result from this matter has been made in the accompanying financial statements. Such questioned costs could lead to requests for reimbursements from the grantor agency for expenditures disallowed under the terms of the applicable grant.

Litigation

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(15) *Contingencies, continued*

Litigation, continued

The Authority is involved in two adverse action appeal cases filed by employees for wrongful termination. The employees filed on appeal with the Guam Civil Service Commission (CSC) seeking reinstatement of their positions, compensation for back wages from the date of termination dating back to July 2006 and recovery of attorney fees incurred approximating \$7,367. These claims are not covered by insurance held by the Authority. The Authority's legal counsel represents that in accordance with Guam law, an appellant has a duty to mitigate damages based on outside employment during the adverse action case. The Authority's position is to seek affirmation of its position in support of the employee termination. Therefore, no additional provision for potential liability that may result from these claims has been recorded in the accompanying financial statements. Refer to Note 20 for subsequent events regarding this matter.

Merit System

In 1991, Public Law 21-59 was enacted to establish a bonus system for employees of the Government of Guam (GovGuam), autonomous agencies and semi-autonomous agencies, public corporations and other public instrumentalities of GovGuam who earn a superior performance grade. The bonus is calculated at 3.5% of the employee's base salary commencing 1991. The Authority did not calculate or pay any bonuses pursuant to the law from 1991 through 2011. In May 2011, the Authority adopted a new compensation system that does not include the merit bonus system. As of September 30, 2013, the Authority has not assessed the impact of the requirements of the law for fiscal years 1991 to 2011. Therefore, no liability which may ultimately arise from this matter has been recorded in the accompanying financial statements.

(16) *Lease Commitments*

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

<u>Year ending</u> <u>September 30</u>	<u>Amount</u>
2014	\$ 81,896
2015	<u>27,299</u>
	<u>\$109,195</u>

Rent expense for the years ended September 30, 2013 and 2012 was \$81,890 and \$79,471, respectively, which was allocated between the CDBG and HOME programs.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Notes to Combined Financial Statements

September 30, 2013

(With comparative totals as of September 30, 2012)

(17) *Economic Dependency*

HUD and other federal government agencies provided approximately \$43.5 million in 2013 and \$48.3 million in 2012 to the Authority, which represents approximately 97% and 96% of the Authority's total revenues for the years ended September 30, 2013 and 2012 respectively.

(18) *Reclassifications*

Certain amounts presented in 2012 have been reclassified to conform to the 2013 financial statement presentation. These reclassifications had no impact on previously reported results of operations or net position.

(19) *Fair Value of Financial Instruments*

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

(20) *Subsequent Events*

On January 22, 2014, the CSC rendered an oral decision in favor of one of the appellants for reinstatement of employment with the Authority. As a result of this outcome, the Authority's legal counsel asserts that a similar outcome for the second appellant because of the similar facts of the adverse appeal which a hearing is scheduled to commence March 10, 2014. Management of the Authority is engaging in settlement negotiations.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position
September 30, 2013

Assets	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Supportive Housing for the Elderly
Current assets:					
Cash:					
Unrestricted	\$ 1,821,013	\$ 6,561	\$ 1,698,178	\$ 107,725	\$ 8,549
Restricted - security deposits	142,266	2,125	121,135	-	19,006
Restricted - FSS escrow account	134,594	-	-	134,594	-
Restricted - other	<u>1,855,003</u>	-	-	<u>1,476,420</u>	<u>378,583</u>
Total cash	<u>3,952,876</u>	<u>8,686</u>	<u>1,819,313</u>	<u>1,718,739</u>	<u>406,138</u>
Accounts receivable:					
Tenants	175,569	-	69,295	96,405	9,869
HUD	518,070	517,258	812	-	-
Due from other funds	5,216,494	-	5,216,494	-	-
Interest	178	-	126	30	22
Other	<u>27,684</u>	-	<u>2,117</u>	<u>17,593</u>	<u>7,974</u>
	5,937,995	517,258	5,288,844	114,028	17,865
Allowance for doubtful accounts	<u>(59,574)</u>	-	<u>(47,452)</u>	-	<u>(12,122)</u>
Total accounts receivable, net	<u>5,878,421</u>	<u>517,258</u>	<u>5,241,392</u>	<u>114,028</u>	<u>5,743</u>
Investments:					
Unrestricted	1,493,232	-	1,203,193	290,039	-
Restricted/reserved by fiscal agent	<u>204,958</u>	-	-	-	<u>204,958</u>
Total investments	<u>1,698,190</u>	-	<u>1,203,193</u>	<u>290,039</u>	<u>204,958</u>
Prepayments and other current assets	<u>52,556</u>	<u>1,327</u>	<u>43,605</u>	<u>7,149</u>	<u>475</u>
Inventories	<u>240,498</u>	-	<u>227,854</u>	-	<u>12,644</u>
Total current assets	<u>11,822,541</u>	<u>527,271</u>	<u>8,535,357</u>	<u>2,129,955</u>	<u>629,958</u>
Noncurrent assets:					
Capital assets, net	18,511,404	24,464	16,486,414	96,299	1,904,227
Other assets	-	-	-	-	-
Total noncurrent assets	<u>18,511,404</u>	<u>24,464</u>	<u>16,486,414</u>	<u>96,299</u>	<u>1,904,227</u>
Total assets	<u>\$ 30,333,945</u>	<u>\$ 551,735</u>	<u>\$ 25,021,771</u>	<u>\$ 2,226,254</u>	<u>\$ 2,534,185</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Net Position, Continued
September 30, 2013

Liabilities	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Supportive Housing for the Elderly
Current liabilities:					
Accounts payable	\$ 7,481	\$ 1,978	\$ 917	\$ 2,311	\$ 2,275
Current portion of long-term debt	52,000	-	-	-	52,000
Current portion of compensated absences	71,449	10,785	34,698	25,758	208
Due to HUD	38,632	-	38,632	-	-
Due to other funds	2,097,561	355,600	1,096,714	393,319	251,928
Security deposits	142,266	2,125	121,135	-	19,006
Accrued salaries and wages	125,970	20,083	66,357	34,823	4,707
Accrued liabilities - PILOT	56,670	-	56,670	-	-
Deferred revenues	48,757	55,019	(6,262)	-	-
Other current liabilities	<u>137,049</u>	<u>-</u>	<u>-</u>	<u>137,049</u>	<u>-</u>
Total current liabilities	<u>2,777,835</u>	<u>445,590</u>	<u>1,408,861</u>	<u>593,260</u>	<u>330,124</u>
Noncurrent liabilities:					
Long-term debt, net of current portion	1,208,729	-	-	-	1,208,729
Accrued compensated absences	308,178	81,681	118,479	106,341	1,677
Other long-term liabilities	<u>128,281</u>	<u>-</u>	<u>68,219</u>	<u>60,062</u>	<u>-</u>
Total noncurrent liabilities	<u>1,645,188</u>	<u>81,681</u>	<u>186,698</u>	<u>166,403</u>	<u>1,210,406</u>
Total liabilities	<u>4,423,023</u>	<u>527,271</u>	<u>1,595,559</u>	<u>759,663</u>	<u>1,540,530</u>
Net Position:					
Investment in capital assets, net of related debt	17,250,675	24,464	16,486,414	96,299	643,498
Restricted	2,059,961	-	-	1,476,420	583,541
Unrestricted	<u>6,600,286</u>	<u>-</u>	<u>6,939,798</u>	<u>(106,128)</u>	<u>(233,384)</u>
Total net position	<u>25,910,922</u>	<u>24,464</u>	<u>23,426,212</u>	<u>1,466,591</u>	<u>993,655</u>
Total liabilities and net position	<u>\$ 30,333,945</u>	<u>\$ 551,735</u>	<u>\$ 25,021,771</u>	<u>\$ 2,226,254</u>	<u>\$ 2,534,185</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2013

	Total	Community Development Block Grant	Low Income Housing	Housing Assistance Payments	Supportive Housing for the Elderly
Operating revenues:					
HUD PHA Operating Grants	\$ 39,408,948	\$ 2,757,600	\$ 2,930,740	\$ 33,326,040	\$ 394,568
Tenant rental income	496,120	760	387,220	-	108,140
Other income	158,774	42,779	115,995	-	-
Total operating revenues	<u>40,063,842</u>	<u>2,801,139</u>	<u>3,433,955</u>	<u>33,326,040</u>	<u>502,708</u>
Operating expenses:					
Housing assistance payments	33,221,541	-	-	33,221,541	-
Repairs and maintenance	1,830,918	1,506,734	320,807	-	3,377
Salaries and wages	2,884,286	403,726	1,352,274	1,048,849	79,437
Depreciation	1,678,828	-	1,562,819	43,783	72,226
Other administrative expenses	816,058	635,935	103,837	60,368	15,918
Management fees	975,443	-	547,009	392,210	36,224
Employee benefits	1,098,242	156,131	513,145	396,099	32,867
Office expense	324,745	77,459	89,815	154,524	2,947
Bookkeeping fees	278,167	-	66,832	211,335	-
Insurance	302,513	94,501	192,582	4,871	10,559
Utilities	355,147	531	176,164	-	178,452
Asset management fees	90,000	-	90,000	-	-
Professional fees	68,594	18,934	15,141	33,088	1,431
Travel	2,820	272	292	2,256	-
Protective services	3,472	-	2,794	125	553
Bad debts	80,137	-	18,737	59,037	2,363
Advertising and marketing	11,092	2,064	4,565	3,393	1,070
Compensated absences	(37,551)	(95,148)	37,455	20,142	-
Total operating expenses	<u>43,984,452</u>	<u>2,801,139</u>	<u>5,094,268</u>	<u>35,651,621</u>	<u>437,424</u>
Operating income (loss)	<u>(3,920,610)</u>	<u>-</u>	<u>(1,660,313)</u>	<u>(2,325,581)</u>	<u>65,284</u>
Non-operating revenues (expenses):					
Interest income on restricted investments	683	-	-	683	-
Interest income on unrestricted investments	12,331	-	8,587	3,501	243
Interest expense	(77,070)	-	-	-	(77,070)
Recovery of bad debts	27	-	27	-	-
Fraud recovery	63,497	-	-	63,497	-
Casualty loss	(500)	-	(500)	-	-
Other income	349,363	-	8,318	335,127	5,918
Total non-operating revenues (expenses), net	<u>348,331</u>	<u>-</u>	<u>16,432</u>	<u>402,808</u>	<u>(70,909)</u>
Change in net position	(3,572,279)	-	(1,643,881)	(1,922,773)	(5,625)
Total net position at beginning of year	<u>29,483,201</u>	<u>24,464</u>	<u>25,070,093</u>	<u>3,389,364</u>	<u>999,280</u>
Total net position at end of year	<u>\$ 25,910,922</u>	<u>\$ 24,464</u>	<u>\$ 23,426,212</u>	<u>\$ 1,466,591</u>	<u>\$ 993,655</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Cash Flows
For the Year Ended September 30, 2013

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Housing Assistance Payments</u>	<u>Supportive Housing for the Elderly</u>
Cash flows from operating activities:					
Operating grants received	\$ 39,416,499	\$ 2,757,600	\$ 2,938,291	\$ 33,326,040	\$ 394,568
Receipts from tenants	610,118	3,837	503,215	-	103,066
Assistance paid	(33,221,541)	-	-	(33,221,541)	-
Payments to suppliers	(6,670,639)	(2,492,561)	(2,130,071)	(1,541,457)	(506,550)
Payments to employees	(2,785,878)	(308,578)	(1,352,274)	(1,044,792)	(80,234)
Other cash receipts (payments)	<u>(143,704)</u>	<u>48,388</u>	<u>(192,092)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(2,795,145)</u>	<u>8,686</u>	<u>(232,931)</u>	<u>(2,481,750)</u>	<u>(89,150)</u>
Cash flows from noncapital financing activities:					
Transfers from Revolving Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Repayment of note payable	(49,410)	-	-	-	(49,410)
Interest paid	(77,070)	-	-	-	(77,070)
Acquisition of capital assets	<u>(279,067)</u>	<u>-</u>	<u>(243,624)</u>	<u>(26,943)</u>	<u>(8,500)</u>
Net cash used for capital and related financing activities	<u>(405,547)</u>	<u>-</u>	<u>(243,624)</u>	<u>(26,943)</u>	<u>(134,980)</u>
Cash flows from investing activities:					
Interest and other income received	385,427	-	35,495	343,772	6,160
Deposits to restricted accounts	<u>(592)</u>	<u>-</u>	<u>-</u>	<u>(347)</u>	<u>(245)</u>
Net cash provided by investing activities	<u>384,835</u>	<u>-</u>	<u>35,495</u>	<u>343,425</u>	<u>5,915</u>
Net increase (decrease) in cash	(2,815,857)	8,686	(441,060)	(2,165,268)	(218,215)
Cash at beginning year	<u>6,768,733</u>	<u>-</u>	<u>2,260,373</u>	<u>3,884,007</u>	<u>624,353</u>
Cash at end of year	<u>\$ 3,952,876</u>	<u>\$ 8,686</u>	<u>\$ 1,819,313</u>	<u>\$ 1,718,739</u>	<u>\$ 406,138</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

MAJOR PROGRAMS

Combining Statements of Cash Flows, Continued

For the Year Ended September 30, 2013

	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Low Income Housing</u>	<u>Housing Assistance Payments</u>	<u>Supportive Housing for the Elderly</u>
Reconciliation in operating loss to net cash provided by operating activities:					
Operating income (loss)	\$ (3,920,610)	\$ -	\$ (1,660,313)	\$ (2,325,581)	\$ 65,284
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,678,828	-	1,562,819	43,783	72,226
Bad debts	80,137	-	18,737	59,037	2,363
(Increase) decrease in assets:					
Accounts receivable:					
Tenant receivables	(62,179)	-	(41,630)	(16,771)	(3,778)
HUD	48,111	(10,926)	-	59,037	-
Due from other funds	(60,653)	-	(60,722)	69	-
Interest	12	-	9	2	1
Other	22,068	-	667	22,697	(1,296)
Prepayments and other assets	(18,999)	-	(11,375)	(7,149)	(475)
Inventories	(95,411)	-	(92,860)	-	(2,551)
Increase (decrease) in liabilities:					
Account payable	(71,606)	-	1	(71,409)	(198)
HUD	1	-	1	-	-
Compensated absences and sick leave	43,199	(2,682)	37,453	20,143	(11,715)
Due to other funds	(359,762)	39,824	43,282	(231,955)	(210,913)
Security deposits	(5,036)	2,125	(8,215)	-	1,054
Accrued salaries and wages	35,697	4,294	26,498	4,057	848
Other current liabilities	(37,710)	-	-	(37,710)	-
Accrued liabilities - PILOT	(54,834)	-	(54,834)	-	-
Deferred revenues	(16,398)	(23,949)	7,551	-	-
Net cash provided by (used in) operating activities	<u>\$ (2,795,145)</u>	<u>\$ 8,686</u>	<u>\$ (232,931)</u>	<u>\$ (2,481,750)</u>	<u>\$ (89,150)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS

CFDA NO. 14.225

Combining Statements of Net Position

September 30, 2013

Assets	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. Account
Current assets:								
Cash - restricted	\$ 6,561	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,561
Cash - tenant security deposits	2,125	-	-	-	-	-	-	2,125
Total cash	<u>8,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,686</u>
Accounts receivable - HUD	517,258	24,443	21,968	34,721	14,737	23,187	398,202	-
Prepayments and other assets	1,327	-	-	120	1,207	-	-	-
Total current assets	<u>527,271</u>	<u>24,443</u>	<u>21,968</u>	<u>34,841</u>	<u>15,944</u>	<u>23,187</u>	<u>398,202</u>	<u>8,686</u>
Capital assets	30,540	15,191	-	-	15,349	-	-	-
Accumulated depreciation	(6,076)	(6,076)	-	-	-	-	-	-
Capital assets, net	<u>24,464</u>	<u>9,115</u>	<u>-</u>	<u>-</u>	<u>15,349</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ 551,735	\$ 33,558	\$ 21,968	\$ 34,841	\$ 31,293	\$ 23,187	\$ 398,202	\$ 8,686
Liabilities and Net Position								
Current liabilities:								
Accounts payable	\$ 1,978	\$ -	\$ 35	\$ 1,943	\$ -	\$ -	\$ -	\$ -
Security deposits	2,125	-	-	-	-	-	-	2,125
Due to other funds	355,600	23,193	21,933	32,898	7,106	(21,942)	292,261	151
Accrued salaries and wages	20,083	-	-	-	-	6,608	13,475	-
Compensated absences - current	10,785	-	-	-	-	-	10,785	-
Deferred revenues	55,019	1,250	-	-	8,838	38,521	-	6,410
Total current liabilities	<u>445,590</u>	<u>24,443</u>	<u>21,968</u>	<u>34,841</u>	<u>15,944</u>	<u>23,187</u>	<u>316,521</u>	<u>8,686</u>
Noncurrent liabilities:								
Compensated absences - noncurrent	37,242	-	-	-	-	-	37,242	-
Accrued sick leave	44,439	-	-	-	-	-	44,439	-
Total noncurrent liabilities	<u>81,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,681</u>	<u>-</u>
Total liabilities	<u>527,271</u>	<u>24,443</u>	<u>21,968</u>	<u>34,841</u>	<u>15,944</u>	<u>23,187</u>	<u>398,202</u>	<u>8,686</u>
Net Position:								
Investment in capital assets, net of related debt	24,464	9,115	-	-	15,349	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-
Total net position	<u>24,464</u>	<u>9,115</u>	<u>-</u>	<u>-</u>	<u>15,349</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	\$ 551,735	\$ 33,558	\$ 21,968	\$ 34,841	\$ 31,293	\$ 23,187	\$ 398,202	\$ 8,686

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANTS

CFDA NO. 14.225

Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2013

	TOTAL	B-07-ST- 66-0001	B-08-ST- 66-0001	B-09-ST- 66-0001	B-10-ST- 66-0001	B-11-ST- 66-0001	B-12-ST- 66-0001	Program Inc. 66-0001
Revenues:								
Federal contributions	\$ 2,757,600	\$ -	\$ -	\$ 218,592	\$ 16,526	\$ 982,687	\$ 1,539,795	\$ -
Tenant rental	760	-	-	-	-	-	-	760
Other	42,779	2,450	-	-	-	37,252	-	3,077
Total Revenues	2,801,139	2,450	-	218,592	16,526	1,019,939	1,539,795	3,837
Operating expenses:								
Repairs and maintenance	1,506,734	-	-	-	-	473,618	1,033,116	-
Other	635,935	-	-	218,164	16,204	135,841	265,726	-
Administrative salaries	403,726	1,717	-	316	234	295,075	103,996	2,388
Employee benefits	156,131	733	-	112	88	115,071	39,209	918
Management fees	-	-	-	-	-	-	-	-
Professional fees	18,934	-	-	-	-	15,076	3,858	-
Advertising and marketing	2,064	-	-	-	-	912	1,152	-
Depreciation	-	-	-	-	-	-	-	-
Office expense	77,459	-	-	-	-	77,459	-	-
Utilities	531	-	-	-	-	-	-	531
Travel	272	-	-	-	-	-	272	-
Compensated absences	(95,148)	-	-	-	-	(95,148)	-	-
Insurance	94,501	-	-	-	-	2,035	92,466	-
Total operating expenses	2,801,139	2,450	-	218,592	16,526	1,019,939	1,539,795	3,837
Operating income (loss)	-	-	-	-	-	-	-	-
Non-operating revenues and exxpenses:								
Interest income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-	-	-
Total non-operating revenues and (expense), net	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	-	-	-
Total net position - beginning of year	24,464	9,115	-	-	15,349	-	-	-
Total net position - end of year	\$ 24,464	\$ 9,115	\$ -	\$ -	\$ 15,349	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NO. 14.225**

Combining Statements of Cash Flows
For the Year Ended September 30, 2013

	<u>TOTAL</u>	<u>B-07-ST- 66-0001</u>	<u>B-08-ST- 66-0001</u>	<u>B-09-ST- 66-0001</u>	<u>B-10-ST- 66-0001</u>	<u>B-11-ST- 66-0001</u>	<u>B-12-ST- 66-0001</u>	<u>Program Inc. 66-0001</u>
Cash flows from operating activities:								
Operating grants received	\$ 2,757,600	\$ -	\$ -	\$ 218,592	\$ 16,526	\$ 982,687	\$ 1,539,795	\$ -
Receipts from tenants	3,837	-	-	-	-	-	-	3,837
Payments to suppliers	(2,492,561)	(733)	-	(218,276)	(16,292)	(820,012)	(1,435,799)	(1,449)
Payments to employees	(308,578)	(1,717)	-	(316)	(234)	(199,927)	(103,996)	(2,388)
Other receipts	48,388	2,450	-	-	-	37,252	-	8,686
Net cash provided by operating activities	8,686	-	-	-	-	-	-	8,686
Cash flows from capital and related financing activities:								
Capital grants received	-	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-
Cash flows from investing activities:								
Interest and other income received	-	-	-	-	-	-	-	-
Net cash provided from investing activities	-	-	-	-	-	-	-	-
Net increase (decrease) in cash	8,686	-	-	-	-	-	-	8,686
Cash at beginning year	-	-	-	-	-	-	-	-
Cash at end of year	\$ 8,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,686
Reconciliation operating income to net cash provided by (used for) operating activities:								
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:								
Depreciation	-	-	-	-	-	-	-	-
(Increase) decrease in assets:								
Accounts receivable - HUD	(10,926)	-	-	314	142	386,820	(398,202)	-
Prepayments and other assets	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Security deposits	2,125	-	-	-	-	-	-	2,125
Compensated absences	(2,682)	-	-	-	-	(95,148)	92,466	-
Due to other funds	39,824	-	-	(314)	(142)	(252,132)	292,261	151
Accrued salaries and wages	4,294	-	-	-	-	(9,181)	13,475	-
Deferred revenues	(23,949)	-	-	-	-	(30,359)	-	6,410
Net cash provided by operating activities	\$ 8,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,686

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 Position

September 30, 2013

ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Current assets:					
Cash:					
Cash - General Fund	\$ 1,698,178	\$ 120,813	\$ 291,102	\$ 803,867	\$ 482,396
Restricted Cash - security deposits	<u>121,135</u>	<u>25,566</u>	<u>25,801</u>	<u>31,706</u>	<u>38,062</u>
Total cash	<u>1,819,313</u>	<u>146,379</u>	<u>316,903</u>	<u>835,573</u>	<u>520,458</u>
Accounts receivable:					
Tenants	69,295	14,068	8,910	32,185	14,132
HUD	812	-	812	-	-
Due from other programs	5,216,494	1,639,318	616,441	890,381	2,070,354
Interest	126	4	19	58	45
Other	<u>2,117</u>	<u>416</u>	<u>933</u>	<u>718</u>	<u>50</u>
	5,288,844	1,653,806	627,115	923,342	2,084,581
Allowance for doubtful accounts	<u>(47,452)</u>	<u>(9,568)</u>	<u>(8,912)</u>	<u>(15,884)</u>	<u>(13,088)</u>
Total accounts receivable	<u>5,241,392</u>	<u>1,644,238</u>	<u>618,203</u>	<u>907,458</u>	<u>2,071,493</u>
Inventories	227,854	54,247	40,538	52,422	80,647
Investments:					
General fund	<u>1,203,193</u>	<u>38,770</u>	<u>183,158</u>	<u>550,432</u>	<u>430,833</u>
Total investments	<u>1,203,193</u>	<u>38,770</u>	<u>183,158</u>	<u>550,432</u>	<u>430,833</u>
Prepaid and other current assets	<u>43,605</u>	<u>12,532</u>	<u>10,554</u>	<u>8,595</u>	<u>11,924</u>
Total current assets	<u>8,535,357</u>	<u>1,896,166</u>	<u>1,169,356</u>	<u>2,354,480</u>	<u>3,115,355</u>
Noncurrent assets:					
Capital assets:					
Land	2,130,777	299,151	450,147	533,031	848,448
Infrastructure	688,676	85,239	107,587	289,788	206,062
Buildings and improvements, at cost	73,736,103	12,641,303	16,035,778	22,096,579	22,962,443
Furniture and equipment, at cost	2,472,062	793,781	669,990	420,179	588,112
Accumulated depreciation	<u>(62,541,204)</u>	<u>(10,415,195)</u>	<u>(13,762,357)</u>	<u>(19,577,653)</u>	<u>(18,785,999)</u>
Net capital assets	<u>16,486,414</u>	<u>3,404,279</u>	<u>3,501,145</u>	<u>3,761,924</u>	<u>5,819,066</u>
Total assets	<u>\$ 25,021,771</u>	<u>\$ 5,300,445</u>	<u>\$ 4,670,501</u>	<u>\$ 6,116,404</u>	<u>\$ 8,934,421</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 Position, Continued
September 30, 2013

LIABILITIES AND NET ASSETS	Total	AMP 1	AMP 2	AMP 3	AMP 4
Liabilities:					
Accounts payable:					
Vendors	\$ 917	\$ 313	\$ -	\$ 604	\$ -
HUD	38,632	-	-	532	38,100
Tenant security deposits	121,135	25,566	25,801	31,706	38,062
Due to other funds	1,096,714	-	-	1,096,714	-
Accrued salaries and wages	66,357	17,400	14,284	14,122	20,551
Compensated absences, current portion	34,698	7,176	8,454	10,751	8,317
Accrued liabilities - PILOT	56,670	24,271	-	-	32,399
Total accounts payable	<u>1,415,123</u>	<u>74,726</u>	<u>48,539</u>	<u>1,154,429</u>	<u>137,429</u>
Deferred credits:					
Tenants prepaid rents	-	-	-	-	-
Other	(6,262)	-	-	(6,262)	-
Total deferred credits	<u>(6,262)</u>	<u>-</u>	<u>-</u>	<u>(6,262)</u>	<u>-</u>
Total current liabilities	<u>1,408,861</u>	<u>74,726</u>	<u>48,539</u>	<u>1,148,167</u>	<u>137,429</u>
Noncurrent liabilities:					
Compensated absences, net of current portion	118,479	24,991	33,012	21,207	39,269
Other - sick leave, net of current portion	68,219	28,402	26,427	5,737	7,653
Total noncurrent liabilities	<u>186,698</u>	<u>53,393</u>	<u>59,439</u>	<u>26,944</u>	<u>46,922</u>
Total liabilities	<u>1,595,559</u>	<u>128,119</u>	<u>107,978</u>	<u>1,175,111</u>	<u>184,351</u>
Net position:					
Investment in capital assets, net of related debt	16,486,414	3,404,279	3,501,145	3,761,924	5,819,066
Restricted	-	-	-	-	-
Unrestricted	6,939,798	1,768,047	1,061,378	1,179,369	2,931,004
Total net position	<u>23,426,212</u>	<u>5,172,326</u>	<u>4,562,523</u>	<u>4,941,293</u>	<u>8,750,070</u>
Total liabilities and net position	<u>\$ 25,021,771</u>	<u>\$ 5,300,445</u>	<u>\$ 4,670,501</u>	<u>\$ 6,116,404</u>	<u>\$ 8,934,421</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

LOW INCOME PUBLIC HOUSING
CFDA No. 14.850a

Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2013

	<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	\$ 2,930,740	\$ 585,966	\$ 712,218	\$ 810,290	\$ 822,266
Tenant rental income	387,220	151,256	31,278	40,258	164,428
Other income	<u>115,995</u>	<u>26,680</u>	<u>12,909</u>	<u>49,100</u>	<u>27,306</u>
Total operating revenues	<u>3,433,955</u>	<u>763,902</u>	<u>756,405</u>	<u>899,648</u>	<u>1,014,000</u>
Operating expenses:					
Depreciation	1,562,819	275,757	326,950	394,834	565,278
Management fees	547,009	116,140	120,069	141,288	169,512
Ordinary maintenance - salaries	589,751	168,876	129,743	91,507	199,625
Administrative salaries	512,962	126,200	129,628	128,483	128,651
Ordinary repairs and maintenance	320,807	53,605	92,899	118,606	55,697
Tenant services - salaries	249,561	71,376	75,614	69,266	33,305
Other administrative expenses	103,837	23,933	25,048	28,569	26,287
Insurance	192,582	51,881	38,572	45,685	56,444
Employee benefits - ordinary maintenance	218,889	61,443	44,461	39,574	73,411
Utilities	176,164	23,542	31,980	55,752	64,890
Employee benefits - administrative	193,791	50,343	45,649	46,805	50,994
Offices supplies	89,815	23,726	18,673	21,287	26,129
Employee benefits - tenant services	100,465	22,056	31,612	28,420	18,377
Asset management fees	90,000	18,960	19,560	23,400	28,080
Bookkeeping fees	66,832	14,190	14,670	17,265	20,707
Protective services	2,794	880	520	591	803
Travel	292	62	64	73	93
Legal and professional fees	15,141	640	791	898	12,812
Bad debts	18,737	5,874	-	7,824	5,039
Advertising and marketing	4,565	1,069	508	517	2,471
Compensated absences	<u>37,455</u>	<u>(18,211)</u>	<u>6,168</u>	<u>16,886</u>	<u>32,612</u>
Total operating expenses	<u>5,094,268</u>	<u>1,092,342</u>	<u>1,153,179</u>	<u>1,277,530</u>	<u>1,571,217</u>
Operating loss	<u>(1,660,313)</u>	<u>(328,440)</u>	<u>(396,774)</u>	<u>(377,882)</u>	<u>(557,217)</u>
Non-operating revenues and (expenses):					
Interest on general fund investments	8,587	1,534	1,587	2,764	2,702
Recoveries of bad debts	27	-	27	-	-
Casualty loss	(500)	(500)	-	-	-
Other income	<u>8,318</u>	<u>278</u>	<u>654</u>	<u>4,553</u>	<u>2,833</u>
Total non-operating revenues, net	<u>16,432</u>	<u>1,312</u>	<u>2,268</u>	<u>7,317</u>	<u>5,535</u>
Changes in net assets	(1,643,881)	(327,128)	(394,506)	(370,565)	(551,682)
Total net position, beginning of year	<u>25,070,093</u>	<u>5,499,454</u>	<u>4,957,029</u>	<u>5,311,858</u>	<u>9,301,752</u>
Total net position, end of year	<u>\$ 23,426,212</u>	<u>\$ 5,172,326</u>	<u>\$ 4,562,523</u>	<u>\$ 4,941,293</u>	<u>\$ 8,750,070</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, 2013

	<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	\$ 2,938,291	\$ 588,632	\$ 715,404	\$ 810,290	\$ 823,965
Receipts from tenants	503,215	177,936	44,187	89,358	191,734
Payments to suppliers	(2,130,071)	(552,955)	(475,782)	(481,390)	(619,944)
Payments to employees	(1,352,274)	(366,452)	(334,985)	(289,256)	(361,581)
Other cash receipts (payments)	<u>(192,092)</u>	<u>(21,777)</u>	<u>(20,552)</u>	<u>(78,506)</u>	<u>(71,257)</u>
Net cash provided by (used for) operating activities	<u>(232,931)</u>	<u>(174,616)</u>	<u>(71,728)</u>	<u>50,496</u>	<u>(37,083)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	<u>(243,624)</u>	<u>(52,063)</u>	<u>(48,276)</u>	<u>-</u>	<u>(143,285)</u>
Net cash used for capital and related financing activities	<u>(243,624)</u>	<u>(52,063)</u>	<u>(48,276)</u>	<u>-</u>	<u>(143,285)</u>
Cash flows from investing activities:					
Interest and other income received	<u>35,495</u>	<u>1,039</u>	<u>9,865</u>	<u>9,031</u>	<u>15,560</u>
Net cash provided by investing activities	<u>35,495</u>	<u>1,039</u>	<u>9,865</u>	<u>9,031</u>	<u>15,560</u>
Net increase in cash	(441,060)	(225,640)	(110,139)	59,527	(164,808)
Cash at beginning of year	<u>2,260,373</u>	<u>372,019</u>	<u>427,042</u>	<u>776,046</u>	<u>685,266</u>
Cash at end of year	<u>\$ 1,819,313</u>	<u>\$ 146,379</u>	<u>\$ 316,903</u>	<u>\$ 835,573</u>	<u>\$ 520,458</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ (1,660,313)	\$ (328,440)	\$ (396,774)	\$ (377,882)	\$ (557,217)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:					
Depreciation	1,562,819	275,757	326,950	394,834	565,278
Bad debts	18,737	5,874	-	7,824	5,039
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	(41,630)	(5,047)	(6,870)	(25,404)	(4,309)
Due from other funds	(60,722)	(60,921)	4,320	16,349	(20,470)
Interest	9	-	2	3	4
Other	667	1,125	260	(718)	-
Prepaid and other assets	(11,375)	(3,515)	(3,999)	(905)	(2,956)
Inventories	(92,860)	(23,083)	(10,158)	(21,423)	(38,196)
Increase (decrease) in liabilities:					
Accounts payable - Vendors	1	-	-	1	-
Compensated absences	37,453	(18,212)	6,166	16,887	32,612
HUD	1	-	-	-	1
Due to other funds	43,282	(159)	-	43,441	-
Security deposits	(8,215)	(666)	(479)	(7,074)	4
Accrued salaries and wages	26,498	7,750	5,668	4,563	8,517
Accrued liabilities - PILOT	(54,834)	(27,745)	-	-	(27,089)
Deferred credits	<u>7,551</u>	<u>2,666</u>	<u>3,186</u>	<u>-</u>	<u>1,699</u>
Net cash provided by (used for) operating activities	<u>\$ (232,931)</u>	<u>\$ (174,616)</u>	<u>\$ (71,728)</u>	<u>\$ 50,496</u>	<u>\$ (37,083)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Net Position

September 30, 2013

Assets	Total	Contract No. SF-462			
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Current assets:					
Cash:					
Unrestricted	\$ 107,725	\$ -	\$ -	\$ -	\$ 107,725
Restricted - FSS escrow account	134,594	-	-	-	134,594
Restricted - other	1,476,420	-	-	-	1,476,420
Total cash	<u>1,718,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,718,739</u>
Accounts receivable:					
Tenants	96,405	-	-	-	96,405
Interest	30	-	-	-	30
Other	17,593	-	-	-	17,593
Total accounts receivable	<u>114,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,028</u>
Prepaid expenses	<u>7,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,149</u>
Investments:					
Unrestricted	290,039	-	-	-	290,039
Restricted reserve fund	-	-	-	-	-
Total investments	<u>290,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,039</u>
Total current assets	<u>2,129,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,129,955</u>
Noncurrent assets:					
Capital Assets:					
Land, structures, and equipment	713,755	-	-	-	713,755
Accumulated depreciation	(617,456)	-	-	-	(617,456)
Total capital assets, net	<u>96,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,299</u>
Total assets	<u>\$ 2,226,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,226,254</u>
Liabilities and Net Position					
Current Liabilities:					
Accounts payable	\$ 2,311	\$ -	\$ -	\$ -	\$ 2,311
Accrued salaries and wages	34,823	-	-	-	34,823
Due to other funds	393,319	-	-	-	393,319
Compensated absences, current portion	25,758	-	-	-	25,758
Other current liabilities	137,049	-	-	-	137,049
Total current liabilities	<u>593,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,260</u>
Noncurrent Liabilities:					
Compensated absences, net of current portion	106,341	-	-	-	106,341
Other liabilities - sick leave	60,062	-	-	-	60,062
Total noncurrent liabilities	<u>166,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,403</u>
Total Liabilities	<u>759,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,663</u>
Net Position:					
Investment in capital assets, net of related debt	96,299	-	-	-	96,299
Restricted	1,476,420	-	-	-	1,476,420
Unrestricted	(106,128)	-	-	-	(106,128)
Total Net Position	<u>1,466,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,466,591</u>
Total Liabilities and Net Position	<u>\$ 2,226,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,226,254</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended September 30, 2013

	Total	Contract No. SF-462			Housing Choice Vouchers
		Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	
Operating revenues:					
Housing assistance payments	\$ 31,337,440	\$ -	\$ -	\$ -	\$ 31,337,440
Ongoing administrative fees earned	1,931,882	-	-	-	1,931,882
Other grants - FSS	56,718	-	-	-	56,718
Total operating revenues	33,326,040	-	-	-	33,326,040
Operating expenses:					
Housing assistance payments	33,221,541	-	-	-	33,221,541
Administrative salaries	1,048,849	-	-	-	1,048,849
Employee benefit contribution	396,099	-	-	-	396,099
Management fees	392,210	-	-	-	392,210
Bookkeeping fees	211,335	-	-	-	211,335
Office expense	154,524	-	-	-	154,524
Other administrative expenses	60,368	-	-	-	60,368
Bad debts	59,037	-	-	-	59,037
Depreciation	43,783	-	-	-	43,783
Professional fees	33,088	-	-	-	33,088
Compensated absences	20,142	-	-	-	20,142
Insurance	4,871	-	-	-	4,871
Advertising and marketing	3,393	-	-	-	3,393
Travel	2,256	-	-	-	2,256
Protective services	125	-	-	-	125
Total operating expenses	35,651,621	-	-	-	35,651,621
Operating loss	(2,325,581)	-	-	-	(2,325,581)
Non-operating revenues:					
Interest on operating reserve investments	683	-	-	-	683
Interest on general fund investments	3,501	-	-	-	3,501
Fraud recovery	63,497	-	-	-	63,497
Other income	335,127	-	-	-	335,127
Total non-operating revenues	402,808	-	-	-	402,808
Change in net position	(1,922,773)	-	-	-	(1,922,773)
Total net position, beginning of year	3,389,364	-	-	-	3,389,364
Total net position, end of year	\$ 1,466,591	\$ -	\$ -	\$ -	\$ 1,466,591

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Cash Flows

Year Ended September 30, 2013

	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Cash flows from operating activities:					
Operating grants received	\$ 33,326,040	\$ -	\$ -	\$ -	\$ 33,326,040
Assistance paid	(33,221,541)	-	-	-	(33,221,541)
Payments to suppliers	(1,541,457)	-	-	-	(1,541,457)
Payments to employees	(1,044,792)	-	-	-	(1,044,792)
Net cash used for operating activities	<u>(2,481,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,481,750)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(26,943)	-	-	-	(26,943)
Net cash flows used for capital and related financing activities	<u>(26,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,943)</u>
Cash flows from investing activities:					
Interest income received	343,772	-	-	-	343,772
Increase in restricted assets	(347)	-	-	-	(347)
Net cash provided by investing activities	<u>343,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,425</u>
Net decrease in cash	(2,165,268)	-	-	-	(2,165,268)
Cash at beginning of year	3,884,007	-	-	-	3,884,007
Cash at end of year	<u>\$ 1,718,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,739</u>
Unrestricted cash	\$ 107,725	-	-	-	107,725
Restricted cash - FSS escrow account	134,594	-	-	-	134,594
Restricted cash - other	1,476,420	-	-	-	1,476,420
Total cash at end of year	<u>\$ 1,718,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,739</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOUSING ASSISTANCE PAYMENTS PROGRAM

CFDA NO. 14.856, 14.857, and 14.871

Combining Statements of Cash Flows, Continued

Year Ended September 30, 2013

	Contract No. SF-462				
	Total	Certificate Program	Moderate Rehabilitation K-1	Moderate Rehabilitation K-2	Housing Choice Vouchers
Reconciliation of operating loss to net cash used for operating activities:					
Operating loss	\$ (2,325,581)	\$ -	\$ -	\$ -	\$ (2,325,581)
Adjustments to reconcile operating loss to net cash used for operating activities:					
Depreciation	43,783	-	-	-	43,783
Bad debts	59,037	-	-	-	59,037
(Increase) decrease in assets:					
Accounts receivable:					
Tenants	(16,771)	-	-	-	(16,771)
HUD	59,037	-	-	-	59,037
Due from other funds	69	-	-	-	69
Interest	2	-	-	-	2
Other	22,697	-	-	-	22,697
Prepayments and other assets	(7,149)	-	-	-	(7,149)
Increase (decrease) in liabilities:					
Accounts payable	(71,409)	-	-	-	(71,409)
Compensated absences and sick leave	20,143	-	-	-	20,143
Due to other funds	(231,955)	-	-	-	(231,955)
Accrued salaries and wages	4,057	-	-	-	4,057
Other current liabilities	(37,710)	-	-	-	(37,710)
Net cash used for operating activities	<u>\$ (2,481,750)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,481,750)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Combining Statement of Net Position
September 30, 2013

	<u>ASSETS</u>	<u>2013</u>
Current assets:		
Cash:		
Unrestricted		\$ 8,549
Restricted		378,583
Security deposits - restricted		19,006
Total cash		<u>406,138</u>
Accounts receivable:		
Tenants		9,869
Other		7,974
Interest		22
		<u>17,865</u>
Allowance for doubtful accounts		<u>(12,122)</u>
Total accounts receivable		<u>5,743</u>
Restricted/reserved investments		204,958
Inventories		12,644
Prepaid and other current assets		475
Total current assets		<u>629,958</u>
Noncurrent assets:		
Capital assets:		
Land		1,380,000
Buildings, property and equipment, net		524,227
Capital assets, net		<u>1,904,227</u>
Total Assets		<u>\$ 2,534,185</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Current portion of long-term debt		\$ 52,000
Accounts payable		2,275
Due to other funds		251,928
Security deposits		19,006
Accrued salaries and wages		4,707
Compensated absences - current portion		208
Total current liabilities		<u>330,124</u>
Noncurrent liabilities:		
Long-term debt, net of current portion		1,208,729
Compensated absences		1,677
Total noncurrent liabilities		<u>1,210,406</u>
Total liabilities		<u>1,540,530</u>
Net position:		
Investment in capital assets, net of related debt		643,498
Restricted		583,541
Unrestricted		(233,384)
Total net position		<u>993,655</u>
Total Liabilities and Net Assets		<u>\$ 2,534,185</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2013

	<u>2013</u>
Operating revenues:	
HUD PHA grants	\$ 394,568
Tenant income	<u>108,140</u>
Total operating revenues	<u>502,708</u>
Operating expenses:	
Utilities	178,452
Salaries and wages	79,437
Depreciation	72,226
Management fees	36,224
Employee benefits	32,867
Other expenses	15,918
Insurance	10,559
Repairs and maintenance	3,377
Office expense	2,947
Bad debts	2,363
Legal and professional fees	1,431
Advertising and marketing	1,070
Protective services	553
Compensated absences	<u>-</u>
Total operating expenses	<u>437,424</u>
Operating income	<u>65,284</u>
Non-operating revenues (expense):	
Interest income on unrestricted investments	243
Interest expense	(77,070)
Other income	<u>5,918</u>
Total non-operating expenses, net	<u>(70,909)</u>
Change in net position	(5,625)
Total net position - beginning of year	<u>999,280</u>
Total net position - end of year	<u><u>\$ 993,655</u></u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Combining Statement of Cash Flows
For the Year Ended September 30, 2013

	<u>2013</u>
Cash flows from operating activities:	
Operating grants received	\$ 394,568
Receipts from tenants	103,066
Payments to suppliers	(506,550)
Payments to employees	<u>(80,234)</u>
Net cash used for operating activities	<u>(89,150)</u>
Cash flows from capital and related financing activities:	
Interest paid	(77,070)
Repayment of note payable	(49,410)
Acquisition of capital assets	<u>(8,500)</u>
Net cash used for capital and related financing activities	<u>(134,980)</u>
Cash flows from investing activities:	
Interest and other income received	6,160
Deposits to restricted accounts	<u>(245)</u>
Net cash provided by investing activities	<u>5,915</u>
Net decrease in cash	(218,215)
Cash at beginning of year	<u>624,353</u>
Cash at end of year	<u>\$ 406,138</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM

Combining Statement of Cash Flows, Continued
For the Year Ended September 30, 2013

	<u>2013</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 65,284
Adjustments to reconcile operating income to net cash used for operating activities:	
Depreciation	72,226
Bad debts	2,363
(Increase) decrease in assets:	
Accounts receivable:	
Tenants	(3,778)
Interest	1
Other	(1,296)
Inventories	(2,551)
Prepaid and other assets	(475)
Increase (decrease) in liabilities:	
Accounts payable	(198)
Due to other funds	(210,913)
Accrued salaries and wages	848
Security deposits	1,054
Compensated absences	<u>(11,715)</u>
Net cash used for operating activities	<u>\$ (89,150)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combining Statements of Net Position
September 30, 2013

ASSETS	Total	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Resident Opportunities and Supportive Services	Energy Efficiency and Conservation Block Grant	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14.885 Formula Capital Fund Stimulus	ARRA - CFDA 14.256 Neighborhood Stabilization	ARRA - CFDA 14.257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81.042 Weatherization Assistance
Current assets:														
Cash:														
Unrestricted	\$ 10,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,910	\$ 55	\$ 253
Restricted - security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash	10,218	-	-	-	-	-	-	-	-	-	-	9,910	55	253
Accounts receivable:														
Due from other funds	180,791	-	-	163,240	-	-	-	-	385	-	-	4,179	-	12,987
HUD	299,129	4,046	-	70,535	160,754	44,335	5,634	-	-	13,825	-	-	-	-
Federal Government	124,709	-	-	-	-	-	-	-	14,741	-	-	-	-	109,968
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	604,629	4,046	-	233,775	160,754	44,335	5,634	-	15,126	13,825	-	4,179	-	122,955
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	604,629	4,046	-	233,775	160,754	44,335	5,634	-	15,126	13,825	-	4,179	-	122,955
Investments:														
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted/reserved by fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	285	-	-	-	283	2	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	615,132	4,046	-	233,775	161,037	44,337	5,634	-	15,126	13,825	-	14,089	55	123,208
Noncurrent assets:														
Capital assets, net:														
Land and infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciable buildings, property and equipment, net	7,683,642	-	-	7,675,377	8,265	-	-	-	-	-	-	-	-	-
Total non-current assets	7,683,642	-	-	7,675,377	8,265	-	-	-	-	-	-	-	-	-
Total assets	\$ 8,298,774	\$ 4,046	\$ -	\$ 7,909,152	\$ 169,302	\$ 44,337	\$ 5,634	\$ -	\$ 15,126	\$ 13,825	\$ -	\$ 14,089	\$ 55	\$ 123,208

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

Combing Statements of Net Position, Continued
September 30, 2013

LIABILITIES AND NET POSITION	Total	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grants Program	Resident Opportunities and Supportive Services	Energy	Economic,	Multifamily Housing Service Coordinator	ARRA -	ARRA -	ARRA - CFDA	ARRA -
								Efficiency and Conservation Block Grant	Social and Political Development of the Territories		CFDA 14.885 Formula Capital Fund Stimulus	CFDA 14.256 Neighborhood Stabilization	14.257 Homeless Prevention and Rapid Re-Housing	CFDA 81.042 Weatherization Assistance
Liabilities:														
Accounts payable	\$ 74	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ -
Current portion of compensated absences	4,904	-	-	-	4,405	-	-	-	-	499	-	-	-	-
Due to HUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	267,098	4,046	-	(55,880)	118,582	43,969	3,994	-	14,741	10,055	-	4,383	-	123,208
Deferred revenues	299,746	-	-	289,655	-	-	-	-	385	-	-	9,706	-	-
Accrued salaries and wages	6,676	-	-	-	4,668	368	1,640	-	-	-	-	-	-	-
Total current liabilities	578,498	4,046	-	233,775	127,674	44,337	5,634	-	15,126	10,554	-	14,089	55	123,208
Noncurrent liabilities:														
Accrued compensated absences	18,483	-	-	-	15,212	-	-	-	-	3,271	-	-	-	-
Other liabilities	18,151	-	-	-	18,151	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	36,634	-	-	-	33,363	-	-	-	-	3,271	-	-	-	-
Total liabilities	615,132	4,046	-	233,775	161,037	44,337	5,634	-	15,126	13,825	-	14,089	55	123,208
Net position:														
Investment in capital assets, net of related debt	7,683,642	-	-	7,675,377	8,265	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total net position	7,683,642	-	-	7,675,377	8,265	-	-	-	-	-	-	-	-	-
Total liabilities and net position	\$ 8,298,774	\$ 4,046	\$ -	\$ 7,909,152	\$ 169,302	\$ 44,337	\$ 5,634	\$ -	\$ 15,126	\$ 13,825	\$ -	\$ 14,089	\$ 55	\$ 123,208

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 Position
Year Ended September 30, 2013**

	Total	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Resident Opportunities and Supportive Services	Energy Efficiency and Conservation Block Grant	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14.885 Formula Capital Fund Stimulus	ARRA - CFDA 14.256 Neighborhood Stabilization	ARRA - CFDA 14.257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81.042 Weatherization Assistance
Operating revenues:														
HUD PHA Operating Grants	\$ 2,754,410	\$ 563,432	\$ 295,829	\$ 340,105	\$ 1,225,818	\$ 239,853	\$ 31,047	\$ -	\$ -	\$ 58,326	\$ -	\$ -	\$ -	\$ -
Other Government Grants	527,352	-	-	-	-	-	-	49,130	174,453	-	-	-	-	303,769
Tenant rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	128,535	-	-	1,265	126,405	-	-	-	865	-	-	-	-	-
Total operating revenues	3,410,297	563,432	295,829	341,370	1,352,223	239,853	31,047	49,130	175,318	58,326	-	-	-	303,769
Operating expenses:														
Repairs and maintenance	1,251,646	-	-	-	1,097,098	-	-	-	154,548	-	-	-	-	-
Administrative salaries	301,376	9,370	8,393	70,307	68,861	8,771	19,583	2,862	13,374	36,446	-	-	-	63,409
Management fees	117,456	-	-	117,456	-	-	-	-	-	-	-	-	-	-
Employee benefits	121,663	3,457	2,886	28,632	28,165	3,294	7,874	1,018	4,924	14,542	-	-	-	26,871
Depreciation	772,177	-	-	772,177	-	-	-	-	-	-	-	-	-	-
Insurance	2,181	-	-	-	458	-	-	-	-	-	-	-	-	1,723
Travel	84	-	-	-	84	-	-	-	-	-	-	-	-	-
Advertising and Marketing	7,845	-	-	2,994	3,413	142	-	-	1,296	-	-	-	-	-
Office expense	38,734	-	-	43	32,123	14	3,848	-	1,026	1,376	-	-	-	304
Professional fees	2,232	-	-	-	1,832	250	-	-	150	-	-	-	-	-
Compensated absences	(15,752)	-	-	-	(1,095)	-	(258)	-	-	3,317	-	-	-	(17,716)
Other	1,582,979	550,605	284,550	121,938	121,284	227,382	-	45,250	-	2,645	-	-	-	229,325
Total operating expenses	4,182,621	563,432	295,829	1,113,547	1,352,223	239,853	31,047	49,130	175,318	58,326	-	-	-	303,916
Operating income (loss)	(772,324)	-	-	(772,177)	-	-	-	-	-	-	-	-	-	(147)
Non-operating revenues (expenses):														
Capital grants	851,002	-	-	851,002	-	-	-	-	-	-	-	-	-	-
Interest income on unrestricted investments	144	-	-	-	-	-	-	-	-	-	-	-	-	144
Other income	3	-	-	-	-	-	-	-	-	-	-	-	-	3
Total non-operating revenues (expenses), net	851,149	-	-	851,002	-	-	-	-	-	-	-	-	-	147
Changes in nets position	78,825	-	-	78,825	-	-	-	-	-	-	-	-	-	-
Total net position - beginning of year	7,604,817	-	-	7,596,552	8,265	-	-	-	-	-	-	-	-	-
Total net position - end of year	\$ 7,683,642	\$ -	\$ -	\$ 7,675,377	\$ 8,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Non-Major Enterprise Funds

**Combining Statements of Cash Flows
Year Ended September 30, 2013**

	TOTAL	Supportive Housing Program	Shelter Plus Care Program	Public Housing Capital Fund Program	Home Investment Partnerships Program	Emergency Shelter Grant Program	Resident Opportunities and Supportive Services	Energy Efficiency and Conservation Block Grant	Economic, Social and Political Development of the Territories	Multifamily Housing Service Coordinator	ARRA - CFDA 14.885 Formula Capital Fund Stimulus	ARRA - CFDA 14.256 Neighborhood Stabilization	ARRA - CFDA 14.257 Homeless Prevention and Rapid Re-Housing	ARRA - CFDA 81.042 Weatherization Assistance
Cash flows from operating activities:														
Operating grants received	\$ 3,301,023	\$ 559,386	\$ 295,829	\$ 351,921	\$ 1,225,818	\$ 239,853	\$ 31,047	\$ 49,130	\$ 174,453	\$ 65,973	\$ -	\$ 3,844	\$ -	\$ 303,769
Receipts from customers	128,535	-	-	1,265	126,405	-	-	-	865	-	-	-	-	-
Assistance paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(3,104,943)	(550,016)	(295,829)	(282,879)	(1,245,594)	(231,082)	(19,583)	(46,268)	(161,944)	(29,526)	-	-	-	(242,222)
Payments to employees	(322,633)	(9,370)	-	(70,307)	(106,629)	(8,771)	(11,464)	(2,862)	(13,374)	(36,447)	-	-	-	(63,409)
Other cash receipts (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) operating activities	1,982	-	-	-	-	-	-	-	-	-	-	3,844	-	(1,862)
Cash flows from capital and related financing activities:														
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of note payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital grants received	851,002	-	-	851,002	-	-	-	-	-	-	-	-	-	-
Acquisition of fixed assets	(851,002)	-	-	(851,002)	-	-	-	-	-	-	-	-	-	-
Net cash flows used for capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:														
Interest and other income received	147	-	-	-	-	-	-	-	-	-	-	-	-	147
Net cash provided by investing activities	147	-	-	-	-	-	-	-	-	-	-	-	-	147
Net increase (decrease) in cash	2,129	-	-	-	-	-	-	-	-	-	-	3,844	-	(1,715)
Cash at beginning of year	8,089	-	-	-	-	-	-	-	-	-	-	6,066	55	1,968
Cash at end of year	\$ 10,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,910	\$ 55	\$ 253
Reconciliation to operating loss to net cash provided by (used for) operating activities:														
Operating loss	\$ (772,324)	\$ -	\$ -	\$ (772,177)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (147)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:														
Depreciation	772,177	-	-	772,177	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:														
Accounts receivable:														
Tenants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HUD	118,780	2,138	1,207	115,258	8,186	(25,835)	10,179	-	-	7,647	-	-	-	-
Due from other funds	(126,614)	-	-	(78,842)	(28,536)	-	-	-	(385)	-	-	(6,114)	-	(12,737)
Due from other government agencies	(57,740)	-	-	-	-	-	-	-	(14,004)	-	-	-	-	(43,736)
Prepayments and other assets	(2)	-	-	-	-	(2)	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:														
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	(131,085)	-	-	(115,332)	(1,095)	-	(258)	-	-	3,316	-	-	-	(17,716)
Due to HUD	19,659	-	-	-	19,659	-	-	-	-	-	-	-	-	-
Due to other funds	95,589	(1,562)	(1,037)	-	-	25,581	(10,614)	-	14,004	(10,963)	-	6,316	-	73,864
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenues	82,872	-	-	78,916	(75)	4	-	-	385	-	-	3,642	-	-
Accrued salaries and wages	670	(576)	(170)	-	1,861	252	693	-	-	-	-	-	-	(1,390)
Net cash provided by (used for) operating activities	\$ 1,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,844	\$ -	\$ (1,862)

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 Position
September 30, 2013

ASSETS	Total	GU0002- B9C-001104	GU0003- B9C-001104	GU0006- B9C-001003	GU0009- B9C-000900	GU0013- B9C-001000	GU0007- B9C-001104	GU0004- B9C-001104	GU0015- B9C-001100	GU0016- B9C-001100
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:										
HUD	\$ 4,046	-	-	-	-	-	-	-	-	4,046
Due from other funds	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 4,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,046
LIABILITIES AND NET POSITION										
Accounts payable:										
Due to other funds	\$ 4,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,046
Accrued salaries and wages	-	-	-	-	-	-	-	-	-	-
HUD	-	-	-	-	-	-	-	-	-	-
Accrued liabilities:										
Compensated absences - current	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	-	-	-
Compensated absences - noncurrent	-	-	-	-	-	-	-	-	-	-
Net position	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 4,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,046

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 Position
Year Ended September 30, 2013

	<u>Total</u>	<u>GU0002- B9C-001104</u>	<u>GU0003- B9C-001104</u>	<u>GU0006- B9C-001003</u>	<u>GU0009- B9C-000900</u>	<u>GU0013- B9C-001000</u>	<u>GU0007- B9C-001104</u>	<u>GU0004- B9C-001104</u>	<u>GU0015- B9C-001100</u>	<u>GU0016- B9C-001100</u>
Revenues:										
Federal contributions	\$ 563,432	\$ 27,858	\$ 235,541	\$ 10,066	\$ 31,557	\$ 38,947	\$ 115,341	\$ 77,109	\$ 17,974	\$ 9,039
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>563,432</u>	<u>27,858</u>	<u>235,541</u>	<u>10,066</u>	<u>31,557</u>	<u>38,947</u>	<u>115,341</u>	<u>77,109</u>	<u>17,974</u>	<u>9,039</u>
Operating expenses:										
Administrative salaries	9,370	214	4,481	228	454	1,233	2,138	-	339	283
Employee benefits	3,457	92	1,575	90	176	471	813	-	134	106
Repair and maintenance	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Other	550,605	27,552	229,485	9,748	30,927	37,243	112,390	77,109	17,501	8,650
Total operating expenses	<u>563,432</u>	<u>27,858</u>	<u>235,541</u>	<u>10,066</u>	<u>31,557</u>	<u>38,947</u>	<u>115,341</u>	<u>77,109</u>	<u>17,974</u>	<u>9,039</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenditures):										
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

**SUPPORTIVE HOUSING PROGRAM
CFDA NO. 14.235**

Combining Statements of Cash Flows
Year Ended September 30, 2013

	Total	GU0002- B9C-001104	GU0003- B9C-001104	GU0006- B9C-001003	GU0006- B9C-001003	GU0013- B9C-001000	GU007 B9C-001104	GU0004- B9C-001104	GU0015- B9C-001100	GU0016- B9C-001100
Cash flows from operating activities:										
Operating grants received	\$ 559,386	\$ 27,858	\$ 235,541	\$ 10,066	\$ 31,557	\$ 38,947	\$ 115,341	\$ 77,109	\$ 17,974	\$ 4,993
Payments to suppliers	(550,016)	(27,644)	(231,060)	(9,838)	(31,103)	(37,714)	(113,203)	(77,109)	(17,635)	(4,710)
Payments to employees	(9,370)	(214)	(4,481)	(228)	(454)	(1,233)	(2,138)	-	(339)	(283)
Net cash provided by (used for) operating activities	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:										
Acquisition of capital assets	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:										
Increase in investment	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) investing activities	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash	-	-	-	-	-	-	-	-	-	-
Cash at beginning year	-	-	-	-	-	-	-	-	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:										
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:										
(Increase) decrease in assets:										
Accounts receivable - HUD	2,138	366	5,818	-	-	-	-	-	-	(4,046)
Accounts receivable - Due from other funds	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:										
Due to other funds	(1,562)	(366)	(5,242)	-	-	-	-	-	-	4,046
Accrued salaries and wages	(576)	-	(576)	-	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SHELTER PLUS CARE PROGRAM
CFDA NO. 14.238

Combining Statements of Net Position
September 30, 2013

<u>ASSETS</u>	<u>Total</u>	<u>GU0011-C9C- 001001</u>	<u>GU0001-C9C- 001003</u>	<u>GU0011-C9C- 001102</u>	<u>GU0001-C9C- 001104</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:					
HUD	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Capital assets, net	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
 <u>LIABILITIES AND NET POSITION</u>					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and wages	-	-	-	-	-
HUD	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net position	-	-	-	-	-
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 Position
Year Ended September 30, 2013

	<u>Total</u>	<u>GU0011-C9C- 001001</u>	<u>GU0001-C9C- 001003</u>	<u>GU0011-C9C- 001102</u>	<u>GU0001-C9C- 001104</u>
Revenues:					
Federal contributions	\$ 295,829	\$ 8,509	\$ 45,016	\$ 150,057	\$ 92,247
Other	-	-	-	-	-
Total revenues	<u>295,829</u>	<u>8,509</u>	<u>45,016</u>	<u>150,057</u>	<u>92,247</u>
Operating expenses:					
Administrative salaries	8,393	-	-	8,393	-
Employee benefits	2,886	-	-	2,886	-
Depreciation	-	-	-	-	-
Other	284,550	8,509	45,016	138,778	92,247
Total operating expenses	<u>295,829</u>	<u>8,509</u>	<u>45,016</u>	<u>150,057</u>	<u>92,247</u>
Operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues (expenditures):					
Interest income	-	-	-	-	-
Interest expense	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	-	-
Total net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

SHELTER PLUS CARE PROGRAM
CFDA NO. 14.238

Combining Statements of Cash Flows
Year Ended September 30, 2013

	<u>Total</u>	<u>GU0011-C9C- 001001</u>	<u>GU0001-C9C- 001003</u>	<u>GU0011-C9C- 001102</u>	<u>GU0001-C9C- 001104</u>
Cash flows from operating activities:					
Operating grants received	\$ 295,829	\$ 8,509	\$ 45,016	\$ 150,057	\$ 92,247
Payments to suppliers	(295,829)	(8,509)	(45,016)	(150,057)	(92,247)
Payments to employees	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Acquisition of capital assets	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Transfers from fund balance	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	-	-	-	-	-
Cash at beginning year	-	-	-	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
(Increase) decrease in assets:					
Accounts receivable - HUD	1,207	1,037	-	170	-
Accounts receivable - Due from other funds	-	-	-	-	-
Other assets	-	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable - Due to other funds	(1,037)	(1,037)	-	-	-
Accounts payable - HUD	-	-	-	-	-
Accrued salaries and wages	(170)	-	-	(170)	-
Deferred revenues	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM

CFDA NO. 14.872

Combining Statements of Net Position

September 30, 2013

ASSETS	Total	GQ-50104	GQ-50105	GQ8D001501-03	GQ08P001501-06	GQ-501-07	GQ-501-08	GQ-501-09	GQ-501-10	GQ-501-11	GQ-501-12
Current assets:											
Cash:											
Cash - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash - other	-	-	-	-	-	-	-	-	-	-	-
Total cash	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable:											
HUD	70,535	-	-	-	-	38,100	-	10,889	-	-	21,546
Due from other programs	163,240	-	7,689	-	3,457	-	73,252	67,100	11,816	-	(74)
	233,775	-	7,689	-	3,457	38,100	73,252	77,989	11,816	-	21,472
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-
Total accounts receivable	233,775	-	7,689	-	3,457	38,100	73,252	77,989	11,816	-	21,472
Inventories	-	-	-	-	-	-	-	-	-	-	-
Investments:											
General fund	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other current assets	-	-	-	-	-	-	-	-	-	-	-
Total current assets	233,775	-	7,689	-	3,457	38,100	73,252	77,989	11,816	-	21,472
Noncurrent assets:											
Capital Assets:											
Land, structures and equipment, at cost	10,708,496	1,121,733	1,652,281	535,370	1,832,828	769,191	1,171,850	1,281,844	1,344,600	949,495	49,304
Accumulated depreciation	(3,033,119)	(460,480)	(747,538)	(178,457)	(610,498)	(271,617)	(323,647)	(210,511)	(191,984)	(38,387)	-
Net capital assets	7,675,377	661,253	904,743	356,913	1,222,330	497,574	848,203	1,071,333	1,152,616	911,108	49,304
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	7,675,377	661,253	904,743	356,913	1,222,330	497,574	848,203	1,071,333	1,152,616	911,108	49,304
Total assets	\$ 7,909,152	\$ 661,253	\$ 912,432	\$ 356,913	\$ 1,225,787	\$ 535,674	\$ 921,455	\$ 1,149,322	\$ 1,164,432	\$ 911,108	\$ 70,776

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Combining Statements of Net Position, Continued
September 30, 2013

<u>LIABILITIES AND NET POSITION</u>	<u>Total</u>	<u>GQ-50104</u>	<u>GQ-50105</u>	<u>GQ8D001501-03</u>	<u>GQ08P001501-06</u>	<u>GQ-501-07</u>	<u>GQ-501-08</u>	<u>GQ-501-09</u>	<u>GQ-501-10</u>	<u>GQ-501-11</u>	<u>GQ-501-12</u>
Liabilities:											
Accounts payable:											
Due to other funds	\$ (55,880)	\$ (39,353)	\$ (3,982)	\$ (420)	\$ (82,145)	\$ 38,100	\$ (441)	\$ 10,889	\$ -	\$ -	\$ 21,472
Compensated absences, current portion	-	-	-	-	-	-	-	-	-	-	-
Total accounts payable	<u>(55,880)</u>	<u>(39,353)</u>	<u>(3,982)</u>	<u>(420)</u>	<u>(82,145)</u>	<u>38,100</u>	<u>(441)</u>	<u>10,889</u>	<u>-</u>	<u>-</u>	<u>21,472</u>
Deferred credits:											
Deferred revenue	289,655	39,353	11,671	420	85,602	-	73,693	67,100	11,816	-	-
Total deferred credits	<u>289,655</u>	<u>39,353</u>	<u>11,671</u>	<u>420</u>	<u>85,602</u>	<u>-</u>	<u>73,693</u>	<u>67,100</u>	<u>11,816</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>233,775</u>	<u>-</u>	<u>7,689</u>	<u>-</u>	<u>3,457</u>	<u>38,100</u>	<u>73,252</u>	<u>77,989</u>	<u>11,816</u>	<u>-</u>	<u>21,472</u>
Noncurrent liabilities:											
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>233,775</u>	<u>-</u>	<u>7,689</u>	<u>-</u>	<u>3,457</u>	<u>38,100</u>	<u>73,252</u>	<u>77,989</u>	<u>11,816</u>	<u>-</u>	<u>21,472</u>
Net Position:											
Investment in capital assets, net of related debt	7,675,377	661,253	904,743	356,913	1,222,330	497,574	848,203	1,071,333	1,152,616	911,108	49,304
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-
Total net position	<u>7,675,377</u>	<u>661,253</u>	<u>904,743</u>	<u>356,913</u>	<u>1,222,330</u>	<u>497,574</u>	<u>848,203</u>	<u>1,071,333</u>	<u>1,152,616</u>	<u>911,108</u>	<u>49,304</u>
Total liabilities and net position	<u>\$ 7,909,152</u>	<u>\$ 661,253</u>	<u>\$ 912,432</u>	<u>\$ 356,913</u>	<u>\$ 1,225,787</u>	<u>\$ 535,674</u>	<u>\$ 921,455</u>	<u>\$ 1,149,322</u>	<u>\$ 1,164,432</u>	<u>\$ 911,108</u>	<u>\$ 70,776</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA NO. 14.872

Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2013

	<u>Total</u>	<u>GQ-50104</u>	<u>GQ-50105</u>	<u>GQ8D001501-03</u>	<u>GQ08P001501-06</u>	<u>GQ-501-07</u>	<u>GQ-501-08</u>	<u>GQ-501-09</u>	<u>GQ-501-10</u>	<u>GQ-501-11</u>	<u>GQ-501-12</u>
Operating revenues:											
HUD PHA Grants	\$ 340,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,434	\$ 184,195	\$ 129,476
Program income	1,265	-	-	-	-	-	-	-	-	1,265	-
Total operating revenues	<u>341,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,434</u>	<u>185,460</u>	<u>129,476</u>
Operating expenses:											
Depreciation	772,177	73,505	163,069	35,692	122,533	83,059	88,631	81,706	89,190	34,792	-
Management fees	117,456	-	-	-	-	-	-	-	-	4,120	113,336
Other miscellaneous expenses	121,938	-	-	-	-	-	-	-	-	121,878	60
Salaries and wages	70,307	-	-	-	-	-	-	-	18,605	39,961	11,741
Employee benefits	28,632	-	-	-	-	-	-	-	7,829	16,464	4,339
Compensated absences	-	-	-	-	-	-	-	-	-	-	-
Office expense	43	-	-	-	-	-	-	-	-	43	-
Advertising and marketing	2,994	-	-	-	-	-	-	-	-	2,994	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>1,113,547</u>	<u>73,505</u>	<u>163,069</u>	<u>35,692</u>	<u>122,533</u>	<u>83,059</u>	<u>88,631</u>	<u>81,706</u>	<u>115,624</u>	<u>220,252</u>	<u>129,476</u>
Operating loss	<u>(772,177)</u>	<u>(73,505)</u>	<u>(163,069)</u>	<u>(35,692)</u>	<u>(122,533)</u>	<u>(83,059)</u>	<u>(88,631)</u>	<u>(81,706)</u>	<u>(89,190)</u>	<u>(34,792)</u>	<u>-</u>
Non-operating revenues:											
Capital grants	851,002	-	-	-	-	-	-	58,400	10,115	733,183	49,304
Other income	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues	<u>851,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,400</u>	<u>10,115</u>	<u>733,183</u>	<u>49,304</u>
Change in net position	78,825	(73,505)	(163,069)	(35,692)	(122,533)	(83,059)	(88,631)	(23,306)	(79,075)	698,391	49,304
Total net position - beginning of year	<u>7,596,552</u>	<u>734,758</u>	<u>1,067,812</u>	<u>392,605</u>	<u>1,344,863</u>	<u>580,633</u>	<u>936,834</u>	<u>1,094,639</u>	<u>1,231,691</u>	<u>212,717</u>	<u>-</u>
Total net position - end of year	<u>\$ 7,675,377</u>	<u>\$ 661,253</u>	<u>\$ 904,743</u>	<u>\$ 356,913</u>	<u>\$ 1,222,330</u>	<u>\$ 497,574</u>	<u>\$ 848,203</u>	<u>\$ 1,071,333</u>	<u>\$ 1,152,616</u>	<u>\$ 911,108</u>	<u>\$ 49,304</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

PUBLIC HOUSING CAPITAL FUND PROGRAM
CFDA No. 14.872

Combining Statements of Cash Flows
For the Year Ended September 30, 2013

	<u>Total</u>	<u>GQ-50104</u>	<u>GQ-50105</u>	<u>GQ8D001501-03</u>	<u>GQ08P001501-06</u>	<u>GQ-501-07</u>	<u>GQ-501-08</u>	<u>GQ-501-09</u>	<u>GQ-501-10</u>	<u>GQ-501-11</u>	<u>GQ-501-12</u>
Cash flows from operating activities:											
Operating grants received	\$ 351,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,250	\$ 184,195	\$ 129,476
Receipts from customers	1,265	-	-	-	-	-	-	-	-	1,265	-
Payments to suppliers	(282,879)	-	-	-	-	-	-	-	(19,645)	(145,499)	(117,735)
Payments to employees	(70,307)	-	-	-	-	-	-	-	(18,605)	(39,961)	(11,741)
Net cash provided by operating activities	-	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:											
Capital grants received	851,002	-	-	-	-	-	-	58,400	10,115	733,183	49,304
Acquisition of capital assets	(851,002)	-	-	-	-	-	-	(58,400)	(10,115)	(733,183)	(49,304)
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:											
Investment in time certificate of deposit	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash	-	-	-	-	-	-	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-	-	-	-	-	-	-
Cash at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash provided by operating activities:											
Operating loss	\$ (772,177)	\$ (73,505)	\$ (163,069)	\$ (35,692)	\$ (122,533)	\$ (83,059)	\$ (88,631)	\$ (81,706)	\$ (89,190)	\$ (34,792)	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:											
Depreciation	772,177	73,505	163,069	35,692	122,533	83,059	88,631	81,706	89,190	34,792	-
(Increase) decrease in assets:											
Due from HUD	115,258	-	-	-	-	-	-	52,750	-	84,054	(21,546)
Due from other funds	(78,842)	-	-	-	-	-	-	(67,100)	(11,816)	-	74
Increase (decrease) in liabilities:											
Due to other funds	(115,332)	-	-	-	-	-	-	(52,750)	-	(84,054)	21,472
Compensated absences	-	-	-	-	-	-	-	-	-	-	-
Deferred credits	78,916	-	-	-	-	-	-	67,100	11,816	-	-
Net cash provided by operating activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Net Position
September 30, 2013

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	M-11-ST- 66-0202	M-12-ST- 66-0202
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:												
HUD	160,754	-	-	-	-	-	108,601	(12,939)	28,208	(7,424)	3,553	40,755
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	283	-	-	-	-	-	-	-	85	198	-	-
Capital assets	8,265	-	-	-	-	-	-	-	-	-	8,265	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 169,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,293</u>	<u>\$ (7,226)</u>	<u>\$ 11,818</u>	<u>\$ 40,755</u>
LIABILITIES AND NET POSITION												
Current liabilities:												
Vendors	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ -
Due to HUD	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	118,582	-	-	-	-	-	108,601	(12,939)	28,274	(7,226)	1,338	534
Accrued salaries and wages	4,668	-	-	-	-	-	-	-	-	-	2,215	2,453
Compensated absences - current	4,405	-	-	-	-	-	-	-	-	-	-	4,405
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	<u>127,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>3,553</u>	<u>7,392</u>
Noncurrent liabilities:												
Compensated absences -noncurrent	15,212	-	-	-	-	-	-	-	-	-	-	15,212
Other liabilities - sick leave	18,151	-	-	-	-	-	-	-	-	-	-	18,151
Total noncurrent liabilities	<u>33,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,363</u>
Total liabilities	<u>161,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,601</u>	<u>(12,939)</u>	<u>28,293</u>	<u>(7,226)</u>	<u>3,553</u>	<u>40,755</u>
Net position:												
Investment in capital, net of related debt	8,265	-	-	-	-	-	-	-	-	-	8,265	-
Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-
Total net position	<u>8,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,265</u>	<u>-</u>
Total	<u>\$ 169,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,601</u>	<u>\$ (12,939)</u>	<u>\$ 28,293</u>	<u>\$ (7,226)</u>	<u>\$ 11,818</u>	<u>\$ 40,755</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2013

	Total	M-02-ST- 66-0202	M-03-ST- 66-0202	M-04-ST- 66-0202	M-05-ST- 66-0202	M-06-ST6 66-0202	M-07-ST 66-0202	M-08-ST 66-0202	M-09-ST 66-0202	M-10-ST 66-0202	M-11-ST 66-0202	M-12-ST 66-0202
Revenues:												
PHA Operating grants	\$ 1,225,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 975,087	\$ 209,976	\$ 40,755
Other	126,405	-	-	-	-	-	-	-	-	-	5,361	121,044
Total Revenues	1,352,223	-	-	-	-	-	-	-	-	975,087	215,337	161,799
Operating expenses:												
Repairs and maintenance	1,097,098	-	-	-	-	-	-	-	-	857,286	165,651	74,161
Administrative salaries	68,861	-	-	-	-	-	-	-	-	-	34,549	34,312
Employee benefits	28,165	-	-	-	-	-	-	-	-	-	14,241	13,924
Management fees	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	(1,095)	-	-	-	-	-	-	-	-	-	(38,863)	37,768
Office expense	32,123	-	-	-	-	-	-	-	-	-	32,123	-
Travel	84	-	-	-	-	-	-	-	-	-	-	84
Professional fees	1,832	-	-	-	-	-	-	-	-	-	1,382	450
Adversting and marketing	3,413	-	-	-	-	-	-	-	-	-	3,413	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	458	-	-	-	-	-	-	-	-	-	458	-
Protective services	-	-	-	-	-	-	-	-	-	-	-	-
Other	121,284	-	-	-	-	-	-	-	-	117,801	2,383	1,100
Total operating expenses	1,352,223	-	-	-	-	-	-	-	-	975,087	215,337	161,799
Operating income	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating revenues:												
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenues, net	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	-	-	-	-	-	-	-
Total net position - beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
Total net position - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

HOME Investment Partnerships Program
CFDA NO. 14.239

Combining Statements of Cash Flows
Year Ended September 30, 2013

	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	M-11-ST- 66-0202	M-12-ST- 66-0202
Cash flows from operating activities:												
Operating grants received	\$ 1,225,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 975,087	\$ 209,976	\$ 40,755
Receipts from customers	126,405	-	-	-	-	-	-	-	-	-	5,361	121,044
Payments to suppliers	(1,245,594)	-	-	-	-	-	-	-	-	(975,087)	(180,788)	(89,719)
Payments to employees	(106,629)	-	-	-	-	-	-	-	-	-	(34,549)	(72,080)
Net cash provided by operating activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities:												
Acquisition of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from capital and related financing activities:												
Transfers from fund balance	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by capital and related financing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net change in cash	-	-	-	-	-	-	-	-	-	-	-	-
Cash at beginning year	-	-	-	-	-	-	-	-	-	-	-	-
Cash at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:												
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net provided by operating activities:												
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:												
Accounts receivable - HUD	8,186	-	-	-	-	-	-	-	-	75	48,866	(40,755)
Accounts receivable - Due from other funds	(28,536)	-	-	-	-	-	(28,536)	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	1,861	-	-	-	-	-	-	-	-	-	(592)	2,453
Compensated absences	(1,095)	-	-	-	-	-	-	-	-	-	(38,863)	37,768
Due to other funds	19,659	-	-	-	-	-	28,536	-	-	-	(9,411)	534
Deferred revenues	(75)	-	-	-	-	-	-	-	(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 Position
September 30, 2013

<u>ASSETS</u>	<u>Total</u>	<u>S-10-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-11-DC- 66-0001</u>	<u>E-11-DC- 66-0001</u>	<u>E-12-DC- 66-0001</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable:						
HUD	44,335	-	-	-	24,828	19,507
Prepaid and other assets	2	-	2	-	-	-
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 44,337</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 24,828</u>	<u>\$ 19,507</u>
 <u>LIABILITIES AND NET POSITION</u>						
Liabilities:						
Due to other funds	\$ 43,969	\$ -	\$ 2	\$ -	\$ 24,828	\$ 19,139
Accrued salaries and wages	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368</u>
Total liabilities	44,337	-	2	-	24,828	19,507
Net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 44,337</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 24,828</u>	<u>\$ 19,507</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 Position
Year Ended September 30, 2013

	<u>Total</u>	<u>S-10-DC- 66-0001</u>	<u>S-09-DC- 66-0001</u>	<u>S-11-DC- 66-0001</u>	<u>E-11-DC- 66-0001</u>	<u>E-12-DC- 66-0001</u>
Revenues:						
Federal contributions	\$ 239,853	\$ 25,373	\$ -	\$ 114,886	\$ 79,230	\$ 20,364
Other	-	-	-	-	-	-
Total Revenues	<u>239,853</u>	<u>25,373</u>	<u>-</u>	<u>114,886</u>	<u>79,230</u>	<u>20,364</u>
Operating expenses:						
Administrative salaries	8,771	-	-	3,615	4,260	896
Employee benefits	3,294	-	-	1,361	1,604	329
Repair and maintenance	-	-	-	-	-	-
Office expenses	14	-	-	1	13	-
Depreciation	-	-	-	-	-	-
Advertising and marketing	142	-	-	77	65	-
Legal	250	-	-	250	-	-
Travel	-	-	-	-	-	-
Other	227,382	25,373	-	109,582	73,288	19,139
Total operating expenses	<u>239,853</u>	<u>25,373</u>	<u>-</u>	<u>114,886</u>	<u>79,230</u>	<u>20,364</u>
Operating income	<u>-</u>	<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>	<u>-</u>
Change in net position	-	-	-	-	-	-
Total net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

EMERGENCY SHELTER GRANTS
CFDA NO. 14.231

Combining Statements of Cash Flows
Year Ended September 30, 2013

	Total	S-10-DC- 66-0001	S-09-DC- 66-0001	S-11-DC- 66-0001	E-11-DC- 66-0001	E-12-DC- 66-0001
Cash flows from operating activities:						
Operating grants received	\$ 239,853	\$ 25,373	\$ -	\$ 114,886	\$ 79,230	\$ 20,364
Payments to suppliers	(231,082)	(25,373)	-	(111,271)	(74,970)	(19,468)
Payments to employees	(8,771)	-	-	(3,615)	(4,260)	(896)
Net cash provided by operating activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Transfers from fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash	-	-	-	-	-	-
Cash at beginning year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided 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	(25,835)	18,182	-	318	(24,828)	(19,507)
Prepaide and other assets	(2)	-	(2)	-	-	-
Increase (decrease) in liabilities:						
Accrued salaries and wages	252	-	-	(116)	-	368
Due to other funds	25,581	(18,182)	(2)	(202)	24,828	19,139
Deferred revenues	4	-	4	-	-	-
Net cash provided by operating activities	<u><u>\$ -</u></u>	<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

Weatherization Assistance for Low Income Persons
CFDA NO. 81.042

Combining Statements of Net Position
September 30, 2013

Assets	Total	ARRA CFDA #81.042 Weatherization Assistance	ARRA CFDA #81.042 Weatherization Assistance
Current assets:			
Cash:			
Unrestricted	\$ 253	\$ 253	\$ -
Total cash	<u>253</u>	<u>253</u>	<u>-</u>
Accounts receivable:			
Other Governments	109,968	109,968	-
Due from other funds	<u>12,987</u>	<u>-</u>	<u>12,987</u>
	122,955	109,968	12,987
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total accounts receivable, net	<u>122,955</u>	<u>109,968</u>	<u>12,987</u>
Total current assets	<u>123,208</u>	<u>110,221</u>	<u>12,987</u>
Noncurrent assets:			
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 123,208</u>	<u>\$ 110,221</u>	<u>\$ 12,987</u>
Liabilities and Net Position			
Liabilities:			
Due to other funds	\$ 123,208	\$ 110,221	\$ 12,987
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>123,208</u>	<u>110,221</u>	<u>12,987</u>
Net position:			
Investment in capital assets, net of related debt	-	-	-
Restricted	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 123,208</u>	<u>\$ 110,221</u>	<u>\$ 12,987</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 Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2013

	<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	303,769	297,743	6,026
Tenant rental income	-	-	-
Other income	-	-	-
Total operating revenues	<u>303,769</u>	<u>297,743</u>	<u>6,026</u>
Operating expenses:			
Depreciation	-	-	-
Administrative salaries	63,409	59,208	4,201
Other administrative expenses	229,325	229,325	-
Management fees	-	-	-
Employee benefits	26,871	25,046	1,825
Office expense	304	304	-
Bookkeeping fees	-	-	-
Insurance	1,723	1,723	-
Utilities	-	-	-
Compensated absences	(17,716)	(17,716)	-
Travel	-	-	-
Advertising and marketing	-	-	-
Bad debts	-	-	-
Total operating expenses	<u>303,916</u>	<u>297,890</u>	<u>6,026</u>
Operating loss	<u>(147)</u>	<u>(147)</u>	<u>-</u>
Non-operating revenues:			
Capital Grants	-	-	-
Interest income on restricted investments	-	-	-
Fraud recovery	-	-	-
Other income	144	144	-
Interest income on unrestricted investments	3	3	-
Total non-operating revenues	<u>147</u>	<u>147</u>	<u>-</u>
Change in net position	-	-	-
Total net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - 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, 2013

	<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	\$ 303,769	\$ 297,743	\$ 6,026
Payments to suppliers	(242,222)	(240,397)	(1,825)
Payments to employees	(63,409)	(59,208)	(4,201)
Other cash receipts (payments)	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used for operating activities	<u>(1,862)</u>	<u>(1,862)</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 provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest and other income received	147	147	-
Deposits to restricted accounts	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>147</u>	<u>147</u>	<u>-</u>
Net decrease in cash	(1,715)	(1,715)	-
Cash at beginning year	<u>1,968</u>	<u>1,968</u>	<u>-</u>
Cash at end of year	<u>\$ 253</u>	<u>\$ 253</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, 2013

	<u>Total</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>	<u>ARRA CFDA #81.042 Weatherization Assistance</u>
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (147)	\$ (147)	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	-	-	-
Bad debts	-	-	-
(Increase) decrease in assets:			
Accounts receivable:			
Notes receivable	-	-	-
Tenant receivables	-	-	-
HUD	-	-	-
Other Government Agencies	(43,736)	(50,447)	6,711
Due from other funds	(12,737)	-	(12,737)
Interest	-	-	-
Other	-	-	-
Prepayments and other assets	-	-	-
Inventories	-	-	-
Increase (decrease) in liabilities:			
Accounts payable	-	-	-
Compensated absences and sick leave	(17,716)	(17,716)	-
Payable to HUD	-	-	-
Due to other funds	73,864	67,838	6,026
Security deposits	-	-	-
Accrued salaries and wages	(1,390)	(1,390)	-
Other current liabilities	-	-	-
Accrued liabilities	-	-	-
Deferred revenues	-	-	-
Net cash used for operating activities	<u>\$ (1,862)</u>	<u>\$ (1,862)</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Net Position
September 30, 2013

ASSETS	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Current assets:					
Cash					
Unrestricted	\$ 3,479,452	\$ 3,341,514	\$ 137,938	\$ -	\$ -
Restricted - tenant security deposits	3,173	-	3,173	-	-
Restricted - other	1,264,458	1,163,569	100,889	-	-
Total cash	<u>4,747,083</u>	<u>4,505,083</u>	<u>242,000</u>	<u>-</u>	<u>-</u>
Account receivable:					
Due from other funds	4,170,809	819,660	2,800,468	3,873	546,808
Promissory notes, current portion	75,240	75,240	-	-	-
Travel advances	11,951	-	11,951	-	-
Accrued interest	118	59	-	-	59
Other	341,226	293,132	44,654	-	3,440
Total accounts receivable	4,599,344	1,188,091	2,857,073	3,873	550,307
Allowance for doubtful accounts	(105,202)	(100,227)	(4,975)	-	-
Total accounts receivable, net	4,494,142	1,087,864	2,852,098	3,873	550,307
Investments	1,198,629	563,206	-	74,835	560,588
Prepaid and other assets	83,286	8,372	74,914	-	-
Other real estate	3,155,947	3,155,947	-	-	-
Total current assets	<u>13,679,087</u>	<u>9,320,472</u>	<u>3,169,012</u>	<u>78,708</u>	<u>1,110,895</u>
Noncurrent assets:					
Capital assets, net	310,848	64,695	41,598	-	204,555
Promissory notes - noncurrent	679,271	679,271	-	-	-
Total non-current assets	990,119	743,966	41,598	-	204,555
Total Assets	<u>\$ 14,669,206</u>	<u>\$ 10,064,438</u>	<u>\$ 3,210,610</u>	<u>\$ 78,708</u>	<u>\$ 1,315,450</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Accounts payable:					
Due to other funds	\$ 7,203,435	\$ 3,586,326	\$ 2,228,149	\$ -	\$ 1,388,960
Vendors and contractors	567,796	16,045	551,751	-	-
Compensated absences - current portion	24,202	24,202	-	-	-
Other	227,721	-	227,721	-	-
Accrued salaries and wages	50,095	50,095	-	-	-
Accrued liabilities	164,722	25,873	138,849	-	-
Accrued FSS Escrow liabilities	96,372	96,372	-	-	-
Security deposits	3,173	3,173	-	-	-
Deferred revenues	1,332,507	1,314,992	17,515	-	-
Total Current Liabilities	<u>9,670,023</u>	<u>5,117,078</u>	<u>3,163,985</u>	<u>-</u>	<u>1,388,960</u>
Noncurrent liabilities:					
Accrued compensated absences	92,704	92,704	-	-	-
Accrued sick leave	77,138	77,138	-	-	-
Total noncurrent liabilities	<u>169,842</u>	<u>169,842</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	9,839,865	5,286,920	3,163,985	-	1,388,960
Net Position:					
Investment in capital assets, net of related debt	3,463,795	3,217,642	41,598	-	204,555
Restricted	100,889	-	100,889	-	-
Unrestricted	1,264,657	1,559,876	(95,862)	78,708	(278,065)
Total Net Position	<u>4,829,341</u>	<u>4,777,518</u>	<u>46,625</u>	<u>78,708</u>	<u>(73,510)</u>
Total Liabilities and Net Position	<u>\$ 14,669,206</u>	<u>\$ 10,064,438</u>	<u>\$ 3,210,610</u>	<u>\$ 78,708</u>	<u>\$ 1,315,450</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2013

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Operating revenues:					
Property Sales	\$ 22,008	\$ 22,008	\$ -	\$ -	\$ -
Management fees	1,192,899	1,192,899	-	-	-
Asset management fees	90,000	90,000	-	-	-
Bookkeeping fees	278,167	278,167	-	-	-
Other Federal Grants	-	-	-	-	-
Other	413,350	239,969	173,381	-	-
Total operating revenues	<u>1,996,424</u>	<u>1,823,043</u>	<u>173,381</u>	<u>-</u>	<u>-</u>
Operating expenses:					
Project costs	-	-	-	-	-
Repairs and maintenance	8,954	8,954	-	-	-
Administrative salaries	1,163,364	1,112,942	50,346	-	76
Employee benefits	417,948	398,879	19,042	-	27
Depreciation	539	-	-	-	539
Office expense	37,788	37,126	662	-	-
Legal and professional fees	65,357	43,437	21,820	-	100
Utilities	82,103	82,103	-	-	-
Compensated absences	12,864	12,864	-	-	-
Travel	9,186	9,186	-	-	-
Insurance	17,934	17,934	-	-	-
Management fees	100,000	4,055	95,945	-	-
Bad debts	1,875	-	1,875	-	-
Advertising and marketing	9,316	4,996	4,320	-	-
Protective services	413	413	-	-	-
Other	274,087	244,257	20,424	-	9,406
Total operating expenses	<u>2,201,728</u>	<u>1,977,146</u>	<u>214,434</u>	<u>-</u>	<u>10,148</u>
Operating income (loss)	<u>(205,304)</u>	<u>(154,103)</u>	<u>(41,053)</u>	<u>-</u>	<u>(10,148)</u>
Non-operating revenues and (expense):					
Other income	54,834	-	54,834	-	-
Recovery of bad debts	-	-	-	-	-
Other expense	-	-	-	-	-
Investment income	2,419	1,624	26	90	679
Total non-operating revenues and (expenses), net	<u>57,253</u>	<u>1,624</u>	<u>54,860</u>	<u>90</u>	<u>679</u>
Change in net position	(148,051)	(152,479)	13,807	90	(9,469)
Total net position - beginning of year	<u>4,977,392</u>	<u>4,929,997</u>	<u>32,818</u>	<u>78,618</u>	<u>(64,041)</u>
Total net position - end of year	<u>\$ 4,829,341</u>	<u>\$ 4,777,518</u>	<u>\$ 46,625</u>	<u>\$ 78,708</u>	<u>\$ (73,510)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds
Combining Statements of Cash Flows
Year Ended September 30, 2013

	TOTAL	Local Funds	Revolving Funds	Trust Funds	Other Funds
Cash flows from operating activities:					
Operating grants received	\$ 173,381	\$ -	\$ 173,381	\$ -	\$ -
Receipts from customers	2,247,025	2,247,025	-	-	-
Payments to suppliers	(829,559)	(650,458)	(162,213)	-	(16,888)
Payments to employees	(1,178,304)	(1,127,882)	(50,346)	-	(76)
Other cash receipts (payments)	19,407	(23,511)	42,715	-	203
Net cash provided by operating activities	<u>431,950</u>	<u>445,174</u>	<u>3,537</u>	<u>-</u>	<u>(16,761)</u>
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	-	-	-	-	-
Net cash flows used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Interest and other income received	56,152	(1,387)	56,770	90	679
Deposits in restricted accounts	21,867	5,875	-	(90)	16,082
Net cash used for investing activities	<u>78,019</u>	<u>4,488</u>	<u>56,770</u>	<u>-</u>	<u>16,761</u>
Net increase in cash	509,969	449,662	60,307	-	-
Cash at beginning of year	<u>4,237,114</u>	<u>4,055,421</u>	<u>181,693</u>	<u>-</u>	<u>-</u>
Cash at end of year	<u>\$ 4,747,083</u>	<u>\$ 4,505,083</u>	<u>\$ 242,000</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating loss	\$ (205,304)	\$ (154,103)	\$ (41,053)	\$ -	\$ (10,148)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:					
Depreciation	539	-	-	-	539
Bad debts	1,875	-	1,875	-	-
(Increase) decrease in assets:					
Accounts receivable:					
Promissory notes	84,849	84,849	-	-	-
Due from other funds	129,241	(81)	129,322	-	-
Travel advances	418	-	418	-	-
Accrued interest	11	5	-	-	6
Other	61,778	86,704	(24,926)	-	-
Prepaid expenses and other assets	(1,120)	(994)	(126)	-	-
Land held for sale	173,265	173,265	-	-	-
Increase (decrease) in liabilities:					
Accounts payable	(57,597)	1,575	(59,172)	-	-
Compensated absences	12,865	12,865	-	-	-
Due to other funds	429,236	480,296	(43,902)	-	(7,158)
Accrued salaries and wages	50,095	50,095	-	-	-
Accrued FSS Escrow liabilities	174	174	-	-	-
Other current liabilities	(107,613)	(135,282)	27,669	-	-
Accrued liabilities	(30,063)	(45,280)	15,217	-	-
Deferred revenues	(110,699)	(108,914)	(1,785)	-	-
Net cash provided by (used for) operating activities	<u>\$ 431,950</u>	<u>\$ 445,174</u>	<u>\$ 3,537</u>	<u>\$ -</u>	<u>\$ (16,761)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

LOCAL FUNDS
Combining Statements of Net Position
September 30, 2013

ASSETS	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation	As-Atdas Project
Current assets:										
Cash - unrestricted	\$ 3,341,514	\$ -	\$ -	\$ -	\$ -	\$ 476,255	\$ 2,785,017	\$ 42,558	\$ 19,169	\$ 18,515
Cash - restricted for FSS	96,372	-	-	-	-	-	96,372	-	-	-
Cash - other restricted	1,067,197	-	-	-	-	-	1,067,197	-	-	-
Total cash	<u>4,505,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>476,255</u>	<u>3,948,586</u>	<u>42,558</u>	<u>19,169</u>	<u>18,515</u>
Accounts receivable:										
Due from other funds	819,660	1,666	771,148	4,835	43,727	-	80	-	(1,796)	-
Promissory notes, current portion	75,240	-	-	-	-	-	-	57,372	17,868	-
Allowance for doubtful accounts	(100,227)	-	-	-	-	-	-	(100,227)	-	-
Accrued interest	59	-	-	-	-	59	-	-	-	-
Other	293,132	-	2,300	-	-	139	-	290,693	-	-
Total accounts receivable	<u>1,087,864</u>	<u>1,666</u>	<u>773,448</u>	<u>4,835</u>	<u>43,727</u>	<u>198</u>	<u>80</u>	<u>247,838</u>	<u>16,072</u>	<u>-</u>
Investments	563,206	-	-	-	-	563,206	-	-	-	-
Prepaid and other assets	8,372	-	-	-	-	-	8,372	-	-	-
Land held for sale	3,155,947	-	71,830	-	-	3,084,117	-	-	-	-
Total current assets	<u>9,320,472</u>	<u>1,666</u>	<u>845,278</u>	<u>4,835</u>	<u>43,727</u>	<u>4,123,776</u>	<u>3,957,038</u>	<u>290,396</u>	<u>35,241</u>	<u>18,515</u>
Noncurrent assets:										
Capital assets	155,514	-	1,774	-	-	1,385	152,355	-	-	-
Accumulated depreciation	(90,819)	-	(1,774)	-	-	-	(89,045)	-	-	-
Capital assets, net	<u>64,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385</u>	<u>63,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Promissory notes, noncurrent	679,271	-	-	-	-	-	-	522,117	157,154	-
Total non-current assets	<u>743,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,385</u>	<u>63,310</u>	<u>522,117</u>	<u>157,154</u>	<u>-</u>
Total assets	<u>\$ 10,064,438</u>	<u>\$ 1,666</u>	<u>\$ 845,278</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 4,125,161</u>	<u>\$ 4,020,348</u>	<u>\$ 812,513</u>	<u>\$ 192,395</u>	<u>\$ 18,515</u>
LIABILITIES AND NET POSITION										
Liabilities:										
Accounts payable:										
Vendors	\$ 16,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,030	\$ 15	\$ -	\$ -
Security deposits	3,173	-	3,173	-	-	-	-	-	-	-
Due to other funds	3,586,326	-	169,365	-	-	3,917	3,616,268	(136,462)	(68,578)	1,816
Accrued salaries and wages	50,095	-	-	-	-	-	50,095	-	-	-
Compensated absences - current portion	24,202	-	-	-	-	-	24,202	-	-	-
Accrued FSS Escrow liabilities	96,372	-	-	-	-	-	96,372	-	-	-
Accrued liabilities	25,873	-	69	-	-	25,597	-	-	-	207
Deferred revenues	1,314,992	-	-	-	-	-	56,233	1,039,342	202,925	16,492
Total current liabilities	<u>5,117,078</u>	<u>-</u>	<u>172,607</u>	<u>-</u>	<u>-</u>	<u>29,514</u>	<u>3,859,200</u>	<u>902,895</u>	<u>134,347</u>	<u>18,515</u>
Noncurrent liabilities:										
Accrued compensated absences	92,704	-	-	-	-	-	92,704	-	-	-
Accrued sick leave	77,138	-	-	-	-	-	77,138	-	-	-
Total noncurrent liabilities	<u>169,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,842</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,286,920</u>	<u>-</u>	<u>172,607</u>	<u>-</u>	<u>-</u>	<u>29,514</u>	<u>4,029,042</u>	<u>902,895</u>	<u>134,347</u>	<u>18,515</u>
Net position:										
Investment in capital assets, net of related debt	3,217,642	-	71,830	-	-	3,082,502	63,310	-	-	-
Unrestricted	1,559,876	1,666	600,841	4,835	43,727	1,013,145	(72,004)	(90,382)	58,048	-
Total net position	<u>4,777,518</u>	<u>1,666</u>	<u>672,671</u>	<u>4,835</u>	<u>43,727</u>	<u>4,095,647</u>	<u>(8,694)</u>	<u>(90,382)</u>	<u>58,048</u>	<u>-</u>
Total liabilities and net position	<u>\$ 10,064,438</u>	<u>\$ 1,666</u>	<u>\$ 845,278</u>	<u>\$ 4,835</u>	<u>\$ 43,727</u>	<u>\$ 4,125,161</u>	<u>\$ 4,020,348</u>	<u>\$ 812,513</u>	<u>\$ 192,395</u>	<u>\$ 18,515</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

LOCAL FUNDS
Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2013

	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation	As-Atdas Project
Operating revenues:										
Property Sales	\$ 22,008	\$ -	\$ 9,508	\$ -	\$ -	\$ 12,500	\$ -	\$ -	\$ -	\$ -
Management fees	1,192,899	-	-	-	-	-	1,192,899	-	-	-
Asset management fees	90,000	-	-	-	-	-	90,000	-	-	-
Bookkeeping fees	278,167	-	-	-	-	-	278,167	-	-	-
Other Federal Grants	-	-	-	-	-	-	-	-	-	-
Other	239,969	-	28,473	-	-	-	75,955	24,205	31,499	79,837
Total operating revenues	1,823,043	-	37,981	-	-	12,500	1,637,021	24,205	31,499	79,837
Operating expenses:										
Administrative salaries	1,112,942	-	5,042	-	-	4,210	1,086,417	-	-	17,273
Employee benefits	398,879	-	1,944	-	-	1,587	388,827	-	-	6,521
Professional fees	43,437	-	1,362	-	-	1,950	40,125	-	-	-
Management fees	4,055	-	-	-	-	-	-	-	-	4,055
Travel	9,186	-	-	-	-	-	-	-	-	9,186
Project costs	-	-	-	-	-	-	-	-	-	-
Insurance	17,934	-	-	-	-	-	17,934	-	-	-
Protective services	413	-	-	-	-	-	413	-	-	-
Repairs and maintenance	8,954	-	-	-	-	-	8,954	-	-	-
Office expense	37,126	-	-	-	-	-	37,126	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Compensated absences	12,864	-	-	-	-	-	12,864	-	-	-
Advertising and marketing	4,996	-	-	-	-	-	4,132	-	-	864
Utilities	82,103	-	278	-	-	-	81,825	-	-	-
Bad debts	-	-	-	-	-	-	-	-	-	-
Other	244,257	-	282	-	-	174,340	28,015	368	-	41,252
Total operating expenses	1,977,146	-	8,908	-	-	182,087	1,706,632	368	-	79,151
Operating income (loss)	(154,103)	-	29,073	-	-	(169,587)	(69,611)	23,837	31,499	686
Non-operating revenues and expenses:										
Other income	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
Investment income	1,624	-	-	-	-	1,545	-	-	-	79
Total non-operating revenues and (expense), net	1,624	-	-	-	-	1,545	-	-	-	79
Change in net position	(152,479)	-	29,073	-	-	(168,042)	(69,611)	23,837	31,499	765
Total net position - beginning of year	4,929,997	1,666	643,598	4,835	43,727	4,263,689	60,917	(114,219)	26,549	(765)
Total net position - end of year	\$ 4,777,518	\$ 1,666	\$ 672,671	\$ 4,835	\$ 43,727	\$ 4,095,647	\$ (8,694)	\$ (90,382)	\$ 58,048	\$ -

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

LOCAL FUNDS
Combining Statements of Cash Flows
Year Ended September 30, 2013

	TOTAL	Sinajana Non-Title 1	Gov Guam Astumbo	Nauru Project	Gov Guam	Low Cost Housing	Central Office Cost Center	Down Payment Closing Cost	Home Rehabilitation	As-Atdas Project
Cash flows from operating activities:										
Operating grants received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers	2,247,025	-	30,514	-	-	12,500	2,148,307	24,205	31,499	-
Payments to suppliers	(650,458)	-	(5,042)	-	-	(3,414)	(624,576)	-	-	(17,426)
Payments to employees	(1,127,882)	-	(25,472)	-	-	(4,210)	(1,036,322)	-	-	(61,878)
Other cash receipts (payments)	(23,511)	-	-	-	-	-	(26,681)	16,240	(13,120)	50
Net cash provided by (used for) operating activities	<u>445,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,876</u>	<u>460,728</u>	<u>40,445</u>	<u>18,379</u>	<u>(79,254)</u>
Cash flows from capital and related financing activities:										
Acquisition of capital assets	-	-	-	-	-	-	-	-	-	-
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:										
Interest and other income received	(1,387)	-	-	-	-	1,545	(217)	(2,794)	-	79
Deposits in restricted accounts	<u>5,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) in investing activities	<u>4,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,420</u>	<u>(217)</u>	<u>(2,794)</u>	<u>-</u>	<u>79</u>
Net increase (decrease) in cash	449,662	-	-	-	-	12,296	460,511	37,651	18,379	(79,175)
Cash at beginning of year	<u>4,055,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,959</u>	<u>3,488,075</u>	<u>4,907</u>	<u>790</u>	<u>97,690</u>
Cash at end of year	<u>\$ 4,505,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,255</u>	<u>\$ 3,948,586</u>	<u>\$ 42,558</u>	<u>\$ 19,169</u>	<u>\$ 18,515</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:										
Operating income (loss)	\$ (154,103)	\$ -	\$ 29,073	\$ -	\$ -	\$ (169,587)	\$ (69,611)	\$ 23,837	\$ 31,499	\$ 686
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:										
Depreciation	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets:										
Accounts receivable:										
Promissory notes	84,849	-	-	-	-	-	-	66,976	17,873	-
Due from other funds	(81)	-	-	-	-	-	(80)	-	(1)	-
Accrued interest	5	-	-	-	-	5	-	-	-	-
Other	86,704	-	7,219	-	-	-	-	79,485	-	-
Prepaid and other assets	(994)	-	-	-	-	-	(994)	-	-	-
Land held for sale	173,265	-	-	-	-	173,265	-	-	-	-
Increase (decrease) in liabilities:										
Accounts payable	1,575	-	-	-	-	-	1,575	-	-	-
Compensated absences	12,865	-	-	-	-	-	12,865	-	-	-
Due to other funds	480,296	-	(36,152)	-	-	1,663	511,286	4,959	(1,865)	405
Accrued salaries and wages	50,095	-	-	-	-	-	50,095	-	-	-
Accrued FSS Escrow liabilities	174	-	-	-	-	-	174	-	-	-
Accrued liabilities	(45,280)	-	(140)	-	-	-	(44,582)	-	-	(558)
Deferred revenue	(108,914)	-	-	-	-	-	-	-	(29,127)	(79,787)
Other	(135,282)	-	-	-	-	(470)	-	(134,812)	-	-
Net cash provided by (used for) operating activities	<u>\$ 445,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,876</u>	<u>\$ 460,728</u>	<u>\$ 40,445</u>	<u>\$ 18,379</u>	<u>\$ (79,254)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

REVOLVING FUNDS
Combining Statements of Net Position
September 30, 2013

ASSETS	Total	Local Revolving Fund	Revolving Fund
Current Assets:			
Cash:			
Unrestricted	\$ 137,938	\$ 11,913	\$ 126,025
Restricted - tenant security deposits	3,173	-	\$ 3,173
Restricted - other	<u>100,889</u>	<u>-</u>	<u>100,889</u>
Total cash	<u>242,000</u>	<u>11,913</u>	<u>230,087</u>
Accounts Receivable:			
Due from other funds	2,800,468	(17,549)	2,818,017
Other	44,654	26,800	17,854
Travel advances	11,951	-	11,951
Allowance for doubtful accounts - other	<u>(4,975)</u>	<u>-</u>	<u>(4,975)</u>
Total accounts receivable	<u>2,852,098</u>	<u>9,251</u>	<u>2,842,847</u>
Investments	-	-	-
Prepaid and other assets	<u>74,914</u>	<u>-</u>	<u>74,914</u>
Total current assets	<u>3,169,012</u>	<u>21,164</u>	<u>3,147,848</u>
Noncurrent Assets:			
Capital Assets:			
Land	41,598	41,598	-
Furniture and equipment	37,434	37,434	-
Accumulated depreciation	<u>(37,434)</u>	<u>(37,434)</u>	<u>-</u>
	<u>41,598</u>	<u>41,598</u>	<u>-</u>
Total non-current assets	<u>41,598</u>	<u>41,598</u>	<u>-</u>
Total assets	<u>\$ 3,210,610</u>	<u>\$ 62,762</u>	<u>\$ 3,147,848</u>
<u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Accounts Payable:			
Due to other funds	\$ 2,228,149	\$ 118,265	\$ 2,109,884
Vendors	551,751	-	551,751
Other	227,721	-	227,721
Other accrued liabilities	138,849	-	138,849
Deferred revenues	<u>17,515</u>	<u>-</u>	<u>17,515</u>
Total liabilities	<u>3,163,985</u>	<u>118,265</u>	<u>3,045,720</u>
Net position:			
Investment in capital assets, net of related debt	41,598	41,598	-
Restricted	100,889	-	100,889
Unrestricted	<u>(95,862)</u>	<u>(97,101)</u>	<u>1,239</u>
Total net position	<u>46,625</u>	<u>(55,503)</u>	<u>102,128</u>
Total liabilities and net position	<u>\$ 3,210,610</u>	<u>\$ 62,762</u>	<u>\$ 3,147,848</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2013

	<u>Total</u>	<u>Local Revolving Fund</u>	<u>Revolving Fund</u>
Operating revenues:			
Other Government Grants	\$ -	\$ -	\$ -
Other	<u>173,381</u>	<u>-</u>	<u>173,381</u>
Total operating revenues	<u>173,381</u>	<u>-</u>	<u>173,381</u>
Operating Expenses:			
Administrative salaries	50,346	-	50,346
Employee benefits	19,042	-	19,042
Management fees	95,945	-	95,945
Advertising and marketing	4,320	-	4,320
Office expense	662	-	662
Legal and professional fees	21,820	300	21,520
Depreciation	-	-	-
Travel	-	-	-
Bad debts	1,875	-	1,875
Repairs and maintenance	-	-	-
Other	<u>20,424</u>	<u>18,787</u>	<u>1,637</u>
Total operating expenses	<u>214,434</u>	<u>19,087</u>	<u>195,347</u>
Operating loss	<u>(41,053)</u>	<u>(19,087)</u>	<u>(21,966)</u>
Non-operating revenues:			
Investment income	26	26	-
Recovery of bad debts	-	-	-
Other income	<u>54,834</u>	<u>54,834</u>	<u>-</u>
Total non-operating revenues	<u>54,860</u>	<u>54,860</u>	<u>-</u>
Change in net position	13,807	35,773	(21,966)
Total net position - beginning of year	<u>32,818</u>	<u>(91,276)</u>	<u>124,094</u>
Total net position - end of year	<u>\$ 46,625</u>	<u>\$ (55,503)</u>	<u>\$ 102,128</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

REVOLVING FUNDS

Combining Statements of Cash Flows

Year Ended September 30, 2013

	Total	Local Revolving Fund	Revolving Fund
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Operating grants received	\$ 173,381	\$ -	\$ 173,381
Payments to suppliers	(162,213)	(19,087)	(143,126)
Payments to employees	(50,346)	-	(50,346)
Other cash receipts (payments)	<u>42,715</u>	<u>(23,942)</u>	<u>66,657</u>
Net cash provided by (used for) operating activities	<u>3,537</u>	<u>(43,029)</u>	<u>46,566</u>
Cash flows from investing activities:			
Investment and other income received	<u>56,770</u>	<u>54,860</u>	<u>1,910</u>
Net cash provided by investing activities	<u>56,770</u>	<u>54,860</u>	<u>1,910</u>
Net increase in cash	60,307	11,831	48,476
Cash at beginning of year	<u>181,693</u>	<u>82</u>	<u>181,611</u>
Cash at end of year	<u>\$ 242,000</u>	<u>\$ 11,913</u>	<u>\$ 230,087</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (41,053)	\$ (19,087)	\$ (21,966)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Bad debts	1,875	-	1,875
(Increase) decrease in assets:			
Accounts receivable:			
Due from other funds	129,322	44,258	85,064
Travel advances	418	-	418
Other	(24,926)	(26,800)	1,874
Prepaid expenses and other assets	(126)	-	(126)
Increase (decrease) in liabilities:			
Accounts payable:			
Vouchers	(59,172)	-	(59,172)
Due to other funds	(43,902)	(41,400)	(2,502)
Other	27,669	-	27,669
Other accrued liabilities	15,217	-	15,217
Deferred revenues	<u>(1,785)</u>	<u>-</u>	<u>(1,785)</u>
Net cash provided by (used for) operating activities	<u>\$ 3,537</u>	<u>\$ (43,029)</u>	<u>\$ 46,566</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS
Combining Statements of Net Position
September 30, 2013

Assets	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Accounts receivable:				
Due from other funds	\$ 3,873	\$ 900	\$ 8	\$ 2,965
Interest	-	-	-	-
Investments	74,835	-	74,835	-
Total assets	\$ 78,708	\$ 900	\$ 74,843	\$ 2,965
<hr style="border: 0.5px solid black;"/>				
Liabilities and Net Position				
Liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Net position:				
Investment in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	-
Unrestricted	78,708	900	74,843	2,965
Total net position	78,708	900	74,843	2,965
Total liabilities and net position	\$ 78,708	\$ 900	\$ 74,843	\$ 2,965

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

TRUST FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2013

	Total	Yona Rehab Loan Escrow	Sinajana Rehabilitation Escrow	War in the Pacific
Revenues:				
Property sales	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Total revenues	-	-	-	-
Expenses	-	-	-	-
Total expenses	-	-	-	-
Operating income	-	-	-	-
Investment income	90	-	90	-
Change in net position	90	-	90	-
Net position - beginning of year	78,618	900	74,753	2,965
Net position - end of year	<u>\$ 78,708</u>	<u>\$ 900</u>	<u>\$ 74,843</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 Statements of Cash Flows
Year Ended September 30, 2013

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

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Other Enterprise Funds

OTHER FUNDS
Combining Statements of Net Position
September 30, 2013

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	59	59	-	-	-	-	-
Other	3,440	-	-	3,440	-	-	-
	<u>550,307</u>	<u>59</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	<u>-</u>
Investments	<u>560,588</u>	<u>560,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>1,110,895</u>	<u>560,647</u>	<u>2,161</u>	<u>3,440</u>	<u>439,280</u>	<u>105,367</u>	<u>-</u>
Noncurrent assets:							
Capital assets, net	<u>204,555</u>	<u>-</u>	<u>38,815</u>	<u>-</u>	<u>65,858</u>	<u>99,882</u>	<u>-</u>
Total non-current assets	<u>204,555</u>	<u>-</u>	<u>38,815</u>	<u>-</u>	<u>65,858</u>	<u>99,882</u>	<u>-</u>
Total assets	<u>\$ 1,315,450</u>	<u>\$ 560,647</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 505,138</u>	<u>\$ 205,249</u>	<u>\$ -</u>
LIABILITIES AND NET POSITION							
Liabilities:							
Accounts payable:							
Due to other funds	\$ 1,388,960	\$ (6,271)	\$ 12,488	\$ 95	\$ 1,176,423	\$ 77,978	\$ 128,247
Accrued liabilities	-	-	-	-	-	-	-
Total liabilities	<u>1,388,960</u>	<u>(6,271)</u>	<u>12,488</u>	<u>95</u>	<u>1,176,423</u>	<u>77,978</u>	<u>128,247</u>
Net position:							
Investment in capital assets, net of related debt	204,555	-	38,815	-	65,858	99,882	-
Unrestricted (deficit)	<u>(278,065)</u>	<u>566,918</u>	<u>(10,327)</u>	<u>3,345</u>	<u>(737,143)</u>	<u>27,389</u>	<u>(128,247)</u>
Total net position	<u>(73,510)</u>	<u>566,918</u>	<u>28,488</u>	<u>3,345</u>	<u>(671,285)</u>	<u>127,271</u>	<u>(128,247)</u>
Total liabilities and net position	<u>\$ 1,315,450</u>	<u>\$ 560,647</u>	<u>\$ 40,976</u>	<u>\$ 3,440</u>	<u>\$ 505,138</u>	<u>\$ 205,249</u>	<u>\$ -</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

OTHER FUNDS

Combining Statements of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2013

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Operating revenues:							
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:							
Administrative salaries	76	-	-	-	-	76	-
Employee benefits	27	-	-	-	-	27	-
Depreciation	539	-	-	-	539	-	-
Asset management fee	-	-	-	-	-	-	-
Legal and professional fees	100	-	-	-	-	100	-
Advertising and marketing	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-
Other	9,406	9,406	-	-	-	-	-
Total operating expenses	<u>10,148</u>	<u>9,406</u>	<u>-</u>	<u>-</u>	<u>539</u>	<u>203</u>	<u>-</u>
Operating income loss	<u>(10,148)</u>	<u>(9,406)</u>	<u>-</u>	<u>-</u>	<u>(539)</u>	<u>(203)</u>	<u>-</u>
Non-operating revenues:							
Investment income	679	679	-	-	-	-	-
Total non-operating revenues (expenses)	<u>679</u>	<u>679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(9,469)	(8,727)	-	-	(539)	(203)	-
Total net position - beginning of year	<u>(64,041)</u>	<u>575,645</u>	<u>28,488</u>	<u>3,345</u>	<u>(670,746)</u>	<u>127,474</u>	<u>(128,247)</u>
Total net position - end of year	<u>\$ (73,510)</u>	<u>\$ 566,918</u>	<u>\$ 28,488</u>	<u>\$ 3,345</u>	<u>\$ (671,285)</u>	<u>\$ 127,271</u>	<u>\$ (128,247)</u>

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

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Other Enterprise Funds

OTHER FUNDS

Combining Statements of Cash Flows

Year Ended September 30, 2013

	TOTAL	Yona Urban Renewal	Sinajana Urban Renewal	GHURA Rehabilitation	Existing Operating Reserve	Program Income Account Asan	Program Income Account Sinajana
Cash flows from operating activities:							
Receipts from customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to suppliers	(16,888)	(16,761)	-	-	-	(127)	-
Payments to employees	(76)	-	-	-	-	(76)	-
Other cash receipts (payments)	203	-	-	-	-	203	-
Net cash used for operating activities	<u>(16,761)</u>	<u>(16,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Acquisition of capital assets	-	-	-	-	-	-	-
Net cash flows (used for) provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:							
Interest and other income earned	679	679	-	-	-	-	-
decrease in investments	16,082	16,082	-	-	-	-	-
Net cash provided by investing activities	<u>16,761</u>	<u>16,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase in cash	-	-	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash used for operating activities:							
Operating loss	\$ (10,148)	\$ (9,406)	\$ -	\$ -	\$ (539)	\$ (203)	\$ -
Adjustments to reconcile operating loss to net cash used for operating activities:							
Depreciation	539	-	-	-	539	-	-
Decrease in assets:							
Interest	6	6	-	-	-	-	-
Increase (decrease) in liabilities:							
Accounts payable:							
Due to other funds	(7,158)	(7,361)	-	-	-	203	-
Other current liabilities	-	-	-	-	-	-	-
Net cash provided by operating activities	<u>\$ (16,761)</u>	<u>\$ (16,761)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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